ICHTHYS LNG

Risky support from the insurance industry

RECLAIM Finance

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TABLE OF CONTENTS

EXECUTIVE SUMMARY

Located in the Browse Basin, 210 km offshore from Australia's northwest coast, Ichthys LNG is known as one of the biggest gas projects[1] on Earth, with more than 14 trillion cubic feet (ft^3) of gas available to be transformed into liquefied natural gas (LNG). Developed by a consortium led by the Japanese oil and gas company Inpex alongside the French oil and gas major TotalEnergies, it brings together extra large infrastructures, such as the world's largest semi-submersible production platform and the longest subsea pipeline of the southern hemisphere. Between 2012 and 2017, the consortium spent more than US$40 billion before the first LNG cargo was shipped. Ichthys LNG, thanks to its onshore LNG facility located in Darwin, produces around 9 million tonnes per annum (mtpa) of LNG, accounting for 10% of Australia's total annual LNG production.

Between 2012 and 2017, many leading insurers such as AAI (Suncorp Group) AIG, Allianz, XL (now AXA Group), Chubb, HDI Global, Munich Re (through its subsidiary Great Lakes Insurance), SCOR, Swiss Re, Sompo, Tokio Marine, Zurich and a few Lloyd's of London syndicates participated in the insurance of the onshore plant of Ichthys LNG.

While the project started its LNG production in 2018 with a second phase expected to produce by 2025, Inpex and TotalEnergies are already preparing a third expansion phase named 2C. Under this phase, more than a dozen new wells could be drilled to extract gas until 2061. The expansion could increase Ichthys LNG's CO2 contribution by 30% and bring its total emissions to 590 MtCO2,[2] which is close to the whole of Australia's current annual CO2 emissions.[3]

Ichthys LNG's production is the most carbon-intensive in Australia,[4] emitting about twice as much CO2 for every tonne of LNG compared to other Australian LNG projects.

Greenhouse gas (GHG) emissions is not the only concern, however, as biodiversity is also at risk in the particularly sensitive area of the Timor Sea where Ichthys LNG operates. If a gas spill were to occur, it could damage two Australian protected marine parks, both of which are known for their rich animal and plant diversity.

The expansion of Ichthys LNG is a bet on the failure of the Paris Agreement. Energy experts and climate scientists have warned that any new fossil fuel infrastructure will make it more difficult to limit global warming to 1.5°C or even 2°C. In a country where LNG trade should decline faster than in the rest of the world in order to meet global warming objectives, Ichthys LNG's proposed expansion puts the project at direct risk of future stranded assets.

Providing insurance to the Ichthys LNG expansion would be inconsistent with the climate and biodiversity commitments of most insurers involved in its first and second phase. Indeed, 12[5] of the insurers are members of the Net-Zero Insurance Alliance (NZIA) and/or committed to achieving net-zero emissions in their (re)insurance portfolios by 2050.

Reclaim Finance calls on the insurers involved in the first phases of the project's construction, as well as other leading international insurers, not to support the 2C expansion phase of the project. Reclaim Finance, along with 19 NGOs, contacted 15 major insurers previously involved in the project to warn them about the risks and called on them to publicly commit not to support its expansion.

Suncorp, parent company of AAI, is the only insurer previously involved in Ichthys LNG that has stated it will not support the project in its expansion: "We remain on track to meet this 2025 commitment and in accordance with our commitment, we no longer directly underwrite new or additional oil & gas projects. I can confirm that this includes the extension project referred to below [the Ichthys LNG expansion phase]."

While Zurich and HDI Global said they have not been approached for covering this expansion, seven insurers refused to comment on this individual matter.[6]

