

The Hong Kong Federation of Insurers (HKFI)
Insurance Industry Climate Charter
Frequently Asked Questions *[English only]*

Q1: What is Insurance Industry Climate Charter?

The Insurance Industry Climate Charter (Climate Charter) is a document that outlines a set of climate principles and objectives which signatories agree to meet. The Climate Charter was developed by referencing leading global insurance climate charters and localized for the Hong Kong market through feedback and consultation with HKFI Members.

As part of global efforts to address climate change, the HKFI, joining other national and international insurance associations and bodies, has launched the first-ever Climate Charter for the Hong Kong insurance industry.

Q2. Is signing up for the Insurance Industry Climate Charter compulsory for HKFI members?

Signing up for the Insurance Industry Climate Charter is voluntary. The Climate Charter signifies our collaborative commitment to help address climate change and demonstrates the concerted efforts of our industry.

As aptly pointed out by the HKSAR Chief Executive, Mr John Lee, in his remarks at the Asian Insurance Forum in December 2023, the Climate Charter shows “a united commitment to responding to the climate crisis”.

The Insurance Authority also mentioned in its circular in December 2023 that insurers are strongly encouraged to sign up for the Climate Charter and contribute to the collective efforts in creating a more resilient and sustainable future.

Q3. Why does HKFI launch the Insurance Industry Climate Charter?

Fostering community spirit, the HKFI intends to promote the concerted efforts and proactive steps of HKFI members to help address climate change as the primary objective in launching the Climate Charter. The Climate Charter is not intended as a foundation for allying. The HKFI also acknowledges that a level playing field is tremendous for the healthy development of our industry.

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Q4. What are the key commitments of the Climate Charter and the reporting logistics?

The Climate Charter covers different sections of climate principles and objectives, ranging from Business Operations & Governance, Investments, Claims Management, Products & Underwriting, Societal Engagement, Reporting & Disclosures, etc. For details, please refer to the [full report](#) in this mini-site of the Climate Charter.

After setting and publishing the incremental targets for 2030 within two years following the sign-up, signatories are required to report the Climate Charter implementation progress to the HKFI every two years using their own presentation format, or their own / Group / Parent company / Holding's sustainability report. The links of the implementation progress report / sustainability report will be put in this mini-site of the Climate Charter.

Besides, the Reporting & Disclosure section may provide minimal disclosure reference to HKFI members and facilitate them to perform Enterprise Risk Management as appropriate.

Q5. If my company signs up to global frameworks / headquartered outside Hong Kong, can we sign up for the Climate Charter? Can my company use group, parent company or holding level target/commitments/reporting to meet the Climate Charter requirements?

Member companies signing up to global frameworks / headquartered outside Hong Kong are welcome to join the Climate Charter. Considering our member companies' different business nature and complexity, the HKFI acknowledges and accepts that some signatories are already making climate commitments / carbon emission disclosures at the Group / Parent company/ Holding level when signing up for the Climate Charter. We accept signatories to follow their Group /Parent company/ Holding level targets / commitments / reporting in meeting the Charter's requirements if these are generally aligned with the principles of the Climate Charter, even if these are not reported or fulfilled at entity level.

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Q6. Will HKFI support the signatories to fulfill the relevant requirements of the Climate Charter? What should my company do when we are still in the preparatory stage?

The HKFI understands that signatories have different levels of readiness in fulfilling the climate principles and objectives at the time of signing up for the Climate Charter, for example, setting targets / publishing carbon emissions (such as the inability to report certain scope 3 categories) or doing this at a Group /Parent company/Holding level. The HKFI will provide facilitation to the signatories to help them fulfill the climate principles and objectives of the Climate Charter in future.

Q7. Can my company sign up for the Climate Charter anytime?

After the Launching Ceremony of the Climate Charter on 29 February 2024 announcing the inaugural Charter signatories, member companies can still sign up for the Climate Charter anytime afterwards. Please contact the HKFI Secretariat for the sign-up logistics.