



GDV

German Insurance
Association

SUSTAINABILITY REPORT 2025

How insurers contribute to climate protection



Sustainability report 2025

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Editorial deadline for this issue

01/10/2025

Design

twotype design, Hamburg

Photo credits

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Inhalt

Editorial	04
Executive summary	05
Key facts on the implementation of the sustainability positioning	09
1 Introduction	10
1.1 The political environment	11
1.2 Insurers' sustainability goals	12
1.3 Regulatory developments	13
1.4 Report structure and sources	15
2 Embedding of sustainability in companies	16
2.1 Strategy and goals	17
2.2 Structures, methods and resources	19
2.3 Transparency and sustainability reporting	22
2.4 The insurance companies' own perspective: Successes and challenges	25
3 Own business operations	28
3.1 Carbon footprint and resource efficiency	29
3.2 Women in leadership and diversity	34
4 Investments	36
4.1 Carbon footprint of investments	37
4.2 Investing based on sustainability policies	39
4.3 Supporting activities	40
5 Insurance business	42
5.1 Property & casualty (P&C) insurance	43
5.1.1 Underwriting	44
5.1.2 Products and insurance terms and conditions	46
5.1.3 Claims settlement	49
5.1.4 Climate change adaptation and insurance against natural hazards	51
5.2 Life insurance	55
Sources and links	57

Editorial

Geopolitical tensions and economic uncertainties dominate the political agenda. Defence capability, resilience and economic growth are of top priority for the new German government, while the focus of German companies is on competitiveness, cost reduction and innovation. It seems that sustainability and climate action are increasingly falling by the wayside. But rather than merely lamenting this situation, what is needed is decisive, foresightful action. We cannot ignore the consequences of unchecked climate change, including more frequent and intense extreme weather events like heatwaves, heavy rainfall and storms. Climate action and climate resilience have to be tackled together.

First, climate action must be made more efficient and effective. One key lever is the extension of carbon pricing to new sectors under the new European emissions trading system, ETS 2. The German government's coalition agreement rightly emphasises ETS 2 as a central climate policy tool. If around 90% of Europe's emissions are priced from 2027, other, more inefficient individual policy instruments can be done away with – as can excessive reporting obligations. The European Commission is also on the right track with its efforts to cut red tape.

Second, priority must be given to economic policy measures that contribute to competitiveness and climate change mitigation. These include developing renewable energy sources, electricity grids, district heating networks, and battery storage capacity to support the grid and keep electricity prices down. It is easier to transition to climate-friendly technologies when they are affordable. Technologies for conserving and recycling natural resources and raw materials are equally important, as this boosts geopolitical resilience.

Third, investment in climate change mitigation and climate resilience has to increase. The German government's Special Fund for Infrastructure and Climate Neutrality (SVIK) is a good step. It is important that the funding will be used for additional investment and mobilises private capital. Investment in climate change adaptation, in particular, tends to already pay off in the medium term and needs to be quickly scaled up – by households, companies and the public sector alike. Far from being a luxury, investment in climate resilience is urgently needed in order for insurance coverage to remain universally available and affordable in the long term.

Sustainable management and practices remain crucial to our long-term prosperity. That is why we stand by our sustainability goals and keep on working to achieve them. Our fifth sustainability report takes stock and shows that sustainability is firmly embedded in our corporate structures and processes. In investment, carbon measurement and carbon management are standard practice. The carbon footprint of the sector's equities and bonds has shrunk by over a quarter since 2021. In insurance business, insurers are increasingly supplementing their risk perspective with sustainability aspects in order to provide a comprehensive risk partnership for the economy and society. In addition to conventional insurance coverage for their customers, they use their knowledge to give enhanced support in loss prevention and climate change adaptation.

The report shows in detail where we stand at present in the insurance industry. You, our readers, are cordially invited to join us in discussing current challenges and solutions for achieving the sustainable transformation.



Dr. Norbert Rollinger and Jörg Asmussen
Berlin, October 2025

Executive summary

Insurers operating in Germany are taking a long-term, strategic approach in order to support and achieve the sustainable transformation. In the Sustainability Positioning adopted in 2021, they set themselves specific sustainability goals, which were updated in 2023. The Sustainability Positioning highlights how insurers contribute to the Paris climate goals and the UN Sustainable Development Goals. In a detailed annual sustainability report, the GDV documents the industry's progress and identifies current challenges.

The report is based on data from two surveys conducted among GDV member companies:

- The GDV sustainability survey on the embedding of sustainability in companies (including governance, transparency and sustainability reporting), in own business operations and in property and casualty (P&C) insurance. This survey was conducted in summer 2025 and achieved 79 % market coverage in terms of gross premium income in the primary insurance market (P&C and life insurance). The survey findings are weighted by the market shares of participating insurers.
- An investment survey as of 31 December 2024 with 85 % market coverage in terms of investment volume.

The high level of participation by member companies makes it possible to draw reliable conclusions and demonstrates the industry's broad support for our collectively chosen path. In addition, the sustainability report references numerous other reports, studies and sources. These provide an overview of current discussions and regulatory developments, offering starting points for more in-depth analysis.

The fifth GDV sustainability report presents an opportunity to take stock of the industry's progress and the challenges it faces.

Embedding of sustainability in companies: The increased policy focus on competitiveness and defence has had no negative impact on insurers' sustainability ambitions and goals. Three-quarters of insurers state that environmental sustainability is highly or very highly compatible with economic growth in the long term. An overwhelming majority of responding companies (63%) plan to maintain their sustainability goals unaltered or even (in the case of 13%) to raise them. Only very few companies plan a slight lowering of their sustainability goals.

Over the past five years, insurers have put in place the structural conditions needed to achieve the sustainable transformation. Almost all companies have a sustainability strategy and organise sustainability activities in a separate organisational unit or function. ESG tools (95%), ESG due diligence in investment decisions (93%) and portfolio analysis (92%) are now standard means for integrating sustainability factors into corporate decision making. Increasing use is being made of quantitative KPIs, especially in companies' own business operations and in investments. To achieve the transformation, 46% of the responding insurers have a transition plan to reach the net-zero target by 2050.

Sustainability reporting: In recent years, companies have faced the challenge of meeting new sustainability reporting requirements. As of 2025, the industry now considers itself well placed in this regard. However, reporting along the value chain continues to be a challenge for most of the responding companies (56%). The sector is significantly more positive about the feasibility

of meeting the regulatory requirements. Besides the intensive preparatory work undertaken by companies themselves, this is partly due to new scope thresholds and reductions in the number of datapoints.

In its first omnibus package, the European Commission is thus proposing to reduce the scope of the Corporate Sustainability Reporting Directive (CSRD). Based on the proposed thresholds, around 90% of the German insurance market would come under the CSRD. Due to the reduced scope, around 90 small and medium-sized insurers with a market share of around 9% would be exempt from reporting under the CSRD. In addition, in August 2025, EFRAG proposed to reduce the requirements under the European Sustainability Reporting Standards (ESRS) by over 50%.

Own business operations: At 0.16 million tonnes of CO₂-equivalents (tCO₂e), Scope 1 and Scope 2 emissions were almost unchanged last year compared to the previous year (0.17 million (tCO₂e). Conversely, Scope 3 emissions figures increased slightly (+8%) and now amount to 0.35 million tCO₂e. This increase is mainly due to more accurate data material. The number of cancelled carbon credits has gone up significantly year on year (+28%) and now amounts to 0.33 million tCO₂e. At sector level, the Scope 1 and Scope 2 emissions from companies' own business operations are already fully covered by cancelled carbon credits, as are around 50% of Scope 3 emissions. The net-zero target for Scope 1 and Scope 2 emissions in companies' own business operations was thus met at sector level for the second time in a row.

Insurers have made good progress in terms of fleet electrification. While combustion engine vehicles still make up most of the vehicle fleet at 67% (previous year:

75%), the proportion of all-electric company cars is now 19% and has almost doubled compared to the previous year (10%). Hybrid vehicles account for 14% of the fleet (previous year: 15%). In parallel with the vehicle fleet, insurers are also investing in charging infrastructure for their employees. Nearly 1,900 charging points were installed by 2024. This marks a significant increase of around 50% on the previous year (1,300 charging points). Alongside mobility, insurers' emission reduction efforts also focus on the energy efficiency of buildings.

Investments: The share of investments managed on the basis of ESG criteria is 89% (previous year: 89%). A net-zero target for investments has been set by 91% of insurers (previous year: 90%). With very few exceptions, insurers have selected 2050 as their target year in this regard. Companies accounting for 89% of investments (previous year: 89%) have adopted pathways with specific emission targets for set points in time. This renders target achievement verifiable both internally and externally.

The GDV measures and publishes the carbon footprint of its member companies' investments. The carbon footprint, which relates to corporate equities, corporate bonds and real estate, amounted in 2024 to 47 tonnes of CO₂e per million euros invested. This marks a significant decrease of 20% on the previous year (61 tonnes of CO₂e per million euros invested). The positive development is attributable, among other things, to the decline in carbon emissions in Europe and in Germany in 2024. An additional factor is ongoing portfolio reallocation by insurers with widespread exclusions of coal (99%) and oil (84%) for new investments. Compared to 2020, coal exclusions have increased by 12 percentage points and oil exclusions by no less than 25 percentage

points. A further possible reason for the reduced carbon footprint is the larger base of data compared to the previous year. There are indications that real economy companies with a low carbon footprint are increasingly being included in ESG databases. As the carbon footprint is subject to short-term (market) fluctuations, it is more useful to look at the medium term. Since the first survey in 2021, the carbon footprint for equities and bonds has fallen by 27 % within four years.

At the same time, insurers operating in Germany are making an important contribution to financing the transformation. Insurers' sustainable investments amount to 184 billion euro (previous year: 163 billion euro; by the definition in Article 2 (17) of the EU Sustainable Finance Disclosure Regulation). The renewable energy investment volume decreased by 2 billion euro to around EUR 21 billion (previous year: 23 billion euro). Looking ahead, almost the entire market (94 %) would like to increase the proportion of sustainable investments. The GDV advocates better enabling conditions for investment in sustainable infrastructure and more-streamlined planning procedures for the expansion of renewable energy. Of particular relevance in Germany is the surge of investment in transmission networks and the implementation of the energy transition, including with regard to heat energy.

Risk underwriting: P&C insurers are largely maintaining their strategic direction. Despite slight declines, the three most important transformation areas continue to be energy-efficient buildings (72%; previous year: 77%), the energy transition (71%; previous year: 73%) and the mobility transition (67%; previous year: 75%). For the second year running, the circular economy (55%; previous year: 43%) has shifted further into the strategic focus.

The prevalence of approaches and methods to promote sustainable development has remained largely constant. However, the weighting has shifted among individual approaches and methods. The underwriting of innovative risks or business models (78%, as in the previous year) and the exclusion of specific risks (65%; previous year: 69%) continue to be widespread, albeit with a slight decline. In contrast, the monitoring of relevant ESG performance indicators has increased significantly (31%; previous year: 12%).

Products and damage rectification claims settlement: Insurers continue to work on embedding sustainability features into their products. Non-binding model clauses and model conditions are making sustainable product features "standard". The use of non-binding model clauses and model conditions with sustainable product features is slightly increasing overall. However, the figures have shifted slightly among individual clauses and conditions. For example, terms and conditions for buildings insurance more frequently include balcony solar systems (67%; previous year: 58%). Conversely, less frequent use is now made of the supplementary module on renewable energy for personal liability insurance (29%; previous year: 38%).

For 90 % of the responding P&C insurers, sustainability is a criterion in their claims management process (previous year: 86%). P&C insurers increasingly apply sustainability-based approaches in claims management. Thus, 44 % of the responding P&C insurers now look to climate-resilient solutions in claims management (2024: 39%; 2023: 14%), for instance in the form of hail-resistant thermal insulation or similar measures in line with the GDV's "Build back better" guidelines. Similarly, the percentage of P&C insurers offering policyholders incentives to accept more sustainable

alternatives – such as used parts for repairs – has once again significantly increased (62%; previous year: 51%).

The marketing of “sustainable” insurance products has now declined for the second year in a row. Only 34% of the responding insurers continue to market their products as sustainable. This represents a decrease by 24 percentage points compared to 2023. Insurers see low customer demand as the greatest obstacle to marketing in this way (71%). Further constraints on marketing sustainable products include strict transparency and verifiability requirements (63%), uncertainty regarding the legal situation (57%) and reputational risks relating to greenwashing (55%).

Since the adoption of the GDV Sustainability Positioning in 2021, insurers have acquired more experience in integrating sustainability into their core business. If it leads to proven sustainability features being incorporated at scale into the product range (instead of merely being offered as niche products), then this is a positive development with potentially strong leverage.

Climate change adaptation: As climate change makes extreme weather events more frequent, prevention and climate change adaptation are more important than ever in order for insurance coverage to remain universally available and affordable in the long term. In order to increase risk awareness among the public, the GDV provides detailed loss reporting in an annual natural hazards report and offers a flood risk checkup for consumers. In 2024, P&C insurers incurred EUR 5.6 billion in claims expenses due to natural hazards. One positive development is the increase in insurance against natural hazards (including flooding). Some 57% of residential buildings in Germany were insured against natural hazards in 2024, and this figure is rising. This marks a 12 percentage point increase in insurance density (2019: 45%).

Key facts on the implementation of the sustainability positioning

Own business operations

	2022	2023	2024	2025
Companies with a sustainability strategy*	96%	99%	96%	99%
Companies with dedicated sustainability departments or officers*	94%	87%	100%	100%
Carbon footprint of insurers (Scopes 1 & 2)* in tCO ₂ e*	0.17 million	0,17 million	0.16 million	-
Carbon footprint of insurers (Scope 3)* in tCO ₂ e*	0.29 million	0.33 million.	0.35 million	-
Cancelled carbon credits* in tCO ₂ e*	0.13 million	0.26 million	0.34 million	-
Percentage of all-electric company cars*	-	10%	19%	-
Percentage of women on management boards**	15.6%	18.4%	19.6%	-
Percentage of top 60 insurers with no women on management board**	33.0%	26.7%	27.1%	-
Percentage of women on supervisory boards**	27.5%	28.5%	30.6%	-

Sources: *GDV sustainability reports; percentages represent findings from the GDV sustainability survey; **DIW Managerinnen-Barometer (German Institute for Economic Research (DIW) Survey on the representation of women on management/executive boards and supervisory/administrative boards of Germany's largest companies)

Investments

	2021	2022	2023	2024
Percentage of assets managed based on ESG criteria	88%	90%	90%	89%
Percentage of assets managed based on net-zero targets, of which with defined target pathways	85%	90%	90%	91%
	51%	70%	89%	89%
Percentage of sustainable investments (Article 2.17 SFDR)	4.5%	9.5%	8.6%	9.7%
Percentage of green bonds	1.1%	1.5%	1.7%	2.0%
Percentage of investment in renewable energy	0.7%	1.0%	1.2%	1.0%
Carbon footprint – total (equities, corporate bonds and real estate), in tCO ₂ e per million euros	-	-	61	47
Carbon footprint – equities and corporate bonds, in tCO ₂ e per million euros	71	79	66	52
Carbon footprint – real estate, in tCO ₂ e per million euros	-	-	16	11

Sources: GDV surveys on investments; percentages represent share of investments

Insurance business

Property and casualty (P&C) insurers...	2022	2023	2024	2025
... that consider negative impact of insurance business in risk underwriting	64%	72%	69%	-
... with ESG review process in underwriting	36%	53%	51%	53%
... with exclusions	70%	65%	69%	65%
... that engage in dialogue with policy holders	53%	56%	51%	52%
... that market products as sustainable	49%	58%	48%	34%
... with sustainability as a criterion in claims management process	87%	93%	86%	90%

Sources: *GDV sustainability reports; percentages represent findings from the GDV sustainability survey



1

Introduction

Climate change, extreme weather events and biodiversity loss are among the greatest systemic risks facing humanity in the medium and long term. Surmounting environmental challenges is essential for global prosperity. Explaining the economic and societal impacts of escalating climate risks and promoting comprehensive, effective solutions is a key task of the insurance industry.

1.1 The political environment

Assuming nations deliver on their Nationally Determined Contributions (NDCs), the world is currently on track for a temperature increase of 2.6 degrees ([UNEP Emission Gap Report 2024](#)). Clearly, the international community must massively increase its ambition – also on economic grounds, because the cost of inaction is considerably greater than the cost of decisive climate policy. A [Study by the World Economic Forum](#) estimates that by investing 3% of global GDP in climate change mitigation and adaptation measures, humanity could prevent 10-15% in net GDP losses in the long term. This means that, on average, every euro invested in climate change mitigation or adaptation prevents three to five euros in losses due to climate change. The European Commission’s proposal for the 2040 climate target – reducing emissions by 90% relative to 1990 – sends out an important signal not to let up on efforts to limit global warming. The inability of the EU member states so far to endorse this Commission proposal represents a missed opportunity. This is because ambitious EU climate targets for 2040 would have bolstered the EU’s negotiating position vis-à-vis countries with high greenhouse gas emissions at the forthcoming November 2025 World Climate Summit in Belém (Brazil).

