



THE NAIROBI
DECLARATION ON
SUSTAINABLE
INSURANCE

ESG Roadmap 2025

The Nairobi Declaration on Sustainable Insurance

ESG Roadmap

2025

Suggested citation: NDSI 2025. "The Nairobi Declaration on Sustainable Insurance (NDSI) Roadmap Document."
<https://sustainableinsurancedeclaration.org/>

About Us

The Nairobi Declaration on Sustainable Insurance (NDSI), launched in April 2021, represents a bold commitment by Africa's insurance leaders to address pressing environmental, social, and governance (ESG) challenges. Through collaborative efforts, NDSI aims to align the insurance industry with the UNEP Principles for Sustainable Insurance (PSI) and the UN Sustainable Development Goals (SDGs) and foster sustainable growth across Africa. The NDSI is supported by FSD Africa and UK International Development.

Our mission is to integrate environmental, social, and governance (ESG) principles into the African insurance sector, fostering resilience and inclusivity while supporting the achievement of the UN Sustainable Development Goals (SDGs).

Our vision is to establish a sustainable and forward-looking African insurance industry that effectively manages risks and contributes to societal well-being and environmental stewardship.

Our mission and vision are supported by three overarching objectives: building awareness and support for sustainable insurance principles, integrating sustainable insurance into core business, and fostering collaborative networks.

Together, the NDSI and its signatories are working to build a resilient, inclusive, and sustainable insurance sector in Africa through collective leadership and practical action. By empowering insurers to embed sustainability across operations, the Declaration serves as a platform for advancing positive outcomes for businesses, communities, and ecosystems alike.



Authors

Arpita Das, Founder and Director at Impact Actuarial, was the primary author of this document, leading research, working group engagements, structure, and final drafting. Milanthi Sarukkali, Senior Consultant and Actuary at Impact Actuarial, led the structuring of the ESG Strategy Development Framework presented in the Strategy section on this document. Clarisse Simonek, Executive Director at WeESG, provided key input and guidance on the Implementation and Governance sections of this document, both of which draw upon the NDSI ESG 101 Webinar Series prepared by WeESG.



Acknowledgements

The authors acknowledge and thank the NDSI, FSD Africa, and UK International Development for sponsoring this project. We especially thank the NDSI Roadmap and Reporting Group members for their valuable feedback throughout the drafting process including Mia Thom Technical Director at CENFRI and co-Chair of the Working Group, Zillah Malia, Senior Manager at FSD Africa, Maria Karuru, Programme Manager at FSD Africa, and Titus Kisenga, Assistant at FSD Africa

Table of Contents

Introduction	6
Approach	7
NDSI Resources	8
NDSI ESG Roadmap	9
I. Strategy Development	10
Step 1: Identify ESG Risks and Opportunities	11
Step 2: Evaluate Current Operations	11
Step 3: Set Risk Appetite and Prioritize ESG Actions	12
Step 4: Develop Overall ESG Strategy	13
Step 5: Cascade Strategy to Functional Areas	13
Step 6: Identify Roles and Responsibilities	13
II. Implementation	14
Workstream 1: Risk Management	14
Step 1: Environmental Risks	14
Step 2: Social and Governance Risks	15
Step 3: ESG Compliance	15
Workstream 2: Underwriting	15
Step 1: Underwriting Guidelines	16
Step 2: Product Development	16
Step 3: Client Engagement	16
Workstream 3: Investments	17
Step 1: Investment Guidelines	17
Step 2: Product Development	17
Step 3: Client Engagement	17
III. Governance, Monitoring, and Reporting	18
Conclusion and Next Steps	20
Annex: Strategy Development Illustrative Examples	21

Introduction

This **ESG Roadmap guide** has been developed in direct response to feedback received during the Nairobi Declaration on Sustainable Insurance (NDSI) Strategy Refresh in May 2024. A key theme of feedback from members was the clear desire for a structured, step-by-step guide that could support insurers at various stages of their Environmental, Social, and Governance (ESG) journey. Survey responses indicated that while many NDSI members are taking steps to integrate ESG principles, there remains **widespread demand for practical guidance across the industry**.

The development of this roadmap was initiated at the August 2024 ESG Roadmap & Reporting Working Group meeting. Members have since been brought together through webinars and collaborative discussions, all of which have provided critical input into this guide. Insights from the ESG Strategy Development Technical Assistance program offered to selected NDSI members, have also provided input to this guide.

The roadmap is structured in **three phases: Strategy Development, Implementation, and Governance, Monitoring and Reporting**, that comprise a cyclical process to guide insurers as they mature in their ESG practices. It draws upon global best practices as well as learnings from the African context. This guide also forms part of a broader NDSI initiative, commissioned by FSD Africa, to support ESG integration across the African insurance industry.

This document is intended to be a **practical, high-level reference guide** for NDSI members as they initiate and advance their ESG journeys. It is intentionally structured to provide a concise and accessible overview, focusing on key steps and actions necessary for integrating ESG principles into insurance operations.

As a member-driven resource, the roadmap is **intended to evolve over time, incorporating ongoing feedback**, market developments, and emerging regulatory requirements, ensuring it remains practical and relevant to NDSI signatories.

Approach

This roadmap was developed using a **consultative and integrated approach** involving active engagement with NDSI members through the ESG Roadmap Working Group meetings, ESG 101 webinar series, and ongoing dialogue facilitated by the NDSI Secretariat. Insights from the ESG Strategy Development Technical Assistance Program, implemented with selected NDSI members, have also helped inform the roadmap. This inclusive process has ensured alignment with industry needs, reflecting member feedback and evolving market and regulatory dynamics. This is intended to be a **living document and is expected to evolve** as NDSI members progress in their ESG journeys.