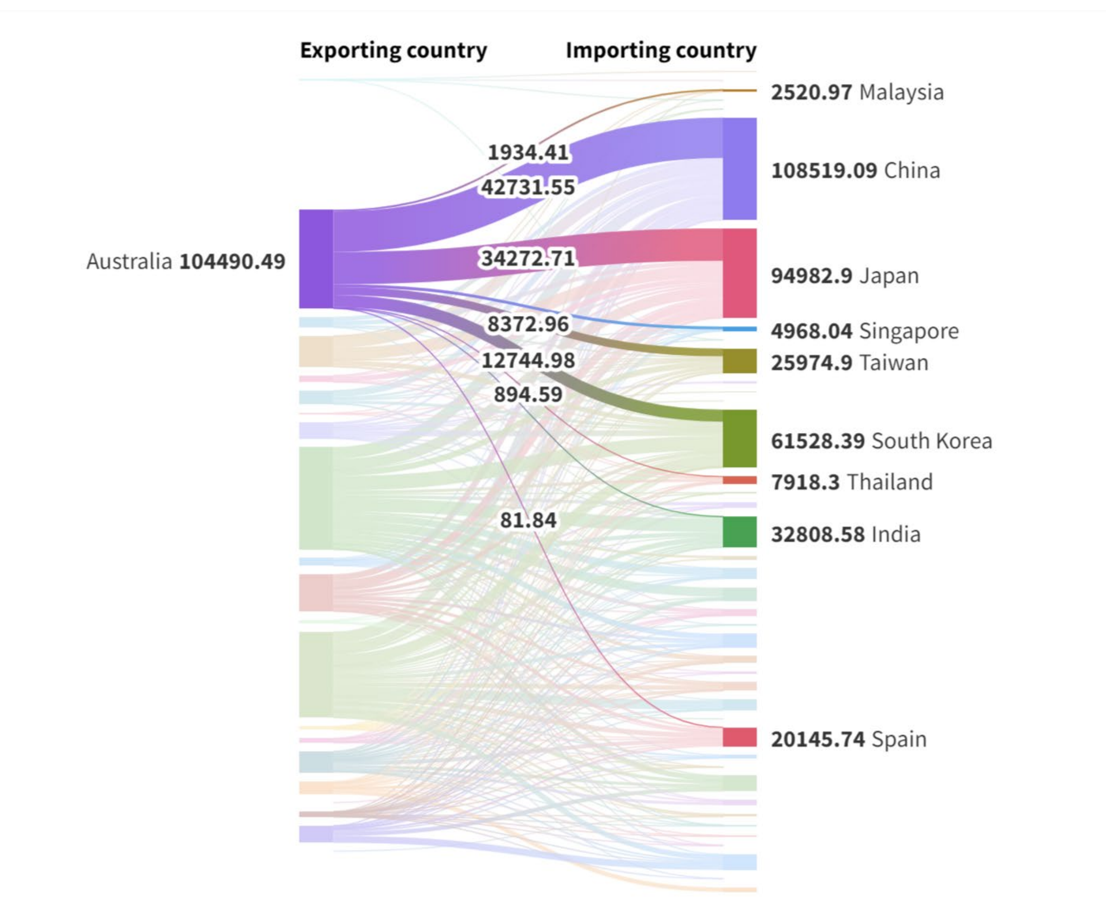
Beyond not insuring the Ichthys LNG expansion phase, we call on insurers to strengthen their oil and gas policies by refusing to cover any new oil and gas production and transport projects (including LNG projects) as well as the companies developing these new projects.

INTRODUCTION
AUSTRALIA AND CLIMATE CHANGE

Australia is known for its spectacular landscapes and extraordinary marine and terrestrial biodiversity. Unfortunately, this pristine environment has been put at high risk due to major offshore oil and gas project developments.

Australia is not only known for its wildlife treasures, it is also the country of particularly damaging coal projects, and now too LNG. Indeed, the west coast of Australia is the cradle of many gas fields and hosts LNG infrastructure for some of the biggest gas projects on Earth: Ichthys LNG, Gorgon LNG,[7] Scarborough and Barossa. This high density of gas reserves and LNG infrastructures made Australia the world's first LNG exporter in 2021 with more than 100 billion cubic metres of LNG,[8] closely followed by Qatar and the USA. These fossil fuel projects directly fuel climate change, increasing its occurrence and severity.

Climate change directly impacts Australia. Australians and citizens around the globe have not forgotten the massive 2019-2020 bushfires in New South Wales.[9] Around 24 million hectares[10] were burnt causing widespread damage to people, animals, forests, homes and infrastructure. Climate change clearly hit Australia during that "black summer",[11] which cost the country more than US$100 billion.[12]



Traded volumes exported from Australia by destination in 2021 in Mcm (million cubic meter) - data from EnerData World LNG database

Insurers were not spared by these megafires and their consequences. They had to deal with more than 30,000 claims representing more than US$2 billion,[13] resulting in a serious blow to profitability.

Yet, insurers were not strangers to these events either. Despite their mandate to protect society from existing and emerging risks, including climate change, major insurers still played a key role in the development of big oil and gas projects, even in Australia. But these same projects fuel the climate crisis and affect society and the environment. Without these insurers and their insurance cover, which is critical to the development and operation of major fossil fuel projects, fossil fuels would stay in the ground and their climate impacts avoided.

Thanks to an official document from the Supreme Court of Western Australia,[14] Reclaim Finance was able to identify numerous European, American and Asian insurers providing insurance capacity[15] for the construction of Ichthys LNG's onshore LNG plant between 2012 and 2017. This plant is responsible for the most carbon-intensive LNG production in Australia.

As a new expansion plan for Ichthys LNG gets underway, questions remain. Will insurers learn the lessons of the megafires in Australia and the worsening consequences of climate change? And, since 11 of the insurers involved in the early phases of Ichthys LNG have since committed to net-zero emissions by 2050 in their underwriting portfolios, will they dare jeopardize their commitments by supporting its further development?

In this report, Reclaim Finance looks at some of the world's largest (re)insurers of the Ichthys LNG mega project and exposes their inconsistencies. We call on them not to insure the next phase of Ichthys LNG, or any new oil and gas production projects and their related infrastructure globally, including LNG terminals.

