zielke research consult

zielke rating

ESG Ranking

The European Insurers' CSR Spotlight | 2023

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Dear readers

Zielke Research Consult advises insurance companies and banks on solvency and sustainability issues. The company was founded in 2013, is based in Kornelimünster near Aachen, Germany and consists of a young team of ten employees. We provide consultation to insurance companies, banks and asset management firms in dealing with the changing regulatory environment in the areas of Corporate social responsibility (CSR) and financial reporting.

Zielke Rating analyzes the publicaly available sustainability data of banks and insurance companies to evaluate and measure their sustainability performance and reporting. Hence we are always up to date on the latest trends in sustainability reporting standards to support our clients with our expertise. It will bundle the activities and personnel that award points and also carry out product certification.

Our managing director Dr. Carsten Zielke has the following mandates:

EFRAG: Member of the Connectivity Advisory Group, Vice-Chair User Panel, Member of the Insurance Accounting Working Group

DRSC: Member of the Insurance Working Group

DIN: Advisory Board Finance Committee, member of the Financial Services for Private Households Committee

ISO: Member of the Sustainable Finance Committee. Representative of the Federal Environment Agency

FinDaTex: Member of the European ESG Template (EET) working group.

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.

Summary

The overall ESG ranking of the 21 analysed european insurance companies for the reporting year 2022 is slightly improved with overall 3.53 points which is higher than the previous reporting year of 2021 (3.04). This concludes that sustainability is becoming an integral part of insurer's business model. This improvement due to the significant steps and measures insurers took in the area of Enviornment and Governance however in the area of Social we see a lack of measures and actions to implement the concrete strategies and to report transparent information in the areas of childcare, family benefits and health management of employees.

We have discovered that CO2 emissions of 21 analyzed insurers are on average 7% reduced in comparison to previous year. In our analysis, 17 out of the 21 analysed insurers (81%) have reported their scope 1, scope 2 emissions and scope 3 emissions for 2022. However, only around 43 % insurers have verified their CO2 emissions from the external third party or auditor.

In the social aspect, out of 21 evaluated insurance companies, a slight decrease of transparency was seen in the disclosure of women's quotas however slightly increase in inclusion, customer satisfaction, and social initiatives.

Moreover a sharp decrease was observed in health management for empolyees, childcare and family benefits. The overall results lead to a reduction in social points, see Table 6 (2022: 3.00; 2021: 3.14).

In the area of governance, we focus our analysis on the findability of sustainability reports, the integration of sustainability responsibility into the company, the formulation of a sustainability strategy and the SFCR (Solvency and Financial Condition Report). These criteria have become significant for the insurers in 2022.

We would like to congratulate ***AXA*** for having achieved the best highest score 5.30 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. Furthermore, we commend ***Zurich Insurance Group, Helvetia, Munich Re, Prisma life and Baloise*** for achieving tremendous improvements in sustainability reporting. For the rest of the insurers, we encourage them to evolve and implement more sustainability strategies to which we are more than happy to provide the support.

CSR Reporting Obligation

Since 2018, all listed companies and financial institutions with more than 500 employees have been required by the European CSR Directive to submit a report describing the company's commitment to corporate social responsibility. This includes reporting on environmental, employee and social issues, respect for human rights and the fight against corruption and bribery.

From the 2024 reporting year, an extended reporting obligation under the Corporate Sustainability Responsibility Directive (CSRD) will come into force, which will initially apply to all companies that are currently subject to the CSR Directive. All others will have to apply the CSRD (which will then apply to companies with more than 250 employees) from 2025. The CSRD provides for extensive information on environmental, social and good corporate governance, which is set out in the European Sustainability Reporting Standards (ESRS). These are listed here.

