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From: Supply Chain Management

Bid Number: T18/10/24

Bid Title: PROPOSALS FOR A SUITABLE SERVICE PROVIDER TO PROVIDE A STRENGTHEN CLIMATE RISK MANAGEMENT AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) COMPLIANCE FOR THREE YEARS

1. QUESTIONS AND ANSWERS

1.1	**Question**	:	**We note that the scope contained in this RFP is very similar to that previously requested in "RFQ –To strengthen climate risk management and environmental, social and governance (ESG) compliance" during August 2024. Please could you confirm why the request has been reissued**
	Answer	:	The SCM processes did not yield a positive outcome hence we issued this tender.
1.2	**Question**	:	**What is the expectation around the service being required for "3 years" – is the plan that the work will be phased over 3 years, or that once the initial work is done there will be ongoing support, review and update?**
	Answer	:	It's our view that the work to be implemented cannot all be completed in 1year can be spread in 3 years. Hence the service provider project plan must outline how all the deliverables will be spread-out.
1.3	**Question**	:	**Methodological approach in assessing TCFD and ISSB frameworks -** a) Please advise how this links to the scope of work, as there is no specific mention of TCFD or ISSB frameworks in the scope of work? b) What are you expecting with respect to this? c) Are you looking for the provider to assist you with the implementation of ISSB/TCFD?

			d) Are you looking for the provider to assist you with ISSB/TCFD reporting The project is for 24 months including ad hoc services?
	Answer	:	a) The scope has been drafted to cater for the TCFD pillars b) To align with ISSB and TCFD pillars by identifying and disclosing short-, medium-, and long-term climate-related financial risks and opportunities, supported by stakeholder engagement to enhance understanding and strategy development. • To assess and articulate how climate-related risks impact business operations, strategy, and financial planning, with recognition that LBI is refining this area for future enhancements. • To leverage scenario analysis, including a 2°C or lower global warming scenario, to evaluate the organization's strategic resilience, building on LBI's 2023 ORSA insights into extreme loss and reinsurance challenges. • To support the development and integration of metrics such as loss ratios, claim frequency, and climate-linked premium income, ensuring alignment with LBI's strategy and risk management processes in line with ISSB and TCFD requirements. • To support us in establishing a framework for measuring and reporting Scope 1, Scope 2, and relevant Scope 3 GHG emissions, including identifying related risks in alignment with ISSB and TCFD requirements. • To assist in defining measurable climate-related targets, aligning them with LBI's strategy, and establishing mechanisms to track performance against these targets for effective risk and opportunity management. c) Yes. d) Yes.
1.4	**Question**	:	**The methodology and approach on the process of assessing current ESG frameworks improvement** a) Does the ESG framework that is being referred to link to the "Risk Management" section of the scope of work? i.e. the framework to manage ESG risks. b) Regarding "2. how you engage with stakeholders regarding climate-related issues " - does this refer to internal stakeholder i.e. how the service provider engages with internal Land bank

			stakeholders? Or does it refer to how Land bank should engage with their external stakeholders? c) Regarding "4. How you integrate ESG considerations into decision-making," - what are your expectations in demonstrating this?
	Answer	:	Clarity the work required is for the Land Bank Insurance and not Land Bank. a) No, we aim to have a comprehensive ESG framework. With regard to the Risk Management Framework the intention is to ensure that our ERM Framework demonstrate consideration of the ESG (climate risk requirements) b) It refers to how LBI should engage with all its stakeholders i.e. Shareholder, Regulators, and our customers. c) To demonstrate how ESG considerations are incorporated into key decision-making processes, ensuring alignment with LBI's overall strategy and risk management framework. This should include clear integration into investment, operations, and governance decisions.
1.5	**Question**	**:**	**1. Reference: Pricing Sheet -** a) TCFD diagnostic - are you looking for a benchmark of your practices against TCFD guidelines? How does this link to the scope of work? b) Regulatory review - are you looking for a review of your risk practices against the PA guidelines?
	Answer	:	a) Yes – The scope has been drafted with TCFD pillars in mind. We are looking insights similar to our entities which have adopted TCFD. b) Yes – specific to the recent climate standard published by the PA
1.6	**Question**	**:**	**The timeframe for the proposed engagement is three years. Can you explain how the scope will be broken down across the three years? For example, are some of the scope of work areas/ deliverables more urgent than others?**
	Answer	:	**Year 1: Foundation & Assessment** • **Focus:** Establish the baseline and develop a comprehensive strategy. • **Deliverables:** o **Strategy:** Develop climate risk and opportunity documentation, analyse climate factors influencing the business, scenario analysis reports, resilience assessment, and action plans.

    - **Risk Management:** Review existing policies, integrate climate risks into ERMF, define risk appetite, review existing risk profile, and establish a transition plan for the new framework.
    - **Metrics & Targets:** Develop climate-specific metrics and KPIs, establish data collection and reporting framework, and assess and outline mitigation strategies for Scope 1, 2, and 3 emissions.
    - **Environmental Impact:** Conduct an environmental impact assessment and develop mitigation strategies and a sustainability action plan with measurable targets.
    - **Social Impact:** Assess social impacts of climate change and ESG practices, conduct an assessment report with recommendations, and develop social responsibility initiatives.
    - **Governance:** Define board/committee roles for managing climate risk, review and benchmark climate risk policy.

Year 2: Implementation & Integration

- **Focus:** Implement strategies, integrate climate considerations, and build capacity.
- **Deliverables:**
    - Implement action plans from Year 1.
    - Integrate climate risk management into core business functions.
    - Develop and deliver training programs for Board, executives, and staff on climate change risk.
    - Refine and improve metrics and data collection processes.
    - Monitor and report on progress toward targets and goals.

