



**IAIS**

INTERNATIONAL ASSOCIATION OF  
INSURANCE SUPERVISORS

**Public**

# **IAIS Environmental Policy**

**December 2020**

## 1 Introduction

### 1.1 Background and context

#### Sustainability and environmental issues and the IAIS

As part of its Strategic Plan 2020-2024, the IAIS has identified climate risk and the challenge of sustainable development as key issues that have the potential to reshape the business of insurance in the coming years. The IAIS already carries out various activities at the policy and analytical level to support its focus on sustainable development and climate risk. It does this in cooperation with partners such as the UNEP Sustainable Insurance Forum (SIF) and the Access to Insurance Initiative (A2ii). These activities are aimed at supporting Member supervisors' efforts to integrate climate-related risks into their insurance supervision and to support sustainable development of the insurance sector. As the global standard setter for insurance supervision, the IAIS encourages insurers to consider sustainability and climate-related risks and opportunities for their own business – be it in their risk management, supervisory and public reporting or investment policies or in finding solutions to closing the protection gap.

In support of these strategic objectives, this document sets out an IAIS Environmental Policy aimed at guiding the IAIS' own performance on environmental issues, including strategic objectives and metrics to monitor and report on progress.

#### The context of the IAIS operations

The IAIS is the international standard-setting body responsible for developing and assisting in the implementation of principles, standards and other supporting material for the supervision of the insurance sector. The IAIS Mission is to promote effective and globally consistent supervision of the insurance industry in order to develop and maintain fair, safe and stable insurance markets for the benefit and protection of policyholders and to contribute to global financial stability.

The IAIS operates as a global, inclusive organisation that has grown significantly since its establishment in 1994. This is inherently associated with international outreach. It has Members from approximately 200 jurisdictions. Over 60% of the economies represented at the IAIS are considered emerging markets and developing economies.

The volume, scope, intensity, range and complexity of the projects undertaken by the IAIS have increased significantly in recent years. This is reflected in the IAIS work programme. The development of key post global financial crisis reforms, such as the Insurance Capital Standard (ICS), finalisation of Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame) and financial stability activities have been particular drivers of increasing resource needs. The 2020-2024 Strategic Plan does not envisage a significant increase in the scale of IAIS activities but rather a shift in focus towards the assessment of implementation of agreed reforms and a pivot to new strategic themes, including climate risk and sustainable development. This provides an opportunity to examine ways to improve the IAIS' environmental performance.

At a time of increased pressure on public sector entities, particularly in light of the impact of the Covid-19 pandemic, the IAIS also recognises the need to improve efficiency of resource allocation in order to continue to deliver on its activities. While not the main objective, initiatives aimed at reducing the Association's carbon footprint may, as a side benefit, also help reduce costs for the organisation, its Members and stakeholders.

## 1.2 Scope

The focus of the Environmental Policy is on the IAIS as an Association, which includes both the IAIS Secretariat and the interaction with Members and stakeholders. The following key areas of activities are in scope:

- The frequency of and logistics around meetings and events
- Secretariat travel
- Working practices.

Linking the IAIS Environmental Policy with the United Nations Sustainable Development Goals (SDGs), the policy should help contribute especially to SDG 7 (Affordable and Clean Energy), SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action).

## 2 Environmental Policy

The IAIS Environmental Policy aims to promote sustainable behaviour and reduce the overall carbon footprint of the Association. Additionally, the Environmental Policy:

- Recognises the IAIS as a global, diverse and inclusive organisation;
- Reflects, in a proportionate manner, global best practices;
- Is easily executable, and includes practical goals that are implementable from the first year of its adoption (ie from 2021);
- Allows the IAIS to be held accountable, and includes (quantifiable) targets on which progress can be monitored over time;
- Enables the IAIS to lead by example in promoting sustainable work practices within the supervisory community and the wider insurance industry; and
- Contributes to the IAIS high level goal of delivering on its activities in an efficient and effective manner.

### **IAIS Environmental Policy Statement:**

The IAIS is committed to:

- Improve its environmental performance by regularly reviewing the ecological footprint of its daily operations and take measures as necessary to reduce carbon emissions and to use resources more efficiently and responsibly;
- Closely cooperate with its host organisation, the Bank for International Settlements (BIS), in continuing to limit the environmental impact of the work environment;
- Increasingly integrate environmental considerations into IAIS procedures and policies;
- Promote sustainability and environmental awareness amongst its Members, Secretariat staff and stakeholders; and
- Communicate externally on our environmental performance.

These translate into the following concrete objectives:

### **Meetings and events:**

- 1) To reduce the overall carbon footprint of travel associated with in-person meetings and events of the IAIS by 25%\*, by:
  - reducing the frequency of in-person Parent Committees and Subcommittee meetings and replacing them with virtual alternatives; and

- transitioning the annual Global Seminar to a virtual event by 2025.
- 2) To reduce the environmental impact, including carbon footprint, of those remaining in-person IAIS meetings and events.

**Secretariat travel:**

- 3) To reduce the annual carbon footprint of Secretariat travel by 25%\*.
- 4) To offset all of the remaining carbon emissions.

**Working practices:**

- 5) To promote awareness and improve Secretariat staff behaviour when it relates to the use of resources, including waste and water management, electricity use, reliance on printed paper.
- 6) To monitor and actively support BIS-wide initiatives to further improve the environmental performance of the working practices at the BIS.

**Transparency**

- 7) To increase transparency on its environmental footprint, by:
  - publishing the approved Environmental Policy and any future updates; and
  - reporting annually on the progress made with respect to the objectives and targets, as part of the IAIS Annual Report.

*\* The quantitative carbon offset targets are defined for the period 2021-2024, with 2019 as the baseline. The carbon footprint should not exceed that of 2019 in any future year, and should show a declining trend towards 2024.*

## 2.1 Next steps

The objectives stated above constitute a first step in our journey towards operational sustainability. The IAIS has a strong ambition to lower the environmental impact of its operations and activities. Accordingly, it will continue to seek other opportunities to reduce its carbon footprint. The IAIS will regularly review its performance relative to the quantitative targets and, as part of a mid-term review point in late-2022, will explore the possibility of a further reduction in its carbon footprint targets.