Sector-agnostic standards

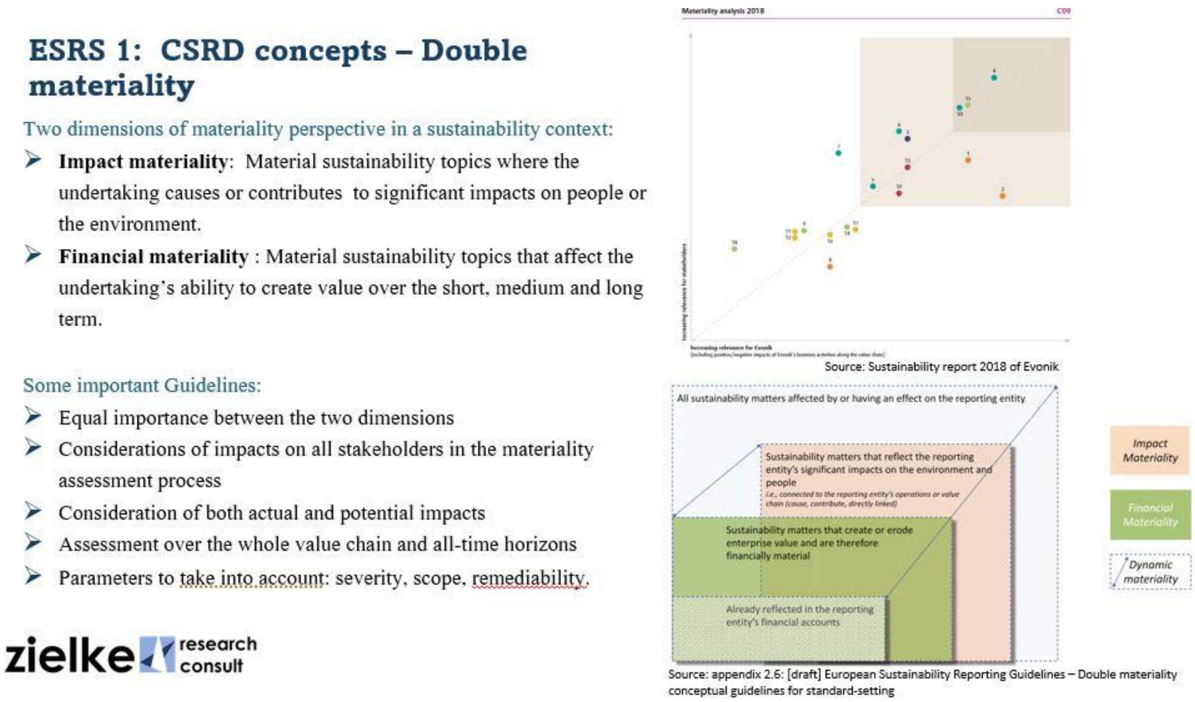
Figure 1: Sector-Agnostic Standards

Strategy, governance, impacts, risks, opportunities	Environment	Social	Governance
ESRS 1: General requirements	**ESRS E1**: Climate change	**ESRS S1**: Own workforce	**ESRS G1**: Business Conduct
ESRS 2: General disclosures	**ESRS E2**: Pollution	**ESRS S2: W**orkers in the value chain	
	ESRS E3: Water & Marine resources	**ESRS S3:** Affected communities	
	ESRS E4: Biodiversity & Ecosystems	**ESRS S4:** Consumers & end-users	
	ESRS E5: Resource use & Circular Economy		

Source : ESRS

It should be noted that reporting is only required if the double materiality criteria are met. These are defined as follows:

Figure 2: Double Materiality



Source : ESRS

The ESRS are divided into a general section, an environmental section, a social section and a good corporate governance section. The environmental section is strongly oriented towards the EU taxonomy.

Zielke Research Consult and Zielke Rating will already look at the next analysis to see whether elements of the ESRS can already be found in the sustainability reports.

Our Results

As our study is based on 21 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. 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 2022 is 3.53 points which is significantly higher than the previous reporting year of 2021 (3.04). 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 I: European Insurer's Average Score per main Category 2022
in comparison to 2021

Year	Environment	Social	Governance	Total
2021	**2.78**	**3.14**	**3.19**	**3.04**
2022	**3.18**	**3.00**	**4.43**	**3.53**

Source: Zielke Research Consult GmbH

Environment

Since the start of our analysis in 2018, we can say that in the evaluation year 2022, many insurance companies we analyzed have included and largely reported on the specific measures they have taken and implemented to reduce their CO2 emissions in their sustainability reports. Hence we have discovered that CO2 emissions of 21 analyzed insurers are on average 7% reduced in comparison to previous year.

The following table illustrates the insurer's environmental scores for 2022 in comparison to 2021.

Table 2: Environmental Ranking for 2022

Rank	Insurer	2021	2022
1	Zurich Insurance Group	4.96	4.83
2	AXA	4.90	4.81
3	Prisma Life	4.35	4.42
4	Munich Re	3.17	4.33
5	Belfius	4.22	4.32
6	KBC	4.49	4.12
7	Swiss Life Gruppe	4.17	4.04
	Allianz Group	4.03	4.04
8	Talanx Gruppe	3.59	3.94
9	Baloise	3.53	3.83
10	Helvetia	3.67	3.67
11	Generali Group	1.32	3.53
12	Uniqa Insurance Group	2.66	2.71
13	ING	1.49	2.66
14	CNP	2.24	2.50
15	Vienna Insurance Group (VIG)	1.79	2.18
16	Argenta	1.75	1.98
17	Crelan	-0.51	1.63
18	Ethias	1.73	1.57
19	Prudential PLC	0.43	0.96
20	BNP Paribas	0.37	0.72

Source: Zielke Research Consult GmbH

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

1. Carbon emissions
2. Concrete measures implemented by insurers to reduce carbon emissions
3. ESG consideration in Investment policies
4. ESG aspects in non life insurance products

Carbon emissions:

In this area, we analyse whether insurers have reported their carbon emissions according to the Greenhouse Gas Protocol or VfU Tool whereby companies are required to classify their greenhouse gas emissions into three scopes: Scope 1 and scope 2 and Scope 3.

Scope 1 emissions are direct emissions arising from a company's owned and controlled ressource. 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 the consumption of purchased energy or electricity from a utility provider.

In our analysis, 17 out of the 21 analysed insurers (81%) have reported their scope 1, scope 2 emissions and scope 3 emissions for 2022. However, only around 43 % insurers have verified their CO2 emissions from the external third party or auditor. These insurers are as following:

AXA, Baloise, CNP, Helvetia, KBC, Munich Re, Prisma Life, Swiss Life Group and Zurich Insurance Group

Our analysis found that ***Argenta, Ethias, BNP Paribas and Crelan*** are 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.

Companies in the financial sector generate climate-related impact through their own operations, yet by far their largest impact lies with the financed emissions resulting from their financing and investment activities. In our analysis there are some insurers who have taken the next step of monitoring their scope 3 emissions by reporting their carbon intensity of their investment portfolio. These Insurers are ***Allianz Group, AXA, Baloise, Belfius, Generali Group, Helvetia, KBC, Munich Re, Prisma Life, Prudential PLC, Swiss Life Group, Uniqa Insurance Group and Zurich Insurance Group***. There insurers who have not only reported their scope 1, 2 and 3 emissions in their sustainability reports but also their carbon footprint of their investments.

In our analysis we have also discovered ***Argenta, BNP Paribas, Crelan, Ethias, ING and Vienna Insurance Group (VIG)*** who did not disclose their emissions of investment portfolio. Nevertheless, we are of the belief that for the reporting year of 2023, these insurers will be ready to report their investments emissions.

