Spotlight CSR European insurers 2021

European reporting – a fragmented landscape

zielke research consult

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Key message

On the European scale, we have the feeling that sustainability is increasingly embedded in insurers' core business. Our study shows that ESG considerations are now part of investing strategies. Additionally, reports include information about the company's impact on its stakeholders and the environment. However, our analysis confirms European stakeholders' assumptions[1] that the current regulation, the Non-Financial Reporting Directive (NFRD)[2], is not well implemented yet. There is still a lack of standardization in reporting which creates comparability problems. Some insurers disclose less information than others and some critical information does not appear in several reports. That prevents the reader from having a good understanding of the company's environmental and social performance. The Corporate Sustainability Reporting Directive (CSRD) aims to address stakeholders' calls for more consistency and reliability in CSR reporting by fostering more detailed reporting requirements.

Significant evolutions in the regulatory environment around reporting do not seem to be entirely part of insurers' concerns yet. Only 6 insurers on the 20 in our sample address the EU taxonomy in their report. However, we must highlight the engagement of some companies in setting concrete targets to align their portfolios on the coming European classification of green activities. Next year, with the new mandatory reporting guidelines, we expect insurers to report further on their forward-looking strategies for converging toward a high level of taxonomy-aligned financing.

Besides, we feel that metrics to assess climate risks are increasingly used on the European scale as the carbon intensity or the 2° alignment level of the portfolio. We encourage companies to use such methodologies implemented by the many existing reporting initiatives.

[1] *Consultation document - Public consultation on the review of the non-financial reporting directive (europa.eu)

[2] The Non-Financial Reporting Directive came into effect in 2018.

Results

Although we have sharpened our evaluation criteria and looked more in depth, a positive development can be observed. Nevertheless, there is still a lot of potential for improvement.

The overall result of the analysed insurance companies in the reporting year 2020 is on average 1.74 points (previous year: 0.46).

Table 1: European insurers on average per category

	Year	Environment Ø	Social Ø	Governance Ø	Total Ø
EU	2019	2,46	-1,67	0,58	0,46
	2020	1,7	1,31	2,25	1,74

Source: Zielke Research Consult GmbH

Table 2: Comparison of European and German insurers on average

	year	Environment Ø		Social Ø		Governance Ø		Total Ø	
		Points reached in the Ø	min/max points to be reached in Ø	Points reached in the Ø	maximal point to be reached in Ø	Points reached in the Ø	maximal point to be reached in Ø	Points reached in the Ø	maximal point to be reached in Ø
DE	2019	0,69	-5/+6,5	-0,95	-6/+6,5	0,48	-1/+1	0,06	-4/+4,62
	2020	1,1	-4/+4,25	1,47	-6/+6,5	1,92	-1/+3	1,48	-3,63/+4,54
EU	2019	2,46	-5/+6,5	-1,67	-6/+6,5	0,58	-1/+1	0,46	-4/+4,62
	2020	1,7	-4/+4,25	1,31	-6/+6,5	2,25	-1/+3	1,74	-3,63/+4,54

Source: Zielke Research Consult GmbH

Environment

Table 3: Ranking European insurers – Environment 2020

Rank	companies	2019	2020
1	Zurich Insurance Group	3,00	3,45
2	AXA	0,00	3,24
3	CNP	3,00	3,13
4	Belfius (BE)	5,00	3,08
5	ING (EN)	3,00	2,71
6	Munich Re	4,50	2,65
7	KBC (EN)	2,50	2,64
8	Prisma Life	1,00	2,58
9	Swiss Life Gruppe	2,00	2,48
10	Helvetia	4,50	2,42
11	Talanx Gruppe	3,50	2,22
12	Allianz Group	5,00	2,14
13	Generali Group	2,00	1,28
14	Ethias (FR)	1,00	0,71
15	Vienna Insurance Group (VIG)	0,00	0,65
16	Argenta	-	0,63
17	BNP Paribas	0,00	0,17
18	Prudential PLC (EN)	0,00	-0,04
19	Uniqa Insurance Group	3,00	-0,78
20	Crelan (FR)	-1,00	-1,04

Source: Zielke Research Consult GmbH

Our analysis focuses on the impact generated by the insurers' business activities such as the carbon footprint, and on the actions implemented to lower its negative impact. It also focuses on the consequences related to the insurers' portfolios.

First, our study shows that environmental risks and opportunities are now widely part of European insurers' concerns given that all companies in our sample provide information about this topic in their sustainability report. However, despite the increasing awareness of environmental issues, we still count companies in our study that do not put this matter at the forefront of their strategy. In our sample, 20% of insurers got a negative score for the criterion "**actions to reduce CO2**"[3]. If now most companies disclose their share of **green electricity** they consume, we still count 35% of insurers in our analysis that do not provide any percentage.