New policy priorities harbour risks but also opportunities for climate action

As the debate on the EU’s 2040 climate target shows, the EU and Germany have realigned their policy priorities in the face of new geopolitical and economic conditions. Instead of establishing the EU as a global role model for climate action and prosperity, building the region’s own defence and competitiveness has taken precedence over to climate targets and is discussed as being in opposition to them. This overlooks the fact that a hospitable climate, access to water and functioning ecosystems are fundamental to economic value creation.

This new policy debate increases the economic and political pressure to justify action on climate change, which harbours both risks and opportunities. First and foremost, there is a risk that it will result in substantially

weaker climate action in the long term and in unnecessary delays to the transformation. Publicly questioning long-term climate targets also causes uncertainty about the course of climate policy. Particularly when it comes to long-lasting investment in sustainable infrastructure, a stable policy and regulatory framework is essential. Another risk lies in economic and fiscal policy measures that stimulate growth and help businesses and households in the short term but simultaneously undermine efforts on the climate.

More efficient climate policy is possible: more carbon pricing and fewer reporting obligations

At the same time, the increased economic and political pressure to justify climate policies creates an opportunity to evaluate and improve them. The European Emissions Trading System is a good example of an efficient and effective climate policy instrument. Since the EU Emissions Trading System 1 (ETS 1) was launched 20 years ago, [emissions in the energy sector have halved across Europe](#). Moreover, proceeds from ETS 1 and the national emission trading system provided EUR 18.5 billion last year for the German government’s Climate and Transformation Fund. The introduction of the EU Emission Trading System 2 (ETS 2) from 2027 will be a litmus test for European climate policy. Under ETS 2, the plan is to extend carbon pricing to the transport and buildings sectors. Fearing price rises on motor fuel, heating oil and gas, a number of EU member states are already calling for the ETS 2 to be watered down. Instead of constraining the effectiveness of ETS 2, the EU member states should rather focus on supporting measures to help companies and households invest in low-carbon technologies and thus on promoting the societal acceptance of climate policies.

A further opportunity for more efficient climate policies lies in reducing duplicate or excessive reporting obligations, including with regard to sustainability reporting. This would relieve the burden on companies by reducing bureaucracy-related costs and freeing up resources needed for future investment. [According to the German government](#), the simplified CSRD requirements under the European Commission’s omnibus proposal (see sections 1.3 and 2.3) will cut compliance costs by

some EUR 1.3 billion a year in Germany alone. There is scope for considerably greater savings beyond the area of sustainability regulation. The newly created Federal Ministry for Digital Transformation and Government Modernisation plans to reduce bureaucracy-related costs by EUR 16 billion. This equates to around [25% of total bureaucracy-related costs in Germany](#).

The climate targets are achievable and economically viable given higher investment

While Germany is on track to achieve its 2030 climate target, [the Federal Environment Agency's projections](#) for the decade beyond that are significantly bleaker. With the current climate policies, Germany's national climate target of net-zero greenhouse gas emissions by 2045 is unattainable. One key challenge is how best to combine economic and climate policy so as to promote long-term investment in decarbonisation. The European and German climate targets are in fact achievable and also economically viable with efficient climate policies. A prestigious scientific study – the [Ariadne Report 2025](#) – puts the additional investment needed to make Germany climate-neutral by 2045 at EUR 16-26 billion per year (0.4% to 0.7% of GDP). It also shows that efficient climate action is a worthwhile investment. At up to EUR 38 billion per year, the additional avoidable losses due to climate change are estimated to significantly exceed the additional investment cost.

German government creates Special Fund for Infrastructure and Climate Neutrality

Part of the necessary additional investment could come from the new Special Fund for Infrastructure and Climate Neutrality (SVIK). According to the [Government draft act from early July](#) the Special Fund is to be allocated EUR 500 billion over the next 12 years. Of this, EUR 100 billion is earmarked for the Climate and Transformation Fund (KTF) and will contribute to achieving Germany's climate targets. Most of the funding – some EUR 300 billion – is to be used for federal government infrastructure investment in areas such as transport, energy and education. A further EUR 100 billion will go to Germany's sixteen states. The public spending needs to satisfy several conditions for the Special Fund to meet its goals. Firstly, it must be ensured that the spending does in fact go on investment and not on consumption-related purposes. Public criticism is levelled in this connection at measures such as the gas storage levy – an amount previously added to the price of gas to support the procurement of gas reserves – which is now paid for out of the KTF. Secondly, it must be made sure that the expenditure leads to additional investment. There are concerns that investment previously met out of the regular national budget could now

come out of the Special Fund. The resulting budgetary leeway could then be used for all kinds of projects, even if they have nothing to do with improving infrastructure or climate action. It is too early yet to make an assessment of the Special Fund and the climate measures funded from it. Another important condition for success, however, is that the public funding is used to stimulate and leverage private investment. [The GDV has made specific proposals](#) for the implementation and use of the Special Fund, particularly with a view to the interplay with private-sector investment.

Climate change adaptation has huge economic potential

The economy and society must adapt to the new climate reality of more intense and more frequent extreme weather events. A [recent study by the Society for Economic Structures Research \(GWS\)](#) estimates that climate change could incur an economic cost of around EUR 690 billion in Germany from 2025 to 2050. The healthcare, agriculture and insurance sectors are particularly hard hit. One bright spot identified in the study is the huge potential of climate change adaptation measures. These could reduce the estimated economic cost by around EUR 600 billion from 2025 to 2050. However, the damage cannot be avoided entirely. This means it is all the more important to make business and society more resilient.

Insurers as comprehensive risk partners to business and society

In light of the escalating climate risks, the role of insurers is increasingly changing. Beyond their traditional role of taking on risks and settling claims, more and more insurers regard themselves as comprehensive risk partners. Firstly, insurers use their expertise regarding extreme weather events to provide their customers with more support in terms of prevention, adaptation and resilience. This helps to reduce risk and future damage. Secondly, insurers are increasingly contributing [expertise and specific proposals](#) in the societal and policy debate on climate change adaptation and prevention. This is because businesses, households and government – and above all state and local governments – must pull together more strongly in order to unleash the full economic potential of climate change adaptation.

1.2 Insurers' sustainability goals

Insurers are committed to the Paris climate goals and the UN's Sustainable Development Goals (SDGs). The focus is on their contribution to limiting global warming (SDG 13). Insurers also expressly support the EU's

climate targets. The European Green Deal and Germany's Climate Change Act and national Sustainable Development Strategy provide the policy framework for the economic transformation. In their investment and underwriting decisions, insurers also aim to safeguard the natural foundations of human life and the economy, particularly with regard to areas of conservation value and resource-intensive economic activities.

Insurers play a central role because they are key enablers: Without the transformation – if temperatures were to rise unchecked – they would only be able to provide limited insurance against extreme weather events. At the same time, insurers help their clients manage the transformation and adapt to the unavoidable consequences of climate change. In 2021, the German insurance sector formulated goals for the entire insurance business model in its [Sustainability Positioning](#):

- Reduction of emissions in own business processes: as a first step, insurers aim to reach net-zero emissions in their own business operations by 2025, at least in Germany (in terms of self-generated and purchased energy, referred to as Scope 1 and Scope 2 emissions). By 2030, significant reductions are to be achieved in the Scope 3 emissions from operating processes. Insurers help their distribution partners achieve sustainability goals.
- Alignment of investments with the Paris climate goal: Insurers aim to achieve net zero in their portfolios by 2050 and visible reductions of the carbon footprint in their investments by as early as 2025. On top of that, they plan to define specific interim targets. Guidance is provided here by the ambitious and regularly revised Target Setting Protocol published by the Net-Zero Asset Owner Alliance (NZAOA). In addition, insurers are basing their investment decisions more than ever on environmental, social and governance (ESG) factors.
- Underwriting of risks: ESG factors and sustainability goals of commercial clients, industry and agriculture are also set to become increasingly important. In the long run, insurers are not expected to add to their portfolios any commercial and industrial risks that negate the transition process towards a sustainable and climate-neutral economy. Specifically, this would be the case if clients failed to make any sustainability efforts of their own. Above all, insurers need to support businesses on the way towards climate neutrality.

- Insurers aim to promote sustainable conduct by clients and business partners through their products and through damage rectification in a loss event.
- Insurers provide transparency and support the dissemination of knowledge about addressing climate risks and adapting to climate change and prevention.
- Sustainable development cannot succeed without considering the social dimension, as the UN's sustainability goals clearly show. In their role as employers, insurance companies owe social responsibility for 212,200 employees (as of 31 December 2024). Promoting diversity and equal opportunities as well as raising the share of women in leadership positions and governing bodies is an important part of the sustainable transformation and is therefore also included in insurers' sustainability goals. The fact that more than 90 % of employees' contracts are covered by collective bargaining agreements makes for excellent employment conditions in the insurance industry. AGV (the German insurance industry employers' association) and Bildungswerk der Versicherer (BWV, a training organisation for the industry) publish key indicators on their websites, including the development of employee numbers, employee turnover and initial and further training.

1.3 Regulatory developments

The shift towards defence and competitiveness is already evident in a series of legislative omnibus packages with which the European Commission aims to correct the regulatory overreach of recent years. That overreach has resulted in a massive increase in the level of regulation, with numerous legislative changes in financial and insurance regulation in particular. The omnibus packages are intended to contribute to the European Commission's goal of reducing the administrative burden by at least 25 % for companies in general and by at least 35 % for small and medium-sized businesses. However, this requires additional action that goes beyond the omnibus packages themselves. It is important for European and national legislators to deliver results quickly and also to further simplify the existing legal framework and reduce the burden on companies in the medium term.

The European Commission proposed the first omnibus package on 25 February 2025. Its purpose is to simplify the requirements under the Corporate Sustainability Due Diligence Directive (CSRD), the Taxonomy

Regulation and the Corporate Sustainability Due Diligence Directive (CSDDD).

- The European Commission's first omnibus package significantly reduces the scope and size of the CSRD and of the European Sustainability Reporting Standards (ESRS) that operationalise the CSRD requirements (see section 2.3 for details). It is proposed that the CSRD will only apply to companies that have more than 1,000 employees and either a turnover above EUR 50 million or a balance sheet total above EUR 25 million. At the same time, companies to which the reporting obligations no longer apply will also cease to be subject to the disclosure requirements under the Taxonomy Regulation.
- On 31 July 2025, the European Financial Reporting Advisory Group (EFRAG) published revised exposure drafts of the European Sustainability Reporting Standards (ESRS) and launched a public consultation ending 29 September 2025. The aim is to make reporting simpler, clearer and more manageable without undermining the objectives of the European Green Deal. Sector-specific standards are also to be dropped as part of the omnibus package. EFRAG is expected to present its final technical advice to the European Commission by the end of November 2025, after which the Commission will review its implementation.
- Although the CSRD came into force in 2023, its transposition into German law is still behind schedule – partly due to the premature end of the previous parliament. The Federal Ministry of Justice and Consumer Protection (BMJV) relaunched the implementation process with the publication of a draft bill (RefE) on 10 July 2025.
- Finally, the first omnibus package is intended to simplify and make it easier for companies to implement the CSDDD. Among other things, it streamlines certain aspects of the due diligence requirements and postpones the transposition deadlines by one year. The EU member states would then have until 26 July 2027 to transpose the CSDDD into national law. The first large companies would consequently have to comply with the due diligence obligations from 26 July 2028.
- The European Commission has published a Delegated Regulation amending the disclosure requirements under Article 8 of the Taxonomy Regulation. The amendments affect both non-life insurance and insurers' investment activities and are to apply from 2026. The GDV endorses the proposed simplifications in principle. To minimise the burden of implementation on companies, the European Commission proposes that they should have the option of remaining with the existing reporting requirements until the announced review process is completed in 2027.
- The European Commission is considering proposing an amendment to the Sustainable Finance Disclosure Regulation (SFDR) in the fourth quarter of 2025. A consultation carried out by the European Commission in 2023 showed that its practicability for companies and the information value of the sustainability information for consumers needed to be improved. In addition, unclear requirements increase the risk of greenwashing and/or being accused of it. The European Supervisory Authorities (ESAs) have already presented proposals for amendments.
- The revised Solvency II Directive (and in particular its Article 44) specifies express requirements for the management of sustainability risks. Insurers are thus required to draw up a sustainability risk plan. The European Insurance and Occupational Pensions Authority (EIOPA) conducted a consultation on a draft regulatory technical standard (RTS) ending late February 2025. The draft RTS is currently being revised and, as things stand, publication of the final RTS is scheduled for early 2026.
- The Empowering Consumers for the Green Transition (EmpCo) Directive supplements EU legislation on unfair commercial practices with specific provisions to prevent greenwashing. The new provisions are to be transposed into national law by 27 March 2026. To this end, the German Federal Ministry of Justice and Consumer Protection published a draft bill (RefE) in July 2025 amending Germany's Unfair Competition Act in line with the EmpCo Directive.
- The European Commission presented a proposal for a Green Claims Directive back in March 2023. Its aim is to ensure that claims about products' environmental characteristics and environmental labels are adequately backed up by facts. The legislative procedure has stalled, however, due to reservations in the ranks of the European Parliament and the European Council. It is currently uncertain whether the

A range of additional legal and regulatory requirements aim to promote sustainable finance. Numerous provisions applicable to the insurance sector have been revised since the last sustainability report (between November 2024 and October 2025):

EU legislators will resume negotiations on the Green Claims Directive.

1.4 Report structure and sources

In their Sustainability Positioning, insurers have committed to providing transparency on their sustainability activities (para. 23), which is also the purpose of this sustainability report. The GDV also makes use of other formats to promote transparency and dialogue:

- Since 2023, all interested parties have been able to [subscribe](#) to the Sustainability News e-mail newsletter, which provides information on a regular basis about current legislative developments, studies and GDV position papers. The newsletter now has over 1800 subscribers (as of October 2025).
- TransVer Day gives insurers the chance to take stock publicly and engage in dialogue with their stakeholders. The motto of TransVer Day 2024 was “From Linear to Circular”. The EUR 5,000 TransVer Award is conferred annually on an initiative or a project that makes a notable contribution to transformation. In 2024, the award went to the “Cradle to Cradle” association. This is a non-profit organisation that supports companies in developing and implementing sustainable and circular business models.

The sustainability report presents figures and information on the goals of the Sustainability Positioning in order to provide transparency on the status of goal achievement. Two surveys among GDV member companies form the basis for the report. In addition, the sustainability report references numerous other reports, studies and sources. These provide an overview of current discussions and regulatory developments, offering starting points for more in-depth analysis. The following surveys were conducted for the report:

- A survey on the asset allocation of investments as of 31 December 2024.
- The GDV sustainability survey on the topics of embedding sustainability in business strategies and in companies’ own business processes, sustainability reporting and the sustainable alignment of property and casualty (P&C) insurance. The survey was conducted from 30 May to 11 July 2025.

The surveys were hosted on the GDV members’ portal, which means that all companies were asked to take part. This led to a high level of market coverage. Based

on a total of around 460 member companies that were able to take part in the surveys, the response rates were as follows:

- Investment allocation survey: respondents account for 84% of the total investment volume of primary insurers.
- GDV sustainability survey: A total of 218 insurance companies responded. Of these, 144 are primary insurers (excluding health insurers) generating 79% of the gross premium income in the German market. This includes 91 P&C insurers accounting for 80% of the market based on their business line-specific gross premium income and 53 life insurers in the strict sense of the term accounting for 79% of the market based on their technical provisions. Reinsurers, health insurers and holding companies also took part in the survey.

Numerous players in the German insurance market are corporates that make and implement strategic decisions at group level. In such cases, a single questionnaire could be completed for multiple insurance companies. Unique identification numbers for each insurer prevented companies from being represented more than once.

The presentation of the findings of the GDV sustainability survey has been changed for the 2025 sustainability report compared to previous years. Previously, the findings were presented as percentages of the total insurance market. Under that presentation, the maximum figure attainable for the sum total of responses was equal to the participation rate in the survey (for example, 85% in the case of 2024). In this report, the findings are presented in relation to the companies participating in the survey. This change has the advantage of improving data comparability over time, as the figures are less dependent on the participation rate. Under the new presentation, all responses can add up to a sum total of 100%.

The figures from previous years are restated on the new basis, i.e. relative to the number of survey participants. Companies’ responses continue to be weighted by their market shares based on gross premium income. While companies with bigger market shares are overweighted in this presentation, their larger market shares mean that they have large numbers of customers and hence potentially greater influence on sustainable development.



**Embedding of
sustainability
in companies**

Insurers are adapting to and preparing for climate change and the sustainable transformation, adjusting their organisational structures and training their employees in order to achieve their strategic sustainability goals. Policymakers, companies and consumers need comparable and reliable information so that they can align their actions to sustainability and net-zero targets.

The GDV Sustainability Positioning calls for the establishment of appropriate governance structures and optimised sustainability management (para. 7). In addition, insurers have committed to transparent reporting on their sustainability activities (para. 23). Insurers support the aims of the new European requirements for greater transparency on sustainability and are working to become more transparent themselves (para. 23).

