WHITEPAPER

Carbon reduction without the price tag

Why going green doesn't have to cost the Earth

Crawford®

Introduction

Sustainability is rapidly moving from a strategic aspiration to an operational necessity for Insurers and respective supply chains.

Rising regulatory scrutiny, increasing investor expectations, and growing customer demand for responsible practices are placing pressure on the industry to demonstrate measurable carbon reductions and positive environmental impact of claim fulfilment. At the same time, insurers face ongoing challenges around cost control, claim cycle times and customer satisfaction. The perceived tension between sustainability and financial performance has often slowed progress.

This white paper challenges that assumption by drawing on real-world claims and operational case studies that demonstrate meaningful carbon reduction without increasing indemnity spend or compromising service delivery. By embedding sustainability into existing claims processes rather than treating it as a separate initiative, insurers can deliver environmental benefits as a direct by-product of efficiency, innovation, and better decision-making.

Key opportunities exist across the claim lifecycle. Faster and more intelligent triage at First Notification of Loss (FNOL) reduces unnecessary site visits and travel-related emissions. Proactive loss mitigation limits strip-out, energy consumption, waste generation and claim duration - plus limiting associated alternative accommodation and business interruptions costs. Circular economy principles, enabled through structured Site Waste Management Plans (SWMPs), divert materials from landfill while reducing disposal and logistics costs – an increasingly critical advantage as landfill tax continues to rise.

Material selection during reinstatement represents another high-impact, low-disruption opportunity. Rather than relying on impractical “silver bullet” materials, cost-neutral substitutions within existing supply chains – such as switching functionally equivalent products and brands – can deliver significant embodied carbon reductions without affecting availability, quality, or programme timelines. The use of green repair clauses further supports these decisions within policy frameworks.

Technology underpins each of these interventions. From AI-enabled triage and remote inspections to digital scoping tools and sensor-led loss mitigation - technology reduces friction, improves accuracy, and drives consistent, measurable carbon reduction at scale.

For Insurers, the associated outcomes are clear and measurable: reduced carbon footprint per claim, shorter claim lifecycles, lower logistics costs, improved ESG reporting confidence, enhanced customer experience, and valuable underwriting intelligence derived from sustainability-led claims data.

The conclusion is unequivocal. Going green does not have to cost the earth. Cost-neutral sustainability is already achievable within today’s claims operations. Insurers that act now – through targeted pilots, strengthened vendor partnerships, and ESG-integrated claims strategies – will not only reduce their environmental impact, but also strengthen financial performance, operational resilience, and long-term trust with customers, regulators, and investors.

Market and regulatory pressures

Insurers now face growing expectations from multiple stakeholders to demonstrate tangible ESG performance in claims handling. These pressures include:

Regulatory Frameworks:

EU CSRD (Corporate Sustainability Reporting Directive) and IFRS S2 standards will require detailed disclosure of Scope 3 emissions, including supplier and claims-chain impacts.

UK FCA's Sustainability Disclosure Requirements and similar frameworks globally push insurers to integrate climate considerations into operations.

Investor and Ratings Pressure: ESG ratings agencies and institutional investors are scrutinising insurers' operational and supply chain emissions, including claims processes.

Policyholder Expectations: Consumers increasingly prefer brands with sustainable practices, including greener claim options. Offering repair, reuse, or carbon-neutral fulfilment can differentiate insurers in a competitive market.

Industry Initiatives: Partnerships such as the UN-convened Net-Zero Insurance Alliance call for measurable reductions in both underwriting and operational emissions – including claims fulfilment.

Net-Zero Targets: Setting net-zero targets signals an organisation's commitment to carbon reduction and requires annual reporting to evidence progress, including emissions reductions across the supply chain. While this improves accountability, it also increases reporting burdens, necessitates engagement with suppliers for Scope 3 emissions, and carries reputational risk if targets are not achieved.

Insurers are under pressure not only to manage costs but also to quantify and reduce the carbon footprint embedded in claims operations. This twin challenge of rising costs and carbon exposure is reshaping claims strategies across the sector.

Moreover, the prevailing assumption that carbon-reduction measures inevitably increase claim costs and overall indemnity spend, has constrained both innovation and adoption within the claims ecosystem.

Yet, by looking beyond traditional insurance practices and embracing alternative models and methodologies, it becomes clear that meaningful and cost-efficient carbon reduction in the claims process is not only possible but readily achievable.

Low-carbon claims, high-value outcomes

It is broadly recognised that the majority of the carbon footprint associated with Loss Adjusting and Insurance claim fulfilment originates from purchased goods and services – most notably within the building repair networks that deliver property claim fulfilment on their behalf.