The same issue occurs for the **GHG footprint** reporting. Although most companies report their carbon footprint in terms of the GHG protocol scopes, some companies still only report the total amount of emissions without breakdown. As a result, the readers cannot access the share of direct and indirect emissions and

[3] Refer to methodology

then compare the market participants properly to make informed decisions. The best company for that criterion is Prisma Life because it reported all three scopes and disclosed a deeper breakdown for scopes 1 by describing the number of emissions associated with each flows type included in that category. In addition, its emissions per employee are below the sample average. We can also name CNP that got points for each criterion in this section except for the scope 1 breakdown.

In our analysis of 2020 reports, we decided to check whether companies disclose their **scope 3** emissions which is the main GHG hotspot for financial institutions due to their asset management activities. 75% of the insurers in our study report scope 3 and 40% report the **carbon intensity**. We feel that large European companies slowly start to understand the relevance of measuring their financed emissions to better seize the opportunity to lead the transition towards a low carbon economy.

Furthermore, we are witnessing an increasing awareness of **ESG investing strategies** in the European market. Most insurers in our study describe how they consider ESG in their investment process chain. CNP is the only company that reached the maximum score possible. Indeed, CNP uses all types of ESG investing strategies[4] and provides enough details about each of the processes to be awarded points in our analysis this year.[5] Our rating also sheds light on various trends in the market. First, we noticed that most companies consider an exclusion list targeting controversial sectors such as fossil fuel energies. Most insurers also use ESG integration for their investment selection. This process is more accurate from one company to another. As good practice for ESG integration, we can highlight Belfius and Munich Re who provide in their report a concrete list of significant sustainability topics they look at for their investment selection. Other companies remain nontransparent about the ESG criteria they consider when they analyse the sustainability performance of investees. Regarding thematic investing, we observed that many companies in our sample are very transparent about it. For instance, Helvetia clearly describes the use of proceeds of its green bonds with a broad list of sustainability-themed sectors in which it invests. For the Engagement & voting strategy, half of the insurers in our analysis are transparent about the sustainability topics addressed during Annual General Meetings or the numbers of votes cast during these meetings. We found less transparency about the best-in-class strategy in reports. Only a quarter of the sample described how they select best-performing companies for a share of their funds. Also, we recognised few discrepancies from one country to another regarding impact investing. Indeed, impact investing is more transparent in France given that the three French companies of our sample dedicated a share of their funds to impact investments. One Belgian company also shows good practices in the field of impact investments. This is Ethias that invests in social economy funds[6] and describes the main impact focus for each fund. CNP's commitment to impact investments is also to highlight. For its part, CNP invests in social impact bonds, which is another model of impact investment assets possibility. But the company that is the most transparent regarding impact investing is Zurich. In its impact measurement report, Zurich accurately describes the impact metrics and the methodology it uses to assess the positive outcome for each type of its impact investment assets. As main examples of impact metrics, we can cite the “avoided GHG emissions” for investments whose objective is "environmental risks mitigation" and “the number of benefited people” to measure the achievement of the social objective “increase community resilience.

[4] Best-in-class, thematic investing, ESG integration, engagement & voting, exclusion, and impact investing
[5] Our ranking is based on an evolving methodology, and we will require further details next year for that criteria
[6] The social economy encompasses a variety of businesses whose main objective is to deliver a positive impact on society

Social

Table 4: Ranking European insurers – Social 2020

Rank	Companies	2019	2020
1	Helvetia	-1,00	5,00
2	CNP	4,50	4,67
3	AXA	-5,00	4,50
4	Prisma Life	-2,00	4,25
5	Zurich Insurance Group	0,00	3,50
6	Allianz Group	0,00	3,17
7	Talanx Gruppe	1,00	3,00
8	ING (EN)	1,00	2,92
9	Swiss Life Gruppe	1,00	2,50
10	Munich Re	0,00	2,00
11	Ethias (FR)	-4,00	1,25
12	KBC (EN)	-3,00	1,08
13	Argenta	-	0,92
14	BNP Paribas	-4,00	-1,00
15	Vienna Insurance Group (VIG)	-1,00	-1,00
16	Belfius (BE)	-2,50	-1,33
17	Generali Group	-2,00	-1,42
18	Crelan (FR)	-4,00	-2,08
19	Uniqa Insurance Group	-2,00	-2,08
20	Prudential PLC (EN)	-2,50	-3,67

Source: Zielke Research Consult GmbH

To assess the social performance, we look at various criteria that measure the impact on the following stakeholders: employees, customers and society. We observed a significant improvement in the social area among the European insurance market according to the results of our analysis shown in the table five above.

