The European Insurers' CSR Spotlight – based on 2021 reports

Are we living to the expectation?

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Zielke Research Consult GmbH: Who are we?

We are a consultancy firm specialized in ESG and financial analysis founded in 2013. Our firm is located in Aachen. We provide support to insurance companies, banks and asset management firms (financial market participant in dealing with the changing regulatory environment in the areas of CSR and financial reporting.

With our professional and diverse team of experts who are motivated to work in the area of ESG and financial analysis, we provide our clients independent research and analysis in the field of sustainable finance. We are always up to date on the latest trends in financial and sustainability accounting standards and regulations so as to provide our clients with tailored and need-based consultation. Our expertise thus allows us to qualify the sustainability legitimacy of financial products following the Sustainable Finance Disclosure Requirement (SFDR)[1].

Our managing partner, Dr. Carsten Zielke is member of renowned international committees such as the European Financial Reporting Advisory Group (EFRAG)[2] and FinDaTex[3]. Therefore, we bridge the gap between our clients and decision-makers.

Our Mission

Our mission is to support financial institutions in their sustainability journey and be a contributor to the channel of financial flows towards relevant sustainable economic activities. It is in our core belief that the planet together with the society is facing challenging times. Therefore, the responsibility has to be shared amongst related stakeholders to ensure that our environment is protected.

With our team consisting of also young members who are passionate about sustainable finance and ESG matters, it is safe to say that there is a shining light and hope for the future.

Significance of CSR to Insurers

As one of the key participants of financial markets, insurers play a significant role in terms of mitigating the risks that business undertakings, organizations and individual persons are exposed to. However, this is not the only role that insurers have as there is also a social responsibility that is of utmost importance. As for the case of all business activities, insurers are also surrounded by various stakeholders such as employees, customers, regulatory authorities, local communities and the environment at large, where climate change is at the heart of many discussions for the governments of the day. Therefore, the promptness, willingness and commitment of insurers to take relevant actions for all these interests is what can be termed as Corporate Social Responsibility (CSR).

Globally, the western hemisphere has been at the core front of addressing CSR. This is not the case with other parts of the world where CSR has not yet received critical attention. Nevertheless, we are now witnessing a rise in the awareness of CSR whereby developing countries are starting to take this subject very seriously and important parliamentary discussions are taking place to ensure that companies adopt a CSR strategy.

It is sufficed to say that insurers are one of the mirrors of financial market participants because of their exposure to large amounts of financial resources as well as having a relatively qualified intellectual workforce that is expected to acknowledge the concerns of global climate change, employees' happiness and work-life satisfaction, customers interests, regulatory authorities' requirements and their desire to give back to the surrounding local communities.

If these strategies are implemented, then it will definitely have a ripple effect on other businesses who would feel the need to be part of the sustainable journey by emulating the insurers.

The Spotlight Report

The spotlight report documents our entire assessment for all of the insurance companies we have analysed by giving an in-depth description of each and every indicator. The report also helps various stakeholders to compare the CSR performance amongst the selected European Insurers.

Working Together

As an ambitious and foreword looking ESG consultancy, we believe that we can work together with interested parties in order to stream line the various aspects of Corporate Social Responsibility so that there is a positive material impact to the societies surrounding us.

We will provide an independent and un-biased analysis of your Corporate Social Responsibility policy by carefully examining our selected indicators for environment, social and governance as we are of the opinion that these indicators represent a fair view of an undertaking's Corporate Social Responsibility policy.

Therefore, we are optimistic about the possibility of working together in order to drive forward the sustainability agenda.

Foreword

As our study is based on 20 European insurers across various European countries, it suffices to say that sustainability issues and sustainability reporting has been embedded to become a fundamental aspect of their business models. The insurers have tried their level best to disclose in depth sustainability information so that other stakeholders and investors are well informed before making their investment decisions. In spite of the developments we see in sustainability reporting, there is still an issue of standardization of the reporting structures which makes it cumbersome for comparison purposes.

That is why we believe that the new Corporate Sustainability Reporting Directive (CSRD)[4] will help insurers to enhance the reporting of their social and environmental dimensions. Insurers who are subject to the CSRD will have to report according to the European Sustainability Reporting Standards (ESRS)[5] which have been developed by the EFRAG known as the European Financial Reporting Advisory Group. The CSRD was entered into force on the 5th of January 2023 and companies will have to apply the new rules for the first time in financial year 2024 for the reports which will be published in 2025. Hence the CSRD would result to a uniformity of sustainability reporting amongst financial market participants.

Nevertheless, the results of our study indicate that there has been a tremendous improvement in not only environmental related subjects but also social and governance related practises. Therefore, we are optimistic that with the introduction of the CSRD, there will be a standardization of sustainability reporting which would lead to a better representation of sustainability themes.

Results

As we keep on streamlining our analysis and evaluation criteria year by year, we also ensure that we deepen our assessment by asking ourselves constructive questions when assigning a score to a particular criterion. This has resulted in deriving appropriate scores that reflect the willingness, practically and transparency of insurers in implementing the various strategies for environment, social and governance dimensions.

The average of the analysed insurance companies for the reporting year 2021 is 2.93 points which is significantly higher than the previous reporting year of 2020. This suggests that sustainability is becoming an integral part of insurer's business model and points out that financial market participants such as insurers are at the frontline of steering the climate change discussion.

Table 1: European Insurer's Average Score per Dimension

	Year	Environment	Social	Governance	Total
EU	2020	1.70	1.31	2.25	1.74
	2021	2.59	3.10	3.10	2.93

Source: Zielke Research Consult GmbH

Environment

The following table illustrates the insurer's environmental scores for 2021 in comparison to 2020.

Table 2: Environmental scores for 2021

Rank	Insurer	2020	2021
1	Zurich Insurance Group	3.45	4.96
2	AXA	3.24	4.90
3	KBC	2.64	4.62
4	Prisma Life	2.58	4.35
5	Belfius	3.08	4.22
6	Allianz Group	2.14	4.03
7	Swiss Life Gruppe	2.48	3.83
8	Helvetia	2.42	3.70
9	Talanx Gruppe	2.22	3.59
10	Munich Re	2.65	3.17
11	Uniqa Insurance Group	-0.78	2.66
12	Vienna Insurance Group (VIG)	0.65	2.17
13	Argenta	0.63	1.88
14	CNP	3.13	1.58
14	Ethias	0.71	1.48
16	Generali Group	1.28	1.32
17	ING	2.71	0.99
18	Prudential PLC (EN)	-0.04	0.43
19	BNP Paribas	0.17	-0.63
20	Crelan	-1.04	-1.51

Source: Zielke Research Consult GmbH

Our environmental analysis is mainly focused in assessing the following three areas:

1. Carbon emissions
2. Measures taken by insurers to reduce carbon emissions
3. ESG investment strategy

Carbon emissions:

In this area, we check whether insurers have reported their carbon emissions according to the Greenhouse Gas Protocol (GHGP) whereby companies are required to classify their greenhouse gas emissions into three scopes. Scope 1 and scope 2 are mandatory to report. Scope 3 is voluntary and can sometimes be difficult to monitor.

