

POSITION PAPER

# Position Paper

of the German Insurance Association (GDV)  
Lobby register No R000774

on the Call for Evidence EU Taxonomy - Review of Cli-  
mate and Environmental Delegated Acts



**Gesamtverband der Deutschen Versicherungswirtschaft e. V.**

**German Insurance Association**

Wilhelmstraße 43 / 43 G, 10117 Berlin

Postfach 08 02 64, D-10002 Berlin

Phone: +49 30 2020-5000 · Fax: +49 30 2020-6000

Rue du Champ de Mars 23, B-1050 Brussels

Phone: +32 2 28247-30 · Fax: +49 30 2020-6140

ID-number 6437280268-55

[www.gdv.de](http://www.gdv.de)

**E-Mail**

[EUTaxonomie@gdv.de](mailto:EUTaxonomie@gdv.de)

## Introduction

The German insurance industry welcomes the possibility to give feedback for the Underwriting KPI on the EU Commission's (EC) Call for Evidence 'EU Taxonomy - Review of Climate and Environmental Delegated Acts'. German (re)insurers support the EC's original idea of EU Taxonomy's framework – especially the context of prevention is still considered effective. Despite the limited results of the Underwriting KPI and the Investment KPI still not serving as steering element in asset-management, the EU Taxonomy made sustainability an important topic for the industry. This is evident in annual reports, process adaptations and product developments. Consequently, insurers have become proactive, and sustainability is now firmly embedded in their business policy principles.

We note positively the EC's ongoing efforts to simplify the standards and to reduce the number of data points. Nevertheless, neither the Underwriting KPI nor the Investment KPI could establish any significance from the outset and due to the number of changes being made every year. The established processes have not yet stabilised so far due to this. Consequently, the EU Taxonomy's intended aim of providing a transparent framework for comparing sustainable economic activities is not being achieved.

We strongly believe that a well-balanced and effective sustainable finance framework is key to accelerating the transition to a sustainable economy. Therefore, we have consistently advocated for a targeted reduction of bureaucratic burdens to enable sustainable and meaningful reporting. We also seek to propose further improvements to the Taxonomy which involves Level 1.

The EC's proposal to amend the Taxonomy reporting regulation aims at giving insurers in scope of the Taxonomy reporting duties an option to opt-out of these duties in 2026 and 2027. Although many insurers would have opted for the opt-out option, life-insurers and other insurers that have a life-insurer in their group are prevented from selecting the opt-out due to the selected wording of the mandatory statement in this case.

The following proposals reflect our priorities for a more practicable, targeted and effective EU Taxonomy without weakening the foundation for informed investment decisions.

## GDV Proposals for the Review of Climate and Environmental Delegated Acts on the Underwriting KPI

### Proposal 1: Ensuring continuity in sustainability reporting

Many insurers have integrated the EU Taxonomy criteria into their product

development to create an objective understanding of the quality of sustainable insurance products. This integration has required extensive adjustments to processes. These insurers should not be penalised, so the status quo should at least be maintained, regardless of any other changes.

It is important to ensure continuity in sustainability reporting to avoid further weakening the significance of the Underwriting KPI. The processes established within companies have not yet stabilised due to the large number of changes. This means that the goal of the EU Taxonomy to enable transparent comparison of sustainable economic activities is not yet being realised. Rather than making changes every year, time should be given for the system to develop. Despite maintaining the status quo, simple technical improvements can already have a major impact.

### **Proposal 2: Redefinition of the Underwriting KPI**

From the very beginning, it was impossible to achieve a result of 100 % with the original method of calculating the Underwriting KPI key figures. Because the denominator includes all non-life premiums, including lines unrelated to adaptation, the KPI mechanically understates insurers' role. The premium split made matters even more challenging. While the Technical Screening Criteria (TSC) for underwriting of climate-related perils have been used by insurers to adapt underwriting practices, the current Underwriting KPI does not reflect insurers' real role in climate adaptation because it requires "splitting" premiums and counting only climate-risk components, which ends in limited results. This also applies to products that fully protect against climate-related losses.

