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51% of FTSE 100 companies now engaged in tree planting initiatives

- 24% of FTSE 100 companies planting trees specifically as part of their company's carbon offset strategy to meet Net Zero Targets
- Increased demand for insurance cover for cost of carbon offset strategy

51% of FTSE 100 companies are currently investing in tree planting initiatives as part of their ESG programmes, shows research by global specialty (re)insurance group Chaucer, as more of the UK's biggest companies begin addressing climate change.

FTSE 100 companies engaged in tree planting as part of their carbon offset programmes, or broader ESG programmes have so far collectively planted over 350 million trees and have published commitments to plant a further 300 million*.

A recent study** found that between 2012 and 2022, businesses invested more than \$36 billion in carbon credit projects. Over 80% of capital raised for this since 2020 has been targeted towards nature-based projects such as tree planting.

24% of FTSE 100 companies say they are now investing in tree planting programmes with the specific objective of offsetting carbon emissions, as opposed to the other 27% who are sequestering carbon or increasing biodiversity more generally, as part of their ESG strategy.

As carbon offsetting initiatives grow in scale the increased financial investment in tree planting has increased demand for specialty insurance cover for these projects. Natural disasters, disease and pests can cause huge damage to a company's carbon offset investments.

Examples of recent forest fires that have created substantial losses include:

- A fire in 2022 in Aragon, Spain, destroyed 14,000 hectares of trees planted to store carbon
- Over the summer of 2021, 61,916 hectares of 'offset forest' burned down in California
- Also in the summer of 2021, over 40,000 hectares of 'offset forest' was destroyed by fire in Oregon

Hayley Maynard, Head of Innovation, says: “Businesses are now investing considerable amounts in tree-planting projects, offsetting their carbon emissions in an attempt to tackle climate change.”

“These initiatives can cost millions to set up and maintain, take a long time to become established and represent significant investments of both time and money. Appropriate insurance coverage can safeguard both.”

Chaucer has partnered with Kita, the carbon insurance specialist, to insure the delivery risk of carbon capture projects, enabling higher integrity in the carbon markets. With this Carbon Purchase Protection Cover, businesses engaged in carbon credit projects like tree planting can protect themselves and their investments from threats to these vital projects.

Says Hayley Maynard: “Our Carbon Purchase Protection Cover, developed with our partner Kita is a milestone in environmental insurance.”

“If we want more businesses to invest in tree-planting and carbon-capture projects, we must help them make the investment without fearing risks beyond their control.”

“These critical tree planting projects are at risk from natural and human interference. Those investing in large-scale initiatives should ensure that their projects are sufficiently insured to protect both their investments and the environment.”

“This protection against the risks to tree planting operations encourages investment in carbon capture projects, helping to fight the climate crisis and its potentially devastating consequences.”

**FTSE 100 have planted 355.6m trees so far and have committed to planting a further 309.7m trees.*

***Survey commissioned by the International Emissions Trading Association (IETA) of project developers, financial services firms and around 40 of the world's largest companies.*

ENDS

About Chaucer

Chaucer are a leading specialty (re)insurance group working with brokers, coverholders and clients to protect and support business activities around the world. Our services are accessed both through Lloyd's of London and the company markets.

We are defined by an enterprising, bespoke approach to (re)insurance, enabled by the individual character, experience and imagination of our expert teams.

Chaucer is a member of the China Re Group and backed by their financial and operational resources. China Re is one of the world's largest reinsurance companies whose outstanding and comprehensive strength is rated A (excellent) by AM Best and A (strong) by S&P Global Rating.

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