Specific elements of the approach have been outlined in the following figure, as shared with members during the April 2025 NDSI Roadmap & Reporting Working Group Update given at The Africa Sustainable Insurance Summit in Accra, Ghana.

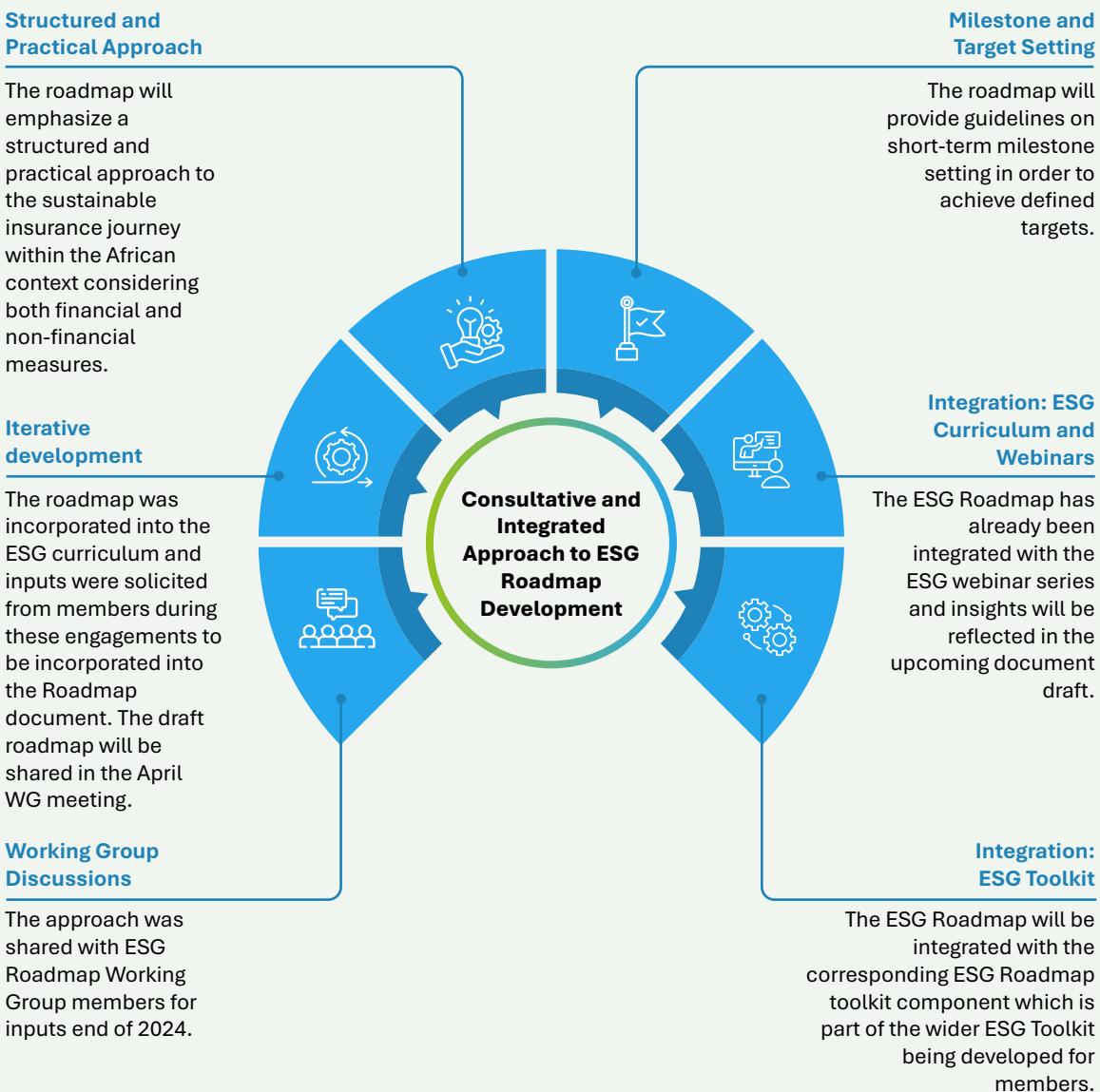


Figure 1. NDSI Roadmap & Reporting Working Group April 2025 Update: Consultative and integrated approach to ESG Roadmap Development

NDSI Resources

Readers are encouraged to reference complementary resources that the NDSI has developed¹, and continues to develop, for additional technical and operations guidance.

These include:



ESG 101 Webinar Series (delivered November 2024 - March 2025), this six-webinar series offered foundational insights and practical examples on assessing sustainability risks, alignment with global frameworks, and integration of ESG into insurance operations.



NDSI ESG Toolkit (launch planned September 2025), will be aligned with the three phases of the NDSI ESG Roadmap outlined in this document: Strategy Development, Implementation, and Governance, Monitoring, & Reporting, and provide practical, interactive guide with templates, tools, and specific guidance.



ESG Strategy Development Technical Assistance Program (dissemination planned September 2025), will involve distribution of applied learnings from selected NDSI members on the development and implementation of ESG strategies.



IFRS S1 & S2 Reporting Technical Assistance Program (initiated May 2025), will provide a suite of resources building on the reporting themes introduced in the Strategy Development and Implementation phases of the NDSI ESG Roadmap outlined in this document.

Together, these tools are designed to ensure NDSI members are supported through all stages of their ESG journeys.

NDSI ESG Roadmap

The roadmap outlines a structured approach with three overarching phases detailed in the sections below:

- I. Strategy Development
- II. Implementation
- III. Governance, Monitoring, & Reporting

As an organization progresses in its sustainability journey, the three phases apply in cyclical form over time.