Our analysis shows an improvement in the areas of diversity and inclusion. The **proportion of women in leadership positions** has increased overall compared to the previous year, and transparency about the four levels has also improved. On average, the proportion of women in leadership positions at European insurers is about 11% higher than German insurers, at 31.54%. In addition, we also see more transparency in the reporting regarding the **proportion of physically handicapped employees** at European insurers compared to the previous year. In 2019, only two insurers reported their quota transparently while five more insurers included this information in their report this year. CNP and AXA are the only companies with a proportion of more than 5%

The criteria **childcare and family benefits** has increased compared to last year's analysis, but the impact is still low. We miss a transparent presentation of the actions taken by the companies on the topic of childcare, emergency care and care for family members. European insurers are particularly reserved in their reporting in this area. Finally, we looked at actions implemented for **health management** and 45% of insurers in our sample got the maximum points. Many companies in our European study show a commitment to reduce psychosocial issues, and employees' training became mainstream since 100% of companies in our sample offer courses to their employees. Medical prevention would need to be improved though.

Regarding customers, we look if the insurers measure the **satisfaction level**, the willingness to recommend and provide numbers for their results. Our results show that 50% of insurance companies in our analysis reported a number to measure satisfaction level, while 25% do not refer to any customer satisfaction level. This is an improvement of 25% compared to 2019.

Finally, to assess the positive impact of the insurers on society, we look at the amount spent on **donations for social initiatives**. Companies that donated the highest amount per employee are Prisma Life and Zurich. About 25% of companies do not report any quantitative data on that topic.

Governance

Table 5: Ranking European insurers – Governance 2020

Rank	Companies	2019	2020
1	Allianz Group	0,00	3,00
2	AXA	1,00	3,00
3	CNP	1,00	3,00
4	Ethias (FR)	1,00	3,00
5	Generali Group	1,00	3,00
6	KBC (EN)	1,00	3,00
7	Uniqa Insurance Group	1,00	3,00
8	Zurich Insurance Group	1,00	3,00
9	Argenta	-	2,00
10	Belfius (BE)	0,00	2,00
11	BNP Paribas	1,00	2,00
12	Helvetia	1,00	2,00
13	ING (EN)	0,00	2,00
14	Munich Re	0,00	2,00
15	Prudential PLC (EN)	1,00	2,00
16	Prisma Life	-	2,00
17	Swiss Life Gruppe	0,00	2,00
18	Vienna Insurance Group (VIG)	1,00	2,00
19	Talanx Gruppe	0,00	1,00
20	Crelan (FR)	0,00	0,00

Source: Zielke Research Consult GmbH

Our analysis of governance performance includes three criteria. First, we look at where **sustainability responsibility** is located in the company. Then, we assess the **difficulty of finding the company's CSR report**. Finally, we use our methodology to measure the quality of the **Solvency and Financial Condition Report (SFCR)**, in which insurers must describe their financial health and explain how they manage financial risks. Overall, there has been an improvement in each criterion. We can still point out that a small number of companies do not yet have an ESG committee, and some reports are difficult to access. Regarding the analysis of the SFCR report, the average score has increased from 6.5 last year to 9.6 in 2020, which is a good increase.

Ranking European insurers

Table 6: Ranking of European insurers

Rank	Companies	2019	2020
1	CNP	2,83	3,56
2	AXA	-1,33	3,55
3	Zurich Insurance Group	1,33	3,28
4	Helvetia	1,50	3,11
5	Prisma Life	2,20	2,92
6	Allianz Group	2,00	2,74
7	ING (EN)	1,33	2,52
8	Swiss Life Gruppe	1,00	2,30
9	KBC (EN)	0,17	2,22
10	Munich Re	1,50	2,19
11	Talanx Gruppe	1,50	2,05
12	Ethias (FR)	-0,67	1,64
13	Belfius (BE)	0,83	1,24
14	Argenta	-	1,17
15	Generali Group	0,33	0,94
16	Vienna Insurance Group (VIG)	0,00	0,54
17	BNP Paribas	-1,00	0,39
18	Uniqa Insurance Group	0,67	0,05
19	Prudential PLC (EN)	-0,50	-0,56
20	Crelan (FR)	-1,67	-1,03

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CSR 2021 Gesellschaft BRONZE ZIELKE RESEARCH CONSULT MORGEN & MORGEN

Source: Zielke Research Consult GmbH

CNP ranks first in our rating as in 2019 thanks to good transparency in all three areas of sustainability and especially a good score for ESG considerations in investment policy.