In the evaluation year 2022, ***Zurich Insurance Group and Prisma Life*** have succeeded in achieving the full score for CO2 emissions by verifying their CO2 emissions, providing detailed information on Scope 1, Scope 2 and Scope 3, including transparent information on the carbon intensity of their portfolio.

Concrete measures or actions taken to reduce carbon emissions:

This section covers at the concrete steps and actions taken and implemented by insurers in ensuring that they reduce their carbon related emissions in their business operations. We examined and analyzed for information pertaining to methods and instruments used by insurers to reduce carbon emissions such as the use of renewable energy sources for electricity in their office buildings, 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, Baloise, Helvetia and Swiss Life Group*** disclosed detailed information of their concrete actions in order to implement the various measures to reduce carbon emissions in their business opeartions.

These Insurers ***Baloise, Helvetia, ING, KBC, Prisma Life, Swiss Life Group and Zurich Insurance Group*** are using 100 % share of green electricity for their buildings.

We found some insurers like ***BNP Paribas, Ethias, Generali Group, ING, KBC, Prudential PLC and Vienna Insurance Group (VIG)*** who did not take major concrete steps and measures in order to reduce their carbon footprint as compared to the 21 analyzed insurers.

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 along 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.

Table 3: **Average values per category in ESG in the investment policy 2021-2022**

ESG in Investment Policy	2021	2022
Best-in-class	0.14	0.17
Sustainability themed	0.90	1.00
ESG Integration	0.43	0.48
Engagement & Voting	1.08	1.12
Exclusion	0.43	0.43
Impact Investing	1.33	1.33
Overall	**1.14**	**1.30**

Quelle *: Zielke Research Consult GmbH*

Our analysis shows that only 2 Insurers ***AXA and Munich Re*** have disclosed their all implemented ESG strategies in investment policies and achieved full points in this category.

Moreover, only 4 insurers (19%) out of the 21 use the best-in-class investment strategy and they are: ***AXA, Generali Group, Munich Re and Prisma Life***.

Sustainability Themed or Thematic Investment, is practised by all of the 21 analyzed insurers. However, in the category of Exclusion 86% insurers have their transparent exclusion policies and negative screening criteria except ***Ethias, ING and Prudential PLC*** who could not establish well concrete and transparent detail in their reports. Similarly 90% Insurers have disclosed that they are using ESG criteria in due diligence process for their investment, briefly explain the ESG analysis process into investment products.

We have also seen the impact investment gaining momentum in 2022. Out of 21 Insurers, Only 6 (almost 29%) of Insurer which are ***AXA, BNP Paribas, CNP, KBC, Munich Re and Zurich Insurance Group*** disclosed relevant concrete impact investment strategies with concrete investment figures as compared to 2021, whereas 29% Isnurers namely ***Argenta, Uniqa Insurance Group, ING, Swiss Life Group, Baloise and Helvetia*** are the only insurers who have not disclosed any information about impact investment strategies in 2022. Similarly 42% Insurers disclosed the Impact Investing in detail but they are not enough to meet our evaluation criteria for full scoring.

ESG aspects in non life insurance products:

We also asked to what extent the topic of ESG is incorporated and taken into account in non-life insurance products and product development at European insurers. Almost 81% Insurers are very active in integrating ESG into their non life insurance products. These insurance companies have already convincingly established ESG in their non-life products and are constantly expanding them, while around 19% insurers unfortunately are not integrating ESG into their products and reluctant to provide detailed information.

Table 4: **Average values per category in Environment 2021-2022**

Environment	2021	2022
Concrete measures to reduce emissions	0.73	0.88
Carbon emissions	0.59	0.52
ESG in Investment policy	1.14	1.30
ESG consideration in non life insurance products	0.52	0.67
Overall	2.78	3.18

***Quelle** : Zielke Research Consult GmbH*

We observed the greatest development in the area of environment at the ***Crelan*** from -0.51 to 1.63 points, followed by ***Generali Group*** (from 01.32 to 3.53 points). All two companies have improved in particular through improved publication of the strategies used in their investment policy and transparent description of the integration of sustainability into their non-life insurance products.

Zurich Insurance Group achieved the highest score in the Environment category this year with 4.83 points out of 5.25 points- ***Congratulations!***

Social

The following table illustrates the insurer's social scores for 2022 in comparison to 2021.

Table 5: Ranking European insurers – Social 2022

Rank	Insurer	2021	2022
1	AXA	6.08	6.08
2	Zurich Insurance Group	5.50	6.00
3	Helvetia	5.58	5.75
4	Baloise	5.75	5.58
5	Prisma Life	5.50	5.50
6	CNP	4.33	5.00
7	Munich Re	4.33	4.08
8	Talanx Gruppe	4.75	3.92
9	Swiss Life Gruppe	3.50	3.67
10	Allianz Group	2.08	3.33
11	Uniqa Insurance Group	3.67	3.08
12	Vienna Insurance Group (VIG)	2.50	3.00
13	Ethias	4.00	2.33
14	ING	3.08	2.17
	KBC	2.25	2.17
15	Prudential PLC	2.08	1.58
16	Argenta	-1.25	1.00
17	Belfius	2.00	0.83
18	Generali Group	2.08	0.67
19	Crelan	0.42	-0.25
20	BNP Paribas	-0.50	-2.58

Source: Zielke Research Consult GmbH

To evaluate the performance of social aspect, we consider various criteria assessing the impact on employees, customers, and society. Our overall analysis, presented in Table 5, reveals a significant enhancement in the social aspects within the European insurance market.