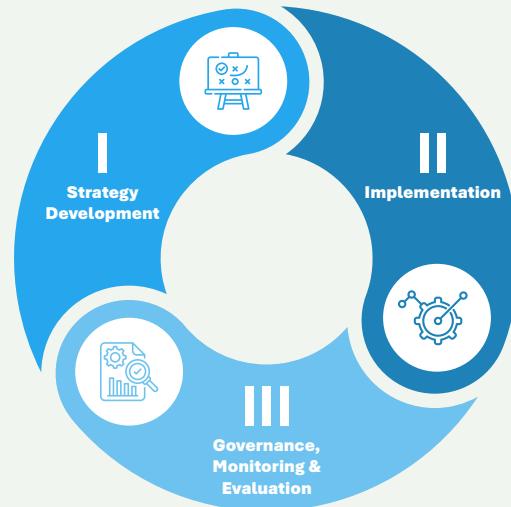


Figure 2. Three phases of the NDSI ESG Roadmap outlined in this document.

¹NDSI, 2025. “NDSI Publications & Material”. Resources. <https://sustainableinsurancedeclaration.org/resources/>

I. Strategy Development

The ESG Strategy Development phase consists of six steps² as outlined in the figure below. Each step is detailed in the following subsections.

The overviews, examples, and recommendations elaborated upon below are informed by global industry best practices and by insights gained from the ongoing ESG Strategy Development Technical Assistance Program, implemented by Impact Actuarial and commissioned by FSD Africa. Started in August 2024, this program supports selected NDSI members in ESG strategy development and implementation.

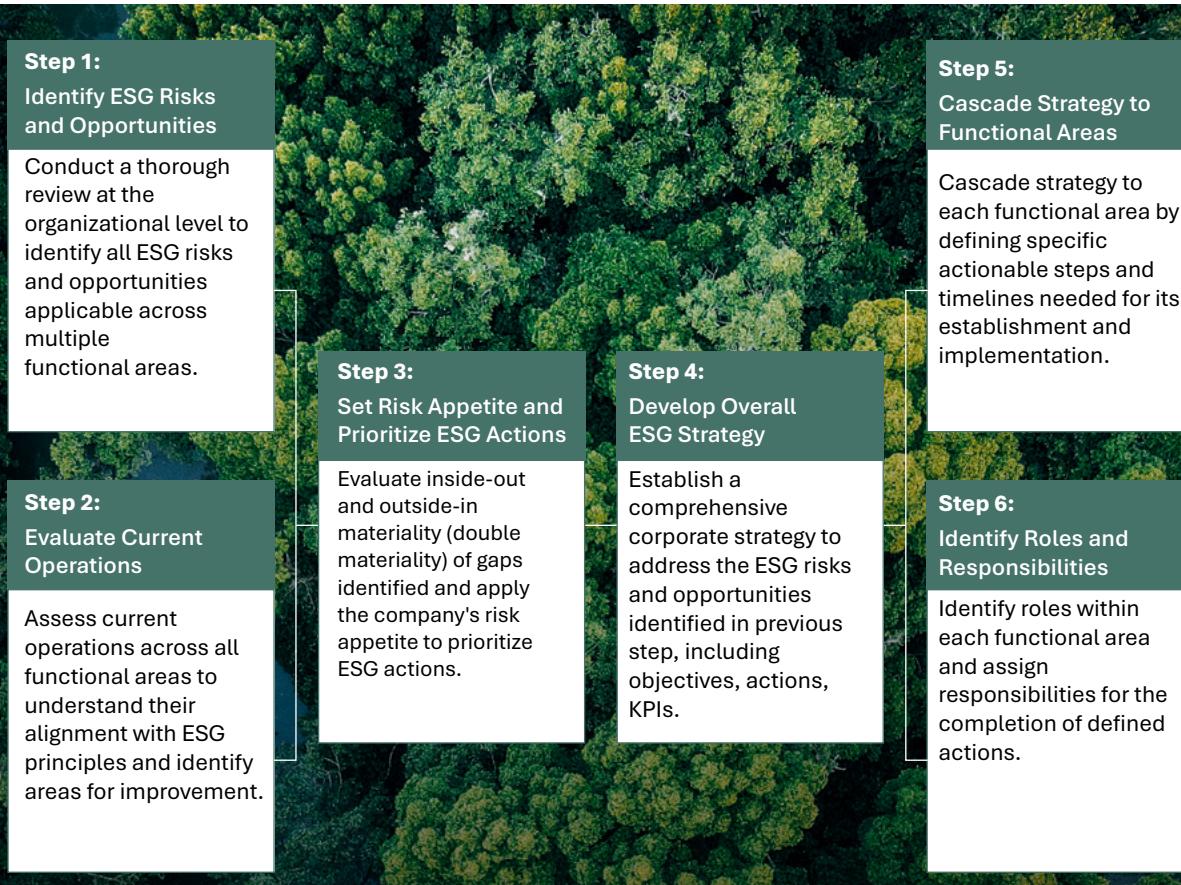


Figure 3. Impact Actuarial ESG Strategy Development Framework: applied and implemented across selected NDSI members as part of ESG Strategy Technical Assistance supported by FSD Africa.

As indicated in the figure above, Step 1: Identify ESG Risks and Opportunities may occur concurrently with Step 2: Evaluate Current Operations. Step 1 and 2 then feed in as inputs into execution of Step 3: Set Risk Appetite and Prioritize ESG Actions, which in turn informs Step 4: Develop Overall ESG Strategy. The development of an overall corporate ESG strategy is then followed by two concurrent steps to enable the implementation phase, Step 5: Cascade Strategy to Functional Areas and Step 6: Identify Roles and Responsibilities.