The GDV has therefore once again gathered information about sustainability governance and transparency from its member companies in this year’s sustainability survey. Section 2.1 sheds light on insurers’ strategic positioning, while section 2.2 explains how they have embedded sustainability in their business organisation. The GDV also asked insurers about their experience with the new CSRD reporting. The findings are shown in section 2.3. Section 2.4 presents companies’ views on their successes and challenges.

2.1 Strategy and goals

The current economic situation is one of weak growth prospects and high geopolitical uncertainty. In light of this, there are plans to boost European and national competitiveness and cut red tape. The question is how insurers are responding to this situation. The short answer is that sustainability is and will remain a key strategic issue for the entire industry, especially in the long term.

In public debate, environmental sustainability is sometimes said to be at odds with economic growth. From the perspective of many insurers operating in Germany, this “either/or” approach is wide of the mark. In general, insurers consider economic growth and environmental sustainability to be highly compatible (57%) or very highly compatible (18%) in the long term (figure 1). A further 18% consider them to be moderately compatible over the long term. Just two companies with very small market shares see very low compatibility between the two goals (0%). In a short-term analysis, insurers see somewhat more pronounced trade-offs between economic growth and environmental sustainability. Almost half (46%) of the responding companies

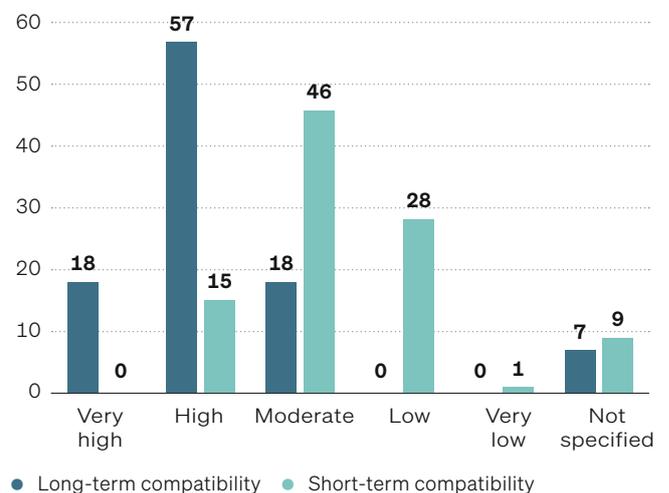
consider there to be medium compatibility with economic growth in the short term. Around 15% of companies see a high degree of short-term compatibility. In contrast, 28% and 1% of the responding companies, respectively, judge there to be low or very low compatibility.

Almost the entire market has adopted a sustainability strategy or environmental, social and governance (ESG) strategy that goes beyond risk considerations alone. Asked which stakeholders have the greatest influence on their own sustainability strategy (figure 2), insurers ranked corporate management (99%) and supervision/regulation (77%) first and second, as in the previous year. The influence of these two stakeholders has in fact increased compared to the year before. In contrast, companies consider that their own employees (21%), shareholders (20%) and customers (12%) have less influence on their sustainability strategy than in the previous year.

Given Germany’s weak economic growth and shifting policy priorities, the question arises as to whether and

How do you see the compatibility of economic growth and environmental sustainability in the short/long term?

Figure 1 · Responses in % weighted by market share



Source: GDV

how insurers are adjusting their sustainability goals (see figure 3). The vast majority of the responding companies (62%) stated in the survey that their sustainability targets remain unchanged. A small proportion of insurers (13%) intend to slightly raise their sustainability goals, while a small number (1%) plan to slightly weaken them. A quarter of the responding companies did not provide any information on this point.

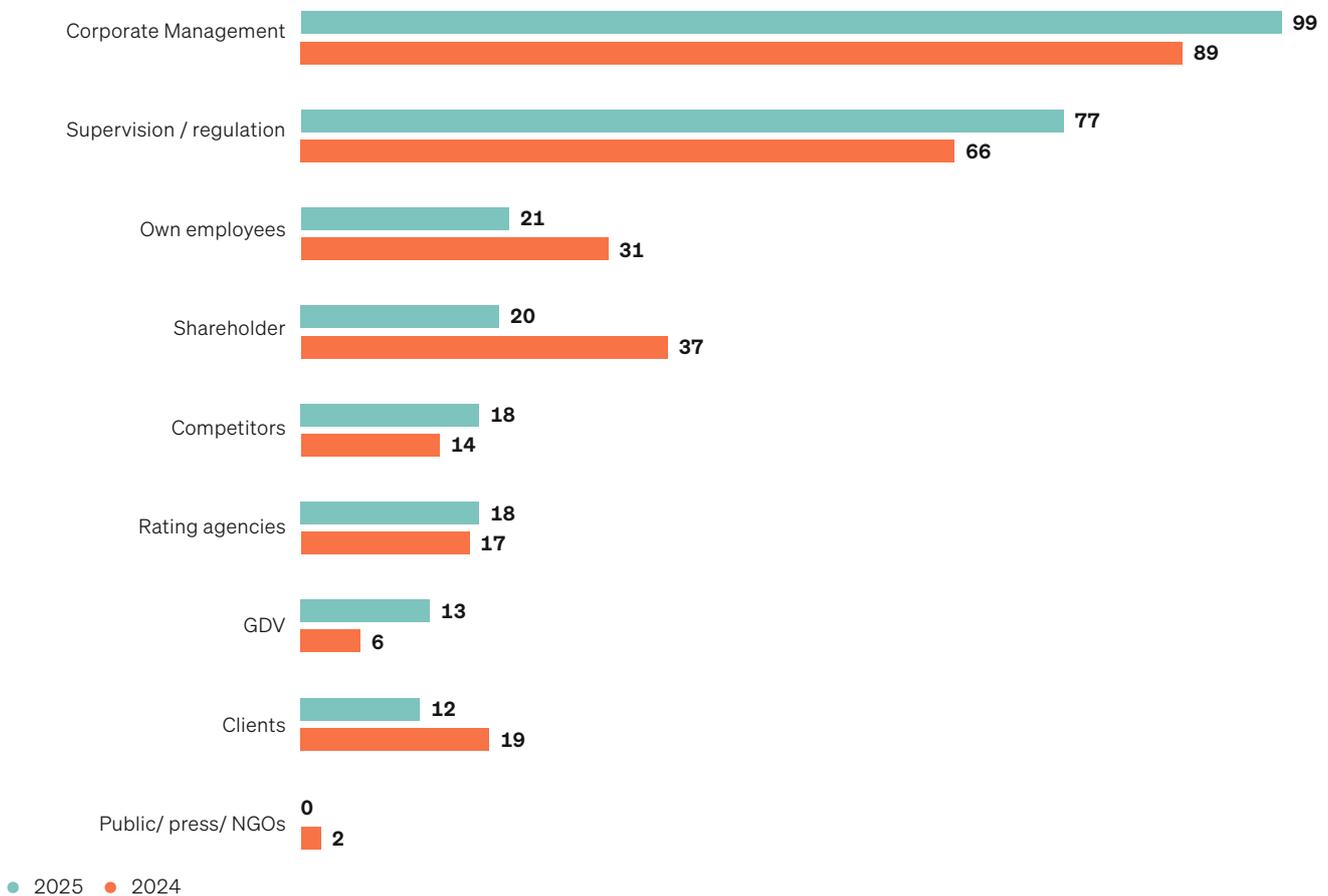
For a planned approach to the transition, almost half of participating companies (46%) are preparing transition plans to reach the net-zero target by 2050 (see figure 4). This relates almost exclusively to large insurance groups. A further 36% intend to prepare transition plans. This group includes many medium-sized and SME insurers. In contrast, 13% of companies participating in the survey, including many SME insurers, do not yet want to draw up transition plans. A further 9% did not provide any information.

The transition plans developed vary in characteristics and content (see table 1). For example, all insurers with a transition plan state that the reduction targets in the plan are consistent with the Paris climate targets and are supported by implementation measures. Only in some cases are the transition plans publicly available, however. Moreover, only a small number of transition plans allocate financial resources to the measures.

The preparation of transition plans has so far been voluntary. The Corporate Due Diligence Directive (CSDDD) establishes an obligation to draw up transition plans for climate change mitigation. Under the “stop the clock” amending directive, Directive 2025/794 of 14 April 2025, the transposition deadline for the CSDDD has been extended from July 2026 to July 2027. Consequently, the obligations under the CSDDD now apply to large companies (those with more than 3,000 employees and more than EUR 900 million turnover) from 26 July 2028. The provision on application to very large companies (with more than 5,000 employees and

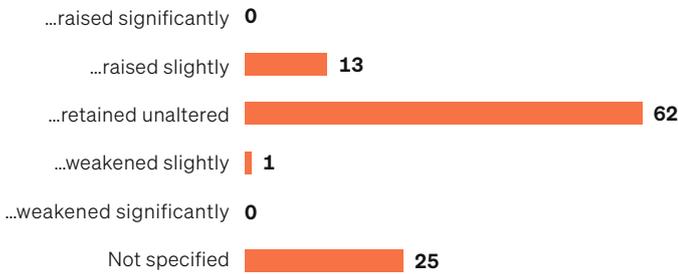
Which stakeholders have the strongest influence on your own sustainability strategy?

Figure 2 · Maximum three answers; responses in % weighted by market share



What plans does your company have for adjusting its sustainability goals?

Figure 3 · Responses in % weighted by market share



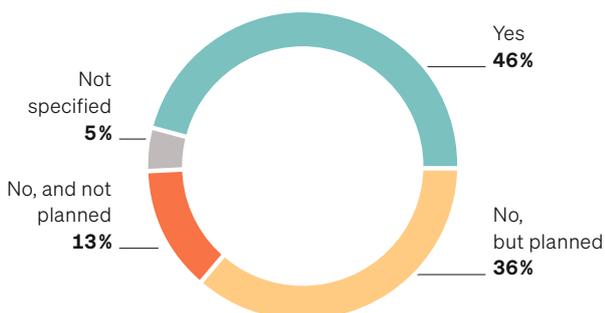
Source: GDV

more than EUR 1.5 billion turnover) has been struck out. With regard to transition plans, the European Commission’s omnibus proposal removes the obligation for transition plans to be actually put into effect and provides instead that they must include implementation actions planned and taken. The Corporate Sustainability Reporting Directive (CSRD) does not establish any (due diligence) obligation to prepare a transition plan. However, any company subject to the CSRD must disclose its transition plan or indicate whether and, if so, when it will adopt one.

The vast majority of insurance companies already adhere to external sustainability standards on a voluntary basis in order to reach their goals. For example, 91 % of responding members are in the Principles for Responsible Investment (PRI) initiative. A further 62 % of the insurers participating in the survey have joined the Principles for Sustainable Insurance (PSI) initiative. The GDV supports both of these initiatives. However, there is no single relevant market standard. In some cases, a

Has your company developed a transition plan for adaptation to the 1.5° target and climate neutrality by 2050?

Figure 4 · Responses in % weighted by market share



Source: GDV

Elements of prepared transition plans and their prevalence

Table 1 · Prevalence in %

Elements of prepared transition plans	Prevalence
Reduction targets are consistent with Paris climate targets	100
The reduction targets are supported with implementation measures	100
The greenhouse gas savings from the measures are quantified	80–100
The transition plan does no significant harm with regard to other environmental and social matters (DNSH criterion)	80–100
The reduction targets are science-based	60–80
The transition plan is publicly available	40–60
The measures are backed up with financial resources	20–40

Source: GDV

number of different standards are observed for different areas of the insurance business. The breadth of application of the various standards is covered in subsequent sections on the individual areas.

2.2 Structures, methods and resources

Sustainability is a task of the senior management team. Responsibility for implementing the sustainability strategy lies with the senior management team in the entire industry (100 %). Slightly less frequently, at 29 % (previous year: 34 %), that responsibility is concentrated on the CEO. As in the previous year, additional members of senior management (the CCO for 31 %, the CRO for 23 % and the CFO for 20 %) and/or a special committee (24 %) are also involved in implementation. Only two of the responding companies have delegated implementation of the sustainability strategy to a layer of the hierarchy below the top tier.

In all companies (100 %), there are dedicated sustainability units or officers who coordinate the activities of the various business units. Most frequently (53 %, previous year: 45 %), these take the form of a staff unit assigned to the management/executive board. Some sustainability units are assigned to investments (20 %; previous year: 14 %), accounting and financial reporting (18 %; previous year: 16 %), the CFO directly (13 %; previous year: 10 %) and in a small number of cases communications (3 %; previous year: 8 %). Many companies also actively include additional functions such as HR, IT, sales and marketing, risk management and

compliance, and in some cases all of these functions are involved.

In terms of methodology, insurers employ a wide variety of approaches for managing sustainability factors and their impacts (figure 5). Although the percentages have fallen slightly relative to the previous year, almost all responding companies use ESG tools or ESG data (95%; previous year: 99%), ESG due diligence when making investment decisions (93%; previous year: 94%) and portfolio analyses (92%; previous year: 95%). Expert assessments (80%; previous year 80%) and stakeholder surveys (82%; previous year: 76%) are also widespread. Less use is now made of ESG due diligence in underwriting (62%; previous year 70%) and the evaluation of sector analyses (53%; previous year: 67%). The share of companies that evaluate environmental data relating to climate risks has risen to 78% (previous year: 68%). Environmental data relating to biodiversity risks is also now evaluated slightly more frequently (36%; previous year 32%).

In their role as risk bearers and investors, insurance companies have to proactively identify and assess the physical and transition risks associated with climate change. A sustainable financial system also entails long-term economic stability. Risk management requirements have been increased accordingly. Since 2022, companies have been required to evaluate material climate change risks based on scenario analyses that examine possible developments by way of example. The

findings are intended to be incorporated in business planning and business strategy and must be reported to the Federal Financial Supervisory Authority (BaFin) in an Own Risk and Solvency Assessment (ORSA). How insurers use scenario analyses for their risk management was described in detail in the GDV Sustainability Report 2023 (section 2.3, p. 20 et seq.). In June 2025, the [GDV published an updated edition of its guidance for the implementation of climate change scenarios in ORSA](#). The completely revised third edition takes into account the new base models provided by the Network for Greening the Financial System (NGFS).

To make progress in the implementation of their own strategies measurable, a large majority of the responding companies use quantitative key performance indicators (KPIs) for sustainability in cross-divisional functions such as investment (91%) and own operations (83%) (see figure 6). The use of KPIs in these areas has increased compared to the previous year. In P&C insurance, the use of KPIs is less widespread (22-37%) and has fallen significantly in some cases compared to the previous year. For example, only 22% of the responding P&C insurers state that they use KPIs for commercial, industrial or agricultural products. The decrease compared to the previous year is 23 percentage points. The use of KPIs for underwriting in P&C insurance is almost unchanged at 37%. In life insurance, 62% (previous year: 70%) of the responding companies use KPIs for products and 8% for underwriting. Full coverage of all areas with KPIs is not to be expected in the future

Which methods does your company use to identify sustainability factors or impacts?

Figure 5 · Responses in % weighted by market share; in brackets: year-on-year change in percentage points; multiple answers possible

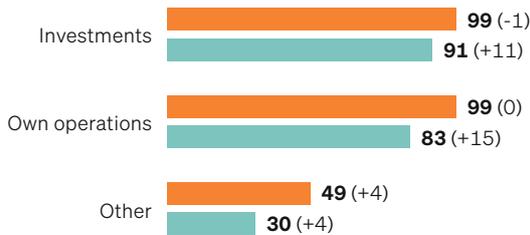


Source: GDV

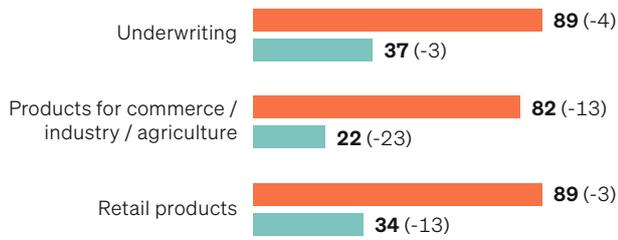
Divisions involved in implementation and specification of key performance indicators (KPIs)

Figure 6 - Responses in % weighted by market share; in brackets: year-on-year change in percentage points; multiple answers possible

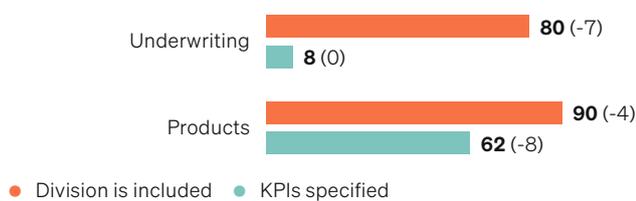
Cross-divisional functions



In property & casualty



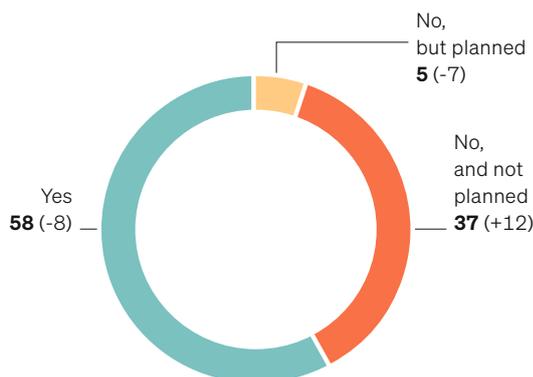
In life insurance



Source: GDV

Incentives for employees to achieve sustainability goals

Figure 7 - Responses in % weighted by market share



Source: GDV

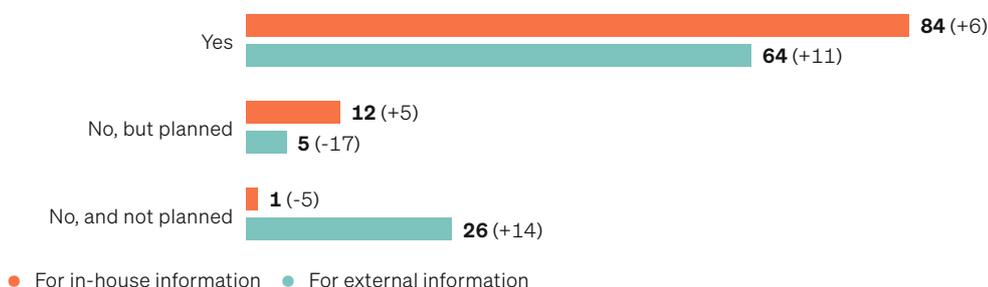
either, in some cases because no suitable indicators are available or because data gathering involves too much effort and expense.