Year 3: Refinement & Sustainability

- **Focus:** Continuously improve, monitor progress, and maintain momentum.
- **Deliverables:**
    - Review and update strategies based on progress and emerging issues.
    - Conduct periodic climate risk assessments and scenario analysis.

			o Refine ESG reporting and disclosure practices. o Foster a culture of climate awareness and action within the organization. o Identify opportunities for further integration of climate considerations.
1.7	**Question**	**:**	**Under the Strategy scope of work, there is a request to deliver scenario analysis reports. How many scenario analysis reports do you require and do you have any specifications around the number of scenarios and time horizons?**
	Answer	:	We have an ORSA Scenario Planning Framework which includes that a climate change scenario must always be included. Our maximum total scenarios if 8, including climate change. The service provider is expected to advise us of what climate change scenarios to include and in what manner and horizon.
1.8	Question	:	**The Strategy scope of work also asks for a set of action plans. How many action plans do you require?**
	Answer	:	Depending on how many identified climate risks and opportunities
1.9	Question	:	**The Metrics and Targets scope of work asks for Scope 1, 2 and 3 GHG emissions. What period (financial or calendar) would this GHG inventory be for? We would assume that the GHG inventory would be for a 12-month period. Is the activity (base) data for the GHG inventory readily available or would our quote need to include budget for data collection?**
	Answer	:	GHG inventory would be for a 12-month period. Quote need to include budget for data collection.
1.10	Question	:	**Has Land Bank or Land Bank SOC set climate-related targets?**
	Answer	:	We do not have a comprehensive climate related targets. Currently we have target for loss-ratio
1.11	Question	:	**For the Environmental Impact Assessment scope of work, how many EIAs do you require and would they need to align to the DFFE and NEMA requirements?**
	Answer	:	One to align to the DFFE and NEMA requirements.
1.12	Question	:	**For the board, senior exec and senior management training, how many training sessions do you require?**

	Answer	:	. Most probably every key phase of the project. i.e. ESG (Climate) training to create awareness, next phase could be once the Strategy, Framework, Policy and ERM Framework is completed – Next phase Once completed workshop around scenarios. We see this as continuous over the 3 year period
			1. **Considering that the deliverables predominantly relate to climate risk rather than ESG as a whole, would demonstrating the required experience specifically in climate risk be sufficient to meet the mandatory requirement of having at least 12 years of experience in financial institutions specialising in ESG? Alternatively, can combined experience be considered to meet this criterion?** 2. **Does the Company consider climate risk primarily as a near-term, medium-term, or long-term risk? Over what specific timeframes does the Company want to assess climate-related risks and opportunities**? 3. **Can you provide more details on the specific climate drivers that the Company is most concerned about for the development of the strategy?** 4. **Is the Company currently conducting any scenario modelling for climate risks? If so, what return periods and time horizons are being considered (e.g., 1-in-100-year events, 1-in-1,000-year events)?** 5. **What is the current state of the Company's Enterprise Risk Management Framework (ERMF) concerning climate risk?** 6. **Does the Company have predefined climate-related targets, or is QED expected to develop these targets?** 7. **Has climate risk influenced your underwriting processes or led to any adjustments in policy terms and conditions?** 8. **Is the Company increasing its use of reinsurance as a strategy to mitigate climate-related risks?** 9. **What are the main challenges the Company faces in adapting to climate-related risks?** 10. **Are there specific risk management tools or software currently in use that QED should integrate with?** 11. **Could you provide more details on the existing governance structures related to ESG and climate risk at the Company?** 12. **What are the expectations regarding the frequency and format of the training sessions for the Board and senior management?** 13. **For the support team, is there a maximum number of CVs that should be submitted, and do all team members need to have at least 5 years of experience?**

	Answer	:	1. Combined experience to be considered to meet this criterion 2. Consider across all timeframes, given the industry's sensitivity to climate impacts: • **Near-term** (0-3 years): Immediate weather-related risks, such as floods, droughts, and storms, which directly affect crop yields and underwriting criteria. • **Medium-term** (3-10 years): Shifts in weather patterns, changing agricultural practices, evolving customer needs, and potential regulatory changes. • **Long-term** (10+ years): Structural shifts in the climate and agriculture sectors, such as climate-induced migrations, significant policy changes, or long-term changes to ecosystems impacting agriculture. 3. Climate drivers of concern include extreme weather events (droughts, floods, storms), rising temperatures, shifts in growing seasons, water scarcity, changing pest and disease patterns, regulatory changes, and shifts in market and consumer behaviour. 4. We have an ORSA Scenario Planning Framework which includes that a climate change scenario must always be included. Our maximum total scenarios if 8, including climate change. The service provider is expected to advise us of what climate change scenarios to include and in what manner and horizon. We currently model foe extreme loss ratio, adverse persistent loss ratio and loss of reinsurance as major scenarios linked to climate change. 5. There is a gap - this needs to be integrated. 6. To assist the business to develop these targets. 7. Yes 8. Yes 9. Uncertainty in climate forecasts that complicates risk modelling, increased frequency of claims due to extreme weather events, and data gaps that hinder accurate risk assessment. Rising reinsurance costs and reduced capacity further exacerbate financial pressures, while the high cost of adaptation for farmers limits the availability and affordability of coverage. Additionally, evolving regulations require continuous adjustments to the company's operations and risk management strategies to stay compliant. 10. No tools in place 11. Executive Committee (EXCO), Audit and Risk Committee (ARC), Management Risk Committee, Social and Ethics Committee (SEC), and the Board. Each of these bodies is

			responsible for integrating climate-related risks and ESG considerations into the company's overall strategy, risk management, and decision-making processes. 12. 2 Trainings that is: E-Learning for Snr Management and employees and in class training or online for Board