²Impact Actuarial. 2025. "An ESG Strategy Development Framework for Insurers and Reinsurers." Publications. www.impactactuarial.com/publications.

Step 1: Identify ESG Risks and Opportunities



Conduct a thorough review at the organizational level to identify all ESG risks and opportunities applicable across multiple functional areas.

This step marks the starting point of an organization's ESG journey. It may be initiated by external drivers such as regulatory developments and reinsurer requirements, by internal drivers such as champions surfacing ESG-related themes across departments, or a combination of both.

This process typically results in an ESG risk and opportunity register, with focus on ESG factors that cut across multiple departments, maintaining an organization-wide view.

The following lenses may be applied to fully capture all relevant ESG factors:



Double materiality i.e., how ESG factors impact the business and how the business impacts the environment and society.



Alignment with existing sustainability standards and frameworks e.g., ISSB, GRI, PSIs, SDGs.

Recommended stakeholder engagement and roles:



Engaging representatives from all key functional areas early in the process.



Establishing a cross-functional ESG working group may help coordinate efforts.



Appointing an ESG officer or champion is recommended to lead this step.



Multiple internal workshops and brainstorming sessions can help surface insights, build ownership, and encourage alignment across the organization.

For organizations early in the ESG journey, this step may be integrated into existing risk processes, allowing ESG risks to receive the same due diligence as other risks within the organization and facilitating greater internal alignment.

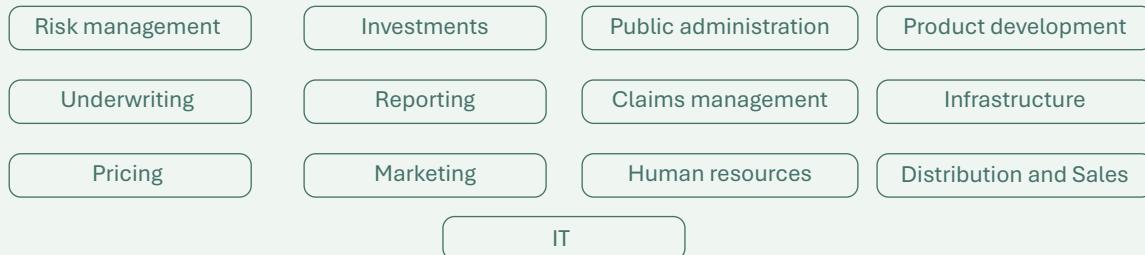
Step 2: Evaluate Current Operations



Assess current operations across all functional areas to understand their alignment with ESG principles and identify areas for improvement.

This step may be done concurrently with Step 1 and can help narrow down areas of focus within risks and opportunities identified.

Common business operations areas that may be considered in this step include:



In evaluating current operations, both metrics-based and survey-based approaches may be used together to identify gaps against standards, frameworks and benchmarks relevant to the organization.

Standards, frameworks, and benchmarks that may be used as bases for evaluation in this step include:

Strategic ambition-setting frameworks

- » Principles for Sustainable Insurance (PSIs)
- » Sustainable Development Goals (SDGs)
- » Industry Net-Zero Alliances

Compliance and disclosure Standards

- » ISSB Standards (IFRS S1 & S2)
- » Global Reporting Initiative (GRI) standards

Internal ESG metrics and indicators

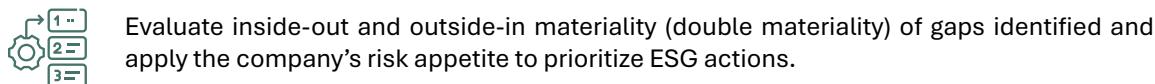
- » Proportion of sustainability-linked assets and liabilities
- » Percentage of staff and board members with ESG training



NDSI members are encouraged to incorporate PSIs and SDGs into evaluation and ambition-setting processes, in alignment with their commitment as signatories.

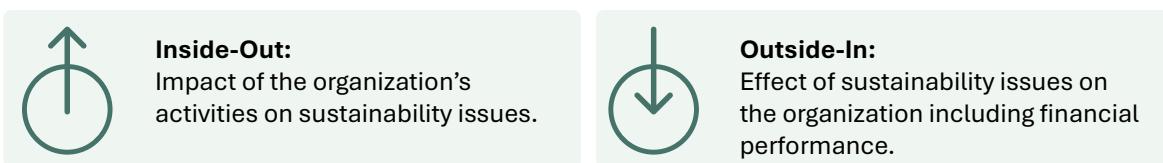
Step 3:

Set Risk Appetite and Prioritize ESG Actions



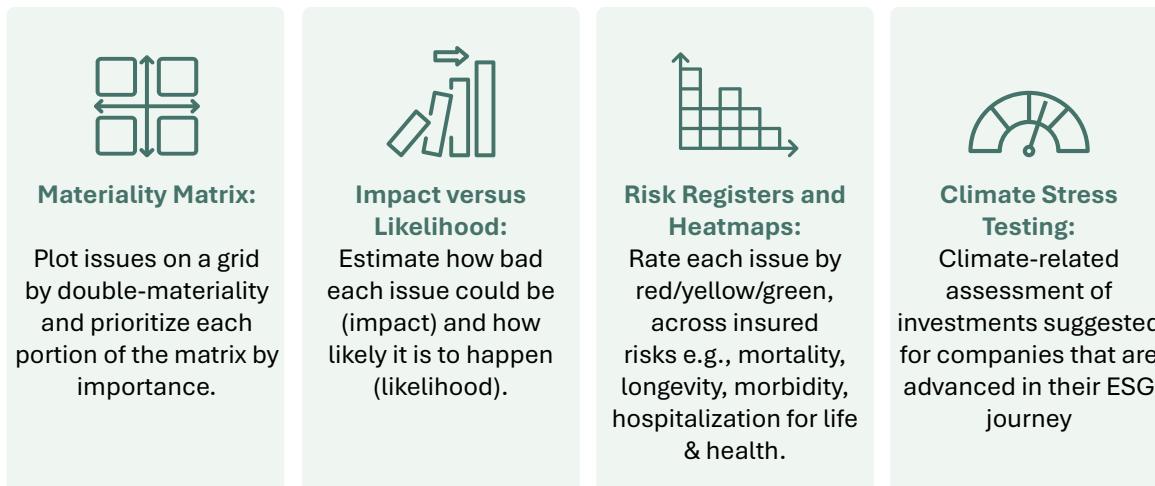
This step helps distill the risks, opportunities, and gaps identified in Step 1 and Step 2 towards establishing focus areas for the overall corporate ESG strategy.