Therefore, we suggest redefining the denominator and set aligned activities in relation with eligible activities to solve this situation. Given the circumstances, it would be a logical step and ensure consistency in methodology.

### **Proposal 3: Nuclear energy and fossil gas activities are no insurance activities**

In the published Delegated Act of 4 July 2025, the EC has proposed that non-life insurance or reinsurance companies, as financial companies, shall in future also report eligibility and alignment contributions to nuclear energy and fossil gas activities, if these are relevant. If the Delegated Act is approved, there will be several reasons why we see legal uncertainties surrounding the use of the extended reporting template. These include:

1. This reporting has no regulatory basis. The EU Taxonomy only requires the disclosure of nuclear energy and fossil gas activities that are being undertaken or financed. Underwriting does not constitute performing or financing the activities listed in Sections 4.26 to 4.31. Therefore, an original obligation to disclose nuclear energy and fossil gas activities in the Underwriting KPI

cannot be derived from the new Delegated Act.

2. The published Delegated Act provides no substantive connection to underwriting activities. This applies to the description of eligibility, the technical screening criteria, and the DNSH criterion.

Energy activities (such as the construction and operation of nuclear power plants or gas facilities) are independent economic activities. Underwriting is not linked to these activities and does not refer to them in the screening assessment criteria. Instead, underwriting should be assessed in accordance with the DNSH definition, which classifies fossil fuels as harmful. Therefore, a further breakdown would not be appropriate.

3. The activities of non-life insurance or reinsurance companies contribute to the environmental objective of adaptation to climate change by providing (re)insurance cover. However, they cannot contribute to directing capital flows towards specific economic activities related to fossil gas and nuclear energy. The Delegated Act (EU) 2022/2014 aimed to help investors identify relevant energy activities – not to create additional disclosure requirements for insurance companies.

The fixed layout of the reporting template means that disclosing nuclear energy and fossil gas as components of the Underwriting KPI would falsely suggest that these activities contribute to the EU Taxonomy. This is not the case, however. In a sustainability statement as part of an annual report, this would breach general accounting principles. It is doubtful whether a footnote providing an additional explanation would satisfy the transparency requirements needed to clarify this distortion of content.

Therefore, we highly suggest clarifying that the respective rows in the reporting template must not be filled and can be removed accordingly.

#### **Proposal 4: Remove consolidated KPI**

This element was not included in EC's omnibus proposal. The consolidated KPI is based on two completely different KPIs and in our view adds no significant informational value. Therefore, we strongly recommend adapting the EU Taxonomy to clarify that aggregating the two insurance KPIs (i.e. consolidated KPI) is not necessary and can be omitted. Additionally, guidance on consolidated KPI should be removed from Q&As. This holds true for any other consolidated KPI of a group of different (financial) companies (e.g. insurers, banks, asset manager).

#### **Proposal 5: Disconnection of Minimum Safeguard**

Article 18 of the EU Taxonomy is essentially based on the same principles as other EU regulations, in particular the CSRD and CSDDD. As both regulations are also

part of the omnibus review, there are still divergences in understanding and applying the Minimum Safeguards.

Regardless of this, the EU Member States have already incorporated human rights issues into national regulations and policies.

As part of the EU simplification initiative, we therefore recommend removing the minimum safeguard requirement from the EU Taxonomy. These requirements can also be reported under the CSRD or the CSDDD. In our view, removing the interdependence would help to avoid inconsistencies and additional complexity.

### **Proposal 6: Alignment with EU legislation**

For companies falling within the scope of the CSRD the EU Taxonomy requires to disclose the extent to which their economic activities are environmentally friendly within the meaning of the Taxonomy. Although these KPIs and TSC's are defined in separate Delegated Acts, they must be disclosed alongside the other environmental information specified by the CSRD and the ESRS. While the CSRD and the EU Taxonomy are closely linked in terms of content, they are not yet sufficiently aligned in terms of implementation.

