

INSURERS' GREEN INVESTMENTS IN 2024

To meet the EU's climate targets and help speed up society's transition to a net-zero economy, investments in sustainable activities are needed. As long-term investors with total investments of approximately €8 trillion, insurance groups in the European Economic Area (EEA) can play a significant role in putting our economies on a more sustainable track.

Based on the EU Taxonomy of sustainable activities and using the NACE classification framework, EIOPA analyzed

how much of EEA insurers' investments can be considered environmentally sustainable at present.

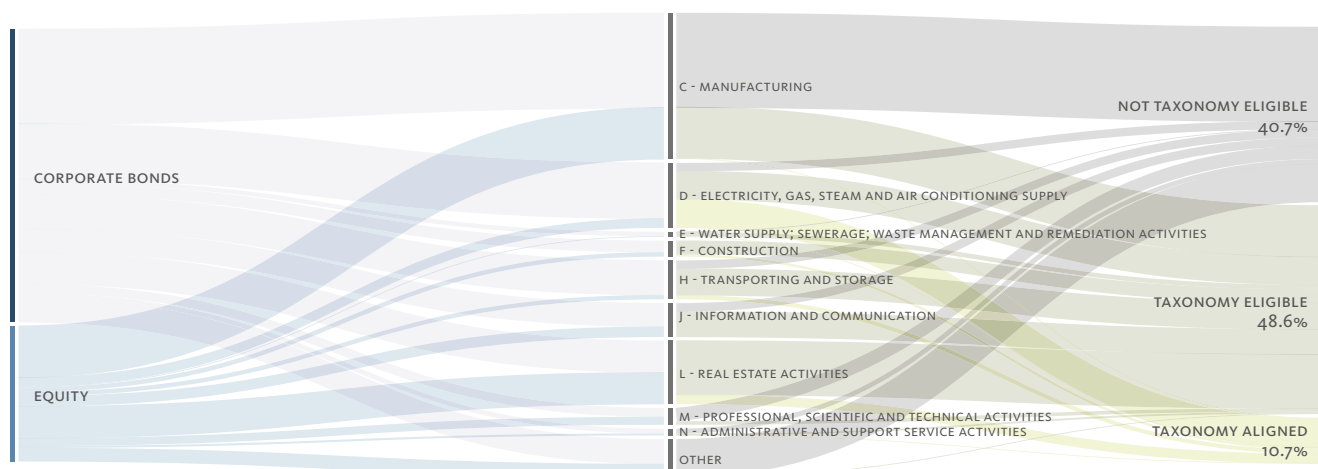
As detailed asset-level data is required for this analysis, EIOPA chose to focus on insurers' direct investments in corporate bonds and equities, which together account for around 29% of their total investments.

BREAKDOWN OF EEA INSURERS' TOTAL INVESTMENTS BY ASSET CLASS¹



The analysis shows that 4.5% of insurers' direct corporate bond and equity investments are aligned with the Taxonomy. When looking only at non-financial exposures, the share of Taxonomy-aligned investments rises to 10.7%, compared to 5.7% in 2022². An additional 20.5% of direct corporate bond and equity investments, or 48.6% of non-financial exposures, are towards sectors considered Taxonomy-eligible.

TAXONOMY ALIGNMENT OF EEA INSURERS' NON-FINANCIAL CORPORATE BOND AND EQUITY HOLDINGS³



¹ Data is based on Solvency II quarterly group reporting for 2024 Q2. For a view of holdings on a non-consolidated (solo) level, go to EIOPA's [Insurance Statistics](#).

² In addition to investment behaviour, this increase also reflects valuation effects as well as certain reporting and methodological changes which occurred since the last publication.

³ Due to the assumed zero alignment/eligibility under the current methodology (cf. Alessi, Lucia and Battiston, Stefano (2022). *Two sides of the same coin. Green Taxonomy Alignment versus transition risk in financial portfolios.*), the diagram excludes investments in financial firms (NACE sector code K). The data presented concerns EEA-issued securities only.