A double-materiality approach is highly recommended to guide the prioritization of ESG risks and opportunities:



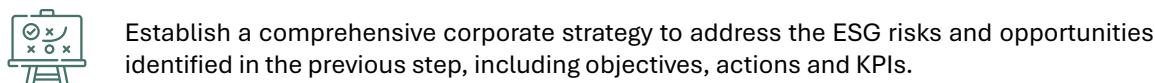
While the double-materiality lens is introduced in Step 1 to support the identification of ESG risks and opportunities, its application here shifts towards systematically prioritizing ESG actions towards developing an ESG strategy.

The following complementary tools may be used towards defining the organization's risk appetite and prioritizing ESG actions:



Step 4:

Develop Overall ESG Strategy



As organizational understanding of ESG issues deepens, several elements of the overall ESG strategy may need to be refined over time. These include:



Step 5: Cascade Strategy to Functional Areas



Cascade strategy to each functional area by defining specific actionable steps and timelines needed for its establishment and implementation.

Step 6: Identify Roles and Responsibilities



Identify roles within each functional area and assign responsibilities for the completion of defined actions.

Objectives	Actions	Functional Areas	Roles & Responsibilities	Implementation Timelines	KPIs	KPI Targets
------------	---------	------------------	--------------------------	--------------------------	------	-------------

Figure 4. Common components of an ESG strategy in table format - final result following Step 4, 5, and 6.

II. Implementation

This section outlines common considerations and best practices relevant to ESG strategy implementation for insurance based upon learnings shared during the six-part ESG 101 webinar series³ prepared and led by WeESG for NDSI members between November 2024 and March 2025, integrated with member feedback and insights.

The three key functional areas most relevant to ESG strategy implementation in insurance are considered in the following subsections:



Workstream 1: Risk Management



Embed ESG criteria into risk management to facilitate implementation of an organization's ESG strategy accounting for compliance, operations, client engagement, underwriting, and investments.

Step 1: Environmental Risks

Environmental risks identified during the strategy development process typically fall into two major categories: physical risks and transition risks, each detailed below. For physical risks identified and assessed during strategy development, the following risk management steps may be taken:

 <p>Identification of adaptation and resilience (A&R) solutions: identifying solutions to mitigate or avoid the identified material physical climate risks.</p>	 <p>Management of physical climate risks: monitoring performance in implementing the A&R solutions.</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

³ WeESG, 2025. "Sustainable Insurance Programme for the NDSI". www.weesg.com

For transition risks identified and assessed during strategy development, the following categories of impacts can be accounted for within risk management:



Underwriting impacts

- » Regulatory changes aimed at reducing carbon emissions can affect the valuation of insured properties and businesses.
- » Businesses slow to adapt to low-carbon transitions may face higher operational costs and reduced insurability.



Financial impacts

- » Operational disruptions e.g., power, transportation, worker availability.
- » Changes in demand for products and services.

Step 2: Social and Governance Risks

Risk management steps that may be taken for social and governance risks identified during the strategy development process, are detailed below.

Social risks, including those related to labor practices, human rights, financial inclusion, community relations, and client impacts, can be managed through:



Monitoring of key risk indicators e.g., human rights adherence in supply chains, representation of clients from underserved groups, and ethical sales practices.



Development of social risk management frameworks including assessment, mitigation, and escalation strategies and protocols.



Stakeholder engagement with employees, clients, suppliers, and communities.

Governance risks, including those related to board oversight, ethics, compliance, and transparency, can be managed through:



Strengthened governance structures with clear roles, responsibilities, and accountabilities for ESG risk oversight at the board and executive levels.



Enhanced ethical standards and controls e.g., codes of conduct, anti-bribery and corruption policies, and whistleblower protections.



Governance risk assessments to identify gaps and ensure improvements.

Step 3: ESG Compliance

ESG compliance and disclosure requirements should be fully integrated into risk management. Applicable standards and frameworks, such as ISSB and GRI, may have been identified as part of Step 2: Evaluation of Current Operations of the ESG Strategy Development Framework.

In the African context, sustainability and climate-related regulations are rapidly evolving. Organizations should adopt a dynamic and flexible approach to ESG compliance by monitoring ongoing developments and adapting practices accordingly.

The following developments, current as of the writing of this document, may be considered for implementation within risk management:



Sustainable finance regulations: South Africa, Kenya, Nigeria, Morocco, Ghana, Ethiopia.



Climate risk regulations and initiatives: South Africa, Senegal, Malawi, Ethiopia, Uganda.



Regional initiatives: Africa Climate Risk Insurance Facility for Adaptation (ACRIFA), Global Shield.

Workstream 2: Underwriting



Embed ESG criteria into underwriting guidelines, product development, claims management, and client engagement.