In our view, linking the reporting principles of ESRS to EU taxonomy data points could establish the sustainability report as a useful source of relevant information for decision-making purposes.

## **GDV Proposals for the Review of Climate and Environmental Delegated Acts on the Investment KPI**

### **Proposal 7: Give clear and in practice relevant definitions**

#### **Forest Management and Climate Change Adaption**

Forest Management can contribute to the objective Climate Change Adaption (1.3). When applying the Screening Criteria, you must do an assessment using the "highest available resolution, state-of-the-art climate projections". It would be very useful to have additional guidance or a clear statement in the Screening Criteria which evidence is expected and sufficient.

Furthermore, the implemented adaption solution does not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities. In practice it remains unclear what is meant concretely by these specifications.

Additionally, is an assessment required based on robust data, that the activity is used with a certain objective, followed by a list of objectives. We assume, that the

use for one of the listed objectives is sufficient. But that is not entirely clear, and a clarification would be welcomed.

The DNSH criteria lists 3 different approaches to ensure compliance. But the criteria to determine if the DNSH assessment is passed under the possible approaches remains unclear. Clarification is key to make the DNSH for Forest Management easier applicable in practice. This holds true for the DNS for Forest Management and the objective Circular Economy.

Another point of the DNSH criteria is an independent audit and verification either by the relevant national authority or an independent third-party verifier. One point is that there is a reference to the objective of climate change mitigation. We assume that climate change adaption would be correct. Additionally, no independent third-party seems to exist in the market. Therefore, this requirement seems to have no relevance.

#### **Proposal 8: Implement standardized and simplified evidence**

##### **Renovation of existing buildings (7.2) and Renewable Energy Production (4.1 etc.)**

Both activities require an extensive documentation. But for many existing buildings or e.g. solar panels historic data is not or not sufficiently available. It would be a great relief, if in practice insurers could work with reasonable assumptions or if they would have access to a central database to collect the relevant data.

Furthermore, it is not sufficiently clear, when there is a major renovation and not just a (not so major) renovation. Additionally, we recommend integrating proportionality in the Screening Criteria. Smaller renovations should not have to comply with the same complex criteria as major renovations.

#### **Proposal 9: Establish data bases at European level**

##### **Acquisition and ownership of buildings (7.7)**

Regarding the Screening Criteria for existing buildings, focus should be laid on decarbonization, not on energy efficiency classes. Energy efficiency classes are an important tool for investors. But they differ from country to country and therefore, they are not comparable. Comparable data in a European data base would be very helpful in practice.

Furthermore, the Screening Criteria should reflect the most recent version of the directive on energy efficient houses ([Directive 2024/1275](#)). Additionally, we recommend improvements on the DNSH criteria and the minimum safeguards ideally in

form of guidance on how in concrete the criteria should be applied.

## **The EC's proposal to amend the Taxonomy reporting regulation from July 4, 2025**

### **Proposal 10: Enabling the temporary Opt-out option for all insurers**

The EC's proposal mentioned aims at giving insurers in scope of the Taxonomy reporting duties an option to opt-out of these duties in 2026 and 2027. If insurers make use of this opt-out, they must include a specific statement in their management report that they do not claim to have economic activities that qualify as environmentally sustainable under the Taxonomy Regulation. Life-insurers that have distributed sustainable products and have disclosed under article 8 or 9 of the SFDR have almost always reported (small) amounts of taxonomy-aligned investments to their customers and must continue to do so.

Many German insurers would have opted for the opt-out option, but life-insurers and other insurers that have a life-insurer in their group are prevented from selecting the opt-out. This due to the selected wording of the mandatory statement in this case. Therefore, only very few non-life insurers will profit from the opt-out option.

We assume that this is an unintended error due to the complexity of the Sustainability Framework but could have been prevented through better testing before publication. Therefore, we support the EC's ambition for simplification and better aligning the Framework. Furthermore, we recommend a better involvement of stakeholders in the process at an early stage.

Berlin, 5th December 2025