In fact, the majority of emissions associated with this aspect of the claims process fall within Scope 3 of a Loss Adjuster's or Insurer's carbon footprint – rendering their Scope 1 and Scope 2 emissions comparatively modest.

Consequently, the most substantial opportunities for carbon reduction and meaningful progress toward net-zero targets, lie within Scope 3 emissions and the wider building repair supply chain. Recognising this, targeted and strategic collaboration with suppliers and contractors becomes essential, unlocking the potential for high-value, system-level impact.

Therefore, effective supplier emissions management becomes a direct lever for reducing the organisation's broader carbon footprint.

At Crawford, our approach to carbon reduction is rooted in collaborative engagement. We work closely with operational teams and our building repair networks to identify and mitigate carbon-intensive "hotspots" across their operations and supply chains, focusing on five key areas:

1. **FNOL & Loss Mitigation**
2. **Circular Economy (Waste)**
3. **Materials Selection**
4. **Technology**
5. **Organisational Emissions (Scope 1 and 2)**

Applying a solutions-focused approach across each domain enables the delivery of outcomes that are both environmentally impactful and cost-effective.

FNOL & Loss Mitigation

Efficient claims triage is frequently cited as a driver of shorter claim lifecycles and improved customer satisfaction. Far less attention, however, has been given to its role in sustainability and carbon reduction. In practice, the two are closely linked.

At Crawford, we have seen that effective triage at the First Notification of Loss (FNOL) stage can deliver measurable reductions in carbon emissions. By making faster, more informed decisions early in the process, unnecessary site visits are avoided, road mileage is reduced, and the overall environmental footprint of a claim is lowered from the outset.

This impact has been clearly demonstrated through a recent deployment of our proprietary AI-powered subsidence determination platform called SubSprint® designed to enhance accuracy, efficiency and customer outcomes. This market-first solution is projected to deliver significant enhancements at the FNOL stage, with determination completed in as little as 15 minutes. Beyond operational efficiency, this acceleration is projected to translate into fewer physical inspections, reduced travel-related emissions and faster outcomes for customers.

Such innovation demonstrates how “outside-the-box” thinking can deliver cost-efficient, environmentally sustainable outcomes without requiring direct additional investment in sustainability solutions.

Once a valid claim is identified, further sustainability gains can be realised through proactive Loss Mitigation. Early intervention by Loss Mitigation specialists reduces the need for extensive strip-out works and enables more targeted, technology-driven drying regimes. These approaches significantly lower material waste and reinstatement, energy consumption and the duration and frequency of site attendance.

The benefits are both environmental and financial. In one recent Loss Mitigation pilot, Crawford significantly reduced the average indemnity spend per claim. This was achieved through minimising unnecessary strip-out, deploying precision drying strategies and cutting associated costs such as labour, waste disposal, repeat site visits, energy usage and, in many cases, reducing alternative accommodation and business interruption expenses.

Taken together, these examples demonstrate a clear principle: meaningful carbon reduction does not require higher costs. When sustainability is embedded into smarter processes and better

decision-making, environmental benefits and commercial outcomes are achieved simultaneously.

Circular Economy (Waste)

Property claims inevitably generate waste. From strip-out materials and damaged fixtures and contents to flooring, timber and fittings – the traditional response has often been straightforward disposal – typically to landfill. Yet this linear “remove and replace” approach is increasingly misaligned with both sustainability goals and cost control.

A circular economy perspective reframes waste not as an unavoidable expense, but as an opportunity. By identifying, segregating and redirecting materials at the point of generation, Insurers and claims handlers can reduce carbon emissions, limit landfill dependency, avoid associated landfill taxes and unlock tangible financial savings.

For example, timber waste arising from strip-out works can often be diverted via the national social enterprise, Community Wood Recycling (CWR) rather than sending such valuable materials to landfill. By partnering with CWR, Crawford have enabled the repurpose of usable wood materials for social enterprises, local construction projects, or biomass fuel, delivering both environmental and social value. Moreover, partnering with organisations like CWR offer significant cost reductions when compared to traditional skip and landfill disposal.

Similar opportunities exist for metals, plasterboard, fixtures, contents and certain soft furnishings, all of which can be redirected into established recycling or reuse channels when identified correctly at source.

The financial case for this approach is strengthening rapidly. Landfill tax continues to rise year on year, significantly increasing the cost of disposal and placing growing pressure on claim indemnity spend. As landfill becomes more expensive, the economic advantage of reuse and recycling becomes increasingly compelling. In many cases, segregating waste and redirecting materials away from landfill reduces haulage costs, disposal fees, and overall waste management expenditure.

Importantly, these savings are not achieved through compromise. Instead, they are the result of better planning, clearer visibility of waste streams, and alignment between operational efficiency and sustainability objectives.