Step 1: Underwriting Guidelines

The following approaches may be used to embed ESG into underwriting practices:



Non-Life Insurance:

- » **ESG risk scoring and pricing integration:** collect ESG data at client and product level and translate into scoring and premium pricing factors.
- » **Refine climate risk modeling in underwriting:** develop capacity and technology to interpret and integrate climate data in company models.
- » **ESG-based exclusions:** implement exclusions on high-ESG risk activities.



Life Insurance:

- » **Longevity and mortality risk adjustments:** update actuarial tables and develop risk adjustment factors to incorporate ESG considerations.
- » **ESG risk scoring for individual underwriting:** develop ESG scoring for individual applicants and link to premiums and underwriting.

Step 2: Product Development

ESG integration in product development presents opportunities for positive impact:



Positive environmental impact:

- » Design offerings that incentivize sustainable behaviors e.g., usage-based insurance that reward fuel efficiency, premium discounts for energy-efficient home
- » Coverage that supports green technologies and nature-based solutions e.g., motor insurance for electric vehicles, renewable energy coverage

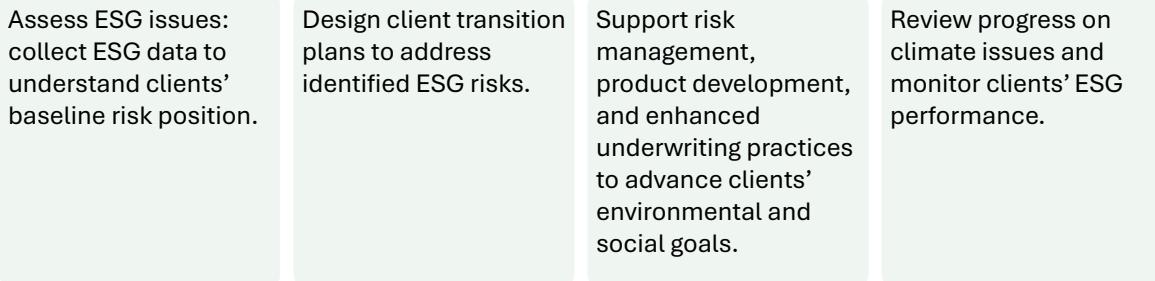


Positive social impact:

- » Coverage for underserved populations and food security through expansion of agricultural insurance and disaster risk management
- » Health insurance products promoting preventative and quality care

Step 2: Client Engagement

Insurers can engage with clients to mitigate identified ESG risks and provide guidance. The following steps may be used depending on clients' ESG maturity level:



Workstream 3: Investments



Embed ESG criteria into investment guidelines, risk assessment frameworks, product development, and client engagement.

Step 1: Investment Guidelines

ESG integration into investments accounts for three objectives of sustainable finance:

Maximize financial return: mitigate ESG risks and leverage growth opportunities.

Do no significant harm and manage reputation: compliance with UN Global Compact and/or without significant controversy.

Contribute to solving E and S challenges: alignment of products and operations towards advancing sustainable development.

ESG integration into guidelines also commonly comprises sustainability mandates applicable to investment portfolios and development of a corresponding asset pipeline.

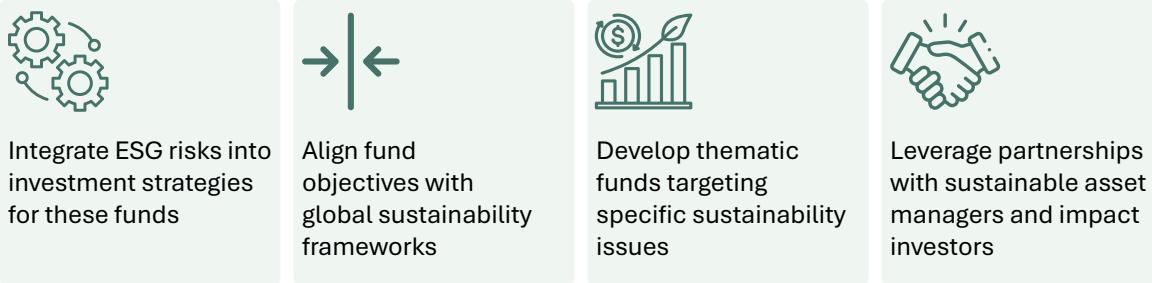
Step 2: Product Development

Investment products that may be considered towards fulfilment of sustainability mandates defined in Step 1 include two key categories of fixed income products:

Use of proceeds-based e.g., green, social, sustainability bonds/loans raise money to finance existing green, social, sustainability projects.

Sustainability-linked e.g., bonds/loans that are tied to an issuer's ESG targets.

An organization may also create ESG-focused funds involving the following steps:



Step 3: Client Engagement

Insurers offering investment and pension solutions may use the following approaches in collaborating with stakeholders:

Assess client awareness: using structured frameworks to gauge client understanding and interest in sustainability goals.

Integrate ESG metrics: portfolio customization with ESG criteria aligned with client objectives and regulatory requirements.

Promote sustainable investments: recommendation of green bonds, impact funds, or thematic funds targeting climate solutions.

Engage actively: influence clients through commitment to ESG practices.

III. Governance, Monitoring, and Reporting

Similar to the Implementation phase, this section continues to draw on valuable learnings shared as part of the six-part ESG 101 webinar series prepared and led by WeESG integrated with member feedback and insights.

Create a comprehensive governance framework at the board and executive levels for managing ESG issues and enabling robust ESG strategy development, implementation, and monitoring to facilitate meaningful progress in the organization's sustainability journey.

