



**Disclosure  
Report**

**UNEP FI Principles for Sustainable Insurance**

**May 2024**

IPB Insurance

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## 1.0 Background/Introduction

IPB is a wholly Irish-owned mutual insurance company established in 1926. Our core 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. Since then, we have established a new Board Sustainability Committee, published our first Sustainability Strategy in 2022 and a second strategy four-year Sustainability Strategy 2023-2026 in 2023. In summary, our top key achievements in the last 12 months include:

1. Developed a suite of KPIs to ensure we deliver on our Sustainability Strategy objectives
2. Established a new Sustainability Steering Committee
3. Established a new Sustainability Regulatory Reporting Forum
4. Launched our first Transition Year Programme with one of our Members
5. Supported the first face to face engagement of our Members Climate Forum
6. Commenced engagement with our suppliers to understand their greenhouse gas emissions
7. Implemented operational improvements such as a LED light replacement programme
8. Published our scope 3 greenhouse gas emissions across all 7 applicable categories

## 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 1720 464 1778">Our commitment to develop and embed a sustainability strategy</p>	 <p data-bbox="730 1720 866 1778">Our commitment to be a responsible and sustainable insurer</p>	 <p data-bbox="1129 1720 1265 1756">Our commitment to responsible investment</p>

## Company Sustainability Strategy & KPIs

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

This strategic framework, built upon our six sustainability commitments, is embedded in our company strategy, embodying the core principle of 'Our Members and Our People First – Together Delivering Profitable Growth to Support the Long-Term Sustainability'. Throughout 2023, we achieved significant milestones, including the establishment of Key Performance Indicators (KPIs) designed to gauge the effectiveness of our Sustainability Strategy's implementation in the years ahead. These KPIs play a vital role in providing the Board with invaluable insights to monitor progress and ensure transparency in realising our sustainability objectives. Oversight of these KPIs falls under the remit of the Board Sustainability Committee and updates on progress against the targets are provided quarterly.

### Oversight and Steering

During 2023, IPB established a new management Sustainability Steering Committee. The purpose of the committee is to oversee the implementation of the IPB Sustainability Strategy 2023-2026. The committee has an oversight role to ensure that the Sustainability Strategy and corresponding KPIs are being achieved.

Reporting on sustainability practices enhances transparency by providing our stakeholders, including Members, customers, employees, and the public, with a clear understanding of IPB's environmental and social impacts. Understanding and addressing ESG-related impacts and risks can contribute to long-term business resilience. This is, however, a quickly evolving and complex regulatory landscape. Regulations come from a variety of sources, e.g., financial, insurance, general European regulations etc. and therefore it is important that all departments are horizon scanning. For this reason, we established a new internal cross functional Forum – The Sustainability Regulatory Reporting Forum. Preparing for the Corporate Sustainability Reporting Directive and European Sustainability Reporting Standards will be a key priority for IPB for 2024 and 2025.

### 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 strives 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. During 2023 and 2024, we continued to meet with our Members quarterly.

### Product and Service Development

During early 2024, a number of workshops with members of the Underwriting Department and the Sustainability Department took place. This helped establish strong foundations for how we embed Sustainable Underwriting into our overall Underwriting Strategy and culminated in the following definition:

“Ensuring, through our underwriting strategy, we focus on the development, enhancement and distribution of social insurance products and services in the core sectors we have identified as social sectors. In the pursuit of that goal, we must strive to influence the transition of our Members & Customers to better environmental and bio-diversity outcomes through our underwriting strategy. Furthermore, we must ensure that our underwriting, risk selection and pricing processes consider the adequacy of Members & Customers own governance.”

A number of KPI targets were also developed which supports its delivery.

### 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.

### 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.

### Investment Management

As a mutual insurance company, we are committed to acting in the best interests of our Members and customers, as well as the society and the environment in which we operate. We believe that responsible investment is not only consistent with our fiduciary duty but may also enhance our long-term financial performance while contributing to positive social and environmental outcomes.

The Responsible Investing Policy will remain part of the Investment Policy and their interaction on investment decision making will be closely linked going forward. We define responsible investment as

the integration of environmental, social and governance (ESG) factors into our investment decision-making and ownership practices.

The integration of ESG and emissions data into the investment process has commenced. The process of measuring carbon emissions for listed asset classes has progressed. The investment team now use several monitoring tools to quantify the real-world impact of its investment portfolio.

IPB made significant progress in relation to its Sustainable Investment Strategy in 2023. The GHG Protocol sets out the 15 categories in Scope 3. These are “intended to provide companies with a systematic framework to measure, manage, and reduce emissions across a corporate value chain”. We previously reported on five of the 15 categories, but in 2023 we included two additional categories – Investments and Leased Assets. We now report on seven categories (from a baseline year of 2021).

