

Markus Ferber
Member of the European Parliament
Group of the European People's Party

26th of September 2023

Subject: Solvency II negotiations

Dear Mr Ferber,

I am writing to welcome the progress of the Solvency II negotiations, which are now in trilogues, and call on the European Parliament to ensure the inclusion of sustainability elements in the final text.

The Principles for Responsible Investment (PRI) is the world's leading proponent of responsible investment, with over 5000 signatories totalling 121 trillion USD of AUM. As long-term investors acting in the best interests of their beneficiaries and clients, our signatories work to understand the contribution that environmental, social and governance (ESG) factors make to investment performance, the role that investment plays in broader financial markets and the impact that those investments have on the environment and society as a whole.

The PRI has significant interest in EU sustainable finance policy. More than 100 PRI signatories are insurers headquartered in EU Member States, representing over 7.7 trillion USD of AUM, and many actively engage in policy discussions through collaborations such as the [Global Policy Reference Group](#). PRI was an active member to the HLEG and TEG and has engaged with the Commission, Council and Parliament for many years. Currently, PRI is an observer in the EU platform on Sustainable Finance.

As underwriters and investors, insurers have an important role to play in the transition to a sustainable economy. Therefore, keeping in the requirement for (re)insurers to take into account sustainability impact (in article 132 Solvency 2) as part of the prudent person principle, allows them to better play their part in this transition. We call on the European Parliament to ensure that this provision remains included in the ongoing trilogue negotiations. As EIOPA highlighted in its [2019 technical advice](#), requiring (re)insurers to consider the impact of their investments on sustainability factors does not oblige them to accept lower risk-adjusted returns. Considering the impact of sustainability risks on investments and the impact of investments on sustainability factors is mutually reinforcing and can lead to more sustainable investments overall. In other words, as our [Legal Framework for Impact report and the subsequent EU LFI policy report](#) demonstrated, the obligation to achieve financial return does not exclude the possibility of pursuing sustainability impact goals.

We stand ready to provide our support to ensure that (re)insurers can contribute to the transition to a sustainable economy.

Yours sincerely,

Elise Attal, Head of EU Policy

PRI EU Transparency Register Number: 612289519524-31

CC: Ms Stéphanie Yon-Courtin, Renew Europe Group
Mr Eero Heinaluoma, Group of the Progressive Alliance of Socialists and Democrats
Ms Henrike Hahn, Group of the Greens/European Free Alliance
Mr Johan Van Overtveldt, European Conservatives and Reformists Group