



Consultation Summary Note

Read the AAE Response

View consultation document

View consultation page

Purpose of the consultation	The consultation focused on developing regulatory technical standards to enhance the management of sustainability risks, including biodiversity risks, under Solvency II. It sought to create a harmonised approach across the EU, guiding insurers in embedding sustainability considerations into their risk management and decision-making processes.
Issuing Authority	European Insurance and Occupational Pensions Authority (EIOPA)
Summary of AAE Response	<p>The AAE broadly supported EIOPA's effort to integrate sustainability risks into the Solvency II framework through a principles-based and proportionate RTS. However, we raised concerns about potential overlaps with other EU regulations (notably CSRD and CSDDD), increased administrative burden, and the need for clarity and alignment across frameworks.</p> <p>The AAE agreed that the Sustainability Risk Plan (SRP) should be embedded in existing risk management processes such as ORSA, rather than becoming a separate or duplicative requirement. We welcomed flexibility in integrating the SRP with transition plans but requested clearer distinctions and consistent time horizons across regulatory regimes.</p> <p>Scenario analysis and narrative disclosures were supported in principle, but further guidance was recommended to ensure realism, proportionality, and sector-specific relevance.</p> <p>Regarding metrics, the AAE agreed with the current and optional metrics lists but we stressed the importance of focusing on financial materiality aligned with Solvency II's policyholder protection objective. We warned against mandatory metrics with limited relevance or high data burdens and called for flexibility in reporting based on firms' risk profiles.</p> <p>The AAE encouraged regulators to acknowledge challenges faced by smaller insurers, support best-practice sharing, and avoid one-size-fits-all prescriptions that could distort prioritisation of other material risks.</p>
Contributors	AAE Solvency II and Sustainability Working Groups including FMA Contributions from Croatia, Denmark, Germany, Ireland, Netherlands, UK.
Assigned Committees WGs	Sustainability and Climate-Related Risks WG and Solvency II Working Group: Insurance Committee and Risk Management Committee
Board Reviewers	Matthias Pillaudin and Frank Schiller
Submission date	25 February 2025