

INCLUSION OF ESG DATA IN EIOPA TAXONOMIES

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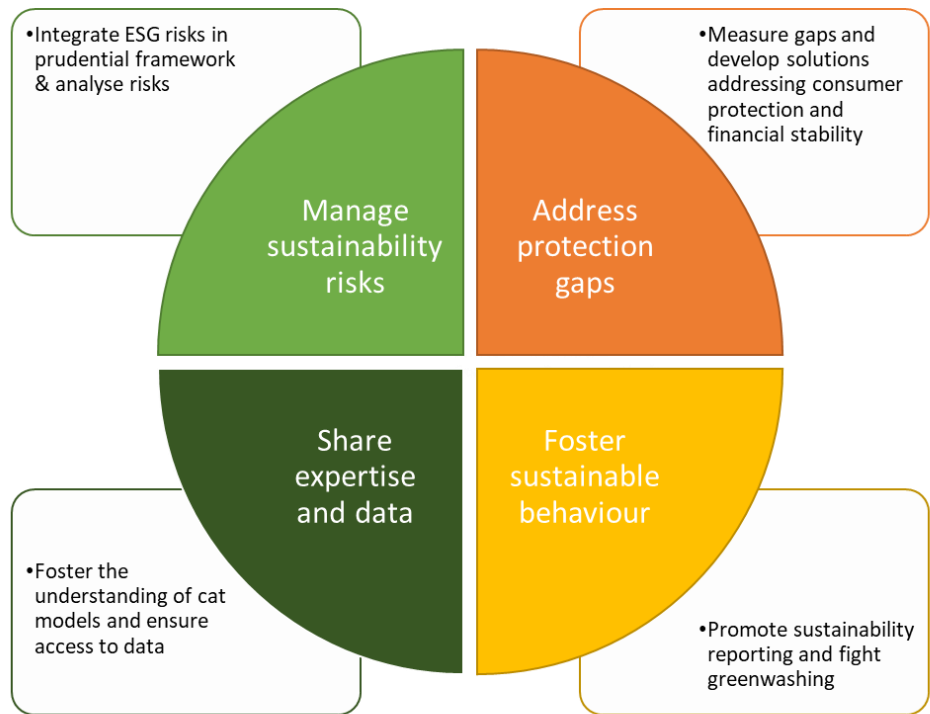
EIOPA REGULAR USE

SUSTAINABILITY IS A STRATEGIC AREA OF ACTIVITY FOR EIOPA

- Recognizes the role that insurers and pension funds can play, as managers of large parts of society's risks and important long-term investors
- Aims to secure proper management of sustainability risks on IORPs and insurers' balance sheets

EIOPA aims to ensure that the insurance and pensions sector can continue protecting society for the long term

EIOPA'S FOUR MAIN OBJECTIVES ON SUSTAINABLE FINANCE IN 2023-2025



EIOPA's own environmental policy: certified ISO 14001:2015 and EMAS (Eco-Management and Audit Scheme) compliant

SUSTAINABILITY DATA IN EIOPA REGULAR REPORTING: THE REVISED IMPLEMENTING TECHNICAL STANDARDS

- **Commission Implementing Regulation (EU) 2023/894 of 4 April 2023 laying down implementing technical standards for the application of Directive 2009/138/EC with regard to RSR and SFDR (repealing IR 2015/2450 and 2025/2452)**
- New template S.06.04 on climate change-related risks to investments has been introduced to collect information on:

EIOPA'S RATIONALE FOR REGULAR SUPERVISORY REPORTING ON CLIMATE RELATED RISKS

- **Climate change can affect insurers' assets and liabilities, notably through:**
 - Transition risk: risk of investments' depreciation due to policy, technology or shifting sentiment and societal preferences for sustainable investments, due to the transition from a carbon-intensive economy to a lower-carbon economy; and
 - Physical risk: risk of physical damage to assets due to increased frequency, severity or volatility of extreme weather events as a result from climate change
- From our oversight activity in 2019-2021 , **we noted very little climate risk materiality assessment and scenario analysis.**
- The SII Delegated Regulation requires the **integration of sustainability risk assessment in the risk management**, including the ORSA. The COM proposal for amending the SII Directive foresees the requirement for undertakings to conduct scenario analysis for material climate change related risks in the ORSA.

EIOPA'S APPROACH FOR REGULAR SUPERVISORY REPORTING ON CLIMATE RELATED RISKS

Risk-based {



SUPERVISORY REVIEW OF CLIMATE RELATED RISKS

- Supervisory review on undertaking's risk mitigating measures
 - EIOPA oversight activity to monitor climate change risk in the ORSA
 - Other tools include, for example, stress testing at sectoral level
- Reporting on climate-related risks to liabilities, or sustainability risks beyond climate can be addressed in the future, in the same risk-based and proportionate manner
 - Increasing risks of natural catastrophes on the insurers liabilities and reinsurance are a relevant risk to monitor ([EIOPA discussion paper on physical climate change risks \(europa.eu\)](#))



THANK YOU!

For more information visit:
[Sustainable finance \(europa.eu\)](https://europa.eu)