

ROUNDTABLE ON SUSTAINABLE FINANCE

Morning session



EIOPA CONSULTS ON INSURERS' KEY PERFORMANCE INDICATORS ON SUSTAINABILITY FOR NON-FINANCIAL REPORTING

EIOPA responds to a Call for Advice to support the European Commission developing the definitions and methodologies to be used for the disclosure requirements of Article 8 of the Taxonomy Regulation

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Date: **16 December 2020**

EUROPEAN COMMISSION'S CALL FOR ADVICE

- Request for technical advice on delegated acts supplementing Article 8 of the Taxonomy Regulation addressed to ESAs
- Article 8 of the Taxonomy Regulation requires the disclosure by non-financial undertakings of:
 - the proportion of their turnover derived from products or services associated with economic activities that qualify as environmentally sustainable; and
 - the proportion of their capital expenditure and the proportion of their operating expenditure related to assets or processes associated with economic activities that qualify as environmentally sustainable
- EIOPA is mandated to develop relevant ratio(s) to be mandatorily disclosed by insurance or reinsurance undertakings falling within the scope of the NFRD
- Deadline for submission to COM: February 2021

EIOPA'S CONSULTATION ON KEY PERFORMANCE INDICATORS

Objective

- Understand insurers' and reinsurers' potential to invest sustainably, based on the current funding and financing of economic activities that qualify as environmentally sustainable
- Assess insurers' and reinsurers' business activities identified as environmentally sustainable in the EU taxonomy

Key performance indicator

- Proportion of insurance or reinsurance undertakings' **'assets'** – in relation to 'total assets' – that are directed at funding, or are associated with, economic activities that qualify as environmentally sustainable
- Proportion of the non-life **'gross premiums written'** or - depending on the accounting framework - non-life 'revenue from insurance contracts issued' or 'total insurance revenue' corresponding to insurance activities identified as environmentally sustainable in the EU taxonomy

EIOPA'S CONSULTATION ON KEY PERFORMANCE INDICATORS

Input from stakeholders sought on the proposed methodology to determine the ratios and to identify the inputs for the suggested KPIs:

- Assessment requires appropriate granularity of the information
- Allow for judgment on a reasonable split
- Requirement to provide a narrative and further explanations on the accounting policies applied

NEXT STEPS

- Public consultation (from 30 November 2020) until 12 January 2021
- Finalisation of the technical advice
- Submission to COM in February 2021



THANK YOU!

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<https://www.eiopa.europa.eu>