



July 22, 2022

**URGENT: Involvement in the Ichthys project, do not insure the upcoming expansion phase**

To the CEOs of **AIG, Allianz, AAI (Suncorp subsidiary), XL (AXA Group since 2018), Beazley (Lloyd's syndicate 2623), Chubb, Great Lakes Insurance, HDI Global, SCOR, Swiss re, Zurich, Sampo, Tokio marine, Talbot (Lloyd's syndicate 1183), Canopus managing agents (Lloyd's syndicate 4444), Navigators underwriting agency limited (Lloyd's syndicate 1221), Helvetia**

We are writing to you as an insurer that has provided coverage to one of the biggest offshore fossil fuel projects in the world: the controversial Ichthys Liquefied Natural Gas project located in Northern Territory Australia, involving Inpex and TotalEnergies. In the light of the significant environmental impacts of the Ichthys LNG project and its expansion phase, our **19 organizations**, with a combined membership reach of over **21 million people**, urge you to commit not to insure the expansion phase<sup>1</sup> planned to be validated in 2024.

Ichthys is known as **one of the biggest gas projects on earth with more than 13 trillion cubic feet<sup>2</sup>** of gas to be transformed into LNG.

**Legal documents from the Supreme Court of Western Australia** reveal that your company insured Inpex, involved in the construction of the Ichthys project and its onshore infrastructures between 2012 and 2017. Phase 1 has started producing in 2018 while a second phase is expected to produce as soon as 2025. The Ichthys project is proving particularly damaging for the climate and risky for ecosystems.

**Between 2018 and 2021, the Ichthys LNG production has been identified as the most carbon-intensive LNG from any Australian offshore project with massive levels of flaring.** Around 50 million cubic feet of gas were wasted everyday<sup>3</sup>, releasing a substantial amount of additional CO<sub>2</sub> emissions. Far from being a transition energy, LNG goes hand in hand with methane leaks, a gas with a warming potential 80 times higher than carbon dioxide<sup>4</sup>, all along its value chain from its transport to its processing.

<sup>1</sup> Called 2C, this phase is planned to be validated in 2024 at the latest

<sup>2</sup> According to the Rystad Energy database

<sup>3</sup> Boiling Cold, [Ichthys flaring cast doubt on carbon-neutral LNG cargo](#), 2021

<sup>4</sup> On a 20-year basis. On a 100-year basis, methane has a warming potential 27 times higher than carbon dioxide according to the [IPCC](#)

Located 210 kms off the coast in the Browse Basin, Ichthys' infrastructure has a **major environmental impact in a marine area known for its biodiversity and its protected marine national parks**. Its pipeline directly crosses the preserved area of the Oceanic Shoals Marine Park. In case of a gas spill, Ichthys LNG threatens **endangered and vulnerable species** thriving in the area such as the endangered green turtles, the loggerhead and olive ridley turtles but also more than 26 species of cetacean like dolphins and humpback whales<sup>5</sup>.

The next expansion phase of the project, expected to start its production in 2030, will worsen these risks. Inpex and TotalEnergies are currently planning phase 2C of Ichthys, which would increase gas production by as much as 3 trillion cubic meters of gas thanks to more than 10 new wells<sup>6</sup>. If the project finds the required supports, **this extension phase could release more than 130 MtCO<sub>2</sub> in the atmosphere for more than 30 years until 2060, well after the world must have reached carbon neutrality**. It would raise the project's total CO<sub>2</sub> emissions by more than 50%. **Ichthys' CO<sub>2</sub> emissions during its total lifespan could represent as much as the annual emissions of the entire country of Australia**.

As an insurer that claims to take the climate crisis seriously, we are calling you to commit not to support the next expansion phase of the Ichthys project. Failure to do so would make **your company directly accountable for its impacts and jeopardize your own environmental and climate commitments**. Experts from the International Energy Agency and IPCC scientists have made clear that **any new oil and gas infrastructure threatens the international 1.5°C objective and there is no room for new oil and gas fields in the IEA's Net-Zero Roadmap**. This roadmap highlighted that between 2020 and 2050, natural gas traded as LNG falls by 60% and many of the LNG liquefaction facilities currently under construction or at the planning stage are not needed<sup>7</sup>. Australia's LNG exports are expected to decline even faster than the rest of the world to achieve carbon neutrality in 2050<sup>8</sup>. **Consequently, supporting this project would either expose your company to major financial risks like LNG stranded assets or be a bet on the failure of the Paris Agreement**.

Moreover, we point out that as a member of the Net Zero Insurance and signatory of Race to Zero<sup>9</sup>, you are now required to phase down and out all unabated fossil fuels which means you must restrict the development and facilitation of new fossil fuel assets. You will have a year to be compliant with these criteria. Your "net zero" credibility and "climate" reputation depends on whether or not you meet these criteria and take actions to align your portfolio with 1.5°C.

Therefore, we reiterate our call to publicly rule out insuring the next phase of the project and more broadly, any new LNG infrastructure. **It could otherwise deal a major blow to both the climate and your reputation**.

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<sup>5</sup> Inpex, [Ichthys Environmental Plan Summary](#), 2016

<sup>6</sup> According to the Rystad Energy database

<sup>7</sup> IEA, Net Zero by 2050 - [A Roadmap for the Global Energy Sector](#), 2021

<sup>8</sup> Export volumes are expected to fall by around 70% in 2040 compared to 2020, compared to around 45% in the rest of the world.

<sup>9</sup> UN-backed Race to Zero campaign, [Race to zero criteria](#), June 2022

We would like to hear from you before the 5th of September 2022, at the latest.

We intend to publish a report in early October which will expose your direct involvement in the construction phase of the Ichthys project. We hope that by then, we can specify in our report that your company has pledged not to insure the extension phase.

If we do not hear from you at that time, we will assume that your company may provide insurance to this destructive project and its expansion phase.

Sincerely,

The undersigned 19 organizations

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- 350.org
- Australian Parents for Climate Action
- Campax
- CCAG
- Environment Center NT
- Friends of the Earth Japan
- Insure Our Future
- Japan Center for a Sustainable Environment and Society (JACSES)
- Les Amis de la Terre / Friends of the Earth France France
- Mekong Watch
- Oil Change International
- Public Citizen
- Rainforest Action Network
- Reclaim Finance
- Sea Shepherd Australia
- Seeding Sovereignty
- Solutions for Our Climate
- SumOfUs
- Urgewald