The social dimension is analysed with the following six criteria:

- Proportion of women in management positions
- Inclusion
- Customer satisfaction surveys with willingness to recommend (Net Promoter Score)
- Child care and Family Benefits
- Health Management
- Social Initiatives

Table 6: Average values in the social sector 2021-2022

Social	2021	2022
Proportion of women in leadership position	0.71	0.69
Inclusion	0.14	0.18
Childcare and family benefit	0.55	0.36
Health management	0.68	0.56
Customer satisfaction survey and recommendation	0.46	0.60
Social initiative	0.59	0.62
Total	3.14	3.00

Source: Zielke Research Consult GmbH

In the social aspect, out of 21 evaluated insurance companies, a slight decrease of transparency was seen in the disclosure of women's quotas however significant increase in inclusion, customer satisfaction, and slightly in social initiatives, yet a sharp decrease was observed in health management, childcare and family benefit. The overall results lead to a reduction in social points, see Table 6 (2022: 3.00; 2021: 3.14).

Our analysis reveals that a 66.6% of companies provides an overview of women in leadership positions across at least three to four position levels. It is supported by the average women's quota in leadership positions which has increased by 2.25% compared to the previous year, currently standing at 32.59% (compared to 2021 : 29.55%). ***Prudential, Zurich Insurance Group, and Baloise*** were the most company disclosing the information of women in leadership position in three or four position level whereas an increase of quote was identified, 12.07%, 6.84%, and 5.62% respectively. We hope for a significantly positive progress in the coming years from all insurances, both the transparency in disclosing information and the percentage of leadership position.

We're emphasizing inclusion measures to integrate employees with disabilities, anticipating increased engagement and transparency. There have been only 47.61% of companies publicly exposing the quote of disabled people. A Commendation is given to ***CNP, Zurich Insurance Group, and AXA*** as the most companies with a high percentage of quote, 7.00%, 5.68%, and 5.20% respectively, whereas ***Baloise, Munich Re, and Helvetia*** similarly to the previous year, surpass the legally mandated 5.00%.

Not only the percentage of disabled quote, the concrete policy measurement and facilities for disabled people during the work is also observed. We reveals that 57.14% of companies transparently committed to support, 23.80% of companies were still less transparent and vague, while 19.04% of companies did not disclose fully the information. Apart from that, predictably, 85.71% of companies disclosed the information in terms of age structure of employees whereby ***Prudential PLC, Prisma Life, and ING*** were the highest companies with the young employees under 30 years old, 19.6%, 71.9%, and 8.5% respectively.

Within the realm of work-life balance, we evaluate measures implemented by companies to facilitate the compatibility of work and family for employees. It is noteworthy that, especially in the areas of childcare, family benefits, and health management, insurance companies have slightly lost transparency. These two areas have deteriorated compared to the previous year's average, see the table 6.

Table 7: Transparency in Childcare and family benefit 2021-2022

Category	2021	2022
Flexible working times		
Non-transparent	0.00%	4.76%
Less transparent	4.76%	0.00%
Fully transparent	95.24%	95.24%
Childcare support		
Non-transparent	47.62%	47.62%
Less transparent	4.76%	4.76%
Fully transparent	47.62%	47.62%
Emergency support		
Non-transparent	9.52%	38.10%
Less transparent	0.00%	4.76%
Fully transparent	90.48%	57.14%
Family benefit		
Non-transparent	23.81%	19.05%
Less transparent	9.52%	28.57%
Fully transparent	66.67%	52.38%

Source: Zielke Research Consult GmbH

Table 7 shows the comparison across the year and per each category assessed. We see a stagnanation in childcare support as the points remains unchanged. However, a lower point in flexible working times, emergency support, and family benefit lead to reduce the overall points in detail. In case of emergency support, a transparent point significantly decreased, from 90.48% in 2021 to 57.14% in 2022 whereas non-transparent point increased from 9.52% in 2021 to 38.10% in 2022. A sharp reduction occurred in family benefits alike. A transparent point significantly decreased, from 66.67% in 2021 to 52.38% in 2022 whereas less transparent point increased from 9.52% in 2021 to 28.57% in 2022.

Table 8: Transparency in health management 2021-2022

Category	2021	2022
Sport		
Non-transparent	28.57%	38.10%
Less transparent	0.00%	9.52%
Fully transparent	71.43%	52.38%
Medical care		
Non-transparent	9.52%	0.00%
Less transparent	4.76%	4.76%
Fully transparent	85.71%	95.24%
Seminar, workshop, information		
Non-transparent	4.76%	14.29%
Less transparent	4.76%	14.29%
Fully transparent	90.48%	71.43%

Source: Zielke Research Consult GmbH

Our asessment of health management is based on three categories: 1) sport; 2) medical care; 3) seminar, workshop, and information. In this case, medical care marginally improved while sport and seminar, workshop, and information clearly declined. A significant decrease in transparency could be seen in sport (2021: 71.43%; 2022: 52.38%) and seminar, workshop, and information (2021: 90.48%; 2022: 71.43%). Company disclosing sport activity for the employee was only 52.38%. Prioritizing employee health in business is crucial for sustained productivity, reduced absenteeism, and fostering a positive workplace culture. Thus, we encourage insurers to transparently enhance performance in health matters.

In customer satisfaction surveys, we specifically examined the willingness to recommend. Out of a total of 21 insurers, 57.14% of companies inquired about this among their stakeholders, with 66.66% of companies publishing an NPS score or similar quantified results regarding the willingness to recommend and customer satisfaction. A total of 25% difference between 2021: 0.48 and 2022: 0.60, illustrates the positive progress for the insurers, see table 5.

Overall, 95.23% of insurers disclose the sums allocated for their social engagement in their reports. ***Prisma Life, Zurich Insurance Group, and Prudential PLC*** were the companies with high amount of social contribution per employees, €1348.01, €1108.42, and €538.11 respectively. Unfortunately, these disclosures remain somewhat opaque. While only 66.66% of companies extensively describe the split of category and areas in which they are socially engaged, they often refrain from specifying amounts for each engagement project. In some cases, it raises the question of whether this position is more dedicated to marketing than actual engagement.