Scope 1 emissions are direct emissions arising from a company's owned and controlled resource. In laymen terms, this can be described as releasing emissions into the atmosphere as a direct result of activities undertaken at the firm level. For the case of insurers in our study, the reported scope 1 originated from vehicle fleet and onsite heating.

Scope 2 emissions relate to indirect emissions which are caused by consumption of purchased energy from a utility provider.

Hence in our study, 18 out of the 20 analysed insurers (90%) have reported their scope 1 and scope 2 emissions. BNP Paribas and Crelan were the only insurers who did not report their scope 1,2 and 3 emissions in their sustainability report.

Scope 3 emissions are indirect emissions which are not included in scope 2. These are emissions which occur along the value chain of a reporting company and are also linked to the company's operation. These indirect emissions are emitted from sources that are not controlled or owned by a company. The emissions include a company's upstream and downstream activities (e.g., suppliers and distributors) as well as business travel, leased assets and bank lending exposures The GHG protocol has divided scope 3 emissions into 15 categories. As scope 3 emissions are difficult to monitor and calculate, the decision we made for last year's analysis of checking whether insurers disclose their scope 3 emissions still remains in practise. This is because insurers undertake investment activities, and as per the study of 332 financial institutions conducted by the Carbon Disclosure Project, the findings suggested that GHG emissions associated with lending and investment activities were 700 times greater than Scope 1 emissions.

The trend of reporting scope 1, 2 and 3 emissions for the insurers in our study has never stepped back as a total of 17 insurers out of the 20 have disclosed their scope 1, 2 and 3 emissions according to the GHG Protocol. Out of these, there are insurers who have taken the next step of monitoring their scope 3 emissions by reporting their emissions under the different scope 3 categories. These are; AXA, KBC, Belfius, Swiss Life Gruppe, Talanx Gruppe, Munich Re and CNP Assurance. There are also insurers who have not reported their scope 1,2 and 3 emissions in their sustainability reports and these are: Crelan, Ethias and BNP Paribas. Nevertheless, we are of the belief that for the reporting year of 2022, these insurers will be ready to report their scope 1,2 and 3 emissions.

The table on the next page illustrates the common categories of scope 3 emissions which were disclosed by the 7 mentioned insurers in the above paragraph:

Table 3: Common Scope 3 Emissions Categories

Scope 3 emission categories commonly reported by the insurers
Business Travel
Employee Travel
IT scope 3 emissions (equipment, manufacturing and services)
Paper Consumption
Water Consumption
Waste Generation

Source: Zielke Research Consult GmbH

Measures taken to reduce carbon emissions:

This section looks at the steps and actions taken by insurers in ensuring that they reduce their carbon related emissions. We check for information pertaining to methods and instruments used by insurers to reduce carbon emissions such as the use of renewable energy sources for electricity, reduction in energy consumption, minimising water consumption and deploying digital sustainability programs. We also try to establish whether the insurers have actually put these measures into practise or they are simply disclosing a catchy story where actually no strategies have been practically implemented.

Amongst the insurers in our study, Zurich Insurance Group, AXA, Prisma Life, Swiss Life Gruppe, Helvetia disclosed detailed information about the policies enacted in order to implement the various measures to reduce carbon emissions. For instance, AXA has embarked on its digital sustainability program where the main focus is to measure and assess the environmental impact arising from the use of digital equipment and deducing strategies in order to minimise the impact. The Group's policies are the following:

- cooperating with IT suppliers through the use of a Digital Sustainability Manifesto and metrices where transparency and Total Environmental Cost of Ownership (TECO) are communicated;
- Increasing digital equipment's lifetime and reducing the number devices per employee;
- creating a climate change awareness among employees through the AXA Climate Academy;
- establishing partnerships with climate change stakeholders;
- improving the Group processes such as adapting architecture patterns (application development data management practices), monitoring AXA's activities (data volumes, network traffic, electricity consumption), securing timely cloud migration and decommissioning and assessing potential CO_2 impact of new projects.

ESG Considerations in Investment Policies:

This section deals with the different ESG considerations insurers use in their investment policies. These are:

- Best -in-Class: an approach of sustainable investment where an insurer finds companies that are leaders in their sectors in terms of meeting environmental, social and governance criteria and investing in them.
- Sustainable or Thematic Investment: investing in companies whose main activities contribute to solving social problems as well investing in thematic funds which cater for a particular sector through the issuance of green bonds.
- ESG Integration: assessing for ESG criteria in the due diligence process before deciding for an investment.
- Engagement & Voting: influencing the implementation of ESG strategies of investee companies by engaging with them and participating in their meetings.
- Exclusion: excluding companies in the insurer’s investment portfolio that are known to damage the environment and violate internationally recognised standards or conventions.
- Impact Investing: investing in companies which aim to generate a positive and measurable social and environmental impact with a financial return.

We therefore identify and evaluate if insurers are using these ESG investment strategies and assign relevant scores for each of them which is explained in the methodology section.

Our analysis shows that only 7 insurers (35%) out of the 20 use the best-in-class investment strategy and they are: AXA, Belfius, BNP Paribas, CNP Assurance, KBC, Prisma Life and Talanx Gruppe.

ESG Integration and Exclusion are practised by all of the insurers where as Argenta is the only insurer not to have undertaken Sustainable or Thematic Investment in 2021.

We have also seen impact investment gaining momentum in 2021 as Belfius, Prudential PLC, Prisma Life and Vienna Insurance Group disclosed relevant impact investment strategies compared to 2020 where they did not report about it. Argenta, CNP Assurance, Crelan, Generali Group, Swiss Life Gruppe and Helvetia are the only insurers who have not disclosed information about impact investment strategies in 2021.

Social

The following table illustrates the insurer's social scores for 2021 in comparison to 2020.

