



ACTUARIAL ASSOCIATION OF EUROPE

Supporting Green Deal

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AAE Board of Directors

Sursee, September 29th, 2021

1. AAE BoD declared the Sustainability and Climate risk as the Top priority
2. AAE WG Sustainability and Climate-related Risk (SCRR)
3. ToR has been approved
- 4 AAE Mission/ Vision - regarding Sustainability and Climate risk - on going

Sustainability Statement

“Contributing to the well -being of society” is central to the vision of the Actuarial Association of Europe (AAE) . “Concern for the public interest” is one of our key values. We believe sustainability in the broad sense of the United Nations Goals are fundamental to the well being of society and the public interest . The AAE is committed to sustainability and stewardship.

We want to contribute to achieving the sustainability goals by contributing with our actuarial expertise and experience . We are committed to contribute to the discussion with quantitative and objective grounds. We believe that a n analysis of relevant and quantitative scenarios from an independent and informed perspective can further the political process.

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We will also look to ourselves and how we with our ways of working can contribute to the goals of the United Nations. We are committed to integrate sustainability considerations as part of our business decisions. We aim to reduce our waste and carbon footprint. We will develop measurable goals and report on our achievements.

What we do for outside world

1. actuaries help to bring the discussion to quantitative and objective grounds

- analyses of relevant and quantitative scenarios from independent and objective perspective can help to bring informed decisions in Insurance and Pensions
- creation of reasonable climate change scenarios

2. main questions – the answer to be found

- Money : incentives/ penalties are these the right drivers for sustainable environment?
- Does Green Deal pull the right triggers?

Specific steps of WG SCRR in near future

- Consultation on EIOPA Stress test 2021 for insurers (capital, liquidity)
- Stress test IORPs in 2022 – process has been started
 - development strategic investment allocations to mitigate market risk,
 - AAE further supports the cashflow approach, further enlargement to DB and DC

What we do for ourselves

- reduction of the paper usage in office x % reduction of printing
- reduction of the usage of one-time use items (water in bottles, plastic cups ect.)
- look what kind of the food is served at the meetings
- reduction of the travel cost
 - 35% less of physical meeting pre Covid time (2019) – support of online or hybrid meetings
- review the suppliers of services how is their policy towards the Sustainability and Climate risk: bank, energy supplier, IT services ect.
- Becoming ambassadors of the [European Climate Pact](#) and the [Green Consumption Pledge Initiative](#) of the European Commission (*the latter one to be looked at further as it seems to be for production enterprises in the first place*)
- Becoming supporters of the [UN Principles for Responsible Investment](#) and the [UN Principles for sustainable Insurance](#)

Goals for 2021 -2022

to ask WG SCRR

to prepare the position of AAE with regards to

- the proposed SII Directive

- challenge how to measure impact of 2 climate risk scenarios?
- how to mitigate impact of low yields to clients, sustainability life insurance business, climate risk for non-life insurers

- the proposed Macroprudential Directive

- challenge how to measure objective manner liquidity risk for insurers?

- in consultation Pension legislation

- challenge how to onboard ESG into cashflow approach
- what to do in case of employer insolvency?
- how to measure intergenerational (in-)balances

To be further discussed at Strategic Board AAE in November

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