



SCIENCE BASED TARGETS

Financial Standards - Financial Institutions Net-Zero - Insurance

5 April 2024

Introduction

On behalf of [SBTi Financial Standards](#), SBTi intends to award a Fixed Price type contract for a consultant to assist in the research and drafting of supporting documents of the *SBTi Financial Institutions Net-Zero (FINZ) Standard*, with particular focus on insurance-related methods and metrics aspects of the Standard. The deadline for questions is **April 15, 2024** (expressions of interests are not required), and the deadline for proposals is **April 16, 2024 at 17:00 (EDT)**. We welcome proposals for work in the range of **USD(\$100,000 - 200,000)**.

The SBTi commenced development of the FINZ Standard in 2022 with the publication of the [Foundations of Net Zero for Financial Institutions](#) paper. In 2023 a [consultation draft](#) was published to collect feedback and inform the development of the Standard.

In May 2023, the SBTi started the process of further developing *Insurance* aspects within version 1 of the wider *FINZ Standard* to enable FIs (including re/insurers) to set SBTs on their “insured emissions”, defined as “emissions associated with a financial institution’s insurance underwriting and related activities”. In December 2023, SBTi published an [industry brief](#) to provide background on approaches and potential methods for setting SBTs to disclose, reduce, and transition activities contributing to insured emissions. Additionally, the SBTi Insurance Underwriting team has started the drafting insurance components of the *FINZ Standard*.

Scope of the Project

This project includes the following elements: desk research, comprehensive method and metric analysis, report writing, training material development, survey development, and the analysis, synthesis, visualization, and presentation of feedback data. Applicants need to perform all aspects of the project with the guidance of an SBTi Financial Standards core team member.

Version 1 of the FINZ Standard will be limited to financed and insured emissions, covering banking, asset management, asset ownership, and insurance (underwriting portfolios).

The insurance content, which sits within the FINZ Standard, is intended to provide FIs with the ability to set science based targets on their insured emissions in a clear and authoritative way that can be validated under SBTi's procedures and compliance criteria.

Requirements

The output of this work is expected to be impartial, scientifically-rigorous, accessible, and user-friendly for the purpose of FIs (including re/insurers) to set targets.

Knowledge of net-zero insurance underwriting and SBTi is a prerequisite for the consultant but should not be required for the readers of the guidance.

The FINZ Standard, including insurance components, will be exclusively written by SBTi staff; this RFP covers **research and support activities only**.

The tables below describe required and nice-to-have components of the work plan.

Requirements

<p>Review of coverage and principles of the Financial Institutions Near-Term (FINT) Guidance, updated FINT V2 criteria, and the Financial Institutions Net-Zero (FINZ) Standard consultative draft and their relationship/how they apply to SBTi <i>Insurance</i></p>	<p>Q2 2024-Q3 2024</p>	<ul style="list-style-type: none"> • Technical review of the learnings from the <i>Financial Institutions Near-Term Guidance (FINT) Version 2</i> Pilot Testing and the FINZ Public Consultation Round 1. • Technical review of the FINZ principles and how they could apply to the <i>Insurance</i> content. • Technical review of coverage in FINT and FINZ and how they could/would apply to the <i>Insurance</i> content.
<p>SBTi methods assessment for the SBTi <i>Insurance</i> content</p>	<p>Q2 2024-Q3 2024</p>	<ul style="list-style-type: none"> • Technical review to assess the applicability of current SBTi methods (SDA, Portfolio Coverage, and Temperature Rating) to insured emissions. Other methods may also be considered, including PACTA, sector-level absolute contraction, and taxonomies. • Development of a report on potential ways to apply current SBTi methods to the <i>Insurance</i> content.
<p>Public Consultation Preparations</p>	<p>Q2-Q3 2024</p>	<ul style="list-style-type: none"> • End to end strategic approach to data collection/consolidation points across the feedback consultation process (including development and implementation of efficient, scalable data collection/consolidation tool - appreciating mandatory output templates - i.e. public facing consultation summary report and feedback log) • Development of consultation survey (again appreciating mandatory output templates - i.e. public facing consultation summary report and feedback log). • Preparation of training deck/materials regarding both the <i>Insurance</i> content and wider FINZ approach, key components based on 2nd consultation draft that are for SBTi internal purposes and other uses.

Public Consultation Outputs	Q2-Q3 2024	<ul style="list-style-type: none"> • Efficient, scalable and repeatable consolidation of consultation feedback, stakeholders, and the actions taken by the SBTi for each case (appreciating mandatory output templates - i.e. public facing consultation summary report and feedback log). • Preparation of consultation feedback report document that presents a summary of the feedback received during the consultation on how this feedback will inform the final version of the technical output. • Development of a slide deck with the consolidated results visualized. Presentation of the results for SBTi's Financial Standards Team.
Pilot testing execution	Q2/Q3 2024-Q3 2024	<ul style="list-style-type: none"> • Adapt (anonymized) pilot testing output to create success case studies - FIs exemplifying certain points of the SBTi Insurance criteria. • Support in facilitating information sessions to address questions and queries from pilot testers. • Synthesize feedback from pilot testing to inform final revisions to the <i>FINZ Standard</i> and the <i>Insurance</i> content.
Drafting of guidance and supplementary documents	Q4 2024	<ul style="list-style-type: none"> • Support the Project team in drafting the explanatory and supplementary materials for the <i>Insurance</i> content.