Axa presents the most significant improvement compared to last year. Its 2020 report includes much more information in all three areas of ESG. For instance, AXA reports more on its actions to reduce its CO2 emissions and it started disclosing its carbon footprint following the three scopes of the GHG protocol. Moreover, it has ambitious ESG investing strategies and it provided more social KPIs such as the employment rate of handicapped people and the amount of donations in social initiatives.

Crelan remains in the last positions due to a lack of quantitative data in the environmental section such as the carbon footprint but also in the social section such as the employment rate of handicapped employees and the customer satisfaction level and their willingness to recommend the company to others. Prudential also got a negative score due to a lack of transparency about its ESG considerations in its investment policy, its actions to reduce its CO2 emissions, and a poor score in the social section.

Finally, ***Uniqa*** shows a decrease compared to last year. We can explain that by the fact that it discloses less KPI than last year such as the share of green electricity or its scope 1 emissions.

Awarded with the CSR label

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 2.5 points, a silver label for 1.5 - 2.49 points and a bronze label for 0.5 - 1.49 total points to the insurers included in this study. The label certifies the insurer's respective level of transparency and concreteness of reporting. The following 4 insurers can access a CSR label by Zielke Research Consult GmbH, congratulations!

- ✓ ***AXA***
- ✓ ***Helvetia***
- ✓ ***Zurich Insurance Group***
- ✓ ***Prisma Life***

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.

Outlook

The reporting landscape has been on an ongoing evolution over the past few years. In the European context, current guidelines will undergo many changes in 2022 and the few years ahead.

Indeed, the European Commission is currently working on a regulation package within the scope of its Green Deal. The principal law affecting corporate reporting is the Corporate Sustainability Reporting Directive (CSRD) that will replace the Non-Financial Reporting Directive (NFRD) introduced in 2014. This new regulation should transpose into law by December 2022, to be applicable for fiscal years beginning in January 2023. Insurers and other financial market participants play a prominent role in the transition to a low carbon economy and will therefore have more specific requirements. The Green Deal also includes laws targeting financial products such as the Sustainable Finance Disclosure Regulation (SFDR) and the EU taxonomy. For life products categorized as article 9 under the SFDR, insurers will have additional disclosure requirements for the pre-contractual reporting document and the sustainability report. Indeed, they must report the share of their products that is taxonomy-aligned.

The CSRD will also enable better data accessibility. It will facilitate the report preparation of institutional investors because they will have access to the KPIs necessary to assess the taxonomy-alignment level of their portfolio. Furthermore, the CSRD will introduce new reporting principles. The European Financial Reporting Advisory Group (EFRAG) underpins approaches such as the double materiality principle[7] or the connectivity of financial and sustainability information. In our study, only four companies present in their report what are the most material issues for their business and their stakeholders (Helvetia, Talanx, KBC, and Prudential). However, these companies could better connect their materiality analysis with other report contents such as the strategy, and the risks & opportunities. Finally, the members of the EFRAG recommend the alignment on the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)[8]. we see that TCFD disclosure is getting awareness on the market because many reports in our study refer to it.

Despite the European NFRD introduced in 2014, each country still has its specific reporting requirements. The type of information we find in reports can vary depending on the country. For instance, we observe that French companies disclose more information about the methodology used to manage the ESG performance of their investment portfolio. French authorities have indeed introduced a law on the energy transition in which article 173 defines the disclosure requirements regarding ESG considerations of institutional investors. Accordingly, French insurers report a deeper description of their ESG integration processes. This regulation also states the obligation to disclose the green share of the portfolio and how investments contribute to achieving environmental objectives such as the energy transition. In Germany, the regulatory environment is more accurate on social performance than in other countries such as Belgium. The United Kingdom, which is not subjected to European law anymore, also has sustainability reporting obligations. For instance, we find in the UK the "Strategic Report" that has been mandatory since 2013 and that requires notably the disclosure of a breakdown by gender of the company's directors, senior managers, and employees and a description of the company's impact on the environment, and social & human rights issues. But the most recent and

[7] The double materiality principle is an approach where a company evaluates materiality from two perspectives: the material impact on the business' value and the material impact on stakeholders.
[8] The TCFD provides a reporting framework to help companies report on their climate-related financial risks. The recommendations encompass four key areas: governance, strategy, risk management and measurement.

ambitious reporting evolution in the UK is the enforcement of TCFD disclosure that will be in application from April 2022.