As figure 7 shows, more than half of the responding companies (58%, compared to 64% in the previous year) link sustainability targets to specific incentives for their employees. A further 5% (previous year: 12%) plan to introduce incentive schemes. On the other hand, 37% of companies do not intend to introduce incentives for the achievement of sustainability targets. This marks an increase of 12 percentage points on the previous year. Use is mostly made of monetary incentives in the form of variable remuneration components linked to agreed sustainability-related targets. These incentives are not limited to senior management and executives, but in some cases also apply to other parts of the workforce. Some insurers also offer non-monetary incentives, such as subsidised bike-to-work schemes, public transport passes or electric or hybrid vehicles for senior staff. Actively involving employees in the selection of fundraising campaigns can provide additional motivation for supporting sustainability.

Greenwashing continues to be a topic of public debate. Increasing disclosure and reporting obligations, together with future competition law requirements, also make greenwashing an increasing focus for supervisory authorities. Germany's Federal Financial Supervisory Authority (BaFin), for example, refers to combating greenwashing as a medium-term objective in its [Sustainable Finance Strategy](#). Advertising products with sustainability-related claims or the publication of sustainability-related data also involve legal risks. In light of this, insurers are increasingly implementing internal processes to deal with greenwashing risks (figure 8). The main focus here is on information produced by the companies themselves. 84% (previous year: 80%) of the responding companies have already implemented internal processes to address greenwashing risks for their own information output. A further 12% plan to establish internal processes of this kind. 64% (previous year: 53%) of the responding companies have implemented processes for external information. A further 5% plan to follow suit. A good quarter of the responding insurers (26%) do without internal processes to address greenwashing risks for external information. This marks an increase of 14 percentage points on the previous year. The effort and expense of verifying external information may decrease if fewer products are marketed as sustainable.

Does your company have internal processes to address greenwashing risks?

Figure 8 · Responses in % weighted by market share; in brackets: year-on-year change in percentage points



Source: GDV

2.3 Transparency and sustainability reporting

In recent years, many industry associations and companies – including in the insurance industry – have criticised the large extent of the new EU sustainability reporting regulations. The European Commission’s first omnibus package significantly reduces the scope and size of the CSRD and the European Sustainability Reporting Standards (ESRS) that operationalise the CSRD requirements (see table 2). It is proposed that the CSRD will only apply to companies that have more than 1,000 employees and either a turnover above EUR 50 million or a balance sheet total above EUR 25 million. The proposals also include dropping the development of sector-specific ESRS.

In connection with the omnibus proposals, the European Commission requested the European Financial Reporting Advisory Group (EFRAG) to revise the ESRS. EFRAG published the [draft amended ESRS](#) at the end of July 2025. In general, EFRAG is proposing to streamline reporting obligations, reduce the level of detail and delete redundant requirements. This is intended to make implementation more manageable for companies without compromising comparability and transparency for stakeholders. A particularly noteworthy feature is the proposed reduction in reporting requirements. According to the EFRAG proposal, over half of the previous mandatory and voluntary datapoints are to be dropped. Some of the voluntary datapoints have been transferred to separate, non-binding implementation guidance. A public consultation on the amended draft ESRS ran to the end of September. EFRAG is required to submit its final advice to the European Commission by the end of November 2025.

Transposition of the CSRD into German law is now on the agenda for the second half of 2025. The [government](#)

[draft act on the CSRD](#) adopted by the German cabinet in September 2025 largely takes into account the EU omnibus proposals. It also stipulates 2025 as the first financial year that Wave 1 companies have to report for, with no retroactive reporting obligation for 2024.

The CSRD omnibus proposal significantly facilitates implementation for companies. The German government estimates that a maximum of 3,900 companies in Germany will still be subject to reporting requirements. Annual compliance costs would fall from around EUR 1.7 billion to EUR 430 million. According to the GDV’s market analyses, around 99% of the German insurance market is subject to CSRD reporting requirements under the current CSRD. Under the European Commission’s omnibus proposal, the scope of the CSRD would be reduced to around 90% of the market. Around 90% mainly small and medium-sized insurance companies with a market share of around 9% would be exempted from CSRD reporting requirements.

Although they were not legally required to do so, many insurers have already begun reporting voluntarily in accordance with or based on the CSRD and ESRS. According to a GDV survey on the cost of implementing the CSRD, 51% of the Wave 1 companies participating in the survey have fully complied and 35% have partially complied with the ESRS requirements. In particular, groups with subsidiaries in multiple EU member states faced inconsistent legal positions. Some EU member states had already transposed the CSRD into national law by 2024, whereas others such as Germany had not.

This year’s GDV sustainability survey once again asked about experience with reporting in accordance with the CSRD. The questionnaire assumed that the scope for CSRD reporting obligations was as in the omnibus proposal (see table 2). As a result, many small and

Simplification of EU sustainability reporting

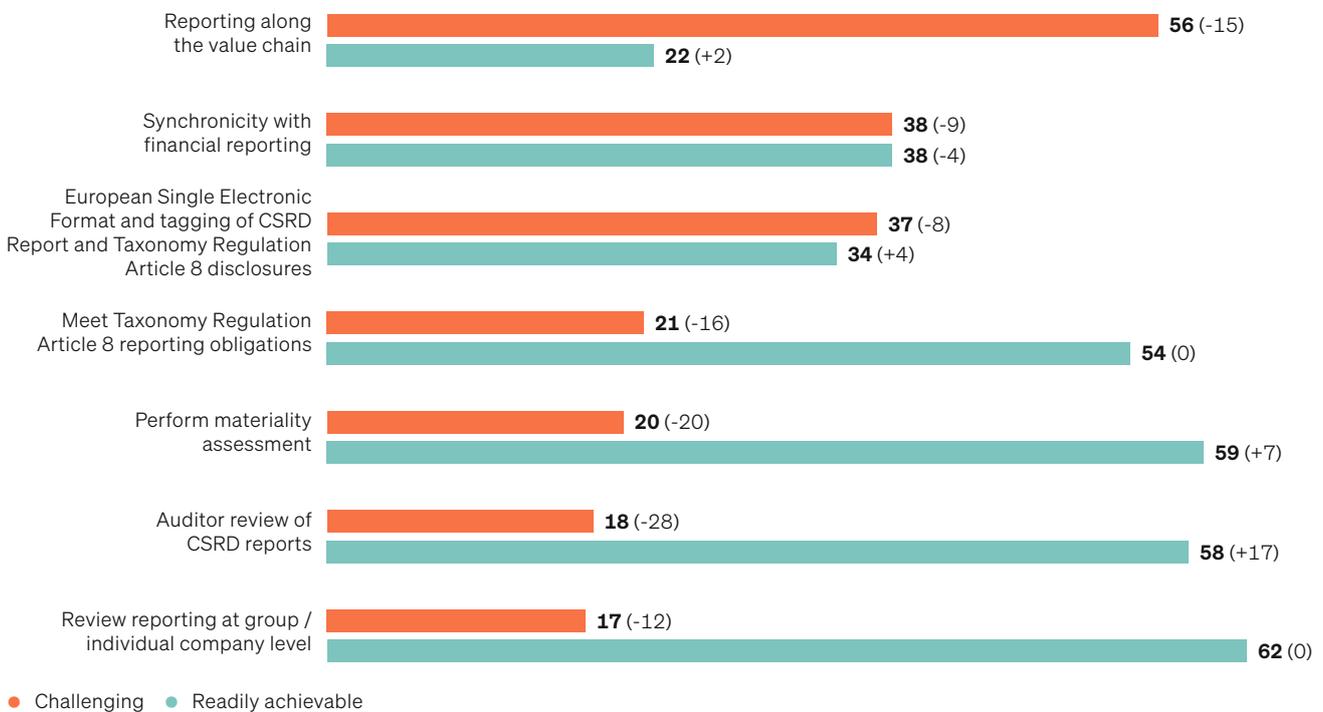
Table 2 · Comparison of the current CSRD and the omnibus proposal

	Current CSRD	Omnibus proposal
Scope	Large undertakings as defined in the Accounting Directive (any two criteria): <ul style="list-style-type: none"> • Balance sheet total > EUR 25 million • Gross premium income > EUR 50 million • Employees > 250 • Listed SMEs 	New definition determining scope: <ul style="list-style-type: none"> • Employees > 1000 and • Balance sheet total > EUR 25 million or • Gross premium income > EUR 50 million
Start of application	Wave 1 (more than 500 employees): from 2024 Wave 2 (all large companies): from 2025 Wave 3 (listed SMEs): from 2026	Wave 2: from 2027
Assurance requirement	Limited assurance Transition to reasonable assurance	Limited assurance to be retained No transition to reasonable assurance
Reporting along the value chain	No limits	Limited in accordance with voluntary reporting
Sector-specific ESRS	Power to adopt sector-specific ESRS (from 2026)	Power to adopt sector-specific ESRS deleted

Source: GDV

If your company is subject to CSRD reporting for the 2025 financial year, how do you rate the (new) CSRD requirements?

Figure 9 · Responses in % weighted by market share; in brackets: year-on-year change in percentage points; multiple answers possible



Source: GDV

medium-sized insurers no longer answered the questions concerned. It was precisely this group of insurers which had rated the CSRD requirements as particularly challenging.

Almost all of the insurers subject to the CSRD under the new definition state that they are well prepared for the reporting requirements for the 2025 financial year. With regard to selected CSRD requirements, the overall

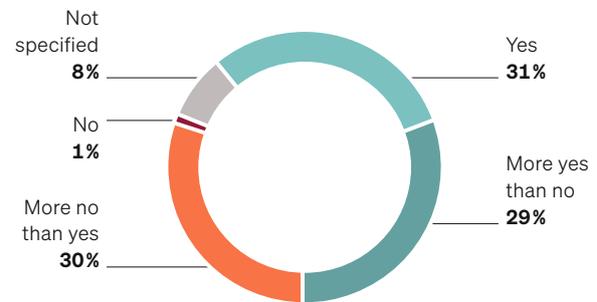
picture is varied but significantly more positive than in the previous year (figure 9). As in the previous year, companies see the most challenging requirement as being reporting along the value chain (56%; previous year: 70%). Synchronicity with financial reporting (38%; previous year: 47%) and uniform electronic reporting formats (including tagging) also remain a challenge for 37% of the responding companies (previous year: 45%). The requirements for review of CSRD reporting by an auditor, review of consolidated group/separate entity reports and the performance of the materiality assessment are considered readily achievable by the majority of responding companies. The proportion of companies that consider these three requirements to be challenging has decreased significantly (by between 12 and 28 percentage points).

Limiting the CSRD’s scope to larger companies has thus indeed reduced the burden. Also, many insurers have now acquired ample experience with the CSRD requirements and established the necessary structures and processes. Nevertheless, certain topics and datapoints remain challenging.

Overall, the majority of companies consider the CSRD requirements for their company to be manageable and proportionate (yes: 31%, more yes than no: 29%; see figure 10). Just under a third do not consider the requirements to be proportionate (more no than yes (30%) or no (1%)).

Do you consider the CSRD requirements to be manageable and proportionate for your company?

Figure 10 · Responses in % weighted by market share

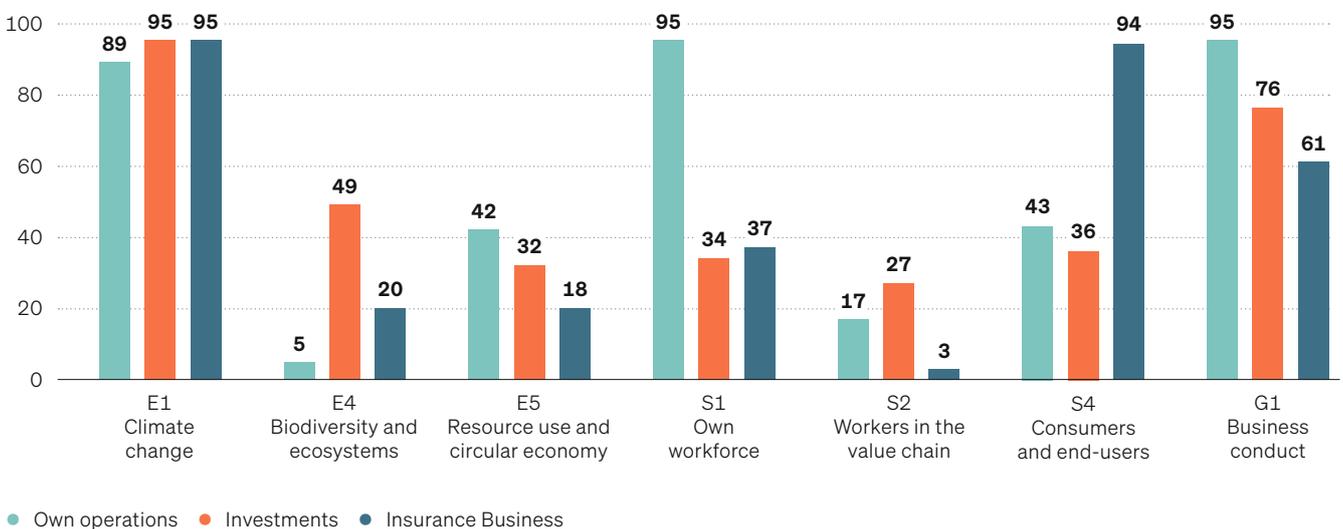


Source: GDV

In July 2025, the [European Commission published a Voluntary Sustainability Reporting Standard](#) for non-listed SMEs (VSME standard) to help small and medium-sized enterprises (SMEs) in reporting relevant, standardised sustainability information. The VSME standard is also intended to prevent SMEs from being inundated with data requests from companies further up and down the value chain. Initially published as a recommendation, the VSME standard is intended to be adopted as a delegated act. According to the GDV survey, around 50 SME insurers are planning to prepare a voluntary sustainability report in future. Around half of these are considering the VSME standard for this purpose.

What topics has your company identified as material?

Figure 11 · Responses in % weighted by market share; multiple answers possible



Source: GDV

What topics has your company identified as material?

No fewer than 75% of the insurance companies participating in the survey have already conducted a materiality assessment in accordance with CSRD requirements or based on the ESRS. The standards identified as material or non-material reflect the sustainability topics of particular relevance to the industry (figure 11). For a more detailed picture, the GDV survey additionally asked companies to state the activities for which the applicable thematic standards were identified as material.

- **Environmental standards:** Almost all participating companies identify ESRS E1 Climate Change as material for the three business areas own operations, investments and insurance business. This highlights the ongoing importance of climate change as a key sustainability issue in the insurance industry. ESRS E4 Biodiversity and Ecosystems (49%) and E3 Water and Marine Resources (23%, not shown) are identified as material for the investments side. ESRS E5 Resource Use and Circular Economy is notably identified as material for own business operations (42%) and investments (32%). As is to be expected for financial service providers, none of the companies identified ESRS E2 Pollution as material.
- **Social standards:** ESRS S1 Own Workforce was identified as material by 95% of the companies for their own business operations. Around a third each also identify this area as material for investments and insurance business. ESRS S4 Consumers and End-users is also highly material, particularly for insurance business (94%). Around a quarter identify ESRS S2 Workers in the Value Chain as material for investments. Few companies identified ESRS S3 Affected Communities as material to them, and in particular not to their own business operations (8%, not shown).
- **Governance standard:** ESRS G1 Business Conduct is material to almost all insurers. 95% of the responding companies identified it as material for their own business operations, 76% for investments and 61% for insurance business.

Although companies rate the situation more positively than in the previous year, implementation of the CSRD remains challenging. Alongside the continuous work in committees and working groups, the GDV engages in various additional activities to support its members:

- GDV informs member companies about new regulatory developments in a twice-yearly Accounting

GDV reform proposals for more efficient and proportionate sustainability reporting

- Implementation of the European Commission's target of reducing burdens associated with reporting requirements by 25% generally and by 35% for SMEs; focus on content that demonstrably contributes to the transition to a sustainable economy
- Swift implementation of the European Commission's omnibus proposal and its inclusion by member states in legislation transforming the CSRD into national law
- Increased proportionality in sustainability reporting and swift implementation of the EFRAG proposal to simplify the ESRS

& Reporting webinar. The webinars also cover other topics as well as sustainability reporting.