Argenta, Allianz Group, and CNP achieved an exceptionally high jump in the social scoring, a total of 2.25, 1.25, and 0.67 points respectively. In comparison to the previous year, we observed that the insurances were much more transparent into their sustainable reporting, inducing them more visible on the topic of sustainability.

On the contrary, ***BNP Paribas, Ethias, and Generali Group*** experiences significant point losses this year due to increased opacity in their report compared to the previous year. ***BNP Paribas*** dropped from -0.50 points in the previous year to -2.58 points in the social aspect, positioning them still at the ground level compared to the previous year 2021. ***Ethias*** significantly lost a total of -1.67 points while ***Generali Group*** slightly missed -1.47 points.

Specifically, for the criteria of women's quota, ***AXA, CNP, and Allianz Group*** have the highest points (1.5), while in terms of inclusion, ***CNP and Zurich*** stand at the top of rank (1 point). Moreover, ***Zurich Insurance Group, Helvetia, Prisma Life, ING, and Prudential PLC*** achieved the high score in social initiatives (1 point).

Table 9: The five insurers with the highest female representation 2022

Insurers	Average percentage of women in leadership
CNP	47.58%
Generali Group	46.20%
BNP Paribas	43.33%
Argenta	43.00%
Belfius	40.30%

Source: Zielke Research Consult GmbH

Based on the female percentage in a leadership position, the table 9 suggests that ***CNP*** has the highest representation of women in leadership positions at 47.58%, followed by ***Generali Group*** at 46.20%. ***BNP Paribas, Argenta, and Belfius*** also have notable percentages of women in leadership, with figures ranging from 40.30% to 43.33%. Overall, these percentages highlight a relatively balanced or increasing trend in gender diversity within the leadership structures of these entities.

Table 10: The five insurers with the highest percentage of disabled individuals in 2022

Insurers	Average percentage of disabled individuals
CNP	7.00%
Zurich Insurance Group	5.68%
AXA	5.20%
Munich Re	5.10%
Baloise	5.10%
Helvetia	5.00%

Source: Zielke Research Consult GmbH

The presented figures, table 10 reveals a commendable commitment to inclusivity and diversity among various companies in the insurance and financial sectors. Notably, ***CNP*** leads with a 7.00% representation of disabled employees, followed closely by ***Zurich Insurance Group***, ***AXA, Munich Re, Baloise, and Helvetia***, all demonstrating noteworthy percentages ranging from 5.00% to 5.68%. This collective effort signifies an industry-wide recognition of the importance of fostering diverse workplaces and embracing individuals with disabilities. The data suggests that these companies are actively engaging in social responsibility, reflecting a positive trend towards creating inclusive environments and opportunities for employees with disabilities.

Table 11: The five insurers with the highest percentage of young employees in 2022

Insurers	Average percentage of young employees
Prudential PLC	19.6%
Prisma Life	17.8%
ING	17.5%
Talanx Gruppe	16.6%
Swiss Life Gruppe	15.0%

Source: Zielke Research Consult GmbH

In terms of young professional employees, ***Prudential PLC*** leads with 19.6%, followed by ***Prisma Life, ING, Talanx Gruppe, and Swiss Life Gruppe***, with percentages ranging from 15.0% to 17.8%. These findings, based on a sample of 21 respondents, emphasize the importance of experience and expertise in leadership roles within the industry. The insights from this limited but representative group of respondents suggest a need for strategic considerations to balance age demographics in employment, ensuring a blend of seasoned professionals and emerging talents to foster a dynamic and inclusive organizational culture.

Table 12: Comparison of Average Percentage of Age Employees across the Classifications in 2021 and 2022

Category	Comparison across the years					
	2021			2022		
Age classification	<30	30-50	>60	<30	30-50	>60
Average	14,54%	59,87%	25,57%	12,93%	53,63%	33,92%

Source: Zielke Research Consult GmbH

The data presents a comparison across two consecutive years, 2021 and 2022, based on age classifications within a certain category. In 2021, individuals aged below 30 accounted for 14.54%, those aged between 30 and 50 constituted 59.87%, and those above 60 represented 25.57%. However, in 2022, there was a slight decrease in the percentage of individuals below 30 to 12.93%, while the 30-50 age group increased to 53.63%, and those above 60 decreased to 33.92%. This shift indicates a trend towards a higher concentration of individuals in the middle-age category (30-50) in 2022, potentially suggesting a shift in the age composition within the specified category. It's essential for stakeholders to analyze this trend to understand its implications for workforce dynamics, leadership structures, and potential factors influencing the age distribution in the given context.

We are highly encouraging ***BNP Paribas, Crelan, and Generali Group*** to improve the transparency level of social aspect since this year they stand at the worst assessment, -2,58, -0,25, and 0,67 respectively. We would be very open and ready to assist the insurances in enhancing transparency and, of course, aiding in strategies to further position the insurances company as one that embraces sustainability principles.

On the other hand, we are pleased to announce that ***Axa, Zurich, and Helvetia*** have achieved the highest score of 6,08, 6,00, and 5,75 respectively out of a maximum of 6.5 points in the social category this year- ***Congratulations!***

Governance

The following table illustrates the insurer's governance scores for 2022 in comparison to 2021.

