



**Disclosure**

**Report**

**UNEP FI Principles for Sustainable Insurance**

IPB Insurance

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## 1.0 Background/Introduction

IPB is a wholly Irish-owned mutual insurance company established in 1926. Our founding purpose is to protect and safeguard the insurable interests of our Members by fully integrating environmental, social and governance aspects into how we operate whilst working in tandem with our Members to deliver a Sustainability Strategy which is aligned to the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance (PSI) and the UN Sustainable Development Goals.

IPB became a signatory of the UNEP FI PSI on the 28 April 2022. In summary, our top 10 key achievements in the last 12 months include:

1. A new Board Sustainability Committee established
2. A new IPB/Local Authority Member Sustainability Forum established
3. IPB held its inaugural employee sustainability awareness week
4. IPB published its first Sustainability Strategy in 2022
5. Published a new four-year Sustainability Strategy 2023-2026 linking our 6 sustainability commitments to the Principles for Sustainable Insurance
6. Improved our S&P Global ESG evaluation score - improvement from 73 to 76
7. Head of Sustainability appointed
8. IPB created a new sustainability page on its website
9. Focus on engagement with industry peers regarding ESG and sustainability
10. Developed Greenhouse Gas (GHG) targets for scope 1, 2 emissions (and some scope 3)



## 2.0 Implementation of Principles

### Principle 1 We will embed in our decision-making environmental, social and governance issues relevant to our insurance business

This principle aligns to three of our sustainability commitments:

Our Commitment to Develop and Embed a Sustainability Strategy	Our Commitment to be a Responsible and Sustainable Insurer	Our Commitment to Responsible Investment
 <p data-bbox="323 757 459 813">Our commitment to develop and embed a sustainability strategy</p>	 <p data-bbox="730 757 866 813">Our commitment to be a responsible and sustainable insurer</p>	 <p data-bbox="1129 757 1265 790">Our commitment to responsible investment</p>

### Company Sustainability Strategy

IPB set out to develop its first sustainability strategy and completed this in 2022 and then went on to develop a four-year strategy in line with the Company strategy for 2023-2026. Both Sustainability Strategies have incorporated our ESG framework.

A new Board Sustainability Committee was established in 2022 and was tasked with setting the tone as well as developing and advising the Board on the Company’s sustainability ambitions and strategy. This includes ensuring that the IPB’s Sustainability Strategy has a balanced focus on environmental, social and governance matters. The Chair commented on the engagement by the Committee in performing its duties through 2022 as follows: “The Committee has made significant progress in 2022 in terms of establishing the strategic direction of the Company from a sustainability perspective. As well as identifying and delivering on underwriting, investment and operational objectives the Committee has focused on the people and culture objectives as well as aligning with our Members commitment to sustainability going forward.”

A new Head of Sustainability was also appointed, who is a member of the Management Team and is an invitee to the new Board Sustainability Committee. This helps to embed environmental, social and governance issues relevant to our insurance business in our decision-making.

We view our commitment to Diversity and Inclusion (D&I) as critical to our long-term sustainability. A sustainable business relies on solid foundations. Enabling and supporting a diverse, inclusive, and Member-focused culture is one of those foundations. ESG issues are also integrated into our recruitment, training and employee engagement programmes.

## Risk Management and Underwriting

IPB's Risk Framework describes the Company's system to identify, measure, manage, monitor, and report on risks in the business. It ensures that risk management is aligned with the Company's strategic objectives and it is guided by seven key principles. The Risk Framework continues to be enhanced through evolving our risk identification, assessment and management through proactive monitoring and mitigation of threats and opportunities associated with the environmental, social and governance issues facing IPB as well as our stakeholders. As a mutual insurer, our purpose is to safeguard and protect the insurable interests of our Members. IPB understands that it has a responsibility to ensure the long-term sustainability of our strategic business and operational activities – thus, sustainability permeates all attributes, disciplines and focus areas of risk management.

Climate Risk is now considered a key strategic Risk for IPB. The Own Risk and Solvency assessment (ORSA) is a forward-looking assessment of the strategy of the business along with the risks attached to that strategy. The ORSA considers the impact of climate change on the Risk Profile of IPB whilst ensuring that there is a robust climate risk identification, measurement, monitoring, mitigation and reporting framework in place through an iterative approach.

IPB constantly strive to integrate ESG issues into risk management and underwriting processes. In 2022, we established our IPB Local Authority Member Sustainability Forum, the purpose of which was to guide and advise IPB Insurance on Members' insurable needs to ensure they are appropriate in terms of their climate action objectives and exposures.