Creation of a governance framework begins with the Board accounting for sustainability risks, strategy, performance, culture and incentives. ESG governance seeks to integrate ESG throughout the organization and ensure alignment with regulations, industry standards, and best practices.

The following three levels of governance are commonly seen in the insurance sector:

Board-level:	Executive-level:	Organizational roles, delegations, and escalation routes:
<ul style="list-style-type: none"> » Dedicated ESG committee or integration of ESG into existing committees » Board plays defined role in ESG strategy, risk, oversight, and monitoring » Regular ESG reporting to the board and access to ESG expertise 	<ul style="list-style-type: none"> » Chief Sustainability Officer or equivalent role designated » Cross-functional ESG steering committee » ESG KPIs integrated into executive performance metrics 	<ul style="list-style-type: none"> » ESG responsibilities and designated ESG champions for all departments » Clear delegation pathways for ESG-related decisions » Formal escalation routes for material ESG issues

Governance-related KPIs that may be incorporated into ESG strategies and applied across operational workstreams include:

 Board-Level KPIs: frequency of ESG discussions in meetings, % board members with ESG training, board diversity, ESG integration in executive compensation.	 Executive and Management KPIs: % completion of ESG-related objectives, frequency of ESG risk assessments, employee engagement scores on ESG	 Operational KPIs: % compliance with ESG policies, timeliness and accuracy of ESG data collection and reporting, % staff with ESG training
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

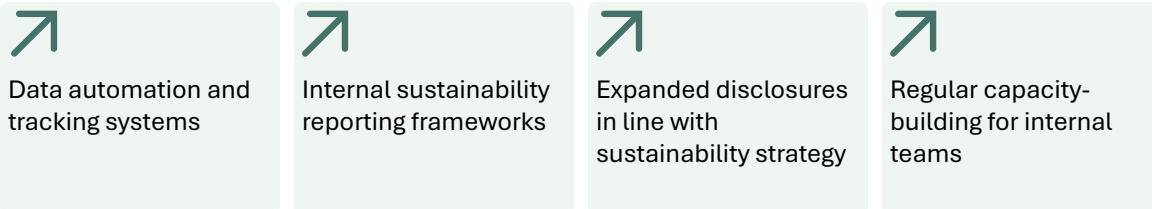
Robust monitoring and reporting systems are required for effective ESG implementation and provide a critical feedback loop to strengthen ESG strategies over time. Effective monitoring and reporting is also vital to ensure alignment with standards, frameworks, and benchmarks identified for the organization as part of the Strategy Development process e.g., PSIs, SDGs, GRI, and ISSB.

Successful ESG monitoring and reporting in the context of ESG strategy and alignment with external standards requires strong data foundations and comprehensive reporting systems described further below.

Steps to build strong data foundations for monitoring include:



Enhanced reporting systems may further include:



Conclusion and Next Steps

This ESG Roadmap provides a structured, actionable framework for African insurers to effectively integrate ESG principles into their business operations. Developed collaboratively with extensive industry input, this roadmap is designed to be practical and adaptive to evolving market dynamics, stakeholder expectations, and regulatory requirements.

Going forward, NDSI members availing of this document are encouraged to:



Embark on their ESG journey leveraging the NDSI roadmap and prioritizing steps that align with current ESG maturity.



Engage actively in NDSI activities, working groups, and peer discussions to share experiences and best practices.



Provide continued feedback on this guide ensuring alignment with industry standards, market practices and regulations.

Members are encouraged to participate and share their experiences, insights, and feedback through the following channels:

Participation in virtual and in-person events organized by NDSI:

<https://sustainableinsurancedeclaration.org/news-events/>

Participation in NDSI Committee and Working Groups:

<https://sustainableinsurancedeclaration.org/about/how-we-work/>

Contact via email:

info@sustainableinsurancedeclaration.org

The NDSI remains committed to supporting its members throughout this journey, fostering industry-wide collaboration, and regularly updating this living document based on feedback and emerging insights.

Annex: Strategy Development Illustrative Examples

Illustrative examples for Step 1 to 6 of the Impact Actuarial ESG Strategy Development Framework as presented at The Africa Sustainable Insurance Summit in April 2025.

<p>Step 1: Identify ESG Risks and Opportunities</p> <p>Conduct a thorough review at the organizational level to identify all ESG risks and opportunities applicable across multiple functional areas.</p>	<p>Step 3: Set Risk Appetite and Prioritize ESG Actions</p> <p>Evaluate inside-out and outside-in materiality (double materiality) of gaps identified and apply the company's risk appetite to prioritize ESG actions.</p>	<p>Step 4: Develop Overall ESG Strategy</p> <p>Establish a comprehensive corporate strategy to address the ESG risks and opportunities identified in previous step, including objectives, actions, KPIs.</p>	<p>Step 5: Cascade Strategy to Functional Areas</p> <p>Cascade strategy to each functional area by defining specific actionable steps and timelines needed for its establishment and implementation.</p>
<p>Step 2: Evaluate Current Operations</p> <p>Assess current operations across all functional areas to understand their alignment with ESG principles and identify areas for improvement.</p>			<p>Step 6: Identify Roles and Responsibilities</p> <p>Identify roles within each functional area and assign responsibilities for the completion of defined actions.</p>

Step 1: Identify Applicable ESG Risks and Opportunities

Conduct a thorough review at the organizational level to identify ESG risks and opportunities applicable across multiple functional areas.