1. ICHTHYS LNG - OFFSHORE MEGA PROJECT

Ichthys LNG has stayed under the radar for years. Even though it does not belong to the group of climate high-risk fossil fuel projects grabbing headlines, such as the EACOP project in Uganda/Tanzania or the Trans Mountain Pipeline in Canada, it can still be considered as one of the world's biggest oil and gas production projects.

a. Mega figures and mega infrastructure

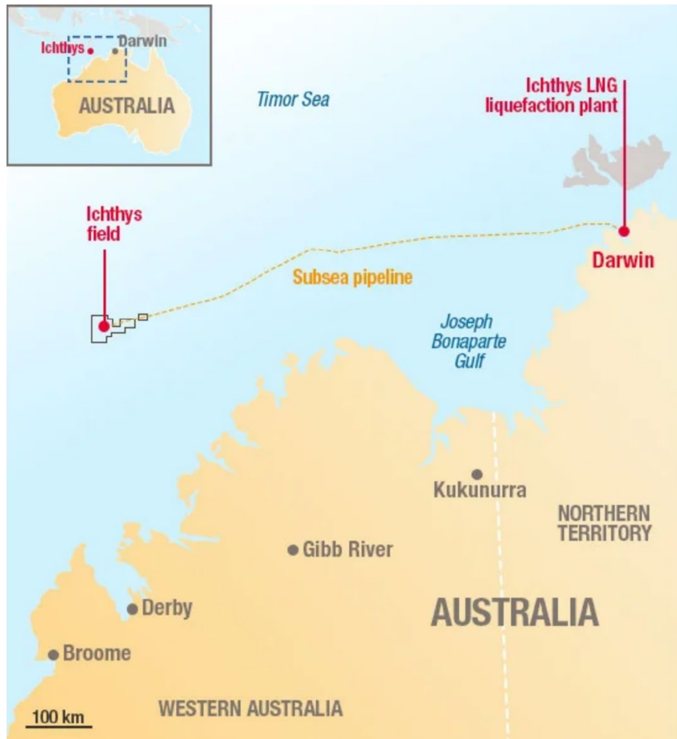
During its entire lifespan, Ichthys LNG could extract as much as 14 trillion ft3 (368 billion m3) from its offshore fields and produce around 9 mtpa[16] of LNG. It represents around 10% of Australia's annual LNG exports,[17] with its production mainly exported to Japan. To extract, transport and transform this amount of gas, the project requires mega infrastructures, including the longest subsea pipeline in the southern hemisphere (an 890 km-long pipeline)[18] and the world's largest semi-submersible production platform.[19]

TotalEnergies

INPEX
INPEX CORPORATION

b. Who's behind Ichthys LNG?

Gas resources in the Browse Basin (Timor Sea) were discovered early in 1980 thanks to the Australian oil and gas company Woodside Petroleum. In 1998, Japanese company Inpex acquired the rights to the gas field in order to explore the potential for economically viable gas extraction. Subsequently owned by Inpex (66%), TotalEnergies (26%) and a few other Japanese utility companies,[20] the project cost[21] more than US$40 billion.[22] Finally, after multiple delays and cost overruns, Ichthys LNG started exploiting the gas field in 2018.



c. Production features

During the first production phase, around 50 wells have been required to extract more than 7.7 trillion ft^3 of gas from the gas field. The second phase, approved in 2019, will include an additional 12 to 15 new wells. These first two phases will allow Ichthys LNG to manage more than 11 trillion ft^3 of gas until at least 2054. The gas is processed at the LNG onshore processing facilities (including two LNG trains) located in Darwin (Bladin Point), which have a peak production capacity of 8.9 mtpa.

d. Future developments

Maintaining a high level of gas supply for the LNG plant requires Ichthys LNG and its owners to look for future long-term gas

resources. While the Ichthys LNG second production phase has not yet started, Inpex and TotalEnergies are already thinking of a third production phase (phase 2C). This would increase gas production by as much as 3 trillion ft^3 thanks to a dozen new wells.[23] The field evaluation is expected by the end of 2022 and a final investment decision is planned for 2024. On this timeline, the production linked to phase 2C would start in 2030. If the project finds the required support, this extension phase could produce gas for more than 30 years, until 2060: well after the world must reach carbon neutrality in order to keep global warming within the crucial 1.5°C or 2°C range.

e. A project that fuels the climate crisis

In 2019 (during pre-COVID-19 business as usual), more than half of total global CO2e emissions[24] (40 GtCO2e) were attributable to the burning of fossil fuels for electricity, heat generation, transport and heavy industries, with natural gas burning representing 12% of this total[25] (7 GtCO2e). In its Net Zero by 2050 Scenario, the IEA forecasts a 92% decrease in CO2 emissions from natural gas between 2020 and 2050 (an 8.1% decrease per year), which is made possible by an 87% decrease of unabated gas supply in that period. Yet at the same time, Ichthys LNG plans to increase its gas resources by 35% after 2030, thanks to phase 2C.