Table 4: Ranking European insurers – Social 2021

Rank	Insurer	2020	2021
1	AXA	4.50	6.08
2	Helvetia	5.00	5.58
3	Prisma Life	4.25	5.50
	Zurich Insurance Group	3.50	5.50
4	Talanx Gruppe	3.00	4.75
5	CNP Assurance	4.67	4.33
	Munich Re	2.00	4.33
6	Ethias	1.25	4.00
7	Uniqa Insurance Group	-2.08	3.67
8	Swiss Life Gruppe	2.50	3.50
9	ING	2.92	3.08
10	Vienna Insurance Group (VIG)	-1.00	2.50
11	KBC	1.08	2.25
12	Allianz Group	3.17	2.08
	Generali Group	-1.42	2.08
	Prudential PLC (EN)	-3.67	2.08
13	Belfius	-1.33	2.00
14	Crelan	-2.08	0.42
15	BNP Paribas	-1.00	-0.50
16	Argenta	0.92	-1.25

Source: Zielke Research Consult GmbH

The social dimension is analysed with the following six criteria:

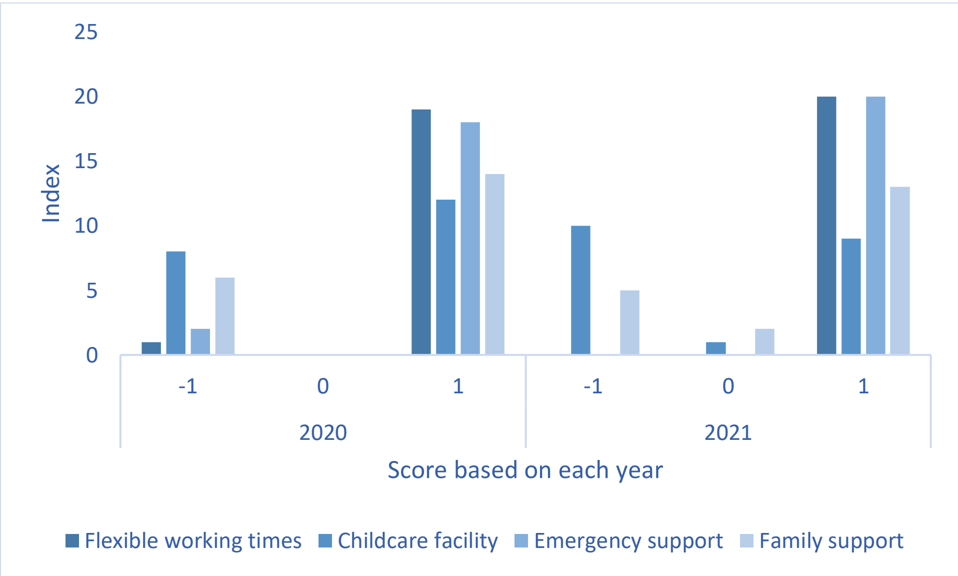
1. Proportion of women in management positions
2. Inclusion
3. Customer satisfaction survey with willingness to recommend (Net Promoter Score)
4. Child care and Family Benefits

5. Health Management
6. Social Initiatives

As these criteria evaluate insurers both internally and externally, it is wise to say that they are very important in terms of establishing a good reputation for the company in the market. The subject of women empowerment has been at the heart of many socio-economic debates and this topic has been taken up by the business world in ensuring that women occupy leadership positions. Not only women, but also the whole idea of inclusion which especially included the physically handicapped has been rising in awareness. The main thing to note here is that a competent candidate should not be discounted because of their physical nature rather the mental capability is what counts in work areas which do not require physical abilities.

Employees need to feel that they are part of the company thus childcare and family support is a very crucial factor which can determine the happiness, motivation and satisfaction levels at work. The following figure shows the composition of flexible working times, childcare facility, emergency support and family support for 2021 in comparison to 2020 based on the information we analysed from the insurer's sustainability report. -1 points indicate that the insurers do not implement these childcare and family support strategy where as 0 points reflects that the insurers have not been transparent enough in disclosing childcare and family support. 1 point is awarded to insurers who have disclosed the information and actually implement the childcare and family support policy.

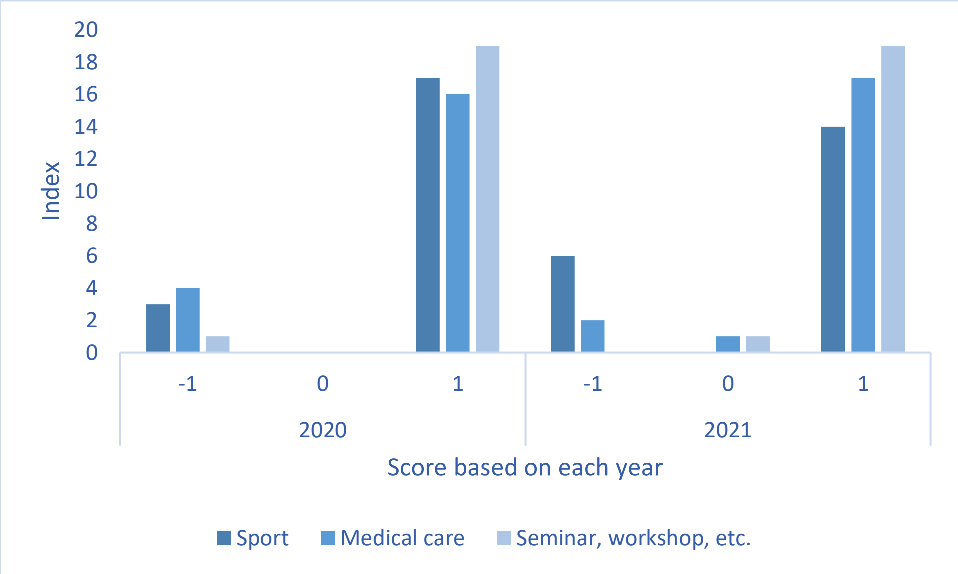
Figure 1: Analysis of childcare and family support



Source: Zielke Research Consult GmbH

We also consider the health management provisions to employee. Like childcare and family support, health management analysis has an insignificant difference for both of the years. The numerous scores for 1, which is identified as having adequate and satisfactory health management provisions implies that insurers are taking this aspect very seriously.

Figure 2: Analysis Health Management



Source: Zielke Research Consult GmbH

Governance

The following table illustrates the insurer’s governance scores for 2021 in comparison to 2020.