- In spring 2025, to back up its position on streamlining sustainability reporting with numbers, GDV conducted an industry-wide survey among member companies on the cost of implementing the CSRD. The survey included questions on ongoing costs and implementation costs. Participating companies can use the findings as a benchmark for their own reporting activities.
- On 15 October 2025, for the second time, the GDV presented its materiality navigator for member companies. This presented the practical implementation of the materiality assessment by GDV members.

2.4 The insurance companies' own perspective: Successes and challenges

Insurers operating in Germany have set out to embed sustainable business practices in their strategies and operations. While this process was already underway before 2021, it has accelerated since the adoption of the GDV Sustainability Positioning. What are they particularly proud of in 2025, and where do they see challenges? Companies were invited to report in this regard with two open questions in the GDV sustainability survey.

Companies most frequently considered it a success that sustainability is firmly and comprehensively embedded in their business.

- The development of company-specific sustainability strategies with specific targets and measures was mentioned very frequently in the response forms. Insurance companies that have successfully implemented this process across their entire group are particularly proud in this regard. Further responses relate to specific, ambitious or innovative targets.
- Some insurers are proud of the tangible results of these efforts, having already achieved their initial targets. For some, this has resulted in positive sustainability ratings from major rating providers, and this is something the companies likewise take pride in.
- Some insurers are also proud of the fact that they have established robust structures that support implementation. Examples include sustainability ambassadors, the integration of sustainability management into the strategy department, and women's networks.
- Many insurers pinpoint a more focused mindset in the organisation as a success – i.e., increased employee motivation for and awareness of sustainability. Some also take pride in having established training programmes.
- Several insurers are also proud to have successfully published their CSRD reporting in what were sometimes difficult circumstances (organisational or time constraints).

The second most frequently cited area of success was in investment activities:

- Insurers are proud to have developed suitable sustainability and ESG policies and measures for their investment portfolios. Some expressly refer to their strict exclusion criteria. Others take pride in the fact that they consistently implement the objectives of the Net-Zero Asset Owner Alliance (NZAOA, see chapter 4).
- Many insurers cite the reduction of carbon emissions in their investments as a tangible success that they are proud of. This includes having achieved or even exceeded the NZAOA targets or self-defined targets. The volume of renewable energy, impact and infrastructure investments is cited as a further success.

After investments, almost equally frequent reference was made to the area of companies' own business operations. Specific individual measures that have already been implemented and quantitative successes are referred to here with roughly equal frequency:

- For one thing, insurers pride themselves on their action packages. One of the most frequently mentioned individual measures is the purchase of green electricity. A number of insurers are proud of their company-owned solar power systems and heat pumps, along with the promotion of electric mobility (both in the company vehicle fleet and with charging infrastructure). Reference is also made to large-scale measures such as the construction of a new climate-neutral head office and sustainability certification for buildings.
- Furthermore, many insurers refer to their success in reducing Scope 1 and 2 emissions. A large proportion of repairs and of replacement with used equipment is also cited as a measurable success.

Insurers' responses reflect the major importance of social goals in their sustainability efforts. This action area came fourth in the number of mentions:

- Many responses referred in general to successes in social sustainability in relation to the workforce. Mention is also made of specific measures, such as profit-sharing schemes for employees, sustainability bonuses and workplace health management programmes.
- Some insurers report with pride on receiving employer awards and good ratings in employee surveys or on rating portals.
- Some insurers state that they are proud to promote corporate citizenship.

Following up in a close fifth place are references to life and P&C insurance products:

- Some life insurers have established or integrated companies that embrace sustainability across the board. Other life insurers pride themselves on certain sustainability features in their products, such as minimum quotas for environmentally sustainable investments.
- Some P&C insurers are proud to offer comprehensive renewable energy solutions. Insurance policies that promote sustainability in relation to mobility (such

as bicycle insurance or motor vehicle recycling) are also cited as a success.

Finally, insurers have launched projects that they are proud of because they aim with them to broaden their impact in terms of sustainability and motivate their stakeholders towards sustainable choices:

- Some insurers take pride in their sustainability projects on the distribution side.
- Finally, insurers are proud of the fact that they confer a high-value annual sustainability award, have launched an initiative to reduce ground surface sealing or have planted a pocket woodland on their corporate premises.

Furthermore, companies were asked to identify the areas where they see the greatest need for improvement in terms of their sustainability strategy and sustainability activities. Companies are at varying stages of their transition journey and consequently face different challenges. Depending on their progress to date, they see challenges in further advancing the strategic integration and implementation of sustainable business practices. Where some have already succeeded, others face a need for improvement. On the other hand, numerous insurers aim to integrate sustainability more comprehensively across all business areas. Success in one area, such as investments, highlights scope for improvement in companies' core business or own business operations. The list of challenges below is to be interpreted against this background.

Insurers stated most frequently that they need to further embed sustainability in their organisations. They see the greatest need for improvement in areas such as the following:

- Establishing and rolling out a sustainability strategy at group level and applying an integrated approach;
- Identification of effective measures, data-driven sustainability management and control with data and KPIs;
- Data availability and quality;
- Internal communication, employee training and awareness raising with regard to sustainability issues;
- Strategy and measures for biodiversity;
- Addressing greenwashing risks.

The second most frequently mentioned issues relate to companies' own business operations. Specifically, they see room for improvement in the following areas:

- Pursuing climate neutrality targets with effective measures and reducing greenhouse gas emissions in mobility and business travel;
- Energy saving and energy efficiency for corporate premises.

Third place was taken by references to scope for improvement in investments, relating among other things to the following:

- Developing a detailed transition plan for all subportfolios and inferring measures for decarbonisation;
- Aligning investments with global sustainability goals;
- Establishing science-based targets for reducing the carbon footprint.

In fourth place, companies mentioned that sustainability aspects need to be better taken into account in insurance business. They referred to the following in this regard:

- Developing a product range taking into account upcoming legislation such as the Empowering Consumers for the Green Transition (EmpCo) Directive;
- Sustainability in insurance activities, claims management and distribution;
- Dealing with insured emissions, especially in commercial insurance.



3

**Own business
operations**

The transformation of their own business operations is a key part of insurers’ sustainability strategies. At first glance, it offers less leverage than with investments or underwriting, but it is something that companies have more direct control over. 2025 is a standout year in this regard, as it marks an important milestone on the Scope 1 and Scope 2 emission reduction pathway.

In the GDV Sustainability Positioning (para. 5), insurers commit to responsible, resource-friendly business processes. They set a goal for 2025 of significantly reducing Scope 1 and 2 emissions at their German locations and of offsetting their remaining emissions (with a net-zero emissions target). A further goal is to achieve significant reductions in indirect emissions (Scope 3) by 2030. Insurers are committed to diversity and equal opportunities and to raising the share of women in leadership roles, beyond legal requirements (para. 6 of the GDV Sustainability Positioning).

Section 3.1 reports on the recent development of the industry-wide carbon footprint and of resource consumption for our own business operations. It also describes measures underway to reduce and offset greenhouse gas emissions. Section 3.2 provides an overview of the trend in the percentage of women in leadership positions and measures taken by the industry to promote diversity and equal opportunities.

3.1 Carbon footprint and resource efficiency

Across the entire industry – among the 99% of insurers that participated in the GDV sustainability survey

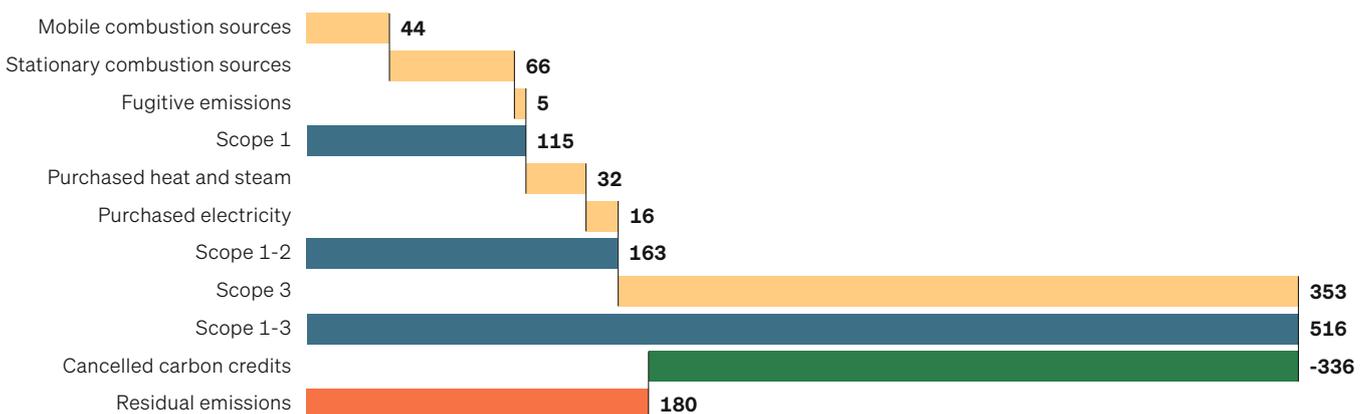
– companies’ own business operations are part of their sustainability strategies (see also Chapter 2, figure 6). The use of key performance indicators (KPIs) has also increased significantly in recent years. Now, 83% of the responding companies (up from 68% last year) use KPIs to monitor their sustainability goals and effectively manage ESG topics within their own business operations.

Scope 1 and 2 emissions remain at reduced Covid-year level

Extrapolating to the industry as a whole, the GDV estimates Scope 1 to 3 greenhouse gas emissions to have totalled 516,000 tonnes of CO₂ equivalents (tCO₂e) in 2024 (Figure 12). Scope 1 and Scope 2 emissions amounted to 163,000 tCO₂e and were slightly down on the previous year. Conversely, the figure for Scope 3 emissions increased by 8% to 353,000 tCO₂e. At 336,000 tCO₂e (+28%), the volume of cancelled carbon credits increased significantly year on year. Overall, the industry’s imputed residual emissions fell this year by 22% to 180,000 thousand tCO₂e (previous year: 231,000 tCO₂e). Estimates of greenhouse gas emissions are subject to short-term fluctuations, partly for methodological reasons. A better insight into the trend in greenhouse gas emissions can be obtained by looking at the medium

Sectoral greenhouse gas emissions from companies’ own business operations

Figure 12 · Scope 1-3 carbon emissions including climate offsets (2024), in 1000 tonnes CO₂e



Source: GDV

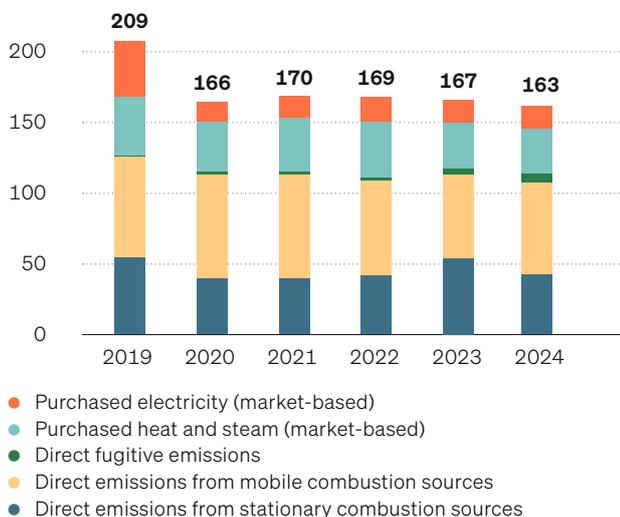
term. Scope 1 and 2 emissions have fallen by over one-fifth since 2019. They remain at the reduced 2020 level, which related to the Covid pandemic (figure 13).

Mobility emissions falling, building emissions rising

An analysis of the individual components of Scope 1 and Scope 2 emissions shows where the insurance industry has increased emissions and where it has reduced them (figure 13). Mobility emissions (mobile combustion sources, i.e., company-owned vehicles) have fallen by 20% compared to the previous year and are now back at their 2022 level. An analysis of the number of kilometres travelled by car confirms the downward trend. Extrapolated total car mileage fell from 377 million to 331 million kilometres in 2024 (-13%). The even larger percentage fall in emissions could be due to factors such as the ongoing switch to electric vehicles in the fleet mix. Elsewhere, in Scope 2, there is an increase in stationary combustion emissions (+11%), which is due to weather-related effects. The remaining components of Scopes 1 and 2 show only minor changes compared to the previous year (fugitive emissions: -1%; purchased heat and steam: +2%; purchased electricity: -2%). The proportion accounted for by green electricity fluctuates slightly and amounts to 88% (previous year: 93%). There was a slight increase in the share represented by self-generated renewable energy from 0.8% to 1.4%, although it remains at a low level overall.

Emissions (scope 1 and 2) from own operations since 2019

Figure 13 · Scope 1 and 2 emissions in 1000 tonnes tCO₂e



Source: GDV

Sector achieves own net-zero target for Scope 1 and 2 emissions

At sector level, the Scope 1 and Scope 2 emissions from companies’ own business operations are already fully covered by cancelled carbon credits, as are around 50% of Scope 3 emissions. The net-zero target for Scope 1 and 2 emissions from companies’ own business operations was thus met for the second time in a row. At company level, the picture varies. For example, 42% of responding companies state that they will achieve the net-zero target for Scope 1 and 2 emissions from their own business operations in the 2025 financial year. In contrast, just under a third (31%) of the responding companies state that they will not achieve their net-zero target. A good quarter (27%) of the responding companies did not provide any information on this point. These findings reflect the differing approaches to the use of carbon credits for offsetting. The reason is that companies can only achieve the net-zero target for their own business operations if they use carbon credits. There are also companies that purchase carbon credits but do not count them towards their net-zero target.

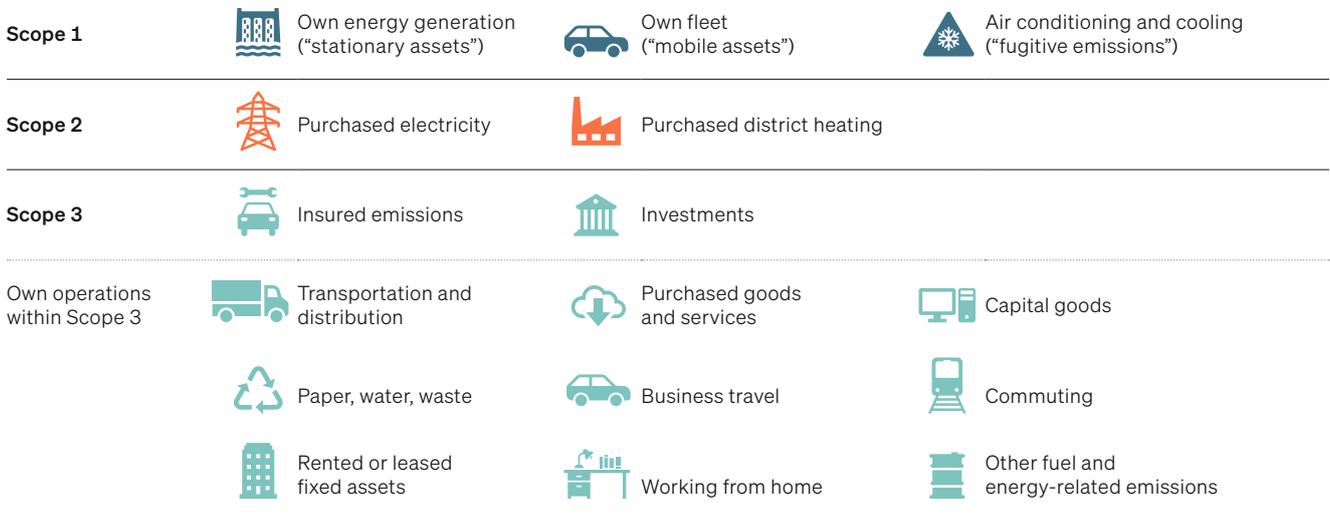
Slight increase in Scope 3 emissions

Recorded Scope 3 emissions slightly increased compared to the previous year (+8%) and now stand at 353,000 tCO₂e. The increase is mainly due to more accurate data. However, Scope 3 emissions are higher than this in actual fact because the figures are not extrapolated for all categories. In accordance with the [GHG Protocol](#), indirect Scope 3 emissions include numerous business processes (figure 14). In 2023, a GDV working group prepared a methodology for data collection on Scope 3 emissions in order to ensure comparability (see [GDV leaflet](#), p. 6 onwards). Extrapolating Scope 3 continues to be a challenge. While the data submitted for the survey has better coverage compared to the previous year, it is still not complete. Few of the respondent companies are able to submit data for all Scope 3 categories included in the survey.