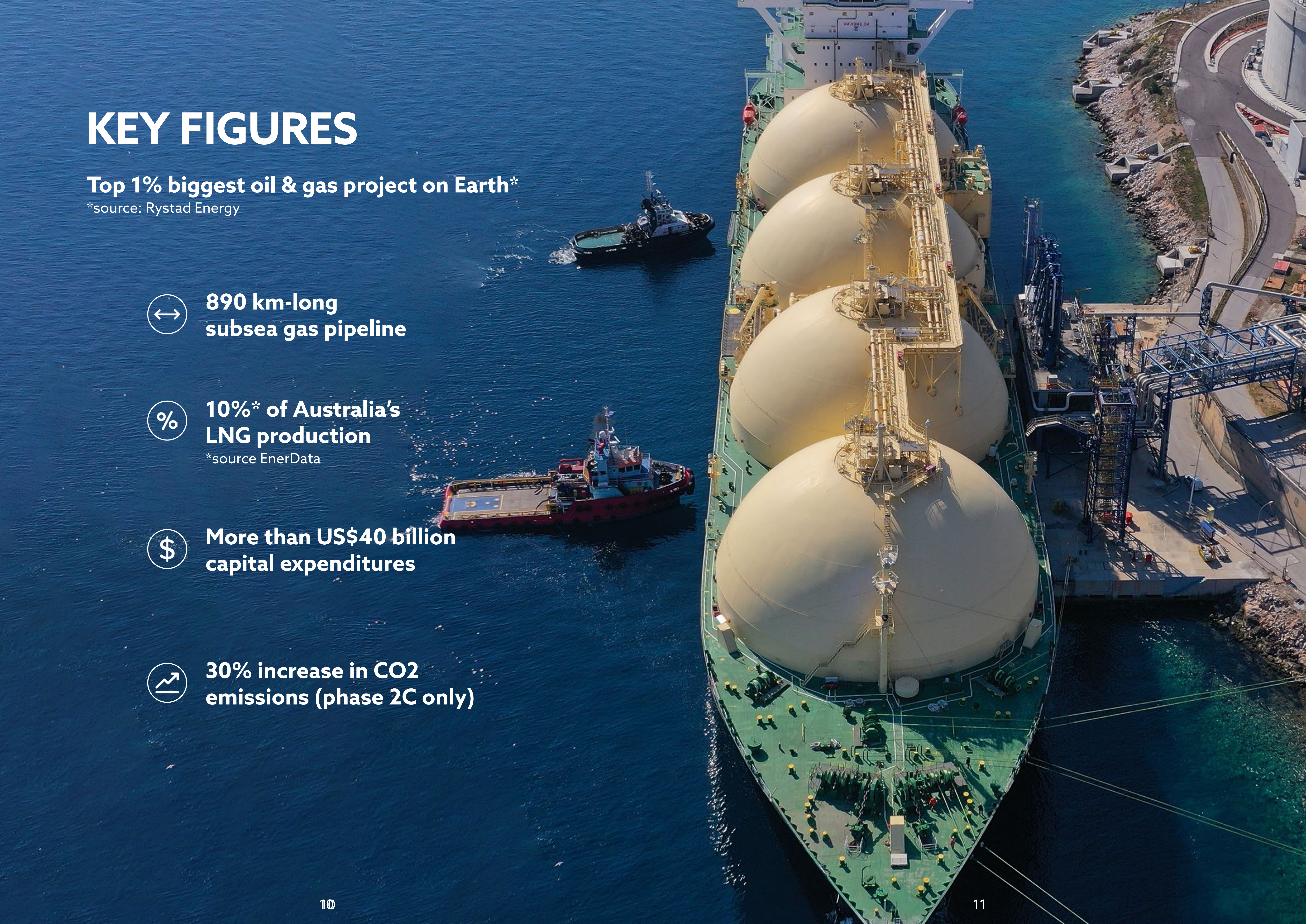
The Ichthys LNG project directly fuels the climate crisis by extracting gas for the purpose of burning. If Ichthys LNG receives insurance and financing support for the upcoming phase 2C, its total CO2 emissions would be driven to approximately 590 MtCO2[26] (scope 3 included). This figure matches the total 2019 annual CO2eq emissions for the whole Australian population.[27] Clearly, the Ichthys LNG plans to expand production are not aligned with the IEA's Net Zero Scenario by 2050. Indeed, the plans mean the project could produce LNG until 2060 while, as already noted, the IEA definitively states that unabated natural gas supply must decrease by 87% between 2020 to 2050. If insurers want to be consistent with their net-zero commitments, they cannot support the 2C expansion phase of Ichthys LNG.

f. The most carbon-intensive LNG production in Australia

Between 2018 and 2021, Ichthys LNG was responsible for the most carbon-intensive LNG production of any Australian offshore project. For many different reasons, Inpex, the operator of the project's different offshore facilities, flared,[28 29] unusual amounts of gas. Around 50 million ft3 of gas were wasted everyday, releasing substantial additional CO2 emissions into the atmosphere. According to Capterio,[30] this routine flaring could amount to 1.5 tCO2eq per tonne of LNG produced. This is significant for a project that is already Australia's most polluting LNG outfit. And it is also significant for Australia, the leading country in LNG trade with 20.5% of the world's LNG traded volumes.

g. Offshore gas extraction puts biodiversity at risk

Located 210 km off the coast in the Browse Basin, Ichthys LNG's infrastructure could have major environmental impacts in a marine area known for its biodiversity and protected marine national parks. According to the environmental plan summary provided by Inpex,[31] the project's pipeline directly crosses the preserved area of the Oceanic Shoals Marine Park. In the case of a gas spill, Ichthys LNG could harm endangered and vulnerable species currently thriving in the area, such as endangered green turtles like the loggerhead and olive ridley, as well as more than 26 species of cetaceans, including dolphins and humpback whales. Two preserved marine parks[32] that benefit from unique fauna and flora are directly at stake, and drilling new wells will only increase the risks.