Table 5: Ranking European insurers – Governance 2021

Rank	Insurer	2020	2021
1	AXA	3	4
	Generali Group	3	4
	Uniqa Insurance Group	3	4
	Zurich Insurance Group	3	4
	Helvetia	2	4
2	Allianz Group	3	3
	CNP Assurance	3	3
	Ethias	3	3
	KBC	3	3
	Argenta	2	3
	Belfius	2	3
	BNP Paribas	2	3
	ING	2	3
	Munich Re	2	3
	Prisma Life	2	3
	Prudential PLC (EN)	2	3
	Swiss Life Gruppe	2	3
	Vienna Insurance Group (VIG)	2	3
	Talanx Gruppe	1	3
3	Crelan	0	1

Source: Zielke Research Consult GmbH

In the area of governance, we focus or analysis on the findability of sustainability reports, the integration of sustainability responsibility into the company, the formulation of a sustainability strategy and the strength level of the insurer’s solvency. These criteria have become significant for the insurers in 2021.

For the first time in our CSR analysis, we examined whether companies formulate a comprehensive sustainability strategy in their sustainability reports on areas such as business strategy, risk management, capital investment, employees, stakeholders, suppliers and social commitment. BNP Paribas and Ethias are the only insurers who have not disclosed concrete information about their sustainability strategies. The rest of the insurers have tried their level best to report their sustainability strategy in detail through all of the aforementioned areas.

All 20 insurers' sustainability report were found without from the company's website itself without having the need to go to search for them from other sources.

SFCR Report – The analysis of the SFCR for the year 2021 has brought light to an increase of the average score i.e., 9.6 in 2020 to 11.89 in 2021. This shows that insurers are presenting relevant qualitative information which described their financial health and management of financial risks.

Ethias is the only insurer that has not disclosed information about the responsibility for sustainability whereas the remaining 19 have embedded sustainability responsibility with not only the board of directors but establishing sustainability teams and committees.

CSR Reporting Obligation

All listed companies and financial institutions with more than 500 employees are required to submit a report describing the company's commitment in the area of corporate social responsibility in accordance with the European CSR (NFRD) Directive since 2018. This includes reporting on environmental, employee and social issues, respect to human rights and the fight against corruption.

Ranking of the European Insurers

Table 6: European Insurers ranking in 2021

Rank	Insurer	2020	2021
1	AXA	3.55	5.00
2	Zurich Insurance Group	3.28	4.82
3	Helvetia	3.11	4.43
4	Prisma Life	2.92	4.28
5	Talanx Gruppe	2.05	3.78
6	KBC	2.22	3.62
7	Munich Re	2.19	3.50
8	Swiss Life Gruppe	2.30	3.44
	Uniqa Insurance Group	0.05	3.44
9	CNP	3.56	3.30
10	Belfius	1.24	3.07
11	Allianz Group	2.74	3.04
12	Vienna Insurance Group (VIG)	0.54	2.56
13	Ethias	1.64	2.49
14	Generali Group	0.94	2.47
15	ING	2.52	2.02
16	Prudential PLC (En)	-0.56	1.84
17	Argenta	1.17	1.54
18	Crelan	-1.03	-0,03
19	BNP Paribas	0.39	-0.04

Source: Zielke Research Consult GmbH

We would like to congratulate AXA for having achieved the best score in our analysis. Their transparency level of disclosing sustainability related information has been the highest among all insurers. They have also implemented new additional strategies to enhance environment, social and governance dimensions. On the other hand, we commend Zurich Insurance Group, Helvetia and Prisma life for achieving tremendous improvements in their scores. For the rest of the insurers, we encourage them to evolve and embed more sustainability strategies to which we are more than happy to provide support.

CSR Label Award

The award of a CSR label by Zielke Research Consult GmbH is based on the overall score of the respective insurer. A gold label is awarded for more than 3.9 points and a silver label for points in the range of 2.75 – 3.89. Furthermore, we also award a bronze label for insurers who have obtained points in the range of 1.6 – 2.74. The following list illustrates the insurers with their respective CSR labels awarded by Zielke Research Consult GmbH based on their overall scores. AXA, Zurich Insurance Group, Helvetia and Prisma Life can access their gold labels from us. Congratulations once again!

✓ AXA
✓ Zurich Insurance Group
✓ Helvetia
✓ Prisma Life

✓ Talanx Gruppe
✓ KBC
✓ Munich Re
✓ Swiss Life Gruppe
✓ Uniqa Insurance Group
✓ CNP
✓ Belfius
✓ Allianz Group

✓ Vienna Insurance Group (VIG)
✓ Ethias
✓ Generali Group
✓ ING
✓ Prudential PLC

Methodology

A total of 20 sustainability reports were analyzed from insurance companies represented in Europe. All have a total asset of more than €5 billion and exceed a number of 500 employees* except Helvetia and Prisma Life.

The form of the report is kept open. Thus, independent sustainability reports are included in the assessment, as are stand-alone non-financial statements and integrated non-financial statements in the annual reports.

Country	Insurer
France	CNP
	AXA
	BNP Paribas
Switzerland	Zurich Insurance Group
	Helvetia
	Swiss Life
Lichtenstein	Prisma Life
Germany	Allianz Group
	Munich Re
	Talanx Gruppe
Belgium	KBC
	Belfius
	Argenta
	Ethias
	Crelan
Netherlands	ING
Italy	Generali Group
Austria	Vienna Insurance Group (VIG)
	Uniqa Insurance Group
United Kingdom	Prudential PLC

Procedure

Three dimensions of sustainability are considered: environment, social affairs, and governance. The first two categories are rated according to certain criteria of the CSR report, while the governance dimension refers to the analysis of the SFCR reports and therefore takes a subordinate role in the present study. The decisive main criterion is the question of the insurance companies' assumption of social responsibility: Do insurers want to fulfil their social responsibility, or do they simply want to use the report to fulfil Its duty?

In the environment sector, our analysis shows the extent to which the insurer is making efforts to reduce its environmental footprint, calculate direct emissions, and reduce CO2 emissions. The focus here is particularly on the integration of environmental and social criteria into investment policy.

The social area discloses the extent to which the insurer takes responsibility towards various internal and external stakeholders. The commitment to its own employees, customers and society is taken into account here.

Governance refers to the solvability of the respective insurer and its transparency in this and thus puts long-term environmental aspects first.

The following criteria result for the categories environment, social issues, and governance, which are shown below in figure 1 and will be defined in more detail in the course of the study:

Table 7: Criteria in areas of Environment, Social und Governance

Environmental	Social	Governance
1. Actions to reduce CO2 **1.1. Concrete actions to reduce CO2** **1.2. Share of green electricity**	**1. Proportion of women in management**	**1. Sustainability Responsibility**
	2. Inclusion of handicapped employees	
2. CO2 emissions **2.1. GHG Protocol & Split Scope 1** **2.2. Scope 1** **2.3. Scope 2** **2.4. Scope 3**	**3. Childcare and Family Benefits**	**2. Solvency II Report**
	4. Health Management	
	5. Net Promoter Score	
3. ESG Investment Policy	**6. Social Initiative per Employee**	**3. Findability of the Report**

Source: Zielke Research Consult GmbH

In addition to the three decisive areas, the number of employees is also recorded. The number of employees serves to create comparable data between the respective insurers. Therefore, companies with fewer than 500 employees can be compared with companies with 150,000 employees in certain areas. The specific use of these employee-related indicators is discussed in detail in the individual Environment and Social sections.