Table 13: Ranking European insurers – Governance 2022

Rank	Insurer	2021	2022
1	AXA	4	5
	Generali Group	4	5
	Uniqa Insurance Group	4	5
	Zurich Insurance Group	4	5
	Helvetia	4	5
	Allianz Group	3	5
	CNP	3	5
	Belfius	3	5
	ING	3	5
	Munich Re	3	5
	Swiss Life Gruppe	3	5
	Vienna Insurance Group (VIG)	3	5
	Talanx Gruppe	3	5
	Baloise	4	5
2	KBC	3	4
	Argenta	3	4
	Prisma Life	3	4
	Prudential PLC (EN)	3	4
3	Ethias	3	3
4	BNP Paribas	3	2

Source: Zielke Research Consult GmbH

In the area of governance, we focus our analysis on the findability of sustainability reports, the integration of sustainability responsibility into the company, the formulation of a sustainability strategy and the SFCR (Solvency and Financial Condition Report). These criteria have become significant for the insurers in 2022.

The Solvency and Financial Condition Report (SFCR) and sustainability assessment are interlinked in providing a holistic evaluation of an insurance company's health. While the SFCR traditionally focuses on financial aspects, integrating sustainability metrics broadens its scope to encompass environmental, social, and governance considerations. This comprehensive approach enhances the report's value by addressing ESG risks, showcasing the company's commitment to long-term viability, and aligning with stakeholder expectations in an evolving landscape that increasingly values sustainability. Thus, we increase the assessment indicator for this year.

BNP Paribas and Ethias still 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 21 insurers' sustainability reports were discovered directly on the company's website, so there was no need to search for them on other sources. Also, all insurers mostly disclosed information about the responsible department or team for sustainability.

SFCR Report – The analysis of the SFCR for the year 2022 has brought light to an increase of the average score i.e., 1,67 in 2022 from the maximum 2 points. A total of 71,42% reached a maximum point, a total of 23,80% reached the average point, while 4,76% remained at the low score. This shows that insurers are presenting relevant qualitative information which described their financial health and management of financial risks.

Helvetia, Munich Re, Swiss Life Gruppe have the highest score in the transparency assessment of SFCR, 14 points for ***Helvetia and Munich Re***, 12 points for ***Swiss Life Gruppe*** from maximum of 21 points. This score is derived from the assessment of disclosure in specific criteria such as the diversification, sensitivity risk, capital investment, asset class, liqudity, credit, and any other indicators.

Assessing solvency, diversification, and government bond ratios is crucial for insurers' sustainability. These metrics ensure financial stability, effective risk management, and alignment with sustainable practices and regulatory expectations. By demonstrating commitment to responsible investment choices, insurers enhance investor confidence and address both immediate financial concerns and long-term sustainability challenges. In this case, ***Swiss Life Gruppe, Helvetia, and KBC*** have the optimal pure ratio in solvency, (408,44), (392,74), and (336,47) respectively. ***Prudential PLC, Allianz Group, and Prisma Life*** have the lowest ratio in government bond, (1,57), (3,79), and (10,97) respectively. Lastly, ***Helvetia, Prisma life, and CNP*** have the highest ratio in diversification (-22,28), (-22,74), and (-22,77).

Table 14: Solvency II Quality 2022

Insurance	Solvency II Score
Baloise	5
Allianz Group	4
AXA	4
Belfius	4
CNP	4
Ethias	4
Generali Group	4
Helvetia	4
ING	4
Munich Re	4
Swiss Life Gruppe	4
Talanx Gruppe	4
Uniqa Insurance Group	4
Vienna Insurance Group (VIG)	4
Zurich Insurance Group	4
Argenta	3
BNP Paribas	3
Prisma Life	3
KBC	2
Prudential PLC	2
Crelan	-2

Source: Zielke Research Consult GmbH

The Solvency II quality scores for various insurance entities present a transparency and spectrum of financial robustness. ***Baloise*** leads with a score of 5, indicating a strong position, followed closely by a group of insurers, including ***Allianz Group***, ***AXA, Belfius, CNP, Ethias, Generali Group, Helvetia, ING, Munich Re, Swiss Life Gruppe, Talanx Gruppe, Uniqa Insurance Group, Vienna Insurance Group (VIG), and Zurich Insurance Group***, each with a score of 4. This collective high score suggests a generally stable financial standing for these insurers. However, there are variations, with ***Argenta, BNP Paribas, and Prisma Life*** scoring 3, ***KBC*** with a score of 2, and ***Prudential PLC and Crelan*** scoring 2 and -2, respectively. These lower scores may indicate a non-transparency in the SFCR report, and potential financial challenges, or variations in risk management strategies among these insurers. Stakeholders should carefully analyze the Solvency II scores to assess the financial health and risk management practices of each insurance entity, ensuring a comprehensive understanding of their solvency positions.

Overall Ranking of the European Insurers

Table 15: European Insurers ranking in 2022

Platz	Unternehmen	2021	2022
1	AXA	5.00	5.30
2	Zurich Insurance Group	4.82	5.28
3	Baloise	4.42	4.81
	Helvetia	4.42	4.81
4	Prisma Life	4.28	4.64
5	Munich Re	3.50	4.47
6	Talanx Gruppe	3.61	4.29
7	Swiss Life Gruppe	3.56	4.24
8	CNP	3.86	4.17
9	Allianz Group	3.04	4.12
10	Uniqa Insurance Group	3.44	3.60
11	KBC	3.58	3.43
12	Vienna Insurance Group (VIG)	2.37	3.39
13	Belfius	3.07	3.38
14	ING	2.52	3.27
15	Generali Group	1.91	3.07
16	Argenta	1.33	2.33
17	Ethias	2.58	2.30
18	Prudential PLC	1.84	2.18
19	Crelan	0.30	1.13
20	BNP Paribas	0.29	0.04

Source: Zielke Research Consult GmbH

We would like to congratulate ***AXA*** for having achieved the best highest score 5.30 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. Furthermore, we commend ***Zurich Insurance Group, Helvetia, Munich Re, Prisma life and Baloise*** for achieving tremendous improvements in sustainability reporting. For the rest of the insurers, we encourage them to evolve and implement more sustainability strategies to which we are more than happy to provide the 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 4.00 points and a silver label for points in the range of 3.00 - 3.99. Furthermore, we also award a bronze label for insurers who have obtained points in the range of 2.00– 2.99. 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, Baloise, Helvetia , Prisma Life and Munich Re secured their gold labels from us- Congratulations once again!