KEY FIGURES

Top 1% biggest oil & gas project on Earth*
*source: Rystad Energy

890 km-long subsea gas pipeline

10%* of Australia's LNG production
*source EnerData

More than US$40 billion capital expenditures

30% increase in CO_2 emissions (phase 2C only)

2. LNG - AN ENERGY TRANSITION ILLUSION

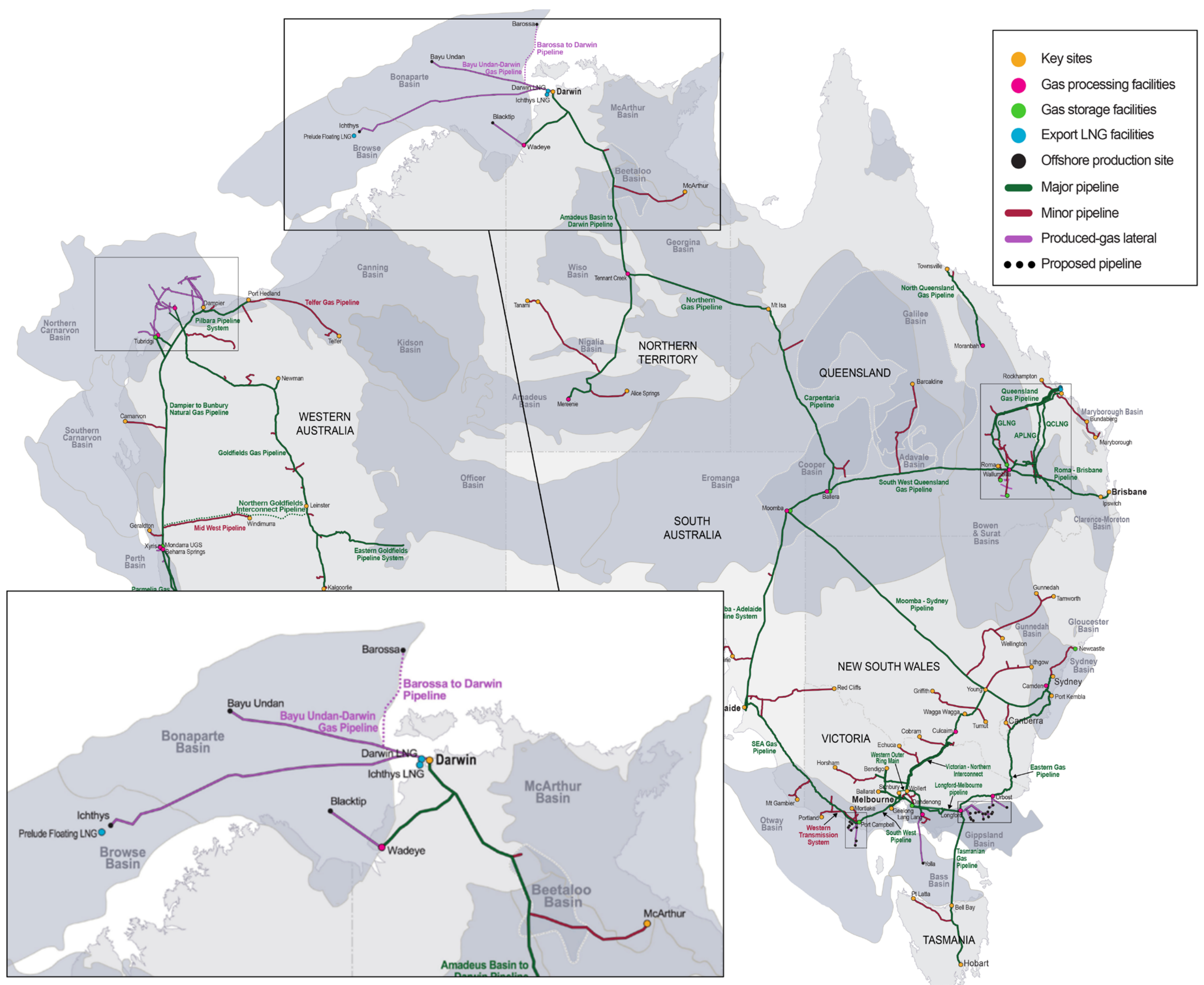
a. Expert and scientific consensus: no more fossil fuel infrastructure

In its latest report, the IPCC warned that any new fossil fuel infrastructure will make it more difficult to limit global warming to 1.5°C or even 2°C, thus requiring more negative emissions and increasing uncertainties.[33] In addition, the IEA clearly indicated in October 2021 that most of the LNG projects already planned are not necessary in a 1.5°C pathway.[34]

b. Methane menace

Every single drop of LNG is fossil gas, composed mostly of methane, which is a greenhouse gas 86 times more damaging than CO2 over 20 years.[35] Methane is responsible for around 30% of the rise in global temperatures since the industrial revolution.[36] When it comes to LNG, its long and complex supply chain involves multiple potential leakage points, making it especially prone to emissions. In particular, the liquefaction and shipping processes are known to be liable to methane leakage.[37]

Australian gas infrastructure map



Source: Australian Energy Market Operator (AEMO)

> ***The Australian LNG trade is projected by the IEA NZE pathway to drop much more rapidly than the global average.***
>
> *Why gas is the new coal, 2021*

The significant shorter-term impact of methane compared to CO2 makes it one of the most important levers in limiting global warming. Methane emissions could drop rapidly and be out of the atmosphere within a few decades. Halting fossil gas production and burning, particularly LNG infrastructure with its methane leakages, is one of the few quick fixes at our disposal.