The information on the defined criteria is carefully taken from the respective sustainability reports and collected in a database. The more transparent and detailed a company publishes its key figures, the more concretely they can be collected and rated.

Evaluation Criteria

In the following, all established evaluation criteria of the three areas are defined with regard to their characteristics and thus the evaluation basis is disclosed.

Environment

In the area of environment, the following criteria apply to the actions for CO_2 reductions, their ecological footprint and the respective investment policy.

Table 8: Scoring - Environment

	Min Points	Max Points
Environment	**-4**	**5.25**
Actions to Reduce CO_2:	-1	1.25
Concrete actions to reduce CO_2	-1	1.5
Share of green electricity	-1	1
CO_2 Emissions:	-1	1
Scope 1/Split Scope 1	-1	1
Scope 2 (Market or Location Based Value)	-1	1
Scope 3 (Value + Carbon Intensity)	-1	1
Verification	0	1
ESG in Investment Policy	-1	2
ESG Considerations into Insurance Products Non-Life	-1	1

Source: Zielke Research Consult GmbH

Actions to reduce CO_2 Emissions:

This criterion is made up of 50% each of the concrete actions and the green electricity proportion. A maximum of 1.25 points can be achieved.

Concrete actions

This criterion refers to the efforts taken by an insurer in order to reduce their CO_2 emissions in the reporting year 2021. All actions of the evaluation year are considered, which are then compared with the previous year and the results of other insurers.

Table 9: Scoring – Concrete Actions

Point	Characteristics
-1	**No Information**
0	Not concrete, small-scale actions to be implemented quickly
1	Concrete, timely, quantified or successive actions
1.25	Detailed and transparent presentation of all actions that are sufficient/convincing in comparison + (naming use/construction of one renewable energy facility e.g., photovoltaics, combined heat and power plant in the company
1.5	Detailed and transparent presentation of all measures that are sufficient/convincing in comparison + (use/construction of 2 or more renewable energy facilities, e.g., photovoltaics, combined heat and power plant in the company)

Source: Zielke Research Consult GmbH

Share of green electricity

Here, the share of renewable energies in the company's total electricity consumption is used as a key figure. This amounts to a percentage between 0% and 100%, which is taken from the report. All of the company's locations and properties are included. The points are based on the respective share of green electricity procurement stated in the report. Here it is possible to achieve a maximum score of 1 point, 50% of which is included in the total score for the CO2 reduction measures.

- If the proportion of green electricity is not reported, -1 point is awarded.
- If it is stated in the report that green electricity is purchased without specifying the figures, the insurer received 0 points.
- If the report states the share of green electricity purchased as a percentage, the company receives points in the amount of the reference value. (E.g., 50% green electricity = 0.50 points; 100% green electricity = 1 point.

Table 10: Scoring – Green Electricity

Point	Characteristics
-1	Not specified
0	Green electricity is purchased, but not documented with figures
0.01 - 1	Green electricity share in % is shown as points

Source: Zielke Research Consult GmbH

CO2 Emissions:

This criterion consists of the criteria Scope 1 (+split), Scope 2 and Scope 3 (Scope 3 value + transparent information on the carbon intensity of the portfolio). Scope 3 is formed from the value and the criterion "transparent information on the carbon intensity of the portfolio". In addition, the split of scope 1 and the verification of the calculation method of the scopes based on the GHG Protocol are included here as additional points. A maximum score of 1 point can be achieved in total in the area of CO2 emissions.

- ***Verification of the calculation of the scopes is based on international standards:***

As one of the internationally recognised standards, the Greenhouse Gas Protocol (GHG Protocol) provides orientation and assistance in the composition and calculation of direct and indirect emissions of companies. If an insurance company follows this or a similar standard, such as the VfU tool, and the calculations have been verified by an external service provider, such as an auditor or an inspection body in the field of expertise, the company receives 0.5 points in this category. If a company calculates its CO2 emissions using a recognised calculation method (based on the GHG Protocol) and this is named without verification, the company receives 0.25 points in this category.

Table 11: Scoring – Verification

Point	Characteristics
-1	Not specified
0.25	Calculation method transparently presented based on the GHG Protocol
0.5	Verification by an auditor/certificate

Source: Zielke Research Consult GmbH

Scope 1 + Split

This indicator refers to direct emissions (Scope 1) and calculates the absolute CO2 emissions of the company in tonnes. The calculation of Scope 1 is based on international standards, such as the Greenhouse Gas Protocol (GHG Protocol), and includes the following energy sources: natural gas, heating oil, diesel for emergency power, fuel for the company's own vehicle fleet and refrigerant losses.

Scope 1 is measured on a per-employee basis in tonnes. The industry average per employee, on which the scoring is based, is taken from the previous year. With the help of this indicator, the CO2 emission value per employee is determined and the resulting average value is measured against the previous year's average value for the sector and weighted for the scoring.

We also look at whether the company is transparent about its direct CO2 emissions.

Split of Scope is broken down into the following elements:

- Natural gas
- Heating oil
- Diesel for emergency generators
- Fuels for vehicle fleet (e.g., diesel, petrol, gas)
- Refrigerant losses

If the split takes place, the company receives an additional 0.5 points in this category.

The following table outlines the scoring for Scope 1 and the Split of the Scope 1:

Table 12: Assessment of Scope 1

Point	Characteristics
-1	no scope 1 - value and no split scope 1
0	CO_2 emissions Scope 1 per employee in tonnes is above average and no Split Scope 1
0.5	CO_2 emissions Scope 1 per employee in tonnes is above average and Split scope 1
1	CO_2 emissions Scope 1 per employee in tonnes is below average and no Split scope 1
1.5	CO_2 emissions Scope 1 per employee in tonnes is below average and Split scope 1

Source: Zielke Research Consult GmbH

Scope 2

This indicator refers to the indirect emissions of the company according to Scope 2. This includes the electricity and district heating purchased by the company. Also defined by international standards, this is specified in two reference values "market-based" and "location-based". If a company specifies one of the two methods including value, this is scored on the average (previous year's value). The preferred method is to report Scope 2 CO2 emissions according to the market-based method.