## Product and Service Development

We also have three sustainability workstreams, one of which focuses on 'Members, Customers and Products'. This sustainability workstream, led by our Underwriting Department, recommended a number of insurance product enhancements based on the feedback received from Members. Some examples included:

- 'Build back better' (green re-instatement) – additional costs to rebuild / reinstate damaged property in a manner that aims to reduce potential harm to the environment or improve energy efficiency
- Discount for electric vehicles in fleet
- Charging cable liability – enhancement to public liability policy
- Micro generation – enhancement to property policy loss of income due to physical damage

## Claims Management

We continuously respond to Members and clients quickly, fairly, sensitively and transparently at all times and make sure claims processes are clearly explained and understood.

For example, in 2023, we are working with our third-party windscreen repair companies to increase the number of repairs that are carried out which in turn will reduce the number of windscreen

replacements. This supports the circular economy and allows IPB to encourage our suppliers to consider ESG factors and improve the sustainability of their businesses.

### Sales and Marketing

ESG factors are key to our strategies and campaigns as well as the integration of the 12 UN Sustainable Development Goals (SDGs) IPB aligns to. These have been incorporated into our Corporate Social Engagement (CSE) strategy and our company objectives.

In 2022, our Annual Stakeholder Report 2021, was reformatted to include an emphasis on ESG factors which supports our CSE strategy. Because we are a mutual, our members are very familiar with the products we provide and so we would have less emphasis on ESG as part of these, however, as and when these are updated, ESG is now a key consideration.

### Investment Management

Consideration of sustainability-related risks forms an integral part of the overall investment decision-making process. This consideration varies between financial assets, depending on the degree to which sustainability risks are deemed relevant to the investment strategy and whether the asset class is managed internally or externally.

IPB made significant progress in relation to its Sustainable Investment Strategy in 2022, including the following:

- Documentation of procedures for the selection of investments to ensure that ESG considerations are adequately factored into investment decision-making.
- Use of ESG rating scores produced by independent ESG rating agencies for the decision-making process and monitoring these scores on an individual and aggregate basis. Using these and other methods such as discourse with companies on their plans for ESG enhancement in their everyday operations, IPB plans to further integrate ESG considerations within the investment portfolio over the coming years.

Principle 2 - We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions

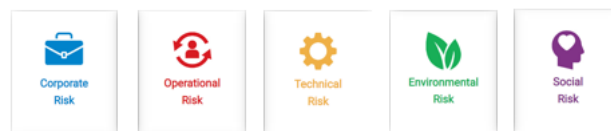
This principle aligns to three of our sustainability commitments:

Our Commitment to People and Culture	Our Commitment to Provide Responsible Operations	Our Commitment to Members
 <p data-bbox="331 645 459 685">Our commitment to people and culture</p>	 <p data-bbox="724 633 869 696">Our commitment to provide responsible operations</p>	 <p data-bbox="1131 665 1260 712">Our commitment to Members</p>

### Members

Our founding purpose is to protect and safeguard the interests of our Members. Listening to them and supporting them is key to our mutuality.

The IPB Client Enterprise Risk Management (CERM) service is a value-added service that supports the management of the key risks that our Members face. They offer an advisory service on a broad range of risk-related topics that are designed to deliver on our promise to protect and safeguard the interests of our Members. They have tailored their risk advice to incorporate the following ESG-related themes as well as the relevant Sustainable Development Goal which supports the advice.



The IPB Local Authority Member Sustainability Forum, also enables us to listen and respond to our Members ESG needs.

The Local Authority sector is currently recruiting Climate Action Co-ordinators and their teams which includes a Climate Action Officer and a Community Climate Action Officer, collectively referred to as the Climate Action National Network. Recently, the Minister for the Environment, Climate and Communications launched a set of statutory guidelines to assist local authorities in preparing local authority climate action plans. IPB has also begun supporting this new network which will be focused on preparing their Climate Action Plans over the next 12 months.

IPB has recently begun working with our other Members, the Education and Training Boards, through engaging with the Education and Training Boards Ireland, as a key stakeholder in the development of their Climate Action Strategy (facilitated by a third party).

## Suppliers

IPB recently enhanced its third-party vendor onboarding and management process. Sustainability and ESG factors are now included as part of the selection and onboarding for relevant new vendors. Training on this is currently being rolled out to vendor managers on the IPB's supply-chain sustainability strategy.

In terms of our existing vendors, our data for the category 'purchased goods and services' is still under development. We have set out to gather primary greenhouse gas emissions data rather than rely on the secondary 'spend data' to date for our Scope 3 greenhouse gas emissions. This will involve surveying our relevant vendors and well as liaising with them directly to encourage them to use relevant disclosure frameworks.