Nice to Have

Real economy contributions of SBTi insurance coverage	Q1 2024-Q2 2024	<ul style="list-style-type: none"> • Conduct research and technical reviews on potential real economy emission reduction contributions in relation to potential coverage in SBTi's insurance work.
Review of methods for claim management	Q1 2024-Q2 2024	<ul style="list-style-type: none"> • Conduct review of existing methods for setting SBTs on insurance claims based on feedback from FIs and other stakeholders. • Prepare a report on potential methods and metrics for insurance claims, including coverage of climate solutions.

Deployment and Conclusion

This project includes transfer of the publication, research, and all related intellectual property to SBTi.

Timing

The proposal deadline is **April 16, 2024 at 17:00 (EST)**.

The anticipated kick-off date is April 22, 2024. Milestones include:

- Technical reviews and deliverables specified in table above, including report of the current SBTi methods as applicable to the Insurance content (May 2024).
- Preparation of consultations draft survey and training deck/materials for the public consultation (May 2024).
- Development of public call for pilot testers (May 2024).
- Facilitation of information sessions related to the pilot testing (May-June/July 2024).
- Consultation summary report and feedback log for the public consultation. Results to be visualized and presented to the SBTi Financial Standards Team (Aug/September 2024).
- Draft versions of the explanatory and supplementary documents (September/Oct 2024).
- Final versions of the explanatory and supplementary documents ready for publication (Nov 2024).
- Case studies following pilot testing (Dec 2024).

Additional work may follow with additional funding.

Budget

We welcome proposals for work in the range of **USD(\$)100,000 - 200,000**. Please provide a proposed budget with cost assigned per deliverable. All prices or quotes should include VAT and tax, as applicable.

Guidelines for Proposal Submission

The selected Consultant(s) will be able to demonstrate capacity in similar work, particularly:

- Short-term availability.
- English language writing skills.

- An overview of the Contractor's experience and competency in areas relevant to the topics to be covered in this study. Note that selection of the Contractor to undertake this work will be based only on the contents of the proposal. No assumptions will be made based on the reputation, expertise, or track record of the Contractor. These attributes should be reflected effectively within the proposal.
- A description of how each of the tasks highlighted in the scope of work will be addressed.
- An outline of how any actual or perceived conflicts will be managed in the course of project delivery. Specifically, a description is required of any actual or perceived conflict of interest and/or loyalty arising from work history of the Contractor that could introduce bias toward or against any methods, and how these will be managed.
- An overview of the key personnel that would be assigned to each task outlined above, stating their experience and providing bios.
- An overview of the structure of teams performing each task, with details of how escalation points will be managed.
- A signed and dated statement acknowledging that any intellectual property resulting from this engagement will belong exclusively to the SBTi.
- A statement of terms and conditions relating to:
 - Data sharing agreements.
 - Confidentiality agreements.
 - Geographical location(s) for data storage.

Proposal content

Prospective consultant(s) should submit:

- A statement of interest describing the proposed team and how it meets the above requirements.
- CV(s).
- Examples of and references for similar previous work.
- An outline of the proposed methodology and workplan.
- An account of how the work and/or organization is sustainable.
- A proposed budget with a breakdown of costs per deliverable.

Deadline for Questions and Proposal

All questions about this RFP must be received via email to the contacts below by **April 15, 2024**. Answers to project questions can be shared with all parties who have asked questions or otherwise expressed interest.

Nate Aden
Head of Financial Standards
nateaden@sciencebasedtargets.org

Johan Nyqvist
Insurance Project Specialist
johannyqvist@sciencebasedtargets.org

All proposals must be sent by **April 16, 2024 at 17:00 (EDT)** in electronic format to the same contacts listed above.

Evaluation and Selection

SBTi allocated staff will assess all proposals, solutions and potential providers against the same criteria. A cross-functional team including members of the Financial Standards Team and the Research Team will together consider proposals and conduct the assessment to ensure that a fair and rigorous selection is made.

The following elements will be the primary considerations in evaluating all proposals submitted in response to this RFP:

- Completion of identified required elements.
- The extent to which the consultant's proposal fulfills the stated requirements as set out in the RFP.
- Experience with similar projects.
- Sustainability – SBTi values sustainability and all other factors being equal, will favor a proposal to more sustainably perform the work.
- Overall cost of the proposal.
- Experience with net-zero insurance underwriting.
- Multiple publications on net-zero insurance.
- Demonstrable knowledge of the SBTi target-setting standards.

- Verifiable experience in leading or assisting a financial institution in setting a validated science-based target (SBT).

The bidder offering the best overall value will be selected. For this procurement, price and non-price aspects are of approximately equal importance.

Selection process

No proposal development costs shall be charged to SBTi / all expenses are to be borne by the bidders. SBTi may award to the bidder offering best value without discussions. However, SBTi reserves the right to seek bidder clarifications and to negotiate with those bidders deemed to be within a competitive range.

SBTi may, at its discretion and without explanation to the prospective consultants, choose to discontinue this RFP without obligation to such prospective consultants or make multiple awards under this RFP.

Contact

Firms may request an interview with SBTi-Finance prior to submitting a proposal. Please direct all responses to this RFP and/or any questions to:

Nate Aden
Head of Financial Standards
nateaden@sciencebasedtargets.org

Johan Nyqvist
Insurance Project Specialist
johannyqvist@sciencebasedtargets.org

About the SBTi

The Science Based Targets initiative (SBTi) is a corporate climate action organization that enables companies and financial institutions worldwide to play their part in combating the climate crisis.

We develop standards, tools and guidance which allow companies to set greenhouse gas (GHG) emissions reductions targets in line with what is needed to keep global heating below catastrophic levels and reach net-zero by 2050 at latest.

The SBTi is incorporated as a charity, with a subsidiary which will host our target validation services. Our partners are CDP, the United Nations Global Compact, the We Mean Business Coalition, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).