Commuting accounts for the largest share of Scope 3 emissions, at 40% (previous year: 35%; figure 15). In contrast, business travel emissions fell significantly to 16% (previous year: 25%) due to fewer kilometres travelled on business. In line with the higher stationary emissions in Scopes 1 and 2, other fuel and energy-related emissions have likewise increased. These now account for an 18% share (previous year: 14%). The portion accounted for by purchased goods and services, such as outsourced data centres and cloud computing, is almost unchanged at 20% (previous year: 19%). Remote working continues to account for a small proportion of Scope 3 emissions, at 4% (previous year: 6%). As in the previous year,

Accounting for greenhouse gases in accordance with the GHG Protocol

Figure 14 · Breakdown of emissions in Scopes 1 to 3 according to causation



Source: GHG Protocol

there were not enough individual data submissions on the categories “leased assets”, “capital goods” (including hardware/electronics) and “upstream transportation and distribution”, as a result of which these categories cannot be shown separately.

Vehicle fleet: Significant increase in proportion of electric cars

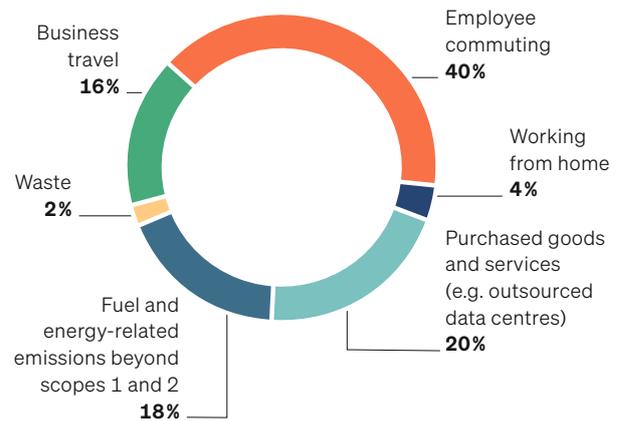
Business trips and travel figures are almost back at the levels seen before the Covid pandemic (figure 16). Air travel has decreased significantly compared to the previous year (-35%). This could partly be due to revised business travel policies. While the number of car journeys is slightly down (-12%), the number of rail journeys has stayed virtually constant. Car and air travel have so far been contributing the most to greenhouse gas emissions, as business rail travel (usually using green electricity) is already very low in emissions.

For the second time, the GDV has collected more detailed information on insurers’ company cars. In terms of type of propulsion, combustion engine cars account for the largest share of the fleet, at 67% (down from 75% in the previous year), followed by hybrids at 14% (previous year: 15%). The proportion of all-electric company cars is now 19% and has thus almost doubled compared to the previous year (10%). By comparison, the share of all-electric cars in Germany as a whole was 3.6% in 2024 (source: [Deutsche Energie-Agentur](#)). In combination with the sector’s strong use of purchased green electricity (88%), electric cars are a carbon-saving

mobility solution. Paralleling the growth in the electric fleet, insurers are increasingly providing charging points for their employees. In total, almost 1,900 charging points were installed by the 2024 survey year. This marks a significant increase of around 50% on the previous year (1,300 charging points). Well-developed charging infrastructure is an important element in the further electrification and decarbonisation of company car fleets and employee commuting.

Composition of Scope 3 emissions

Figure 15 · Percentage shares of selected categories of Scope-3 emissions



Source: GDV

Overview - Insurers' operational environmental management

Table 3 · Metrics refer to full-time equivalents (FTEs) or back office FTEs (BO FTEs)

Metric	Unit	Type	2019	2020	2021	2022	2023	2024
Scope 1-2 market-based	tCO ₂ e	Projected	208,518	166,287	169,806	169,331	167,120	164,663
Scope 1-2 market-based	tCO ₂ e per FTEs	Median	1.35	0.77	0.89	0.69	0.70	0.71
Scope 1-2 market-based	tCO ₂ e per FTEs	Mean	1.12	0.89	0.90	0.80	0.80	0.74
Scope 3	tCO ₂ e	Projected	n/a.	n/a.	n/a.	286.298	327.250	352.729
Electricity consumption	kwh per BO FTE	Mean	3,524	3,142	2,880	2,384	2176	2,290
Waste volume	t per BO FTE	Mean	0,22	0.20	0.17	0.14	0.14	0.15
Water consumption	m ³ per BO FTE	Mean	13,99	11.42	9.24	8.54	9.09	8.77
Total paper consumption	kg per BO FTE	Mean	117	105	125	101	113	98
Car	km per FTE	Mean	2,136	1,405	1,469	1,454	1,930	1,734
Rail	km per FTE	Mean	716	193	129	382	591	600
Air	km per FTE	Mean	810	169	101	389	574	366

Source: GDV

Environmental performance of own business operations

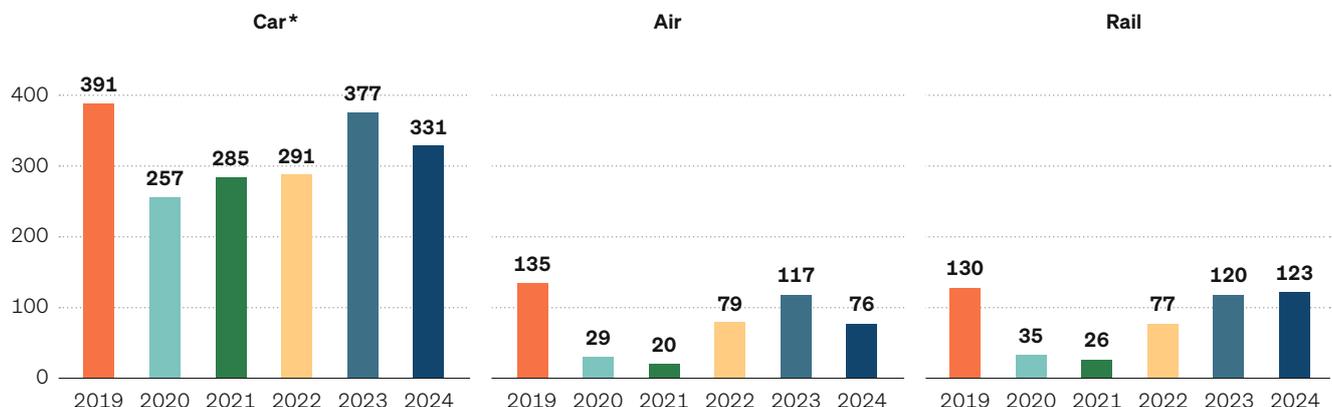
The economical use of resources in business operations is an important goal for insurers. Total paper consumption went down compared to the previous year, to 98 kg (previous year: 113 kg) per back-office full-time equivalent (BO FTE). Water consumption is also down slightly, at an average of 8.77 m³ per BO FTE. The volume of waste has remained largely constant. Further environmental figures are shown in table 3.

Carbon reduction measures: Continued focus on energy efficiency and mobility

Insurers use a wide range of measures to make their business operations sustainable (table 4). One area of focus is energy efficiency and building management. Energy consumption is being further reduced by the use of smart thermostats, heat recovery and energy-efficient refurbishment. An analysis of Scope 1 and 2 emissions from stationary combustion shows that this is the right place to start. Some companies focus on refurbishing office buildings, while others prefer relocating to more energy-efficient premises.

Composition of mobility by means of transport

Figure 16 · Figures in kilometres travelled (in million)

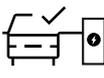


* Company-owned and leased fleet plus private cars used for work

Source: GDV

Insurers pursue a multidimensional approach to carbon reduction

Table 4 · Fields of action and measures possibly taken to reduce carbon emissions

Energy efficiency and building management	Renewable energy and energy supply	Sustainable mobility and vehicle fleet	Digitalisation and resource efficiency	Sustainability and awareness-raising
				
<ul style="list-style-type: none"> • Smart thermostats and heating systems • Heat recovery (data centre) • Energy-efficient refurbishment in general • Optimisation of office space utilisation • Smart building tools 	<ul style="list-style-type: none"> • Own solar installations • Green electricity • Green electricity in data centres • Sustainable district heating • Switch to green gas 	<ul style="list-style-type: none"> • Switching field service fleet to electric vehicles • Development of charging infrastructure • Incentives for fleet switching • Public transport programmes • Rail instead of air travel • Increased remote working 	<ul style="list-style-type: none"> • Business process digitalisation • Consumption and emission data recording • Digital sustainability policies (end devices/cloud) • Reuse/recycle 	<ul style="list-style-type: none"> • Corporate ESG targets • Awareness campaigns • Climate projects • Sustainability guides (e.g. for agencies)

Source: GDV

In the sustainable mobility and vehicle fleet field of action, work continues on the switch to electric vehicles. Activities are now focusing on the sales and service staff fleet. Employees are also encouraged to make the switch to electric vehicles by the provision of a well-developed charging infrastructure and incentives. These initiatives are starting to have an impact, as can be seen in the significant increase in electrically powered company cars.

In addition to efforts and action within companies, there is also a need for improvement in the policy framework for the mobility and buildings action areas. This includes a universal and sufficiently high carbon price to make low-carbon technologies more competitive. Other key enablers are nationwide charging infrastructure, the development of sustainable infrastructure and inexpensive green electricity.

Carbon offsetting measures: Further increase in cancelled carbon credits

In 2024, carbon credits amounted to 336,000 tCO₂e, thus marking a further increase on the previous year (263,000 tCO₂e; see figure 12). With regard to the use of carbon credits for offsetting, various approaches are taken within the industry. While some companies offset their Scope 3 emissions, others do without carbon credits entirely. Some of the companies that make no use of carbon credits state that they fund climate projects without them or that they want to reduce their emissions to the unavoidable minimum first.

For companies that do use carbon credits, high standards are important in order to achieve an effective impact in terms of climate change mitigation. When selecting carbon credits, 73% of insurers use one or more standards with external certification. A good quarter of the companies participating in the survey (27%) – mainly small and medium-sized insurers – do not use standards or did not provide any information on this point. The Gold standard is used most frequently (57%), followed by the VCS standard (23%). These two standards are also described in the [German Environment Agency Guide on voluntary CO₂ offsetting](#). One-fifth of cases cited are other standards, such as CCBS, Applus+, TÜV Nord and ISO 14064-2.

In the medium to long term, carbon capture and storage (CCS) needs to be developed at macroeconomic scale in order to offset hard-to-abate emissions. Scenarios in the 2023 [Ariadne Report](#) assume that up to 2045, Germany will still have 62 million tCO₂e of residual emissions that need to be permanently removed from the atmosphere and stored. The key challenges with CCS are ensuring that carbon sequestration is long-term and reliable. [In summer 2025, the European Commission proposed](#) the future use of high-quality carbon removals in the mandatory European Emissions Trading System (ETS). To enhance the quality and transparency of the voluntary carbon market, the EU already adopted the [Carbon Removal Certification Framework \(CRCF\)](#) in 2024.

3.2 Women in leadership and diversity

As employers, insurers are aware that diversity is an important driver of a company’s economic success, good corporate culture and their own employer appeal. In light of the large percentage of women in insurance (49%) and the fact that they are underrepresented in leadership and governance bodies (see table 5), the German insurance industry employers’ association (Arbeitgeberverband der Versicherer; AGV) has continued its activities on the topic of “Women in Leadership & Culture”.

The AGV “Women in Leadership & Culture” industry advisory board, made up of both male and female board members and executives, raises this topic’s visibility across the industry and supports companies in gradually raising the share of women, starting from the top. In its summer meeting in 2025, the advisory board focused on the topics of diversity in transition and the increasing polarisation in society. Key projects include:

- Every two years, the “Top-Managerinnen-Konferenz” (conference of female top executives) brings together the female leaders of the industry.
- “Fit for Leadership”, a leadership coaching initiative for female candidates with potential: With the help of external service providers, a leadership programme for female talents has been developed to support companies lacking the capacity for diversity programmes of their own.
- Digital formats such as INSURWOMEN@NETWORKS and inspiring web talks with female board members enhance visibility, provide encouragement through role models and expand networks. This network for female executives and career-minded women facilitates digital exchange on current professional and personal topics that can help career advancement.
- The diversity network founded in 2021 and made up of decision-makers from 22 companies and corporate groups has continued the exchange of good practices and current issues. Furthermore, the third virtual AGV Diversity Day scheduled for November 2025 will offer fascinating insights from the industry.

Based on the results of the GDV’s 2025 sustainability survey, 84% (previous year: 67%) of the responding companies have signed the “Charta der Vielfalt” (Diversity Charter). This marks a significant increase of 17 percentage points on the previous year. The GDV views the growing support for the Diversity Charter across the

Development of the proportion of women by senior management level in back office

Table 5 · In %; Leadership level = LS

	LS 1	LS 2	LS 3	LS 4	LS 1-4
2014	12.8	22.2	31.5	29.2	25.7
2019	15.3	23.9	35.1	38.1	28.9
2020	17.5	25.0	35.1	39.2	29.2
2021	18.8	25.9	35.6	36.3	29.8
2022	21.9	26.9	36.4	38.5	31.1
2023	22.1	28.2	38.6	39.7	32.9
2024	23.1	30.1	39.6	38.3	33.8

figures as of 31 December

Source: AGV (German insurance industry employers’ association), “Flexible Personalstatistik” (“Flexible personnel statistics”)

board as testimony to the industry’s clear commitment to diversity, appreciation and respect. Moreover, 42% of the companies surveyed (previous year: 41%) have completed the “Beruf und Familie” (Work and Family) audit.

The wide-ranging efforts show through in a slight positive effect on the figures. In 2024, the percentage of women was 19.6% (previous year: 18.4%) at management board level and 30.6% (previous year: 28.5%) at supervisory board level according to the [DIW-Managerinnenbarometer](#) (the German Institute for Economic Research (DIW) Survey on the representation of women on management/executive boards and supervisory/administrative boards of Germany’s largest companies). The percentage of women at the first management level was 23.1% in 2024 (previous year: 22.1%; Table 5). Women now account for over a third of back-office executive levels 1 to 4. The AGV publishes current statistics about the percentage of women in leadership positions on its [website](#) in the interest of transparency and also as a benchmark for insurance companies.



4

Investments

Insurers make a significant contribution to the sustainable transformation through their sizeable total investment volume of EUR 1.9 trillion. In their Sustainability Positioning, insurers have set a net-zero target for their portfolios by 2050.

The updated Sustainability Positioning states that insurers will specify interim targets (para. 9 of the Positioning) towards achievement of the net-zero target by 2050. In addition, insurers aim to take into account the influence their investments have on safeguarding the environmental foundations of human life and the economy, especially in areas of conservation value (para. 8). Further important objectives include a stronger alignment of investments with sustainability policies (para. 10) and supporting voluntary initiatives (para. 11).

This section summarises the current state of implementation of these objectives. It is based on a survey on the status of sustainability in investments as of 31 December 2024 that was participated in by primary insurers accounting for 84% of the market segment’s investments (previous year: 90%). In addition, it uses findings from the GDV sustainability survey. The high level of coverage enables reliable conclusions to be drawn for the market as a whole. Companies’ responses are included in the survey figures on a capital-weighted basis.

4.1 Carbon footprint of investments

Insurers representing 91% of the sector’s investments (previous year: 90%) aim for net-zero portfolios. With very few exceptions, insurers have selected a target year of 2050. As in the previous year, insurers with 89% of the sector’s investments have set out explicit pathways to their net-zero targets. Additionally, in GDV’s 2025 sustainability survey, 70% of responding companies (in terms of gross premium income) have adopted specific reduction targets for 2030 (figure 17). In many cases, their targets are in line with the Net-Zero Asset Owner Alliance (NZAOA) target range of a 40% to 60% reduction in emission intensity over approximately a ten-year period. Furthermore, 46% of responding companies have prepared a transition plan that also covers investments (see also chapter 2, figure 4).

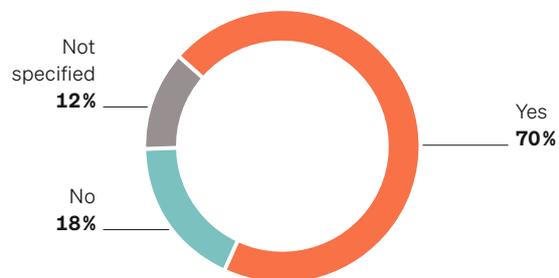
Significant expansion of the data basis for calculation of the carbon footprint

To measure progress, insurers need to know the carbon footprint of their investments. To date, carbon footprint data has mostly been available for listed companies (equities and bonds) and for real estate.

The GDV has compiled a sector-wide carbon footprint for insurers’ investments for the fourth time. This year, for the second time, real estate investments were included in addition to the carbon footprint for listed equities and corporate bonds. The corresponding figures are shown separately (see table 6 and figure 18) in order to bring out differences in developments and trends. Insurers gathered carbon data for EUR 443.8 billion in listed equities, corporate bonds and real estate. The data basis is a third larger than in the previous year

Have you set net-zero targets for 2030 for Scope 1 and 2 greenhouse gas emissions for listed equities, corporate bonds and real estate in your investment portfolio?