**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 1214 458 1254">Our commitment to people and culture</p>	 <p data-bbox="724 1205 866 1267">Our commitment to provide responsible operations</p>	 <p data-bbox="1131 1236 1260 1281">Our commitment to Members</p>

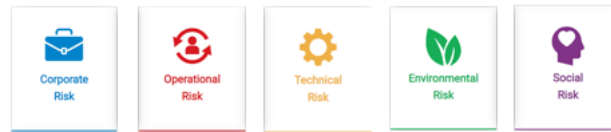
**Members**

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 Local Authority Member Sustainability Forum, enables us to listen and respond to our Members ESG needs. The Head of Sustainability also attends some of the Local Authority Climate Forum meetings each year and in 2023, IPB sponsored the first face-to-face meeting of this network in July as part of the Mary Robinson Climate Conference. As part of the conference, IPB's Head of Sustainability hosted a panel discussion entitled ‘Creating Community Leadership in Climate Action – the Local Authority Role’, which featured expert panellists including local authority members as well as the Chair of the IPB Board Sustainability Committee.

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 CERM team supported our Members with many Active Travel infrastructure queries during 2023. Those queries included cycle lane surface types, drainage, slip resistance of boardwalk/pedestrian bridge surfaces, type of bollards/reflective markings, signage, standards, and the provision of public lighting. CERM used the queries raised to generate discussion during the Active Travel Climate Action, Transport and Network (CATN) Active Travel Infrastructure (ATI) work group meetings.

### Suppliers

in 2022, IPB 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 was rolled out to vendor managers on the IPB's supply-chain sustainability strategy in 2023.

As part of our greenhouse gas emission scope 3 data collection for 2023, our 'purchased goods and services' was calculated using spend-based analysis on IPB's trade vendors. Figures for 2022 and 2021 are restated following an internal review of the categories used to record the data on our vendor management system. This was published in our 2023 Annual Stakeholder Report.

We also completed a survey of our top 10 suppliers and engaged with them on how IPB contributes to their greenhouse gas emissions. We plan to do further work on this in 2024.

### 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) - Strategy and Advocacy Sustainability Working Group
- Insurance Ireland (II) - ESG Regulation and Policy Working Group

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 CBI 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**

The Head of Underwriting, Product & Pricing has been participating in the Insurance Ireland Flood Policy Taskforce. This is essentially an effort by Insurance Industry to be proactive on the issue of flood coverage and show willingness to engage with the State and other stakeholders on this topic. The core objective of the taskforce is to consider international models of flood cover in order to put forward solutions to close the flood coverage gap in Ireland.

**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:

Our Commitment to Responsible Investment
 Our commitment to responsible investment



IPB provides a copy of this disclosure report on the sustainability page of our website. 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.

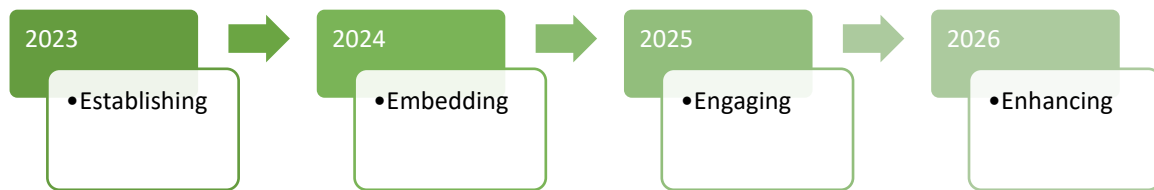
We view our commitment to Diversity and Inclusion (D&I) as critical to our long-term sustainability. A sustainable business relies on solid foundations. Enabling and supporting a diverse, inclusive, and Member-focused culture is one of those foundations. ESG issues are also integrated into our recruitment,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

IPB has a clear and comprehensive Diversity and Inclusion (D&I) Strategy which sets out our priorities in respect of Gender Balance and Gender Pay Gap, Diversity of Thought, Underrepresented Groups, and Generational Diversity (age and tenure). We have also defined our strategic priorities in respect of inclusion to include Fairness and Respect, Safety and Openness, and Empowerment and Growth. Together, these priority areas are designed to drive an increased sense of Value and Belonging which is central to ensuring that we have the right culture in place – one which has D&I at the centre. We recognise that D&I is a critical part of delivering on our sustainability commitments for the years ahead.

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
- CBI Minimum Competency Code and Minimum Competency Regulations
- Fitness and Probity Standards
- The Central Bank (Individual Accountability Framework) Act and Senior Executive Accountability Regime (SEAR)

### 3.0 Conclusion



In conclusion, as part of our Sustainability Strategy, 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 2023](#)