AXA

Zurich Insurance Group

Baloise

Helvetia

Prisma Life

Munich Re

Talanx Gruppe

Swiss Life Gruppe

CNP

Allianz Group

CSR Methodology

A total of 21 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 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.

Table 16: List of analyzed European Insurance Companies

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

Source: Zielke Research Consult

Our Procedure

Three dimensions of sustainability are considered in our CSR analysis of insurers: 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 CO_2 emissions. The focus here is particularly on the integration of environmental and social criteria into the 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 table and will be defined in more detail in the course of the study:

Table 17: Main Key Indicators in areas of Environment, Social und Governance

Environmental	Social	Governance
1. Actions to reduce CO_2 Emissions **1.1. Concrete actions to reduce CO_2** **1.2. Share of green electricity**	**1. Proportion of women in management positions**	**1. Sustainability Responsibility**
	2. Inclusion of handicapped employees	
2. CO_2 emissions **2.1. Verification of Scopes Calculations** **2.2. Scope 1 ink. Split** **2.3. Scope 2** **2.4. Scope 3**	**3. Childcare and Family Benefits**	**2. Solvency II Report Evaluation**
	4. Health Management	
	5. Customer Satisfaction with Net Promoter Score	
3. ESG in Investment Policy	**6. Social Initiative per Employee**	**3. Findability of the Sustainability Report**
4. ESG Consideration in non-Life Insurance Products		**4- Formulation of Sustainability Strategy**

Source: Zielke Research Consult

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 main areas are defined regarding 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, the respective investment policy and ESG Considerations into Non-Life Insurance Products.

Table 18: Scoring - Environment

	Min Points	Max Points
Environment	**-4**	**5.25**
Actions to Reduce CO_2:	-1	1.25
Concrete actions to reduce CO_2 Emissions	-1	1.5
Share of green electricity	-1	1
CO_2 Emissions:	-1	1
Scope 1/Split Scope 1	-1	1.5
Scope 2 (Market or Location Based Value)	-1	1
Scope 3 (Value + Carbon Intensity)	-1	1
Verification of Scope Calculations	-1	0.5
ESG in Investment Policy	-1	2
ESG Considerations into Non-Life Insurance Products	-1	1

Source: Zielke Research Consult

Actions to reduce CO_2 Emissions:

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

Concrete actions reduce CO_2 Emissions

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

Table 19: 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

Share of green electricity

Here, the share of renewable energies in the company's total electricity consumption is used as a key figure. This amount to a percentage between 1% and 100%, which is taken from the report. All 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 Carbon 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 20: 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

CO_2 Emissions:

This criterion consists of the criteria Scope 1 (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 CO_2 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 CO_2 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 21: Scoring – Verification

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

Source: Zielke Research Consult

Scope 1 + Split

This indicator refers to direct emissions (Scope 1) and calculates the absolute CO_2 emissions of the company in tonnes as a standardized metric. 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 CO_2 emissions 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 CO_2 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 22: 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

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 CO_2 emissions according to the market-based method.

The following table illustrates the scoring for Scope 2.

Table 23: 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

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 24: 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

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 25: 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	1.5
Impact Investing	-1	2

Source: Zielke Research Consult

ESG Consideration into Non-Life Insurance Product:

In the 2020 CSR evaluation, we asked for the first time to what extent the topic of ESG is included and considered 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 considered 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 26: 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

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 analysis, while society is referred to through social initiatives.

Table 27: 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

Proportion of women in management positions:

This key figure relates to the concern of equality. The Top leading positions in the company are considered. Target quotas are not considered.

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 28: 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

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 whereas 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 29: 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

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 30: Assessment of Inclusion

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

Source: Zielke Research Consult

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 childcare and family benefits.

Each sub-criterion is evaluated as follows:

Table 31: Assessment of Child Care and Family Benefits

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

Source: Zielke Research Consult

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 about health management such as e.g., addiction advice, offers for stress management, online (sports) courses, seminars on health and much more. We evaluate three areas 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 considered.

Each sub-criterion is evaluated as follows:

Table 32: Assessment of Health Management

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

Source: Zielke Research Consult

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 traceable? (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 33: Assessment of Customer Satisfaction

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

Source: Zielke Research Consult

Social Initiatives:

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 for 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 different areas like Environnent and Social contributions in €
- ✓ Description of social activities for the social commitment

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

Table 34: Assessment of Social Initiatives

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

Source: Zielke Research Consult

Governance

Governance is evaluated by the following four criterion:

Table 35: Assessment of Governance

	Min	Max
Governance	**-3**	**5**
Sustainability Responsibility	-1	1
Solvency II Report	0	2
Findability of the Sustainability Report	-1	1
Formulation of a Sustainability Strategy	-1	1

Source: Zielke Research Consult

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 36: Assessment of Sustainability Strategy

