



ClimateWise Report

Ecclesiastical Progress and Achievements 2009



Principle 1- Lead in Risk Analysis

Ecclesiastical has undertaken numerous research projects including:

- ▶ Assisting in the development of the South West regional vulnerability map/ Business Areas Climate Impact Assessment Tool (BACLIAT) courses for businesses with the South West Climate Change Impact Partnership; part of the UK Climate Impact Partnership
- ▶ Strategic Partnership with Sciemus, a risk solutions company. We initially developed a property exposure management tool and plan to produce an acceptance and pricing tool for individual case underwriting in phase 2 of our work
- ▶ Lead sponsor of English Heritage's 'Heritage at Risk' Campaign. We are also using our risk management expertise to assist the project and to help promote their 'climate in the home' website

Ecclesiastical assesses weather related risks through the use of Experian GIS, particularly through the layering of climate change affected perils. This includes 'flood' (Environmental Agency data) and 'subsidence' (British Geological Survey data)

Our pricing takes into account the risks of climate change, e.g. differential pricing for flood and subsidence perils, both at the attritional and event levels. Our products consider the impact of new environmental related legislation, for example, potential liabilities arising from the EU Pollution directive

We are in the early stages of developing an insurance product that is tailored for green businesses, and supports environmentally friendly activity

Evidence that Ecclesiastical has worked to share in available climate change research:

- ▶ Participation in the ABI risk assessment workgroup of the review of the ABI/Government Flood Insurance 'Statement of Principles'.
- ▶ Attended the ABI/Environment Agency's NaFRA 2008 flood risk data launch event and shared learning in order to use as an integral part of our rating strategy
- ▶ Attended the ABI seminar, 'Building for the future - adapting to climate change today'
- ▶ Attendance at the CII launch event of their study, 'Coping with Climate Change: Risk and Opportunities for Insurers'
- ▶ Attendance at a number of the LightHill Risk Network program of events
- ▶ F&C event – incorporating climate change into investments strategies.
- ▶ Work continuing towards a partnership with the University of Gloucestershire, recognised as a sustainability sector leader and as the UK's top university in the recent Green League of Universities 2008 poll. It is also home to an International Research Institute in Sustainability who we will be sharing research with
- ▶ Ecclesiastical provide bursaries for two University College London students studying conservation techniques as part of their MSc

Principle 2- Inform Public Policy Making

Ecclesiastical is the only insurer to financially support climate change impact partnerships. The regional South West Climate Change Impacts Partnership (SWCCIP) focuses on driving behavioural change through their sectors for example: Business and Utilities

We are building awareness among businesses and public sector organisations of the importance of preparing for, and mitigating against the effects of, climate change. By encouraging a stronger collective attitude to the problem, we're putting pressure on policy-makers and Government to take the issue more seriously

We were the *only* corporate organisation to sponsor and share expertise for an EU climate change project, Noah's Ark. The project studied the effect climate change will have on historic buildings and sought to find ways in which we can prevent damage, prepare for changes and protect their place in communities for the future. We funded the publishing of the findings in the form of 'climate maps'

Together with academics and an industry drying expert we also led research into the issues historic buildings face. The project, Engineering Historic Futures, highlighted the fact that climate change will mean all of our buildings will face changing environmental conditions. The study summarised how historic buildings should be treated to ensure they are protected and preserved

Principle 3- Support Climate Awareness Among Our Customers

Informing our customers of climate risk, including examples:

- Guidance notes to include a section on environmental protection
- Developed a list of core questions to research with customers
- We are considering offering a formal carbon audit service through Ecclesiastical Risk Services
- Partnership with a major client to raise awareness through their campaign 'shrinking the footprint'
- Supplying light bulbs and green energy at competitive costs
- PR project with The Church of England on green issues

Encouraging our customers to adapt to climate change through our household buildings and contents cover providing for renewable technologies for example, cover for damage to the buildings caused by breaking, collapsing of wind turbines and solar panels

There is a system in place to ensure that property repairs are carried out in a sustainable way and waste is minimised

We are engaging with a national loss adjuster who provide specialist environmental contamination management services to incorporate this activity with our policy holders. In the future we will ask all suppliers to respond with statements of intent towards mitigating environmental impact

Principle 4- Incorporate Climate Change into Investment Strategies

Ecclesiastical were one of the first to offer responsible investing through screened retail funds, having launched the Amity UK Fund in 1988

We believe there is a link between well managed companies with good governance practices and a clear understanding of their social and environmental impacts and financial returns

Responsible investment is constantly evolving as new themes emerge. We feel it is important to participate in the debate to encourage better and more consistent standards of environmental, social and governance reporting

Ecclesiastical re-launched its SRI retail offering (Amity Range) in February 2009 to include the following funds:

- Amity UK Fund; Amity European Fund; Amity International Fund; Amity Sterling Bond Fund
- We incorporate climate-related risk through environmental management
- Positive screening helps identify businesses of the future that offer quality long term investment opportunities

Principle 5- Reduce The Environmental Impact of Our Business

Ecclesiastical is committed to measuring and reducing its environmental impact:

- Electricity at head office complex is 100% wind turbine produced by 'Ecotricity' a local supplier
- We have regular monthly energy usage reports that we use to monitor and regulate our energy use across the head office complex, and carbon emissions

Ecclesiastical have been implementing various changes over the past two years to our buildings management system:

- Changing on/off times for heating & cooling, improving temperature sensors, replacing plant and improving insulation
- Undertaking regular staff communication to encourage switching off appliances

All of this has contributed to *reducing our electricity usage by 26% over the two years Jan 07 to Dec 08* across the head office complex

We have recently undertaken an out-of-hours audit to identify where we may be able to further reduce our night time consumption

New recycling areas have been set up in our buildings in Gloucester to encourage further recycling. Staff can also recycle plastic bottles and cans, with further areas planned

Participation in the 'Cycle to work scheme' has led to increased numbers of staff cycling to work

Park & Ride services sponsored by the company proves to be a popular option with staff as well as a subsidised transport scheme for the wider community. We are investigating subsidising travel across Gloucester for staff to encourage a wider use of public transport

We changed our fleet supplier in 2008 and updated to a range of more environmentally friendly vehicles. We have access to improved information in relation to fuel economy and CO₂ emissions and can benchmark our fleet performance against other organisations:

Our CO₂ average for the entire fleet is 145g/Km CO₂ against a market average of 167g/Km CO₂

There is a focus on ensuring that suppliers have a policy of sustainability:

- a tender for facilities services included selection criteria to have the main supplier using local suppliers to minimise on transportation of goods
- following a tender our stationery supplier now provides a more extensive range of recycled stationery

We have undertaken regular staff communications an example of which was inviting a green electricity supplier to attend and encourage staff to change their domestic supplier

We have completed a 'Green Week' with each day of the week having a different environmental focus; Travel, Energy saving tips, waste and recycling. The aim was to encourage staff to change their behaviours

Principle 6- Report and be Accountable

Ecclesiastical have incorporated climate change strategy at the board and strategic level

We have published a statement within our report and accounts on our environmental performance

Ecclesiastical have set up an Environmental Strategy Group, chaired by the UK Managing Director. This group challenges the business to reduce the environmental impact across its processes and to improve the quality of advice and support provided to our customers. The opportunities as well as the threats are considered by this group

We are encouraging our shareholders to receive our report and accounts and other shareholder notifications in electronic format. This reduces cost, paperwork and helps with simplification

We have agreed for a sapling to be planted for each shareholder who transfers to electronic communications