c. Far more energy intensive than conventional fossil gas

LNG is estimated to produce up to twice as many emissions as conventional fossil gas because the purification, liquefaction, shipping and regasification processes are twice as energy intensive as transporting fossil gas through international pipelines.[38] In the liquefaction step alone, up to 10% of the gas processed is required for powering the liquefaction facility.[39]

d. Dangerous Australian LNG addiction

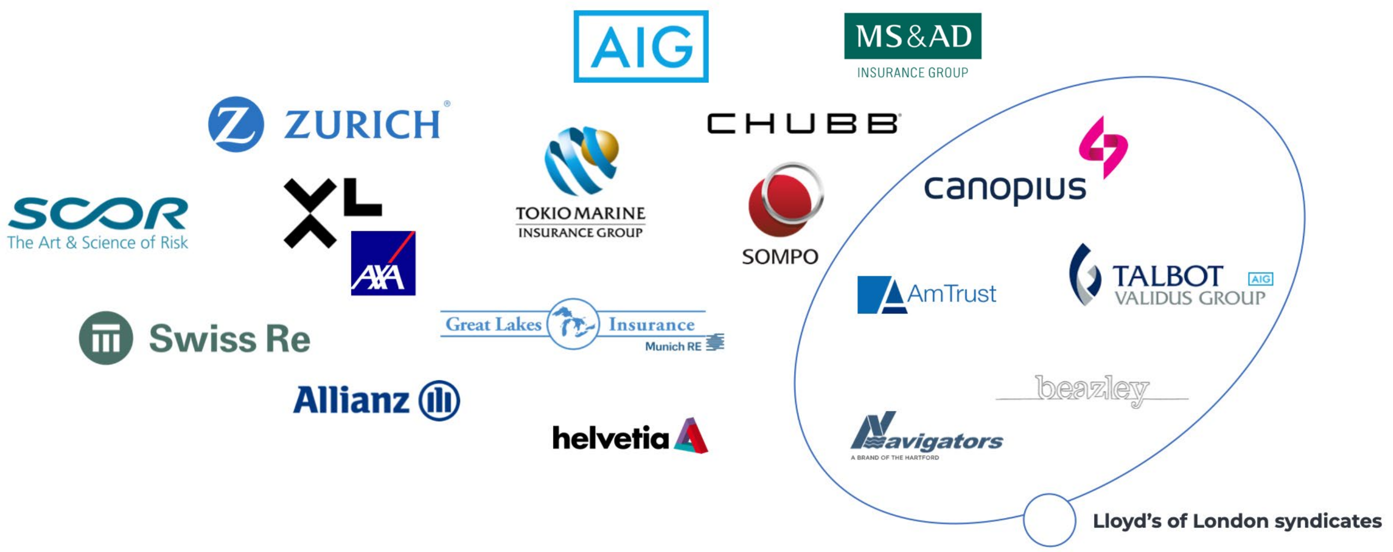
In its Net Zero by 2050 Scenario (NZE), the IEA requires a fall of about 75% of methane emissions from fossil fuel operation between 2020 and 2030, and forecasts a 60% reduction in LNG trade. Strikingly, Australia's LNG exports are expected to decline faster than the rest of the world in order to achieve carbon neutrality in 2050, according to the IEA. Indeed, in the NZE, export volumes fall by around 70% in 2040 from 2020 levels, compared to around 45% in the rest of the world.[40]

e. Ichthys LNG – a dilemma for its insurers

Ichthys LNG's early insurance providers face a real dilemma. If they decide to support the project in its further expansion, it would mean either betting on the failure of the Paris Agreement or on the development of stranded assets. Unless insurers decide not to limit global warming to 1.5°C, Ichthys LNG is very likely to become a stranded asset, just as is the case for many other LNG projects in Australia.[41] Indeed, Ichthys LNG's expansion could create a carbon lock-in for the next 40 years in a country that plans to be net zero by 2050, which requires a rapid decline of its LNG trade.

LNG supply chain

3. CLIMATE URGENCY FOR THE INSURANCE INDUSTRY



a. Top-tier insurers involved in the construction of Ichthys LNG

Major multi-billion fossil fuel projects cannot be insured by small and inexperienced insurers. They often require the support of the world's biggest insurers that have the adequate financial strength (capital requirements) to back a project.

The Ichthys LNG insurance capacity was placed between **AAI (Suncorp subsidiary) (AU), AIG (USA), Aioi Nissay Dowa Insurance (MS&AD subsidiary) (JP), Allianz (DE), XL (now AXA XL) (FR), Chubb (USA), Great Lakes Insurance (Munich Re subsidiary) (DE), HDI Global (DE), Mitsui Sumitomo Insurance (MS&AD subsidiary) (JP), SCOR (FR), Swiss Re (CH), Zurich (CH), Sompo (JP), Tokio Marine (JP) and Helvetia (CH).**

It also involves major Lloyd's of London[42] syndicates such as **AmTrust Syndicates Limited (n°1861, merged with Canopius), Beazley (n°2623), Canopius Managing Agents Limited (n°4444), Navigators Underwriting Agency Limited (n°1221) and Talbot (n°1183).**
These insurers together provided insurance capacity to Inpex, the major owner of the Ichthys LNG project, through a Project Insurance Policy (Onshore Construction Risks – Material Damage)[43] between November 2012 and December 2017 (as extended), in respect of the design, fabrication, construction, correction, testing and commissioning of the onshore Ichthys LNG plant at Bladin Point located close to the city of Darwin.

b. Climate leader insurers?