On the European scale, this fragmented landscape should converge toward more standardization with the CSRD. On the global stage, the initiative to be followed is the International Sustainability Standards Board (ISSB). The IFRS Foundation has tasked this board to develop comprehensive sustainability disclosures guidelines for the global financial markets. This organization brings together many other initiatives in the CSR reporting landscapes such as the CDSB[9], the TCFD, and the Value reporting foundation[10].

Finally, many initiatives are emerging to develop methodologies to help financial institutions measure the impact of their portfolio such as the Partnership for Carbon Accounting Financials (PCAF). Next year, we will pay more attention to the disclosure of KPIs to assess the level of the portfolio's greenness.

[9] The Climate Disclosure Standard Board is an international consortium of businesses and NGOs that offer a framework for reporting on environmental and social capital

[10] The Value Reporting Foundation results from the fusion between the International Integrated Reporting Council (IIRC) and the Sustainability Accounting Standard Board (SASB). It provides comprehensive guidelines for corporate reporting mainly based on the integrated thinking principle where financial and sustainability information are considered as connected.

Sponsors

Our team

CSR reporting obligation

All listed companies and all financial institutions with more than 500 employees must submit a report describing the company's commitment in the area of Corporate Social Responsibility according to the European CSR Directive since 2018. This includes reporting on environmental, employee and social issues, respect for human rights and the fight against corruption and bribery.

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.

France	CNP AXA BNP Paribas
Switzerland	Zurich Insurance Group Helvetia Swiss Life
Liechtenstein	Prisma Life
Germany	Allianz Group Munich Re Talanx Gruppe
Belgium	KBC Belfius Argenta Ethias Crelan
Netherland	ING
Italia	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: Does the insurer want to fulfil its social responsibility, or does it 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.

The area of governance refers to the anchoring of sustainability responsibility in the company, the solvency of the respective insurer and the access to the sustainability report.

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:

Figure 1: Criteria in areas of Environment, Social und Governance

E Environment

- 1 Actions to reduce CO_2
  - 1.1 Concrete actions to reduce CO_2
  - 1.2 Share of green electricity
- 2 CO_2 emissions
  - 2.1 GHG Protocol & Split Scope 1
  - 2.2 Scope 1
  - 2.3 Scope 2
  - 2.2 Scope 3
- 3 ESG in investment policy

S Social

- 1 Proportion of women in management positions
- 2 Inclusion of handicapped employees
- 3 Childcare and family benefits
- 4 Health management
- 5 Net Promoter Score
- 6 Social initiative per employee

G Governance

- 1 Sustainability responsibility
- 2 Solvency II report
- 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.

Rating criteria

Following, all specified rating criteria of the three areas are defined in terms of their characteristics, thereby disclosing the basis for rating.

Environment

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

Table 7: Scoring - Environment

Environment	**-4**	Weighting/ scoring	**4,25**	**4,25**
Actions to reduce CO_2	-1		1,25	1,25
Concrete actions to reduce CO_2	-1	-1;0;1;1,25;1,5	1,5	50% of the total score is taken into account
Share of green electricity	-1	-1;0;0,01;0,09-1	1	50% of the total score is taken into account
CO_2 emissions	-1		1	1
Calculation tool/Split Scope 1 (additional points)	-1	0;0,5;1	1	1/4
Scope 1	-1	-1;0;1	1	1/4
Scope 2 (Market-or Location-Based value)	-1	-1;0;1	1	1/4
Scope 3 (Value + Carbon intensity)	-1	-1;0,5;1	1	1/4
ESG in investment policy	-1		2	2

Source: Zielke Research Consult GmbH

-1= No information 0= Insufficient or not transparent enough 1= Information given

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 insurer's efforts to reduce its CO2 emissions in the reporting year 2020. All actions of the evaluation year are considered, which are then compared with the previous year and the results of the other insurers.

Table 8: Scoring – concrete measures

Points	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 procurement is used as a key figure here. This amounts to a percentage between 1% and 100 All of the insurer's locations and properties are included. The score is based on the respective share of green electricity. If the share of green electricity is not reported, -1 points are awarded.

Table 9: Scoring – Green electricity

Points	Characteristic
-1	No information
0,01-0,99	Green electricity % is represented as points %/100 each 1 to 1
1	100% Green Electricity

Source: Zielke Research Consult GmbH

CO_2 emissions

This criterion is composed of the criteria Scope 1; Scope 2 (market-based, location-based) and Scope 3 (Scope 3+Carbon intensity). Scope 3 is formed from the specification of the value (0.5 points) and the criterion "carbon intensity" (0.5 points). The split of Scope 1 and the calculation method based on the GHG Protocol of the Scopes are also included here as additional points; a total of one point can also be achieved here. Each criterion accounts ¼ of the total score for CO2 emissions. A maximum of 1 point can be achieved for CO2 emissions.