The following table illustrates the scoring for Scope 2.

Table 13: Assessment of Scope 2

Point	Characteristics
-1	Not specified
0	CO_2 emissions scope 2 per employee in tonnes is above average
1	CO_2 emissions scope 2 per employee in tonnes is below average

Source: Zielke Research Consult GmbH

Scope 3 + Carbon Intensity

This indicator refers to the company's indirect emissions according to Scope 3. This includes emissions that occur outside the company (e.g., business travel (including rail, taxis, rental cars, aircraft), purchased services, paper, water, waste disposal, etc.). As of next year, we will also include capital investments here). If this value is given, the insurer receives 0.5 points.

A transparent presentation/statement of the carbon intensity of the portfolio in the sustainability report is awarded 0.5 points. If this information is not provided transparently and is too inaccurate, this is awarded 0.25 points. The disclosure of both criteria is assessed with a total of 1 point.

The following table illustrates the scoring for Scope 3 + Carbon Intensity

Table 14: Assessment of Scope 3 + Carbon Intensity

Point	Characteristics
-1	Not specified
0.25	No Scope 3 value given and Carbon Intensity not sufficiently transparent
0.5	Scope 3 value specified / or carbon intensity precisely and transparently displayed
1	Scope 3 value given and carbon intensity shown precisely and transparently

Source: Zielke Research Consult GmbH

ESG in Investment Policy:

ESG in investment: In addition to the economic criteria, this indicator also refers to the integration of ecological and social criteria in the investment policy. In this area in particular, the further development and expansion of strategies are crucial. The more transparent and precise the investment policy and corresponding review processes is, the more points are awarded. Due to different weightings of the individual points, different maximum points are possible here. The following six criteria are assessed here:

- **Best in class:** Investments in the companies with the most sustainable performance.
- **Sustainability themed/Thematic investments:** Investments in companies whose activities contribute to solving social problems.
- **ESG integration:** Consideration of ESG indicators in asset analysis and for the assessment of investment decisions.

- **Engagement & Voting:** Direct participation in the ESG strategy of investee companies.
- **Exclusion:** Exclusion of companies that violate internationally recognised standards or conventions.
- **Impact Investing:** Investments made in companies to achieve measurable, beneficial social or environmental impacts.

Table 15: Assessment of ESG Investment Policy:

	Min	Max
ESG Investment Policy	**-1**	**2** **∑6/3=2**
Best in class	-1	0.5
Sustainability	-1	1
ESG Integration	-1	0.5
Exclusion	-1	0.5
Engagement & Voting	-1	.5
Impact Investing	-1	2

Source: Zielke Research Consult GmbH

ESG Consideration into Insurance Non-Life Product:

In the 2020 CSR evaluation, we asked for the first time to what extent the topic of ESG is included and taken into account in the products and product development of European insurers, but this was not included in the scoring. From the evaluation year 2021 onwards, this criterion will be included in the scoring. A transparent and precise description of the integration of sustainability in the non-life products receives the maximum score of 1 point.

The mere assertion that ESG is taken into account in product development or in products is awarded 0 points, and if no information on this can be found in the report, this is assessed with a -1 point.

Insurance companies that do not offer property insurance products receive 1 point in our evaluation to create a fair balance.

Table 16: Assessment of ESG integration in non-life insurance products:

Points	Characteristics
-1	Not specified
0	Information is not sufficiently transparent
1	Detailed and transparent information

Source: Zielke Research Consult GmbH

Social

The area of social can be measured by six criteria. These are assigned to various internal and external stakeholders. The company's own employees are expressed through the proportion of women in management positions, the topic of inclusion, work-life balance and health management. Customers are taken into account through customer satisfaction analyses, while society is referred to through social initiatives.

Table 17: Assessment for Social:

	Min	Max
Social	**-6**	**6.5**
Proportion of women in management positions	-1	1.5
Inclusion	-1	1
Childcare and Family Benefits	-1	1
Customer satisfaction survey with willingness to recommend (Net Promoter Score)	-1	1
Health Management	-1	1
Social Initiative	-1	1

Source: Zielke Research Consult GmbH

Proportion of women in management positions:

This key figure relates to the issue of equality. The share of women in leading positions in the company is taken into account. Target quotas are not taken into account.

The focus is on the first four levels (executive board, supervisory board, 1st and 2nd management level). If three or four levels are indicated, the respective average of these is calculated. If only an overall quota of women in leading positions is given, this is not weighted against the average for the sector, but only given 0 points due to a lack of transparency. If this information is completely missing in the report, the company receives -1 points for its lack of transparency.

Table 18: Assessment for proportion of women in management positions:

Points	Characteristics
-1	Not specified
0	Specification of one or two values, e.g.: -Proportion of women in all management/leadership positions total -Proportion of women in only one or two levels
0.5	Specification of three levels, value below ø
1	Specification of three levels, value above ø
	Specification of four levels, value below ø
1.5	Specification of four levels, value above ø

Source: Zielke Research Consult GmbH

Inclusion:

This criterion focuses on the actual proportion employees with disabilities, measurers to promote and support the affected and future employed as well as the age structure of the employee workforce. The legal quota of employees with disabilities is 5%, which is why insurers with a percentage below this quota receive 0 points. Proportions above the legal prescribed quota and below average are rewarded with 0.5 points where as proportions above the average are assigned with 1 point. The points achieved here account for 50% of the total number of points for the inclusion.

Table 19: Assessment for the disabled employee's quota

Points	Points	**Characteristics**
Disabled Employee Quota	-1	Not specified
	0	Rate below 5%
	0.5	Rate below 5% and below average
	1	Rate above 5% and above average

Source: Zielke Research Consult GmbH

In addition, we look at the measures taken by the company on the topic of inclusion, what initiatives does the company pursue on this topic, are there contact persons, individual solutions such as support services for employees with disabilities, how are employees integrated into the day-to-day work life. This criterion is awarded 0.5 points and 50% of this score is included in the overall score for the inclusion criterion.

The representation of the age structure of the employees is asked as follows:

< 30 Number or % measured against total workforce

30 - 50 Number or % measured against total workforce

> 50 Number or % of total workforce

If this information is provided, the company receives 0.5 points, 50% of which are included in the overall score for the inclusion criterion.

Hence, the measures as well as the age structure are assigned scores based on the insurer's transparency.