As regulatory pressure, environmental expectations and disposal costs continue to increase, the necessity of adopting more sustainable waste solutions becomes unavoidable. The circular economy offers a practical, cost-effective pathway forward – one that reduces carbon, waste and costs.

Materials Selection

Material selection during property reinstatement plays a critical role in determining the carbon footprint of an insurance claim. Yet, sustainability discussions in this area are often dominated by the search for a "silver bullet" – novel, ultra-low-carbon materials or alternative construction methods that promise dramatic environmental gains but are frequently impractical in real-world claim environments.

In practice, many of these solutions are neither cost-effective nor operationally sustainable. Limited availability, extended lead times, specialist installation requirements, plus regional supply constraints can introduce delays, increase costs and disrupt claim lifecycles. For Insurers and Loss Adjusters operating at scale and with managed building repair networks - solutions that cannot be reliably sourced or deployed undermine both customer experience and commercial outcomes.

A more effective approach focuses on incremental, evidence-based improvements using materials that are already widely available within established supply chains. Small, informed substitutions, made consistently, can deliver significant carbon reductions without increasing cost or complexity.

A clear example can be found in internal finish materials, such as emulsion paint. By switching to equivalent products from different manufacturers – without changing specification, performance, or application method – it is possible to achieve carbon reductions of up to 38% on a cost-neutral basis. These changes require no operational adjustment for contractors, no impact on programme timelines, and no compromise on quality, yet deliver measurable environmental benefits at scale.

This principle extends beyond finishes to include protection materials, plasterboard, insulation, flooring substrates, and timber products, where alternative specifications with lower embodied carbon are often available within existing frameworks. The key is not radical reinvention, but informed product selection supported by data, procurement visibility and clear guidance for supply chain partners.

Policy mechanisms are also beginning to support this shift. The inclusion of green repair clauses within insurance policies provides a formal pathway for mandating the selection of lower-carbon materials and repair methodologies where appropriate.

Taken together, smarter material selection demonstrates that carbon reduction does not require disruptive change or increased spend. By moving away from impractical “silver bullet” solutions and towards readily available, cost-neutral alternatives, Insurers and Loss Adjusters can embed sustainability directly into reinstatement activities.

Technology

Technology is often viewed as a driver of speed, accuracy and cost efficiency within insurance claims. Its’ role in carbon reduction, however, is less frequently acknowledged. In reality, digital tools and data-driven decision-making are among the most effective and scalable mechanisms for reducing emissions – without increasing cost or operational burden.

As demonstrated earlier, AI-powered subsidence claim triage at First Notification of Loss (FNOL) can dramatically reduce the need for physical site visits. Crucially, these benefits are achieved as a by-product of efficiency, not through additional sustainability investment. Beyond FNOL, technology continues to unlock carbon savings across the full claim lifecycle. Remote monitoring and inspection tools, including photo and video capture supported by intelligent assessment platforms, reduce the frequency of unnecessary site attendance while maintaining technical oversight. In many cases, a single physical visit can replace multiple inspections, significantly lowering mileage, fuel consumption and associated emissions.

Digital and AI-powered scoping and measurement tools further reduce waste by improving accuracy in repair specifications. By minimising over-ordering of materials and reducing rework, these platforms lower embodied carbon while also controlling costs and programme duration. More precise scopes mean fewer amendments, fewer follow-up visits, and less material entering the waste stream.

Technology also plays a key role in Crawfords’ Loss Mitigation service and reinstatement planning. For example, sensor-based monitoring systems, enable real-time tracking of moisture levels and environmental conditions during drying regimes.

This allows equipment to be deployed only when and where it is needed, reducing energy consumption, shortening drying times, and avoiding unnecessary strip-out – all while improving outcomes for the policyholder.

Collectively, these examples reinforce a principle that is central to Crawford's approach to sustainability: technology does not need to be deployed for sustainability in order to deliver sustainability outcomes. When used to improve decision-making, reduce friction, and eliminate inefficiency, carbon reduction follows naturally.

Organisational Emissions (Scope 1 & 2)

The emissions an organisation has the greatest degree of control over are those that fall within Scope 1 and Scope 2. Scope 1 emissions are direct emissions from activities owned or controlled by the organisation and include emissions from fuels used in fleet vehicles (owned or leased) and fuels used in heating, cooling and production activities in company buildings, regardless of whether those buildings are owned assets. Scope 2 emissions are created as the consequence of an organisation's business activity but occur at sources that are not owned or controlled by the organisation.

Whilst organisational emissions are generally a much smaller proportion of an organisation's total footprint, they can be more easily measured than Scope 3 emissions and reduction opportunities are realised through direct control and organisational decision-making.