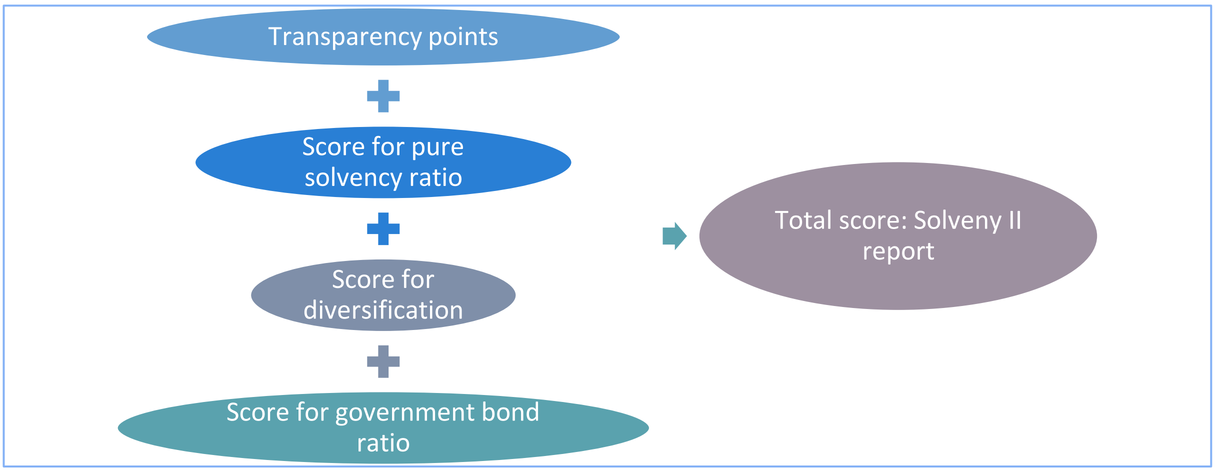
Points	Characteristics
-1	Not specified
0	Information is not sufficiently transparent
1	Detailed and transparent information

Source: Zielke Research Consult

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

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 37: Assessment for Solvency II Report

Points	Characteristics
Transparency	-1: <3; 0: 3-6; +1: 7-12; +2: >12
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

Figure 4: Scoring - Solvency II

Points	Chracteristics
0	When Solvency II Result <1
1	When Solvency II Result >=1
2	When Solvency II Result >=4

***Quelle** : Zielke Research Consult GmbH*

Findability of the Sustainability Report:

Transparent reporting includes accessibility and 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 38: Assessment of Findability of Sustainability Report

Points	Characteristics
-1	Difficult to find
1	Easy to find

Source: Zielke Research Consult

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 39: Assessment of Sustainability Strategy

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

Source: Zielke Research Consult

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 -3 and a maximum of +5. The following section calculates how the minimum and maximum total score is achieved in each case:

Minimum:

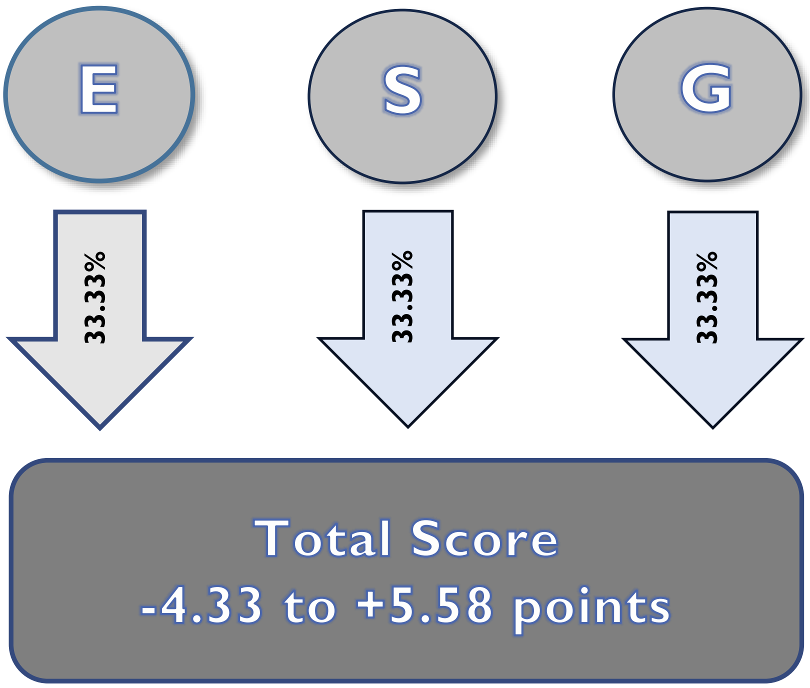
$$(-4 \cdot 33.33\%) + (-6 \cdot 33.33\%) + (-3 \cdot 33.33\%) = -4.33$$

Maximum:

$$(5.25 \cdot 33.33\%) + (6.5 \cdot 33.33\%) + (5 \cdot 33.33\%) = +5.58$$

Insurers can therefore receive between -4.33 and +5.58 points in the overall assessment. The process leading to this overall rating is summarized in the following figure:

Figure 5: 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:

- **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
- **Statement**: Comment by the insurer on its own results and publication in the Spotlight
- **CSR label use**: Sponsors with a total score of over 2.00 are awarded the CSR label of Zielke Research Consult GmbH - in Bronze, Silver, or Gold.

Preparing for the Green Claims Directive

A draft law on the separation of consulting and rating in the sustainability sector from the EU Parliament has prompted us to take up this challenge. Zielke Rating GmbH i.Gr. was therefore founded on 31.10.2023. In future, it will bundle the activities and personnel that award points and also carry out product certification. Zielke Rating will also seek registration with ESMA as soon as the processes for this have been established. Zielke Research Consult, on the other hand, will continue to provide advice on improving sustainability reporting and all other activities. This also includes the mandates with the German Institute for Standardization (DIN), the European Financial Advisory Group (EFRAG) and the International Organization for Standardization (ISO), where our Managing Director Dr. Carsten Zielke holds a mandate from the German Federal Environment Agency.

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