Calculation tool / Split Scope 1 (additional points):

- **Calculation of scopes according to international standards**: As one of the internationally recognized standards, the Greenhouse Gas (GHG) Protocol provides orientation and assistance in the composition and calculation of direct and indirect emissions of companies. If an insurance company follows this standard or a similar one, such as the VfU tool, it receives 0.5 points in this category.
- **Split of scope 1 in**
  - Natural gas
  - Heating oil
  - Diesel for emergency power
  - Fuels for vehicle fleet (e.g., diesel, gasoline, gas)
  - Refrigerant losses

  If the split is disclosed, the company receives 0.5 points in this category.

Scope 1

This indicator refers to direct emissions and calculates the CO2 emissions per employee in metric tons based on the absolute CO2 emissions of the company. The calculation of Scope 1 is based on international standards, such as the Greenhouse Gas Protocol (GHG), 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. The assessment is based on dividing Scope 1 in metric tons by the number of employees. With the help of this key figure, the CO2 emission value per capita is determined on the one hand and the resulting average value for the industry on the other. This results in the following score:

Table 10: Scoring – Scope 1

Points	Characteristics
-1	No information
0	Above average
1	Below average

Source: Zielke Research Consult GmbH

Scope 2

This indicator refers to the company's indirect emissions according to Scope 2, which includes the energy purchased by the company (e.g., electricity, district heating). Also defined by international standards, this is given in two reference figures "market-based" and "location-based". If a company specifies one of the two figures here, it is scored on the average per capita value. 0 points is given if the value is above the average per capita and one point if below the average per capita.

Scope 3

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, cabs, rental cars, airplanes), purchased services such as paper, water) waste disposal, etc. If this value is given, the insurer receives 0.5 points. A further 0.5 points are added to Scope 3 through the transparent presentation of "carbon intensity" in the sustainability report. The specification of both criteria is rated with a total of 1 point.

Investment Policy

ESG in capital investment: The integration of environmental and social criteria into investment policy, in addition to economic criteria, is rated by this criterion. In this area in particular, the further development and expansion of the strategy is decisive. The more transparent and differentiated the investment policy and corresponding review processes are presented, the more points are awarded. Due to different weighting of the individual points, different maximum points are possible here. The following six criteria are rated here:

- **Best in class**: Investing in the companies with the most sustainable performance.
- **Sustainability themed**: Investments in companies whose activities contribute to solving societal
.
- **ESG integration**: Consideration of ESG indicators in asset analysis and for assessing investment decisions.
- **Engagement & Voting**: Direct participation in ESG strategy of investee companies.
- **Exclusion**: Exclusion of companies that violate internationally recognized standards or conventions.
- **Impact Investing**: Investing in companies to achieve measurable, beneficial social or environmental impacts

Table 11: Scoring – ESG in investment policy

	Minimal points	Points range	Maximal points	Total score
ESG in investment policy	**-1**	**weighting/ scoring**	**2**	**2**
- best in class	-1	-1;0;0,5	**0,5**	∑/3=2
- sustainability themed	-1	-1;1	**1**	
- ESG integration	-1	-1;0;0,5	**0,5**	
- Engagement &Voting	-1	-1;0;1,5	**1,5**	
- Exclusion	-1	-1;0;0,5	**0,5**	
- Impact Investing	-1	-1;0;2	**2**	

* -1= No information 0= Insufficient or not transparent enough 1= Information given

Source: Zielke Research Consult GmbH

Social

The social field can be measured by six criteria. These are assigned to various internal and external stakeholders. The company's own employees are expressed by the proportion of women, the issue of inclusion, childcare and family benefits and health management. Customers are considered based on customer surveys and willingness to recommend, while society is referred to using social initiatives.

Table 12: Scoring – Social

	Minimal points	Point range	Total (Max)
Social	**-6**	**Weighting/ Scoring**	**6,5**
Proportion of women in management positions	-1	-1;0;0,5;1;1,5	1,5
Inclusion of handicapped employees	-1	-1;0;1	1
Childcare and family benefits	-1	-1;0,25;0,5;0,75;1	1
Health management	-1	-1;0,33;0,66;1	1
Net Promoter Score	-1	-1;0;0,5;1	1
Social initiative per employee	-1	-1;0;1	1

*-1= No information 0= Insufficient or not transparent enough 1= Information provided

Source: Zielke Research Consult GmbH

Proportion of women in management positions

This indicator refers to the issue of equal rights. The proportion of women in leading positions in the company is considered. Target quotas are not considered. The focus here is on the first four levels (supervisory board, management board, 1st and 2nd management level). If three or four levels are indicated, they are added together and divided by the number of levels. This indicator is used to calculate an average value for those insurance companies that specify at least three levels.