Figure 17 · Responses in % weighted by market share in gross written premiums



Source: GDV

Investment volumes and carbon footprint: overview

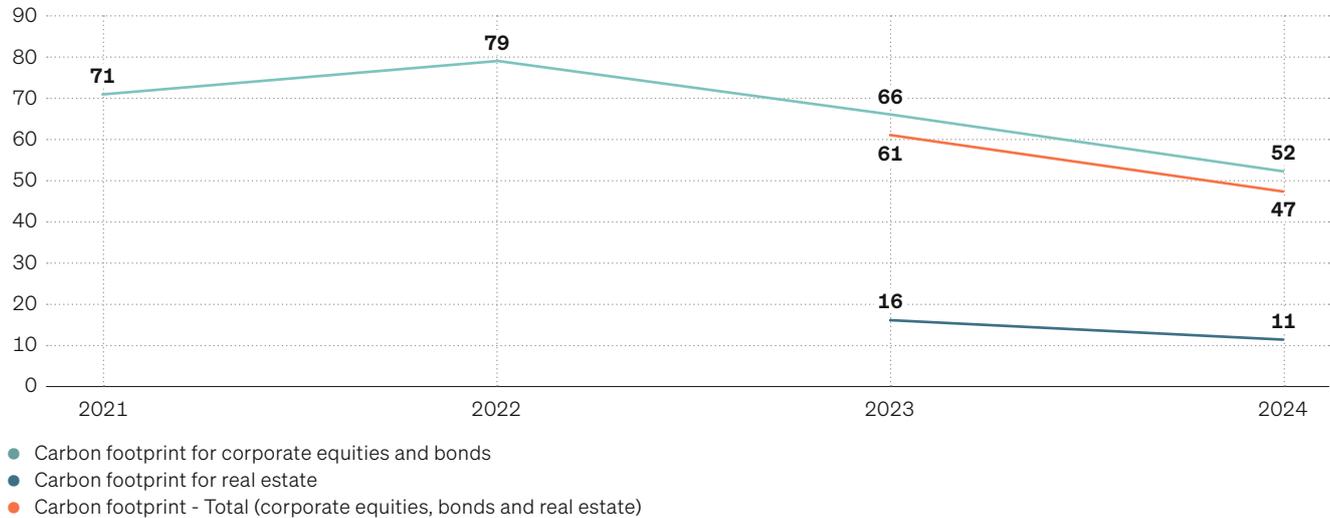
Table 6 · Investment volume and carbon footprint in 2024

	Investment volume (in EUR bn)	Carbon footprint (in CO ₂ e/EUR million)
Corporate equities and bonds	389.6	52
Real estate	54.2	11
Total	443.8	47

Source: GDV

Positive trend in the carbon footprint in investments 2021 to 2024

Figure 18 · Figures in tonnes of CO₂ per EUR million invested



Source: GDV

(EUR 333 billion). Due to data availability, only Scope 1 and 2 emissions are included for investment properties.

The GDV bases its definition of “carbon footprint” on that given in the Delegated Regulation supplementing the Sustainable Finance Disclosure Regulation (SFDR). The GDV does not share the view of the European Supervisory Authorities (ESAs) on the SFDR review consultation. The ESAs’ preference is for the carbon footprint to be determined in relation to total investment volume. Based on that calculation, the average carbon footprint of German primary insurers would average just 18 tonnes of CO₂e per million euros invested. The GDV believes a metric based on that calculation is not very meaningful. Following the ESAs’ calculation, it would be possible to influence the carbon footprint simply by shifting the allocation in favour of asset classes with a smaller carbon footprint (such as sovereign bonds).

Total carbon footprint significantly decreased in 2024

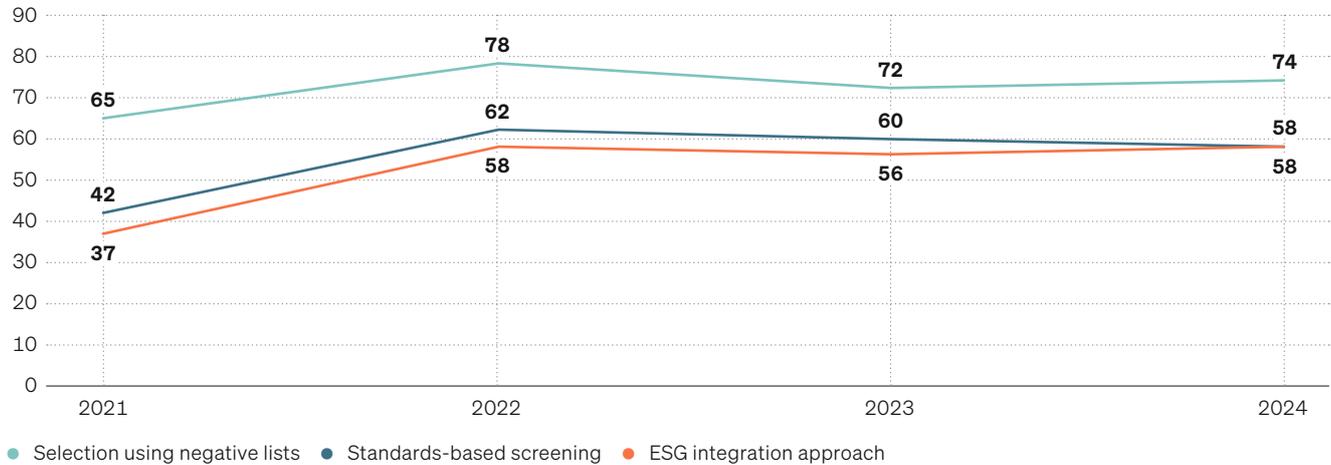
The total carbon footprint amounted in 2024 to 47 tonnes of CO₂e per million euros invested. This marks a significant decrease of 23% on the previous year (61 tonnes of CO₂e per million euros invested). The carbon footprint for corporate equities and bonds fell by 21% to 51 tonnes of CO₂e per million euros invested. Last year, the figure was 66 tonnes of CO₂e per million euros invested. This decrease is due to several factors. As some of these are non-recurring, however, the carbon footprint may shrink at a lower rate in future years. One factor is the year-on-year decline in emissions in

2024, with a reduction by 1.7% in the EU (source: based on [Eurostat estimates](#)) and 3.4% in Germany (source: [Federal Environment Agency 2025](#)). Insurers also actively reallocated their portfolios in 2024. New investments in particular are subject to comprehensive exclusions for carbon-intensive business models such as energy generation from coal. A further factor is the larger base of data compared to the previous year. There are indications that real economy companies with a low carbon footprint are increasingly being included in ESG databases.

For the second time, the carbon footprint for real estate investments has been calculated on the basis of the Delegated Regulation supplementing the SFDR. Only emissions from the operation of real estate are included in the calculation. Building construction and demolition and the related construction product emissions are not included. In total, insurers collected and reported carbon footprint data for EUR 54.2 billion in investments (previous year: EUR 29.4 billion). For 2024, the carbon footprint for real estate is 11 tonnes of CO₂e per million euros invested (previous year: 16.1 tonnes of CO₂e per million euros invested). This marks a significant decrease by one-third on the previous year. Energy-efficient building refurbishment is important to insurers as it enhances the attractiveness and value of real estate, whether private or commercial. As carbon footprint data has now been gathered on real estate investments for the second time, companies can be assumed to have improved their data basis and data collection processes. This assumption is also supported

Sustainability is an integral part of insurers' investments

Figure 19 · Share of investments managed based on different approaches in %; relative weightings on a market value basis; multiple responses possible



Source: GDV

by the fact that they included significantly more real estate investments than in the previous year.

Four-year progress: carbon footprint of equities and bonds down 27% since 2021

The significant reduction in the carbon footprint compared to the previous year is a positive development overall. However, the carbon footprint is and will continue to be subject to (market) fluctuations. What matters is therefore a stable medium-term trend. Since the first survey in 2021, the sector has shrunk its carbon footprint for corporate equities and bonds by 27% (figure 18). Given the large volume of investments held by insurers, the carbon footprint of their investments will develop similarly over time to that of the economy as a whole. Further decarbonisation of the investment portfolio therefore crucially depends on the established decarbonisation path for the real economy being maintained.

Almost 24 billion kWh: slight increase in power generation from renewable energy investments

The carbon footprint relating to scope 1 and 2 emissions is partly offset by a positive climate contribution from insurers' portfolios. In 2024, insurers implemented 1,391 projects (previous year: 1,619 projects) in the solar and wind energy sector. This is fewer than in the previous year, even though the industry is still heavily committed to financing renewables. The attributable portion of the electricity generated from such projects has increased to approximately 23.9 billion kWh (previous year: 23.5 billion kWh), corresponding to around 17% of the annual electricity consumption of

all German households (2021: 138.6 billion kWh; source: [Destatis](#)).

4.2 Investing based on sustainability policies

In the Sustainability Positioning, insurers have undertaken to base their investments more closely on sustainability policies. This year's survey of GDV members showed that 89% (previous year: 90%) of investments are managed according to sustainability criteria. For 51% (previous year: 59%) of their investments, they make use of external ESG standards and ratings. Proprietary approaches are used to manage 41% (previous year: 34%).

The prevalence of methods and approaches to take sustainability aspects into account in investment has remained stable (figure 19). Insurers continue to use a variety of methods to implement their sustainability and ESG strategies. The biggest share of investments is managed on the basis of negative or exclusion lists (74%; previous year 72%) followed by standards-based screenings (58%; previous year 60%) and ESG integration approaches (58%; previous year 56%). Engagement approaches are used to manage 24% (previous year: 24%) of investments. Far less use is made of best-in-class strategies or positive lists.

Insurers universally exclude new coal and oil investments

The prevalence of the exclusion criteria applied by insurance companies has remained stable compared to the previous year.

- All insurers with negative lists state that they exclude the manufacture and sale of controversial weapons (100% as in the previous year).
- 99% (previous year: 96%) exclude investments in companies earning a significant revenue share with coal-related activities (exploration, extraction, processing etc.).
- Significantly more insurers – 84% (previous year: 69%) – exclude companies that generate revenues from oil and tar sands.
- 70% (up from 69% last year) of responding companies stated that they have exclusions for human rights violations. 68% of insurers (previous year: 67%) stated that they expressly exclude child labour. Those are also categories that are included in standards-based screenings and ESG integration strategies that are likewise very widespread and increasingly applied. These methods include, for instance, that investments be based on the UN Global Compact or on the achievement of minimum ESG scores. It is not then absolutely necessary to specify explicit exclusions.

Slight increase in sustainable investments to EUR 184 billion

The share of investments in the portfolio with an expressly positive sustainability contribution has gone up year on year, and the positive trend of recent years remains largely intact (figure 20).

- The share of green bond investments rose to 2% (previous year: 1.7%) and that of social bond investments to 1% (previous year: 0.8%).
- The share of investments in renewable energy sources decreased slightly to 1.1% in 2024 (previous year: 1.2%). In absolute terms, the renewable energy investment volume decreased by EUR 2 billion to around EUR 21 billion (previous year: EUR 23 billion).
- Insurers' sustainable investments amount to EUR 184 billion (previous year: EUR 163 billion; by the definition in Article 2 (17) of the EU Sustainable Finance Disclosure Regulation (SFDR)). This therefore represents 9.7% of total investment (previous year: 8.6%). The definition of sustainable investment in Article 2 (17) of the SFDR is open and is interpreted differently by some companies. The slight rise in sustainable investments compared to the previous year suggests that the interpretation of the definition applied by companies has remained stable. A more

precise definition of this item in the SFDR would further improve the item's information value. Almost the entire market (94%) would like to increase the proportion of sustainable investments in future.

4.3 Supporting activities

Since 2021, the GDV has been a Supporting Partner of the United Nations [Principles for Responsible Investment \(PRI\)](#) and a member of the [Net-Zero Asset Owner Alliance \(NZAOA\)](#). Many insurers now adhere to voluntary standards and have joined initiatives to work together on applying and building on expertise and methodological knowledge. In the GDV sustainability survey, insurers' responses are weighted according to their market share in terms of gross premium income. According to the survey, 91% (previous year: 92%) of responding insurers have signed the Principles for Responsible Investment (PRI) and 69% (previous year: 78%) are members of the NZAOA. In the case of the NZAOA, this marks a decrease of almost 10 percentage points on the previous year. However, a fall in membership does not mean abandonment of the NZAOA goals and methodologies, as the stable survey results on net-zero targets and reduction pathways show.

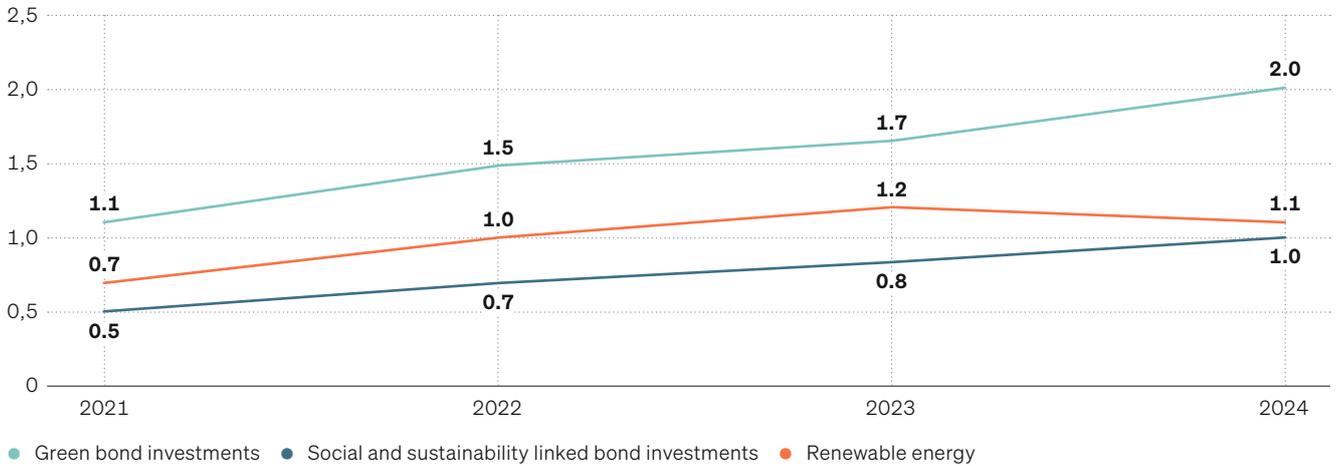
Together with other financial and real economy industry associations, the GDV has developed [sector-specific guidance on the ESG data catalogue for municipal utilities and utility companies](#). The guidance is mainly intended to help municipal utilities and utility companies plan their long-term decarbonisation and sustainability strategies. It also encourages the standardisation of ESG data requests in this sector of the economy. The aim is to avoid multiple requests for ESG data by financial institutions, thus streamlining data sharing for all involved. The guidance supplements the cross-sectoral [ESG data catalogue](#) from 2024.

In summer 2025, the GDV published an [ESG questionnaire for the selection of asset managers](#). This tool enables insurers to ensure that their investments are better aligned with environmental, social and governance (ESG) criteria. Use of the questionnaire is voluntary and without obligation. It can be applied in various ways and adapted or supplemented as needed.

The GDV provides additional information and material that members can use to further develop their own sustainability strategies and employ in their investment decision processes. Among other things, this includes an overview of relevant UN conventions as non-binding guidance for future exclusions and non-binding

Stable positive trend in sustainable investments

Figure 20 · Share of total investments in %; relative weightings on a market value basis; multiple responses possible



Source: GDV

guidance for the granting of corporate loans that incorporates sustainability factors. The GDV has also staged webinars, workshops and information events for members on topics such as carbon footprint, 2030 net-zero milestones and ESG data provider services. For these events, the GDV also brought in external experts from service providers and voluntary initiatives.

The GDV is providing funding for a research project on the topic of ‘Taking sustainability into account in capital investment and portfolio optimisation in Solvency II-regulated insurance companies’ (Technical University of Braunschweig) as part of the German Association for Insurance Science (DVfVW) science promotion programme. The GDV also funds a junior professorship at the Cologne University Centre for Financial Research with a research focus on asset management and sustainable finance.

GDV reform proposals for more sustainable investments

- Better enabling conditions for investment in sustainable infrastructure. Of particular relevance in Germany is the surge in investment in transmission networks and the implementation of the energy transition, including with regard to heat energy.
- More efficient and more consistent regulation in sustainable finance
- More streamlined and faster planning procedures for the expansion of renewable energy sources



5

**Insurance
business**

Dealing with and hedging risks is at the very heart of the insurance business. Insurers continue to face the challenge of effectively incorporating sustainability aspects into their core business. Property and casualty (P&C) insurers can contribute significantly to the transformation with their underwriting, product design and claims management. They can protect valuable resources by taking preventive measures. Life insurance policies with environmental, social and governance (ESG) features give customers access to sustainable investments.

By supporting the economy on its path to climate neutrality, insurers operating in Germany contribute to the targets of the Paris Climate Agreement. In the GDV Sustainability Positioning (para. 15), they set themselves a target of incorporating ESG criteria into underwriting by 2025. In the long term, insurers will no longer take on commercial and industrial risks that negate the transformation process towards a sustainable and climate-neutral economy (para. 16). Retail and business customers are assisted in the transformation process by innovative insurance terms and conditions and by the integration of sustainability criteria into claims management (para. 21). Protection of the natural foundations of human life and the economy is intended to play a more central role when underwriting risks and in communication with policy holders (paras. 16 and 17).

