Carbon Offset Policy

When an activity like air travel produces CO2 emissions, these emissions can be compensated – or offset – by preventing or reducing a similar amount of emission elsewhere. This compensation can be performed by the airline itself or by its passengers. Such offsets can be sourced from various types of project activities and can be purchased through specialized offset providers or carbon brokers. The buyer then receives a certificate or record from the seller providing details about the project and the amount of reduced CO2 emissions.

Purpose of this policy

To reduce the environmental impact of flights required for official IAA representation purposes by purchasing carbon offsets in order to compensate for the carbon emissions stemming from flights.

Scope

For the purposes of this IAA policy, the scope applies to individuals, both volunteers and staff, who are required to travel via air for official IAA representation activities. All such formal events are planned and approved in the yearly IAA budget or the IAA Officers yearly IAA representation planning. The IAA Executive Director may also approve operational representation when required, within the limits of the approved annual budget.

Such events include, without being limited to, representation opportunities with Supranational organizations (IAIS, OECD, UN and others), Full Member Association (FMA) events at which the IAA is participating, select industry events (Geneva Forum, Insurance/Reinsurance events and others), provider events (IMEX, hosted buyers site visits and others) and IAA events including IAA Council and Committee meetings and Section colloquia.

Limitation

This policy applies only to flights, as they are the main producer of CO2 emissions in all IAA-related travels. Other transportation modes are excluded as it would be difficult to adequately assess the impact given the various levels of energy sources used for trains, automobile, public transit, and other non-flight transport.

Application

The IAA aims to continue to offer balance between flexibility with travel planning, while at the same time being able to adequately record emissions and offsets. Thus, the IAA offers 2 options for the application of this policy:

1. Individual option: each official travel claim submitted by IAA travelers must be accompanied by a certificate/receipt of Carbon offset compensation. For example, this
can be in the form of an airline travel option with proof of purchase. Such option is generally available from most major airline companies and can be easily selected while making their travel arrangements.

2. IAA Group option: in the absence of having purchased a carbon offset at the time of making travel arrangements, the individual IAA traveler must include in their reimbursement claim the estimated CO2 emissions for the related travel. This calculation can be done using available tools such as the International Civil Aviation Organization. Based on the total emissions during the fiscal year, the IAA will then purchase compensating credits for all travels falling under the IAA group options.

Expected annual cost: Based on recent representation travels, it is estimated that this policy should cost the IAA a range of $3,000 to $5,000/year based on established representation plans and carbon pricing levels within a range between $30 to $50 per tons of CO2.

Note: the above-mentioned budget has already been included in the 2024 IAA operations budget.

This policy will be reviewed every three years
Recommended implementation date: January 1, 2024
Entity in charge of oversight: Audit and Finance committee
Approved by Audit and Finance February 26, 2024