Table 13: Scoring– Proportion of women in management positions

Points	Characteristics
-1	No information
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 of physically handicapped employees:

This criterion focuses on the actual proportion of employees with disabilities. The legal quota of this indicator is 5.0%, which is why insurers with a share below this quota receive 0 points. A value above the legal quota and below the average is rewarded with 0.5 points, a value above the average with 1 point.

Table 14: Scoring – Inclusion

Points	characteristics
-1	No information
0	Indication of a value that is below than the legal requirement of 5%.
0,5	Indication of a value that is above 5% and below the ø
1	Indication of a value that is above the ø

Source: Zielke Research Consult GmbH

Childcare and family benefits:

This indicator focuses on the compatibility of work and family life. If this compatibility is promoted by the employer and supported by actions in the area of working time regulation and flexibility, the rating is 0. If the offer goes beyond this and there is a really profound intention to make everyday life easier for parents and caring relatives and to strengthen their existence as a family, the insurer receives 1 point. Prerequisite is the fulfilment of both components (childcare and family benefits), as well as the presentation of concrete actions. Formulations of targets are not considered.

Table 15: Scoring – Childcare and family benefits

Points	Characteristics
-1	No information
0,25	Specification of one of the four criteria
0,5	Specification of two of the four criteria
0,75	Specification of three of the four criteria
1	Specification of one of the four criteria

Source: Zielke Research Consult GmbH

Health management

Here, the active support of the employees' physical activity and the offer of preventive measures by the employer are evaluated. Three criteria are assessed here: sport, preventive medical care and seminars, workshops or information. The total score for the category is made up of the proportion of criteria fulfilled. A maximum of 1 point can thus be achieved in health management. Target formulations are not taken into account.

Table 16: Scoring – Health management

Points	Characteristics
-1	No information
0,33	Specification of one of the three criteria
0,67	Specification of two of the three criteria
1	Specification of all of the three criteria

Source: Zielke Research Consult GmbH

NPS or customer satisfaction analysis with willingness to recommend:

The NPS is used to analyze customer satisfaction and willingness to recommend. If the company publishes a value that represents customer satisfaction, in which the willingness to recommend was also surveyed, the company receives 1 point. If customer surveys are conducted but no figures are published, the company receives 0 points. If there is no information about customer satisfaction in the report, the company receives -1 point.

Table 17: Scoring – Customer satisfaction

Points	Characteristics
-1	No information
0	Surveys without concrete values
1	Surveys with a concrete value disclosed

Source: Zielke Research Consult GmbH

Social initiatives per employee

By specifying the amount of donations for social initiatives, insurers can quantify their social commitment to society. Due to the frequent indication of an overall value in the area of social commitment, which includes sponsoring and other contributions in addition to donations, no further differentiation is made this year. To ensure comparability, the amount is divided by the number of employees. The points rating is based on the mean value of this figure. For example, insurers with a particularly high volume of donations per employee receive 1 point, while those with a lower average receive a 0

Table 18: Scoring – social Initiatives

Points	Characteristics
-1	No information
0	Indication of a donation amount, value per employee below ø
1	Indication of a donation amount, value per employee below ø

Source: Zielke Research Consult GmbH

Governance

The area of governance is measured by three categories:

Sustainability responsibility:

This criterion measures the extent to which the topic of sustainability has already been anchored in the company, its structures and strategies. For example, reference to the Executive Board as the sole person responsible for the topic and the mere naming of a sustainability officer is given a score of 0. If an ESG board, a sustainability department or a responsible permanent team is responsible, the insurer receives 1 point.

