



## **World-Leading Insurers and United Nations Launch Pioneering Target-Setting Protocol to Accelerate Transition to Net-Zero Economy**

**Davos, 17 January 2023** - The United Nations-convened Net-Zero Insurance Alliance (NZIA) today launched the Alliance's first Target-Setting Protocol at the World Economic Forum's Annual Meeting in Davos, Switzerland.

As risk managers, insurers and investors, the insurance industry has an important role to play in the transition to a net-zero emissions global economy by supporting their clients in taking concrete action to achieve net zero.

Version 1.0 of the NZIA Target-Setting Protocol (the Protocol) will enable NZIA members to begin to independently set science-based, intermediate targets for their respective insurance and reinsurance underwriting portfolios in line with a net-zero transition pathway consistent with a maximum temperature rise of 1.5°C above pre-industrial levels by 2100. With the launch of the Protocol, existing NZIA members are required to set and disclose their initial target(s) by July 2023.

This important milestone comes 18 months after the Alliance's launch at the 2021 G20 Climate Summit in Venice by eight of the world's leading insurers and reinsurers. Since then, the Alliance has grown to 29 insurers and reinsurers representing about 15% of world premium.

*"The NZIA's first Target-Setting Protocol is a landmark breakthrough. For the first time ever, insurance and reinsurance companies among the largest globally have built a framework and measurement tools to assess the impact of their activities on climate change. The NZIA's Target-Setting Protocol will*

*serve as a catalyst to set unprecedented and ambitious targets towards net zero,”* said Renaud Guidée, NZIA Chair and Group Chief Risk Officer at AXA.

The Protocol builds on the launch of the first-ever global accounting standard to measure greenhouse gas emissions associated with insurance underwriting portfolios (“insurance-associated emissions”) developed by the Partnership for Carbon Accounting Financials (PCAF) in collaboration with the NZIA.

*“Climate change is one of the biggest challenges we face as a global society and re/insurers play their part in the transition to a low carbon economy. Setting targets to decarbonise re/insurance portfolios is therefore a crucial step forward, serving as a north star on the path to net zero,”* said Thierry Léger, Group Chief Underwriting Officer, Swiss Re, whose organisation leads the NZIA Target-Setting Working Group.

The Protocol outlines five target types within three target categories (i.e. two types within the emissions reduction category, two types within the engagement category, and one for the re/insuring the transition category). Existing NZIA members will be required to set at least one of the five target types by July 2023, and at least one target type in each of the three target categories by July 2024. Those joining the Alliance after January 2023 will have six months to set their first target and one year after that to set a target type in each of the three target categories.

*“The launch of the Protocol signals the move from commitment to implementation. Now is the time for insurers to set ambitious and credible science-based decarbonisation targets for their respective insurance portfolios and support a just transition to a net-zero emissions economy to avert climate catastrophe and ensure a sustainable future,”* said Butch Bacani, who leads UNEP’s Principles for Sustainable Insurance Initiative, which created the NZIA last year.

The NZIA also recently announced that the Alliance will continue to collaborate with the Science Based Targets Initiative (SBTi) on the development of its approach to target-setting for insurance and reinsurance underwriting portfolios in line with SBTi’s upcoming Financial Institution Net-Zero Standard (FINZ).

Visit the [NZIA website](#).

Download the NZIA's first [Target-Setting Protocol](#).

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### **About UNEP's Principles for Sustainable Insurance Initiative**

Endorsed by the UN Secretary-General and insurance industry CEOs, the Principles for Sustainable Insurance (PSI) serve as a global framework for the insurance industry to address environmental, social and governance (ESG) risks and opportunities—and a global initiative to strengthen the insurance industry's contribution as risk managers, insurers, and investors to building resilient, inclusive, and sustainable communities and economies on a healthy planet.

Developed by UN Environment Programme's Finance Initiative, the PSI was launched at the 2012 UN Conference on Sustainable Development (Rio+20) and has led to the largest collaborative initiative between the UN and the insurance industry. As of December 2022, more than 230 organisations have joined the PSI, including insurers representing about one-third of world premium and USD 15 trillion in assets under management, and the most extensive global network of insurance and stakeholder organisations committed to addressing sustainability challenges. The PSI also hosts the Net-Zero Insurance Alliance and the Sustainable Insurance Facility of the Vulnerable Twenty Group of Finance Ministers (V20).

[www.unepfi.org/psi](http://www.unepfi.org/psi)

### **About the Net-Zero Insurance Alliance**

The United Nations-convened Net-Zero Insurance Alliance (NZIA) is a group of 29 leading insurers representing about 15% of world premium, who are all signatories to the UN Principles for Sustainable Insurance (PSI).

NZIA members have committed to transition their insurance and reinsurance underwriting portfolios to net-zero greenhouse gas emissions by 2050, consistent with a maximum temperature rise of 1.5°C above pre-industrial

levels by 2100, in order to contribute to the implementation of the Paris Agreement on Climate Change.

As risk managers, insurers and investors, the insurance industry has an important role in the transition to a net-zero global economy. The NZIA is a member-led group that supports its members as they work towards decarbonising their respective underwriting portfolios by individually setting science-based interim targets and reporting on their progress annually. The Alliance will also advocate for and engage in governmental policies for a science-based and socially just transition of economic sectors to net zero.

[www.unepfi.org/net-zero-insurance](http://www.unepfi.org/net-zero-insurance)