Common Considerations Across Functional Areas					
Functional Area	Environmental	Functional Area	Social	Functional Area	Governance
Underwriting	<ul style="list-style-type: none"> Environmental risk assessment in policies Green product development Climate related exclusions Natural disaster coverage 	Customer Related	<ul style="list-style-type: none"> Fair pricing Product transparency Claims fairness Privacy protection 	Risk Management	<ul style="list-style-type: none"> Underwriting governance Investment oversight Claims management Emerging risks
Investments	<ul style="list-style-type: none"> Green investment criteria Environmental screening Climate risk in portfolio Green bonds allocation 	Financial	<ul style="list-style-type: none"> Microinsurance Accessibility Vulnerable groups Financial literacy 	Compliance	<ul style="list-style-type: none"> Insurance regulations ESG requirements Market conduct Consumer protection
Operations	<ul style="list-style-type: none"> Sustainable claims processing Green building practices Digital transformation Supply chain environmental standards 	Stakeholder Engagement	<ul style="list-style-type: none"> Customer feedback Agent/ broker relations Community partnerships Industry collaboration 	Product Governance	<ul style="list-style-type: none"> Product development Pricing fairness Distribution oversight Claims handling

Step 2: Evaluate Current Operations

ESG Metrics: Evaluation of quantitative information on your organization's integration of ESG principles.

Illustrative Examples

Current Operations/ Internal Process	Industry Benchmark/ Internal Target
Does the company publish a sustainability report (yes/no)?	Yes
% of AUM that are ESG-linked e.g., green bonds, impact funds	2%
% of insurance coverage for environmental risks	18%
% of insurance coverage for underserved and vulnerable populations	6%
% of staff with ESG training	40%

Step 2: Evaluate Current Operations (contd.)

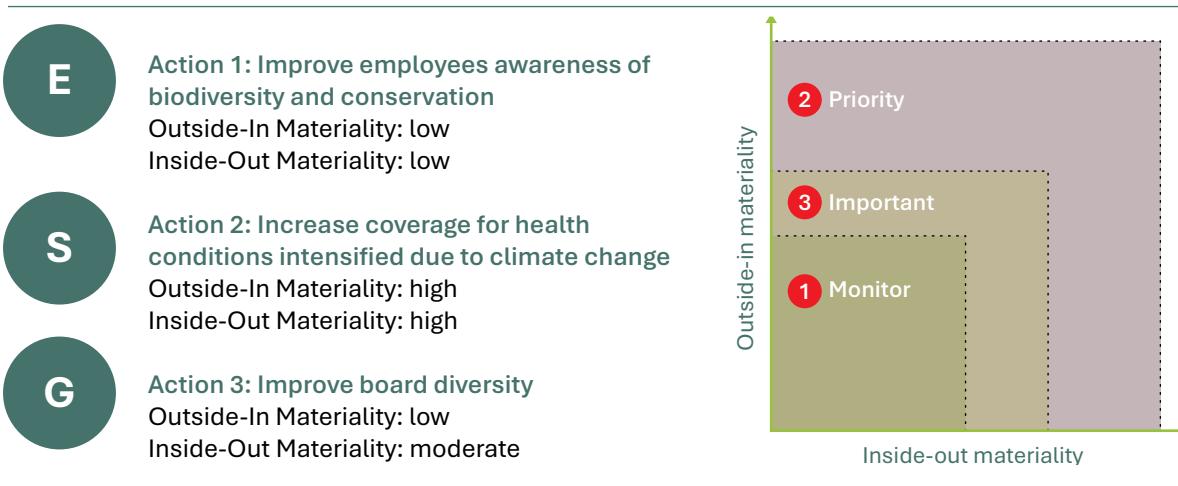
ESG Integration: Current level of ESG integration on corporate strategy and operations.

Illustrative Example

		Target	Company
• PSI 1: How does your company assess the ESG risks associated with its investment portfolio?	• PSI 1: ESG principles in internal decision making	48	32
• PSI 2: How does the company promote ESG concepts among clients, business partners and the insurance industry?	• PSI 2: ESG principles in client and business partnerships	3	1
• PSI 3: How does the company collaborate with governments, regulators and other stakeholders on ESG related issues?	• PSI 3: ESG Principles in collaboration with external stakeholders	3	2
• PSI 4: How does the company disclose sustainability of business operations?	• PSI 4: Accountability and Transparency	5	0

Step 3: Set Risk Appetite

Evaluate both inside-out and outside-in materiality (double materiality) of gaps identified and apply the company's risk appetite to prioritize actions.



Step 4,5 and 6: Overall ESG Strategy

Objective	Activities	KPIs	Functional Areas	Roles and Responsibilities
Incorporate ESG principles in Investment Policy	Include ESG-linked investments in portfolio	Allocation to ESG-linked investments	Investment Mgmt Risk Mgmt	<p>Process Management: Chief Investment Officer, Chief Risk Officer</p> <p>Process Lead: Portfolio Manager, Head of ALM</p> <p>Supporting Roles: Investment and Actuarial Analysts</p>
Improve claims handling	Faster claim payments	Average claims	Claims IT Sales	<p>Process Management: Head of Sales, Head of Claims Department, Head of IT</p> <p>Process Lead: Sales Channel Managers, Claims Team Managers, Systems Manager</p>
	Transparency in claim decisions and amounts paid	No. of customer complaints		<p>Supporting Roles: Sales channel representatives, claims processors, systems developers</p>
Support ESG reporting related regulations in Africa		No. of ESG-related industry forums the company was represented at	Sustainability Actuarial Risk Mgmt Finance	<p>Process Management: Chief Sustainability Officer, Chief Actuary, Chief Risk Officer, Chief Financial Officer</p> <p>Process Lead: Finance, Risk and Actuarial Managers</p> <p>Supporting Roles: Sustainability Officers, Finance, Risk and Actuarial Analysts</p>



THE NAIROBI
DECLARATION ON
SUSTAINABLE
INSURANCE