Quick low- and no-cost options to reduce organisational emissions include reducing consumption by setting timer controls on office equipment and machinery, adjusting thermostat settings, fitting timer plugs to automated equipment and adding sensors for lighting to operate only when a space is occupied. Businesses often consider whether meetings can be conducted virtually rather than in person; assess whether site visits are necessary or if desktop assessments are sufficient; and evaluate whether the technologies, such as those outlined above, can be used to reduce travel requirements.

While achieving greater reductions in Scope 1 and 2 emissions may involve upfront expenditure, these costs can be budgeted and offset through efficiency gains.

When replacing fleet vehicles or office equipment, organisations can prioritise options that reduce emissions while remaining cost neutral over their entire lifecycle.

Net-zero commitments require emissions reductions across all three scopes. While savings from Scope 1 and 2 may appear modest compared with the larger reduction potential within Scope 3, they remain an essential component of the overall decarbonisation process.

Measurable outcomes for insurers

For sustainability initiatives to gain traction within insurance claim operations, they must deliver outcomes that are both measurable and commercially meaningful. Carbon reduction cannot remain an abstract ambition; it must translate into clear performance indicators that align with indemnity control, operational efficiency, regulatory compliance and customer experience.

When sustainability is embedded into claims processes – through smarter triage, loss mitigation, material selection, waste management and technology enablement – the results are tangible, repeatable and measurable.

Reduced carbon footprint per claim

Insurers can achieve meaningful and measurable reductions in carbon emissions per claim without any increase in indemnity spend. These reductions are driven by fewer site visits, lower material waste, reduced energy consumption and more efficient reinstatement practices - all embedded into existing workflows rather than added as standalone initiatives.

Shorter claim lifecycles and lower logistics costs
Faster decision-making, reduced rework and targeted interventions contribute to shorter average claim cycle times. In parallel, logistics costs decrease through fewer site attendances, reduced mileage and more efficient use of contractors and equipment – delivering operational savings alongside carbon reduction.

Improved ESG performance and reporting confidence
As regulatory scrutiny and investor expectations increase; Insurers are under growing pressure to evidence ESG performance with credible data. Embedding sustainability into claims enables improved ESG scoring, supported by auditable metrics suitable for regulatory reporting, investor disclosures and broader corporate sustainability frameworks.

Enhanced customer experience
Sustainable claims handling delivers a direct customer benefit. Faster repairs, reduced disruption and the availability of greener repair and reinstatement options improve policyholder satisfaction, while reinforcing trust in the Insurer's values and social responsibility.

Clear sustainability adjustments in adjuster reporting
Crawford UK now include a dedicated sustainability adjustments section within Major & Complex Loss Adjuster reports - ensuring transparency and consistency. This captures carbon-reducing decisions, material substitutions, waste diversion and Loss Mitigation measures, providing a clear audit trail and supporting internal governance.

Loss lessons and underwriting intelligence
Sustainability-driven claims data generates valuable insights beyond claims handling. Patterns relating to material performance, repair strategies and environmental impact can be fed back into underwriting and risk selection, strengthening pricing accuracy and informing future policy design.

Taken together, these outcomes demonstrate that sustainability is not a cost centre, but an operational and supply chain performance enhancement tool. When carbon reduction is treated as an operational optimisation rather than an add-on, Insurers and Loss Adjusters achieve measurable environmental benefits alongside stronger financial, regulatory and customer outcomes.

Conclusion

The evidence is clear: cost-neutral sustainability in insurance claims is not a future ambition – it is achievable today. By embedding smarter decision-making, targeted use of technology, pragmatic material selection and circular economy principles into existing claims processes, Insurers and Loss Adjusters can reduce carbon emissions without increasing indemnity spend or operational complexity.

Crucially, positive environmental impact does not have to come at the expense of financial performance. On the contrary, many of the most effective carbon reduction measures – faster triage, reduced site visits, Loss Mitigation, waste diversion and efficient reinstatement – also deliver shorter claim lifecycles, lower costs, improved customer experience, plus stronger governance. Sustainability, when approached pragmatically, becomes a driver of improved performance rather than a financial constraint.

For Insurers seeking to translate ambition into action, the next steps are clear:

- ✓ Pilot targeted programmes that test carbon-reducing interventions within live claims environments, supported by measurable outcomes and clear success criteria.
- ✓ Strengthen vendor partnerships to ensure sustainability is embedded across the supply chain, from waste management and materials sourcing to Loss Mitigation and reinstatement delivery.
- ✓ Integrate ESG into claims strategy, ensuring environmental considerations are aligned with indemnity control, reporting requirements, plus long-term underwriting intelligence.

The opportunity now is to move beyond high-level commitments and deliver meaningful change at claim level – where both cost and carbon are truly determined. By doing so, Insurers and Loss Adjusters can demonstrate leadership, meet growing regulatory and stakeholder expectations and prove that going green does not have to cost the earth.

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