Eleven of the insurers involved in Ichthys LNG's early construction phase (2012-2017) have since then taken steps forward by joining the Net-Zero Insurance Alliance (NZIA). This requires its members to commit to net-zero emissions by 2050 in their insurance and reinsurance portfolios.[44] As part of their NZIA membership, insurers have to comply with the updated Race to Zero criteria[45] that require them to "restrict the development, financing, and facilitation of new fossil fuel assets".

c. Will insurers' climate pledges be enough to stop the Ichthys expansion plan?

Among the insurers involved in the Ichthys LNG project so far, only five have adopted policies restricting coverage to new oil and gas projects for their (re)insurance portfolios.[46] Yet, none of their exclusion policies tackle LNG projects, despite it representing a direct threat to the Paris Agreement climate targets.

Even in the upstream part of the oil & gas value chain, only Allianz and Swiss Re have decided to exclude new oil and gas fields from their (re)insurance portfolios, even though these commitments are subject to exceptions.[47] Insuring Ichthys LNG's expansion phase and its dozen new wells would be inconsistent with their stated climate ambition.

Others like AXA, SCOR and Zurich committed not to cover new upstream oil projects only, tackling just a share of the global oil & gas issue. These three insurers also rely on exceptions for new upstream oil projects developed by companies defined as 'in transition'. The remaining insurers involved in Ichthys LNG – AIG, Chubb, MS&AD, Sompo, Tokio Marine and the Lloyd's of London syndicates – do not even address the issue of conventional oil and gas developments.

Insurers will fail to meet their climate commitments or net-zero pledges as long as their policies overlook the issue of gas and they keep insuring new gas fields and LNG projects.

Reclaim Finance, along with 19 NGOs, contacted 15 insurers[47] previously involved in Ichthys LNG to warn them about the risks of the project and to call them to publicly commit not to support its expansion. While HDI Global and Zurich said they had not been approached to cover the phase 2C expansion, 11 insurers refused to comment, while AXA said that the project is not affected by its oil & gas policy, meaning it could still support the gas expansion. Suncorp, Australian insurer and AAI's parent company, is the only insurer mentioned in this report which committed not to support Ichthys LNG's expansion:
"We've committed to phase out direct underwriting exposure to oil and gas exploration and production by 2025. This includes a commitment to not directly underwrite new or additional oil and gas exploration or production projects.

We remain on track to meet this 2025 commitment and in accordance with our commitment, we no longer directly underwrite new or additional oil & gas projects. I can confirm that this includes the extension project referred to below [the Ichthys LNG expansion phase]."

Sectoral gas policies on underwriting of insurers involved

		General information			Sectoral gas policy				
		Gross written premium 2021 (in €M)	NZIA signatory	PSI signatory	Exclusion of new upstream gas projects	Exclusion of new midstream gas projects	Explicit exclusion of new LNG infrastructure	Exclusion of companies planning new gas and LNG projects	Gas phase out
(Re)insurers	AAI (Suncorp)	10 000	No	Yes					
	AIG	30 000	No	No					
	Allianz	140 000	Yes	Yes					
	AXA	97 000	Yes	Yes					
	Chubb	41 000	No	No					
	Munich Re	60 000	Yes	Yes					
	HDI Global	5 100	No	Yes					
	Helvetia	10 500	No	No					
	MS&AD	29 000	Yes	Yes					
	Munich Re	60 000	Yes	Yes					
	SCOR	17 600	Yes	Yes					
	Sompo	27 000	Yes	Yes					
	Swiss Re	41 200	Yes	Yes					
	Tokio Marine	32 000	Yes	Yes					
	Zurich	47 000	Yes	Yes					
Lloyd's of London syndicates	AM Trust	5,5	No	No					
	Beazley	4 600	Yes	Yes					
	Canopius	2,2	No	No					
	Navigators Underwriting Agency (The Hartford)	5,5	No	No					
	Talbot (AIG)	9	No	No					

*Principles for Sustainable Insurance

No policy

Limited policy

Very limited policy

Strong policy

A more in-depth analysis of insurers' oil and gas policies is available on the Oil and Gas Policy Tracker

> ***Beyond projects already committed as of 2021, there are no new oil and gas fields approved for development in our pathway.***
>
> *Net Zero by 2050 - A roadmap for the global energy sector, 2021*

CONCLUSION

To be in line with the IEA's recommendations, Ichthys LNG's future expansion has no place in a 1.5°C pathway. Any insurer supporting Ichthys LNG's developments will be accountable for worsening its associated climate change consequences.

Reclaim Finance asks insurers and reinsurers to:

- Announce publicly not to (re)insure expansion phase 2C of Ichthys LNG.

And to commit to:

- No longer provide insurance and reinsurance coverage dedicated to new upstream oil and gas projects as well as their related midstream infrastructure, including LNG infrastructure.
- No longer offer coverage dedicated to companies with oil and gas expansion plans, including LNG expansion plans, using the Global Oil & Gas Exit List database.[49]
- Phase out all oil and gas insurance and reinsurance coverage, including LNG coverage, according to a specific timeframe, aligned with principles of equity and a 1.5°C timeline, with an intermediate phase-out date of 2030 for unconventional oil and gas.
- Align (in the case of NZIA members) their insurance practices with the Race to Zero criteria, in particular by ending insurance of new fossil fuel projects.