Table 20: Assessment of Inclusion

Points	Characteristics
-1	Not specified
0	Information is not sufficiently transparent
1	Detailed and transparent information

Source: Zielke Research Consult GmbH

Childcare and Family Benefits:

This indicator focuses on the compatibility of work and family. In terms of content, we evaluate measures that make it easier for employees to combine work and life such as:

- The offer of flexible working hours
- Childcare options ranging from measures for emergency care and assistance on the subject of care to family allowances

A maximum of 1 point can be achieved for this criterion, including the areas mentioned. Target formulations are not taken into account. Each sub-criterion accounts for 25% of the total score pertaining to child care and family allowance.

Each sub-criterion is evaluated as follows:

Table 21: Assessment of Child Care and Family Allowance

Points	Characteristics
-1	Not specified
0	Information is not sufficiently transparent
1	Detailed and transparent information

Source: Zielke Research Consult GmbH

Health Management:

The focus of this key figure is the active support of the physical activity of the employees and provisions of preventive measures (e.g., medical check-ups) by the employer as well as other provisions on the subject of health management such as e.g., addiction advice, offers for stress management, online (sports) courses, Seminars on health and much more. We evaluate three area which are: sports facilities, medical care and other health-related offers. The overall value for the category is made up of the proportion of criteria that are met, of which 25% are included in the overall rating for health management. Therefore, a maximum of 1 point can be achieved in health management. Target formulations are not taken into account

Each sub-criterion is evaluated as follows:

Table 22: Assessment of Health Management

Points	Characteristics
-1	Not specified
0	Information is not sufficiently transparent
1	Detailed and transparent information

Source: Zielke Research Consult GmbH

Customer satisfaction with willingness to recommend (Net Promoter Score):

In the past, we used the NPS to analyze customer satisfaction with willingness to recommend. If the company published a value that reflected customer satisfaction, in which the willingness to recommend was also asked, the company received 1 point. If customer surveys were conducted but no figures were published, the company received zero points. If there was no information on customer satisfaction in the report, the company received -1 points. This criterion was ambiguous in the past and therefore we have examined and evaluated this criterion a little more deeply for the evaluation year of 2021:

- ✓ Is the customer satisfaction level measured?
  Yes = 1; point No/No information = 0 points
- ✓ Is this applicable to different divisions in the company, such as claims processing?
  Yes = 1; point No/No Information = 0 points
- ✓ Is the willingness to recommend asked?
  Yes = 1; point; No/No Information = 0 points
- ✓ Are the level scores given sensible? (We exclude the information on grading systems here)
  Yes = 1; point; No/No Information = 0 points

The total number of points for this category is made up of the proportion of criteria that are fulfilled, of which 25% are included in the total points of the customer satisfaction analysis with willingness to recommend thus, a maximum of 1 point.

Table 23: Assessment of Customer Satisfaction

Points	Characteristics
-1	Not specified
0	Information is not sufficiently transparent
1	Detailed and transparent information

Source: Zielke Research Consult GmbH

Social Initiative:

By specifying the donation amounts for social initiatives, companies can quantify their social commitment to society. Due to the frequent indication of an overall value in the area of social commitment, which includes donations as well as sponsoring and other contributions, no further differentiation was made in the past. To ensure comparability, the amount was divided by the number of employees and compared with the previous year's average per employee. If no amounts were published, the company received -1 point, if the amount was below the previous year's average, the company received 0.5 points, and if this was above the previous year's average, the company received 1 point.

So far, we have only asked about the donation volume in € for social purposes. From the evaluation year of 2021, we have expanded this criterion by two further sub-criteria. In addition to the company's published donation amount, we now also evaluate a detailed overview of the donation amounts, which sums were invested in which social projects (excluding foundations, sponsorship for football clubs, party donations -> (the market equivalence value should also be shown here, if this is available this would then be added). Anyone who does not publish a split of the donation amounts does not receive an additional point, as there is no correct assignment and comparability. If the amounts are split, the company receives an additional point. Furthermore, we evaluate the transparency and detailed presentation of the activities. If no information is published here, no additional points can be achieved here; 1 point is awarded for transparent information.

The total score consists of:

- ✓ The donation amount in € measured against the average of the previous year per employee
- ✓ Split display of all donation amounts in €
- ✓ Description of the social commitment

Each of these account for 33.33% of the overall score for the social initiative.

Table 24: Assessment of Social Initiative

Points	Characteristics
-1	Not specified
0	Information is not sufficiently transparent
1	Detailed and transparent information

Source: Zielke Research Consult GmbH

Governance

Governance is evaluated by the following four criterion:

Table 25: Assessment of Governance

	Min	Max
Governance	**-4**	**4**
Sustainability Responsibility	-1	1
Solvency II Report	-1	1
Findability of the Sustainability Report	-1	1
Formulation of a Sustainability Strategy	-1	1

Source: Zielke Research Consult GmbH

Sustainability Strategy:

This criterion measures the extent to which the topic of sustainability is already anchored in the company, its structures and strategies. Thus, the reference to the board of directors as the sole persons responsible for the topic as well as the mere naming of a sustainability officer without further explanations as to how they are anchored is rated with a zero. If they and/or an ESG board, a sustainability department or a responsible permanent team is responsible, and the processes, responsibilities and tasks are clearly described, the company receives 1 point.

Table 26: Assessment of Sustainability Strategy

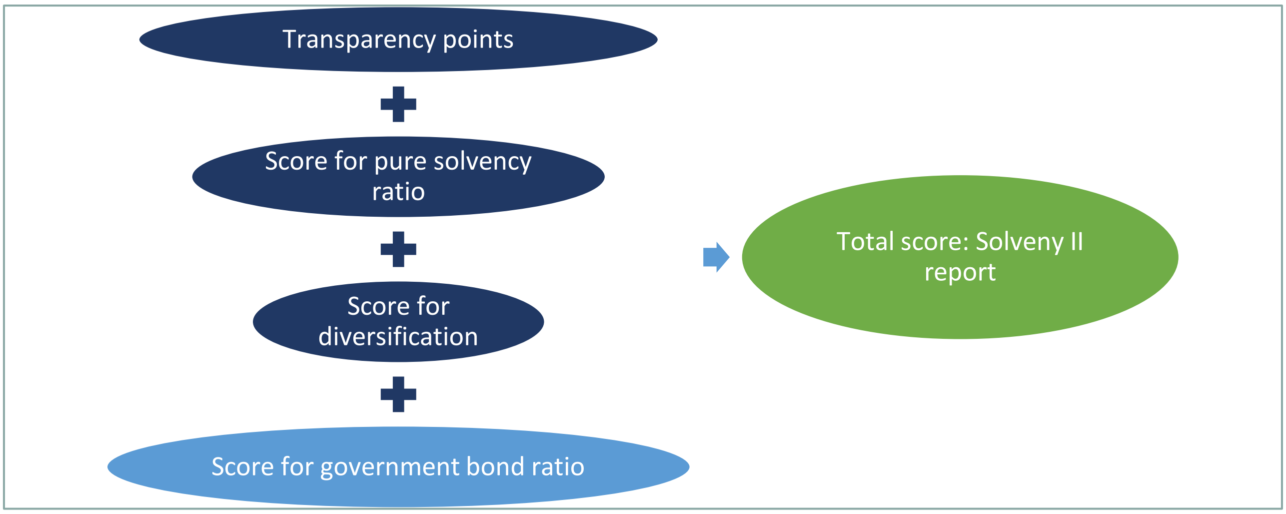
Points	Characteristics
-1	Not specified
0	Information is not sufficiently transparent
1	Detailed and transparent information