Table 19: Scoring – Sustainability responsibility

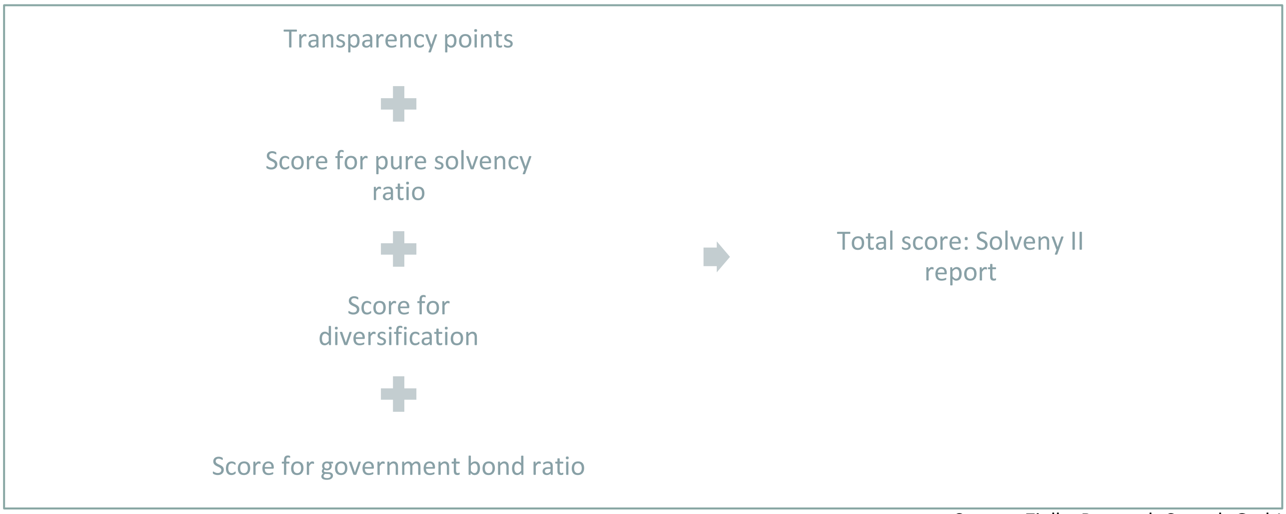
Points	Characteristics
-1	No information
0	Responsibility anchored only with the board of directors, naming a CSR manager
1	Responsibility additionally with a specialized team, committee, board

Source: Zielke Research Consult GmbH

Solvency 2 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 2: Calculation of the governance 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 20: Scoring – 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

The average value is calculated from the resulting scores. The scoring for each individual insurer is based on this average value. Therefore, if the ratio of the Solvency II report is higher than the average value the governance area is rated as positive (+1 points). If the ratio is lower than the average, the insurer receives 0 points for its governance. A negative rating is not possible in this area.

Findability of the 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 21: Scoring - Findability of CSR report

Points	Characteristics
-1	Difficult to find
1	Easy to find

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 +4,25 points, while the minimum score for social affairs is -6 and the maximum +6.5 points. Governance is rated with a minimum of -1 and a maximum of +3. The following section calculates how the minimum and maximum total score is achieved in each case:

Minimum:

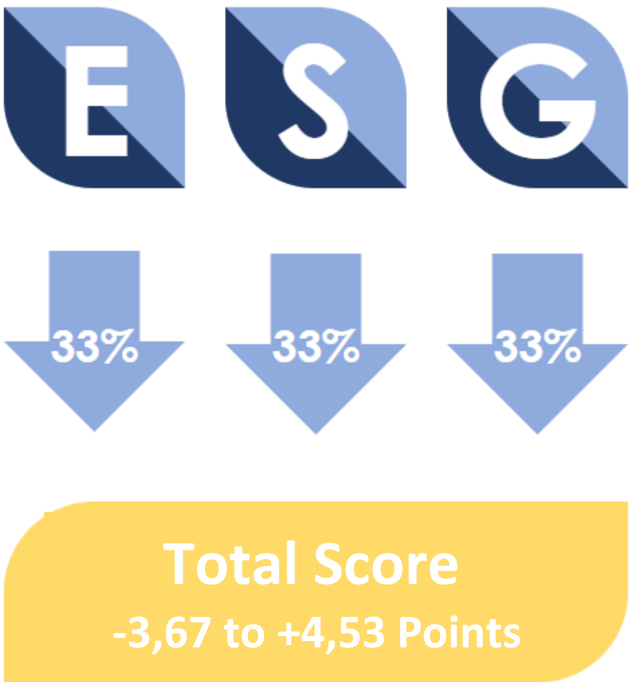
$$(-4 \cdot 33\%) + (-6 \cdot 33\%) + (-1 \cdot 33\%) = -3{,}63$$

Maximum:

$$(4{,}25 \cdot 33\%) + (6{,}5 \cdot 33\%) + (3 \cdot 33\%) = 4{,}53$$

Insurers can therefore receive between -3,67 and +4.53 points in the overall assessment. The process leading to this overall rating is summarized in Figure 3:

Figure 3: Composition of the overall score



Source: Zielke Research Consult GmbH

Disclaimer

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