

Conclusions – Sustainability Technical Workshop 23 November

Meeting info: Insurance Europe, 23 November 2023 Time: 11h00 – 15h30
Reference: ECO-23-076

Guest: Jean-Baptiste De Verthamon, AXA
Speakers: Dieter Pscheidl, VIG

Secretariat: Philippe Angelis, Olav Jones, Carolien Afslag, Angus Scorgie, Kallia Chioni, Emanuele Moretti, Luca Motta

Participants: Michael Brandstetter and Marietta Preiss (VVO), Petra Ringler (Vienna Insurance Group), Andreas Rauter (Uniqä Versicherungen AG), Patricia Goddet, Virginia Schreurs and Jimmy Van Dyck (Assuralia), Zornitza Anguelova (ABZ), Nina Desanti Danielowitzová (CAP), Anne Barrett (Insurance & Pension Denmark), Stine Pagh (Insurance & Pension Denmark), Jenny Maria Thers Rée (Insurance & Pension Denmark), Elias Hartmann, Victoria Bourbon, Thiemo Hustedt, Céline Kaszás, Maik Preußner and Katharina Edzard-Heinke (GDV Brussels), Aleksi Kaakinen and Olli Leppälä (Finance Finland), Eléonore Jacquemin (Axa), Claire Berchatsky, François Bourdon, Clémence Heems, Gaspard Mura, Christine Tarral, and Bastien Cholvy (France Assureurs), Tom Redmond, Pablo Pascual and Florian Wimber (Insurance Ireland) Donatella Albano, Giorgia Laudicina and Myriam Petti (ANIA), Mathieu Filippo (Achmea), Dennis Heijnen (VVN), Kristian Ruth (Finance Norway), Bartosz Bigaj, Rafal Mankowski and Pawel Sawicki (PIU), Paweł Dygas (Uniqä PL), Mercedes Benito, Pedro Del Pozo and Alejandro Casanueva (UNESPA), Arthur van Den Hurk (ASR), Mariana Abreu, José Miguel Guimaraes, Salomé Valente, Filipe Postiga, Rui Caeiro, Rui Machado, Sofia Costa, Alexandra Alves, João Passinhas, Sara Serrano, Casimiro Martins, Isabel Pimenta, Joana Silva, Martim Serradas and Ana Egas, Mafalda Santos and Maria do Carmo Machado , Luísa Maria Martins Vieira Simões Santos, Isabel Pimenta, Sofia Evangelista Sousa, Maria Carmo Machado, Nadejda Hadjim, Sofia Evangelista de Sousa, Ana Isabel Vargas Nuno Escudeiro, Alexandra Gaspar, Ana Brito and Rita Simões, Paulo Duarte and Rodrigo Carvalho, Pedro Cruz, Teresa Nunes, Luísa Santos and Francisco Alves and Daniela Tavares Caravela (APS), Gerda Kinell and Jonas Söderberg (Insurance Sweden), Mathias Müller, Ella Stanisch and Lenka Szemova (Swiss Re) Milena Grigorova (Zurich Insurance Company), Caitlin Wagner (ABI), Benoit Jaspas (EFRAG), Ila Stanisch (Swiss Reinsurance Company Ltd), Rita Carolina Gonçalves and Emilia Abrantes (Aegon Santander), Ana Beatriz Pereira Sousa (Banco BPI), Silvia Herms (AMICE), Marise Kok and Niels Hoornweg (AEGON), Lise-Lou Lolkes de Beer and Monique den Hertog (ASR), Ana Rodrigues and Philippe Demol (AXA), Bruno Silva Gomes (ACP), Madalena Antolin Teixeira (Banco BPI), Olivier Duray (BELFIUS), De Bondt Laurien and Mahieux Claire (Aginsurance), Martin Zenker (Uniqua)

Agenda Item	Purpose	Reference
Competition Compliance Policy Statement		STATEMENT
1. General presentation of Sustainable Finance framework		

The secretariat gave an overview of European Union sustainable finance legislation components, i.e. Taxonomy, SFDR, CSRD-ESRS, ESAP, Sustainability in Solvency II.

2. Overview of Transition plan requirements (SII, CRR, ESRS, CSDDD, voluntary initiatives)

Insurance Europe provided a presentation on the current international agreements for climate action and the existing relevant frameworks for sustainable reporting (i.e. Paris agreement, European Climate Law, EU 'Fit for 55' package, Green House Gas Protocol, PCAF, EU requirements for GHG reporting, ISSB, SBTI, Net Zero Asset Owner Alliance, Net Zero Insurance Alliance and UK Financial Conduct Authority Guidance's Transition Plan Taskforce).

3. Presentation by companies on their transition plans: challenges and progress
4. Discussion around transition plans, scope 3 GHG emissions and targets
5. What's next: lobby activities, educational material, policy

Summary of **emerging** views (to be used as the basis for developing draft positions/education material for member feedback and then approval before use externally):

On scope 1 and 2 GHG emissions:

- While some members raised technical questions on how to measure certain items, there was overall agreement that measuring and setting targets on scope 1 and 2 is appropriate.

On scope 3 GHG emissions:

- On reporting and targets, members agreed that a focus on total scope 3 emissions made little or no sense and on the importance of splitting the total scope 3 into different parts.
- For example, between financed emissions, insured emissions and other emissions and for further splits to differentiate between those emissions where insurers do not have control ("monitoring" emissions) and those where the insurer can exert some control ("steering" emissions).
- Insurers logically can set targets on "steering" Scope 3 emissions, but targets for "monitoring" Scope 3 emissions should not be a requirement although for these emissions some companies may want to indicate how they hope/expect society and government policy changes (eg shifts to electric cars) will lead to reductions in "monitoring" emissions over time.
- Motor insurance Scope 3 emissions generated by customer driving were considered to be "monitoring", however there are steps the insurer can take to help reduce total emissions relating to motor insurance such as:
 - Offering pay by kilometre driven insurance options to create an incentive for customers to drive and pollute less
 - Reduce Scope 3 emissions generated by the repair and other services used in relation to motor insurance policies – tow trucks, garages etc.
- On transition plans, members suggested that the industry develop its internal view on how transition plans could work for insurers and in particular guidelines on how to apply the sector agnostic requirements under the ESRS to fairly depict insurer's commitments and business model.
- As a follow up, the secretariat will develop the tentative outcomes into draft positions/education materials.
- This will be shared with members for review. A follow up workshop will be considered if needed for Q1 2024 and the secretariat will engage with members to further discuss the split of scope 3 GHG emissions and elaborate on how Insurance transition plans should look like.