These measures must apply to all types of insurance and reinsurance products, such as standalone and package insurance products, but also facultative and treaty reinsurance products.

References

1. According to Rystad Energy UCube, as of 18th May 2022, Ichthys belongs to the top 1% of the biggest oil and gas projects in terms of resources.
2. Rystad Energy data.
3. Our World in Data, University of Oxford, dataset, 2019.
4. Boiling Cold, Ichthys flaring casts doubt on carbon-neutral LNG cargo, 2021.
5. AIG, Allianz, XL (now AXA XL part of the AXA Group), Beazley, Munich Re, SCOR, Sompo, Swiss Re, Tokio Marine, Lloyd's of London and Zurich.
6. Allianz, AXA, Munich Re, SCOR, Sompo, Swiss Re and Tokio Marine refused to comment on Ichthys LNG, while AXA also added that Ichthys LNG was not a project excluded by its climate policy – meaning AXA could insure its expansion.
7. Gorgon LNG T1 - T3 has been classified as a climate bomb. A climate bomb is a project that will release more than 1 gigatonne (Gt) of CO2 during its entire lifespan.
8. According to Statista's data.
9. The most affected state within Australia, according to Statista's data.
10. Equivalent to 26 million football pitches.
11. One of the worst bushfire seasons in Australia, occurring between July 2019 and March 2020.
12. According to AccuWeather's data.
13. According to the Australian insurer QBE's article.
14. Supreme Court of Western Australia's official document.
15. Construction All Risks contract (CAR).
16. million tons per annum
17. Australian government, GLOBAL RESOURCES STRATEGY COMMODITY REPORT: Liquefied Natural Gas, 2021.
18. The world's fifth-longest pipeline.
19. Inpex, Ichthys LNG presentation website.
20. Tokyo Gas (1.6%), Kansai Electric (1.2%), Osaka Gas (1.2%), JERA (0.7%) and Toho Gas (0.4%). The Taiwanese national oil company CPC is also involved (2.6%).
21. Phase 1 from 2012 to 2018, including the drilling and construction of the onshore LNG plant.
22. LNG Industry, 'Ichthys LNG project costs blow out further', 2018.
23. Data provided by Rystad Energy.
24. IPCC, 6th Assessment Report, p.127, 2022.
25. IEA, Net Zero by 2050 - A Roadmap for the Global Energy Sector, p.199, 2021.
26. Reclaim Finance analysis, scope 1.2.3 included
27. Our World in Data University of Oxford, dataset, 2019
28. Flaring definition: Combustion of unwanted gas (for safety or economic reasons) that cannot be processed for the production of oil and gas.
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31. Inpex, Environmental Plan Summary, 2016.
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33. IPCC, 6th Assessment Report, 2022.
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35. Robert W. Howarth, A bridge to nowhere: methane emissions and the greenhouse gas footprint of natural gas, 2014.
36. IEA, Global Methane Tracker, 2022.
37. NETL, Life Cycle Greenhouse Gas Perspective On Exporting Liquefied Natural Gas From The United States: 2019 Update, 2019.
38. Carbone4, Importations de gaz naturel : tous les crus ne se valent pas, 2021.
39. Oil Change International, Burning The Gas 'Bridge Fuel' Myth: Why Gas Is Not Clean, Cheap, Or Necessary, 2019.
40. IEA, Global Methane Tracker, 2022.
41. Australia plans to reduce its GHG emission by 43% below 2005 levels by 2030 and to be a net zero country by 2050. Australian government website.
42. World's biggest insurance market, located in London, UK.
43. Two different project insurance policies: CAR policy (Contractor's All Risks) and EAR policy (Erection All Risks).
44. UN NZIA, Statement of commitment by signatory companies, 2021.
45. The Race to Zero criteria have been developed by the UN-backed Race to Zero Campaign. NZIA members must commit to comply with these criteria.
46. Allianz, AXA, SCOR, Swiss Re and Zurich.
47. Allianz's exception: "In special cases the Group Sustainability Board can decide on exceptions on new upstream gas fields in case a government decides on the development of a new gas field for energy security emergency reasons. This rule will be reviewed annually", while Swiss Re can still support "projects of companies aligned with net-zero emissions by 2050, as defined by the Science Based Targets initiative (SBTi) or a comparable third-party assessment."
48. Helvetia and MS&AD were not contacted
49. Database developed by the German NGO Urgewald, identifying more than 500 upstream oil and gas developers.

Credits

AdobeStock

ICHTHYS LNG

Risky support from the insurance industry

Reclaim Finance is an NGO affiliated with Friends of the Earth France. It was founded in 2020 and is 100% dedicated to issues linking finance with social and climate justice. In the context of the climate emergency and biodiversity losses, one of Reclaim Finance's priorities is to accelerate the decarbonization of financial flows. Reclaim Finance exposes the climate impacts of some financial actors, denounces the most harmful practices and puts its expertise at the service of public authorities and financial stakeholders who desire to bend existing practices to ecological imperatives.

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