## Insurers, Re-insurers and Intermediaries

IPB collaborates with insurers, reinsurers and intermediaries and is part of a number of sustainability and ESG-related working groups:



- International Co-operative and Mutual Insurance Federation (ICMIF) - Sustainability Forum
- The Association of Mutual Insurers and Insurance Cooperatives in Europe (AMICE) Sustainability Working Group
- Insurance Ireland (II) - Advocacy and Strategy Sustainability Working Group
- Insurance Ireland (II) - ESG Regulation and Policy Working Group
- Association of Finance Mutuals (AMF) - Climate Change Roundtable

Membership of these groups is very beneficial in terms of networking but also learning how the industry is adapting and making changes to support their clients. John Kearns, CEO of IPB is also a member of the Board of AMICE.



Principle 3 We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues

This principle aligns to two of our sustainability commitments:

Our Commitment to be a Responsible and Sustainable Insurer	Our Commitment to People and Culture
 Our commitment to be a responsible and sustainable insurer	 Our commitment to people and culture

### Governments, Regulators and Other Policymakers

IPB supports prudential policy, regulatory and legal frameworks that enable risk reduction, innovation and better management of ESG issues. We are a member of the Central Bank of Ireland (CBI) Climate Forum. This was established in June 2022 and meets twice a year and brings together climate change experts, industry representative bodies, regulated firms, and Central Bank representatives. It is a consultative forum for building a shared approach to the understanding and management of the risks and opportunities posed by climate change to the financial system.

IPB supports dialogue with government and regulators to develop integrated risk management approaches and risk transfer solutions.

### Other Key Stakeholders

IPB is a member of the Insurance Ireland (II) - Advocacy and Strategy Sustainability Working Group. As part of this group IPB will be working with the CBI Climate Risk and Sustainable Finance Forum on the production of a report by the end of 2023 which will focus on emerging good practice in climate risk management within the financial services sector in Ireland. The Report will include:

- Case studies of best practice which will consider emerging good practice in firms within each sector represented in the Forum (including insurance)
- Recommendations for action within the financial system to establish financial market participants as global leaders in Climate Risk Management

## Principle 4 We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles

This principle aligns to one of our sustainability commitments:



IPB aims to provide a copy of this disclosure report on the sustainability page of our website annually. To date, our sustainability webpage has provided information on our Sustainability Strategies as well as our ESG Evaluation reports and recommendations as well as other ESG related materials, e.g., policies, certifications etc.

In our 2022 Annual Stakeholder Report IPB included information on our gender pay gap for the first time. The Gender Pay Gap Information Act 2021 requires organisations with over 250 employees to report on their hourly gender pay gap across a range of metrics. As a company with less than 250 employees, IPB is not yet required to report publicly on the gender pay gap, however, IPB has a key focus on embedding our Diversity and Inclusion strategy, including our commitment to Speak Up and invested significant time in conducting Gender Pay Gap assessments to understand the drivers for any reported gaps to enable identification of appropriate actions to address those gaps as a matter of priority.

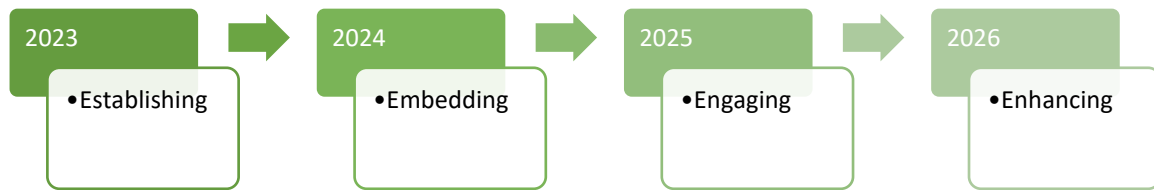
IPB is a regulated insurance undertaking and therefore operates its business in compliance with applicable regulatory and legislative requirements. The compliance universe of laws and regulations governing activities carried out by IPB is broad and consists of a vast number of requirements set at national, EU and international levels including but not limited to the following:

- Guidance for (Re)Insurance Undertakings on Climate Change Risk from the Central Bank of Ireland
- Consumer Protection Code
- General Data Protection Regulation
- Solvency II
- Conduct of Business Requirements
- Corporate Governance Requirements for Insurance Undertakings
- Minimum Competency Code and Minimum Competency Regulations <sup>1</sup>
- Fitness and Probity Standards.

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<sup>1</sup> [Minimum Competency | Central Bank of Ireland](#)

### 3.0 Conclusion



In conclusion, as part of our Sustainability Strategy, over the next four years, we want to progress from integrating sustainability and ESG factors into everything we do to becoming innovative in how we do it, while at all times listening and responding to our Member’s needs as well as further embedding the UNEP FI Principles for Sustainable Insurance.

### 4.0 Supporting Information

[Sustainability Strategy 2023-2026](#)

[IPB Annual Stakeholder Report 2022](#)