Source: Zielke Research Consult GmbH

Solvency II Report:

Solvency II report: The economic indicator is determined by various aspects of the SFCR report. Transparency, the pure solvency ratio, the level of diversification and the government bond ratio are important here.

Figure 3: Calculation of Solvency II Ratio



Source: Zielke Research Consult GmbH

This ensures a high degree of transparency, an optimal pure solvency ratio and a high diversification and a low government bond ratio. These four factors are included in the ratio as follows:

Table 27: Assessment for Solvency II Report

Points	Characteristics
Transparency	
Pure Solvency Ratio	+2:125% - 350%; +1:>350%; -2: <125%
Diversification	+1:<25%, otherwise 0
Government Bond Ratio	+1:<25%, otherwise 0

Source: Zielke Research Consult GmbH

Findability of the Sustainability Report:

Transparent reporting includes easy availability of the sustainability report. If an insurer's report is easy to find (direct reference on the homepage or simple search engine search), the insurer receives 1 point. If, on the other hand, the interested party must click through various pages and sections or search outside the insurance company's homepage, the report is considered difficult to find and the insurer receives -1 point.

Table 28: Assessment of Findability of Sustainability Report

Points	Characteristics
-1	Difficult to find
1	Easy to find

Source: Zielke Research Consult GmbH

Formulation of a Sustainability Strategy:

As a sustainability strategy, we include the methods and instruments for the strategic implementation of sustainable development in the following areas:

- ✓ business-strategy
- ✓ Risk management
- ✓ Investment
- ✓ Employees
- ✓ Customers
- ✓ Suppliers
- ✓ Social commitment

If the sustainability strategy is precisely formulated in the report and established in the different areas of the company, the company receives 1 point. If there is a lack of transparency and areas in the description, the company receives 0 points. If we cannot read any information on this in the report, it is given a score of -1.

Table 29: Assessment of Sustainability Strategy

Points	Characteristics
-1	Not specified
0	Information is not sufficiently transparent
1	Detailed and transparent information

Source: Zielke Research Consult GmbH

Calculation of the Total Score

The allocation of points in the individual categories has already been discussed in detail. The total number of points awarded to each insurer, on which the ranking is based, ultimately consists of one third each from the fields of environment, social issues and governance. For the environment, the minimum score is -4 and the maximum +5,25 points, while the minimum score for social affairs is -6 and the maximum +6.5 points. Governance is rated with a minimum of -4 and a maximum of +4. The following section calculates how the minimum and maximum total score is achieved in each case:

Minimum:

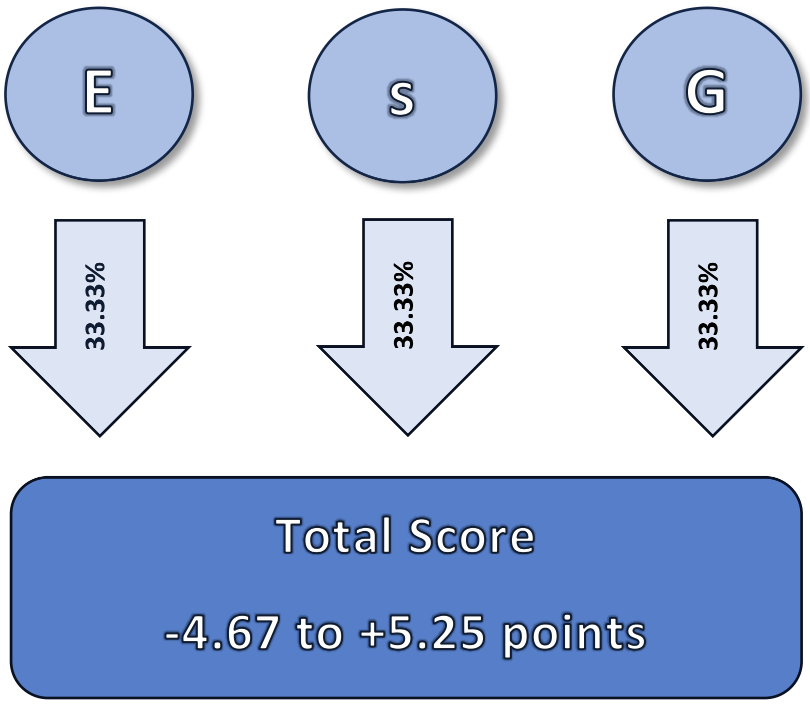
$$(-4 \cdot 33.33\%) + (-6 \cdot 33.33\%) + (-4 \cdot 33.33\%) = -4.67$$

Maximum:

$$(5.25 \cdot 33.33\%) + (6.5 \cdot 33.33\%) + (4 \cdot 33.33\%) = +5.25$$

Insurers can therefore receive between -4.67 and +5.25 points in the overall assessment. The process leading to this overall rating is summarized in the following figure:

Figure 4: ESG Overall Rating



Financing and Background Information

Zielke Research Consult GmbH has taken over most of the financing itself.

Nevertheless, there is the possibility to support the project as a sponsor. Sponsors do not receive a privileged position in the actual evaluation for this financial support. However, this support should of course be worthwhile and lead to a sensitisation and higher transparency in the CSR reporting of insurers. Therefore, there are the following possibilities for these insurers to influence their scoring:

- **Pre-inspection**: provision of their own results at least ten days before publication
- **Consultation**: Possibility of obtaining a justification for the points awarded and recommendations for improvement
- **Consultation**: Possibility of obtaining a justification for the points awarded and recommendations for improvement
- **Statement**: Comment by the insurer on its own results and publication in the Spotlight
- **CSR label use**: Sponsors with a total score of over 0.5 are awarded the CSR label of Zielke Research Consult GmbH - in bronze, silver, or gold.

Sponsors

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