This chapter looks at the progress made towards target achievement in the insurance business. The data is based on the GDV sustainability survey and other sources. Section 5.1 presents the strategies and methods deployed by P&C insurers. Their main areas of leverage for sustainable development – underwriting, insurance products and insurance terms and conditions, and claims settlement – are described in sections 5.1.1 to 5.1.3. Section 5.1.4 covers protection against natural hazards along with climate change adaptation. Recent developments in life insurance are addressed in section 5.2.

5.1 Property & casualty insurance

Insurance is fundamental to successful transformation. It helps retail and business policyholders alike avoid large losses on investments and better budget for investment returns. This builds confidence and encourages the development and financing of sustainable projects. Notwithstanding the current economic and geopolitical situation, sustainability remains firmly embedded in the goals, structures and processes of P&C insurers. 89% of responding P&C insurers include underwriting and retail products in the implementation

of their sustainability strategies (previous year: 93% and 92%, respectively; chapter 2, figure 6). Products for trade, industry and agriculture are included in the implementation of sustainability strategies by 82% (previous year: 95%).

Two opposing trends are currently in evidence with regard to sustainability in P&C insurance. The industry continues to work on incorporating sustainability into the insurance business, for example with a further increase in the use of model clauses and model conditions for sustainable product components. Greater emphasis is also being placed on sustainable approaches in claims management, including resilient replacement and sustainable service providers. At the same time, there has been a sharp decline in the marketing of products as “sustainable”. The next section presents both of these trends in detail. Since the adoption of the GDV Sustainability Positioning in 2021, insurers have used various approaches and acquired more experience in integrating sustainability into their core business. If it leads to proven sustainability features being incorporated at scale into the product range (instead of merely being offered as niche products), then this is a positive development with potentially strong leverage.

Strategic orientation: greater focus on circular economy

Taking its cue from the German Sustainable Development Strategy, the survey asked P&C insurers to state the transformation areas where they aim to make a positive contribution (figure 21). Despite a slight fall in the number of times they are cited, the three most important transformation areas continue to be energy-efficient buildings (72%; previous year: 77%), the energy transition (71%; previous year: 73%) and the mobility transition (67%; previous year: 75%). 59% of the responding companies stated that their strategic focus is on developing solutions for climate change adaptation (previous year: 58%). Prevention and adaptation measures are needed to deal with the impacts of proliferating extreme weather events (see section 5.1.4).

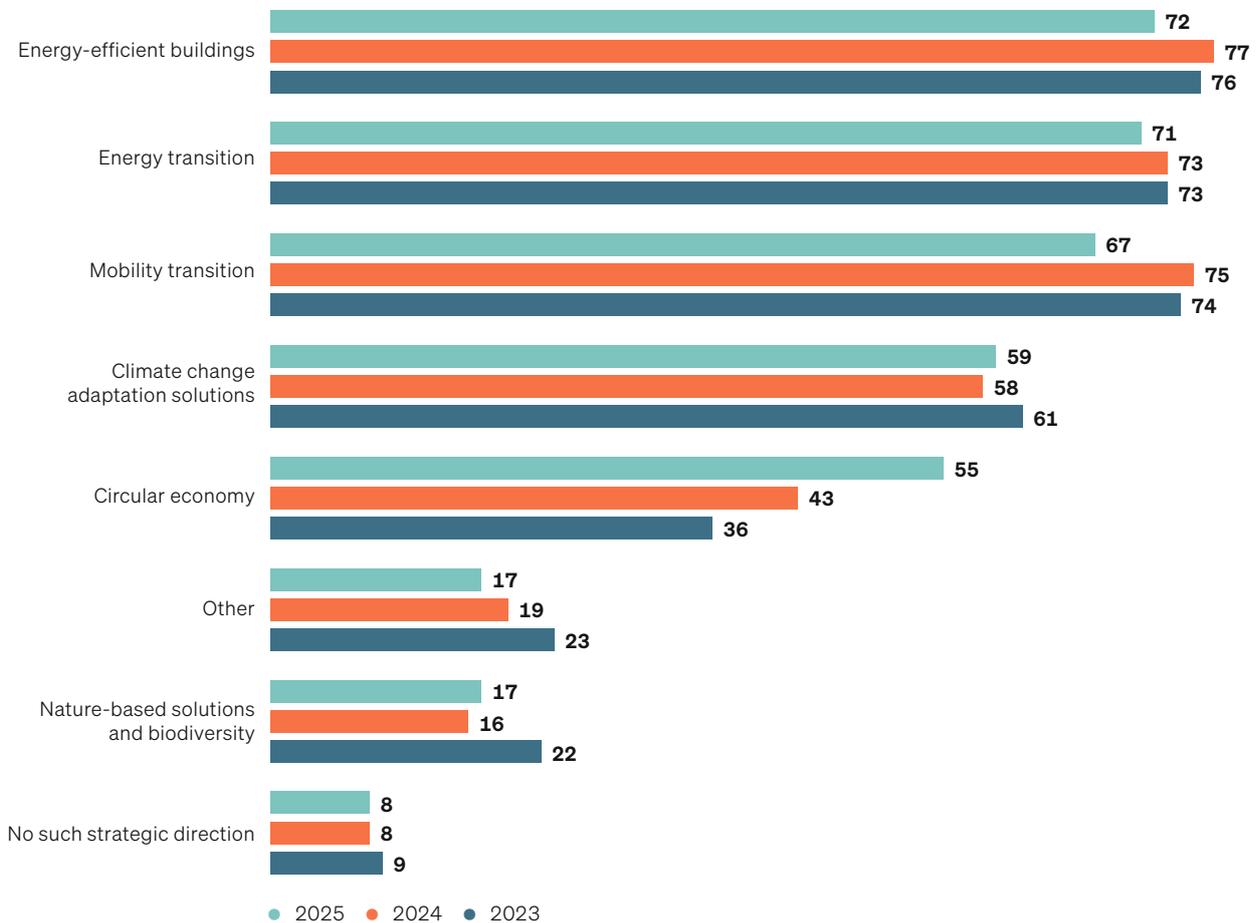
The circular economy has once again seen a significant increase, to 55 % (previous year: 43 %). The new [Ecode-sign for Sustainable Products Regulation](#) has been in force in all EU Member States since July 2024, with the aim of making products more sustainable throughout their entire life cycle. As it is enacted as an EU regulation, it has direct effect and applies identically in all member states without having to be transposed into national law. In December 2024, the German Federal Environment Ministry adopted the [National Circular Economy Strategy](#). This specifically promotes progress in terms of product design, reparability and digital product passports (DPPs). More and more insurers are consequently focusing on these resource-efficient business practices. For 17 % of insurers (previous year: 16 %), biodiversity and nature-based solutions feature as part of their strategic direction.

5.1.1 Underwriting

P&C insurers deploy various approaches and methods in underwriting in order to promote the transformation (figure 22). At 78 %, they continue to rank the underwriting of innovative business models in first place. Since little to no information is generally available on loss development for new projects, insurers collaborate closely with policyholders to gather relevant data and experience. By using the findings to develop loss prevention measures, they play a major role in ensuring that sustainable innovations safely reach market maturity. Examples include constructing and connecting offshore wind turbines, smart grids, energy storage solutions, hydrogen infrastructure and rooftop solar installations to promote the energy transition. In addition, P&C insurers participating in the survey attach importance to electric mobility, including the associated charging infrastructure and mobility platforms (such as car sharing and electric scooters).

Transformation areas as part of the strategic direction

Figure 21 · Responses in % weighted by the P&C insurance market share; multiple answers possible



Source: GDV

Exclusions of commercial and industrial risks continue to play a key role where the risks conflict with insurance companies’ long-term sustainability ambitions (65%; previous year: 69%). 7% plan to introduce such exclusions.

- 67% of responding P&C insurers specify exclusions for coal-related activities (previous year: 75%) and for oil and other fossil fuels (previous year: 74%).
- 66% of insurers (previous year: 67%) exclude child labour and labour/human rights violations. These exclusions are primarily relevant for companies operating internationally.
- 63% of the insurers (previous year: 69%) specify exclusions for the manufacture and sale of controversial weapons.
- Furthermore, 41% of insurers specify exclusions for activities that lead to the degradation of forests or endanger other important ecosystems.

Alongside exclusions, dialogue with policyholders – also referred to as engagement with policyholders or stewardship – has also become integral to risk underwriting. Slightly more than half of the responding P&C insurers (52%; previous year: 51%) engage in dialogue with policyholders to support them in their sustainable transformation. A further 15% plan to implement this

approach. Regular monitoring of ESG indicators has increased significantly to 31%. This is likely to reflect improved data availability.

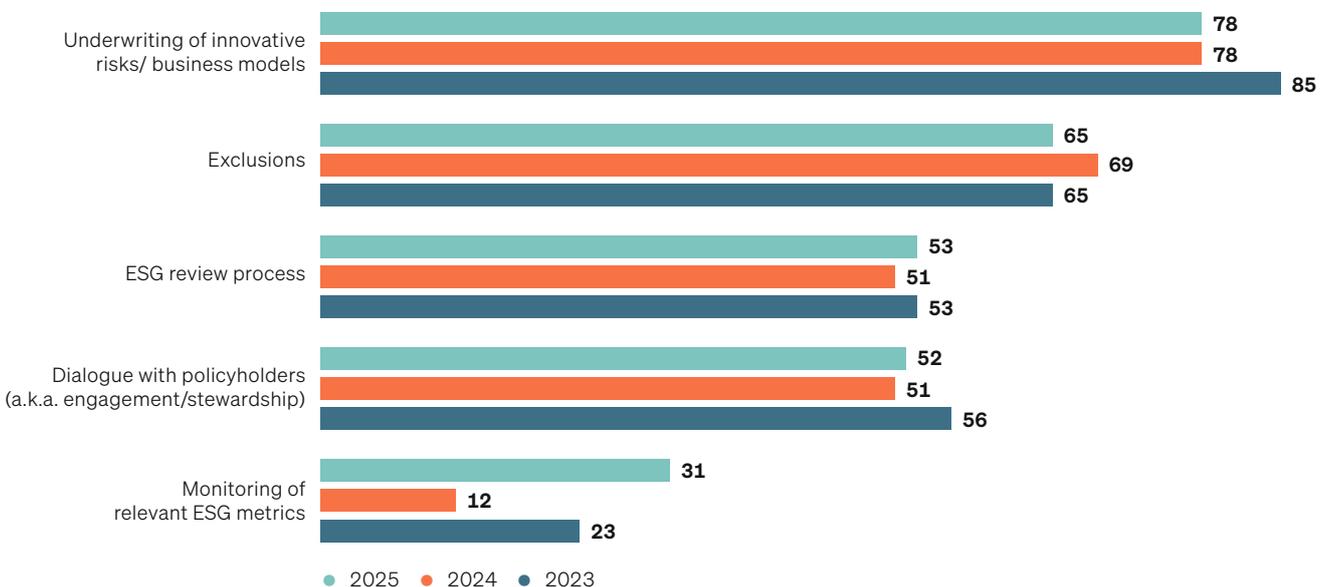
Significantly more insurers have established ESG review processes since 2021

In 2021, insurers set themselves the target of incorporating ESG criteria into underwriting by 2025 (para. 15 of the GDV Sustainability Positioning). Figure 23 shows how this has developed since 2021. After a slight fall in the previous year, 53% of the responding P&C insurers again confirmed that they screen business customers for ESG criteria before underwriting their risks. The relevance of ESG review processes varies among P&C insurers’ individual lines of business. Screening is significantly more frequent in commercial and industrial insurance than in retail insurance. The leading segments are engineering insurance (49%), commercial property insurance (44%) and transport insurance (40%). This kind of process plays a lesser role in travel insurance (15%) and legal expenses insurance (16%). 20% of the responding P&C insurers (previous year: 34%) plan to introduce ESG review processes. For 10%, they are not an option (previous year: 6%).

At 57% of the responding P&C insurers, their existing underwriting unit now carries out ESG reviews itself as an additional process (previous year: 41%). In some cases, this unit works in tandem with others such as the sustainability team or product management. At 17%,

Approaches and methods to promote sustainable development in underwriting

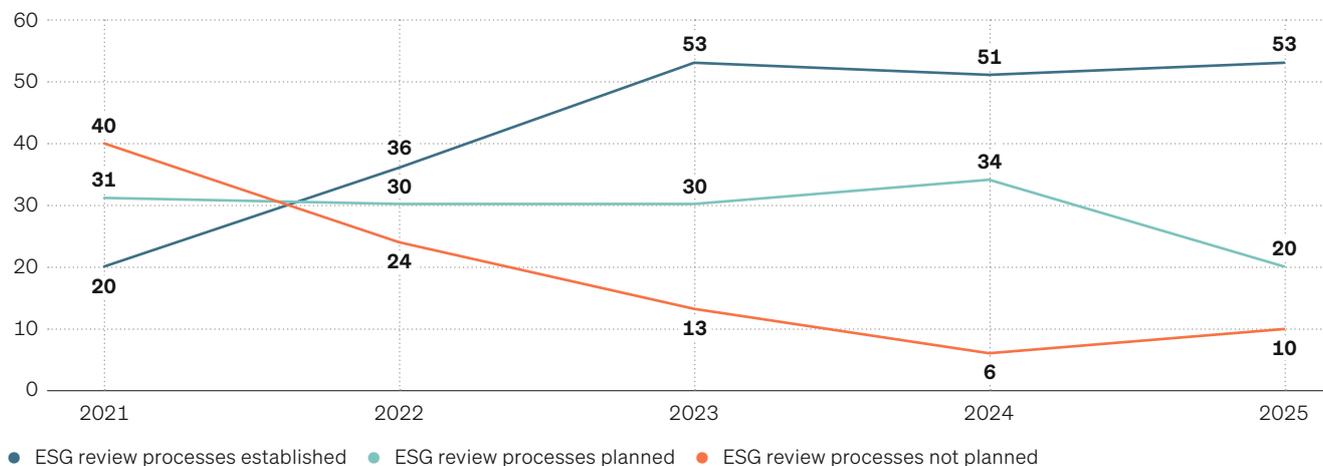
Figure 22 · Responses in % weighted by the P&C insurance market share; multiple answers possible



Source: GDV

Implementation of ESG review processes in underwriting

Figure 23 · Responses in % weighted by the P&C insurance market share



Source: GDV

the responsibility lies with a separate organisational unit (previous year: 24%). In the case of 40%, the review process is subject to company-specific underwriting policies (previous year: 42%).

As in previous years, social matters and business practices are given slightly more weight in the ESG review than environmental criteria.

- Screening for controversial business practices has increased and is now carried out by 40% of insurers (previous year: 36%).
- Respect for human rights and the manufacture of controversial weapons are screened for in equal measure at 40% (previous year: both 44%).
- Employee rights in line with the UN Global Compact principles continue to be important, at 37% (previous year: 38%).
- In contrast, there has been a slight fall in screening for compatibility with the Paris climate targets (28%; previous year: 32%), animal welfare (26%; previous year: 30%) and nature conservation (26%; previous year: 36%).

Identification and reduction of downstream Scope 3 emissions

42% of responding P&C insurers (previous year: 37%) have set themselves targets for reducing their insured emissions. 12% plan to do so (previous year: 15%). There are still deficiencies, however, in terms of data and calculation methodologies. In this context,

operationalisation presents a major challenge for many companies. Given the fundamental freedom of choice with regard to methodologies, a GDV project team has set out to develop practical approaches suited to the insurance business in Germany as an alternative to global standards such as the Partnership for Carbon Accounting Financials (PCAF), with an initial focus on motor insurance. Their aim is to arrive at a comparable methodology within the sector. The project team is also addressing the attribution of emissions from building and commercial insurance.

A number of companies are also working to analyse, disclose and reduce emissions relating to claims settlement. 6% of P&C insurers participating in the survey have already set targets for the reduction of claims-related emissions, while 32% plan to do so (see section 5.1.3 for activities in relation to claims settlement).

5.1.2 Products and insurance terms and conditions

P&C insurers have over 250 million insurance policies in their portfolios. Products and insurance terms and conditions therefore present further leverage for promoting sustainability. In their Sustainability Positioning, insurers have therefore set themselves the goal of increasingly integrating sustainability into their products, for example through innovative insurance terms and conditions and business solutions (Sustainability Positioning, para. 21). This takes some time to have an effect, as new insurance terms and conditions do not generally enter into force until a policy is amended or

new insurance is taken out. Experience has shown in the meantime that more-sustainable approaches sometimes involve higher insurance premiums, as they are more cost-intensive than conventional solutions. At the same time, they frequently provide broader insurance coverage. The higher premiums also make for slower take-up in cost-sensitive market segments.

Sector continuing to work on incorporating sustainability into products

Within the GDV, multiple working groups are constantly developing non-binding model clauses and provisions for sustainable product features. P&C insurers often use these as a basis or source of ideas for their own product development. Table 7 lists some examples along with how widely they are used by insurance companies. When looking at the figures, it should be borne in mind that not all responding P&C insurers engage in the lines of business concerned.

Deployment by P&C insurers of GDV model clauses and model terms and conditions with sustainability features

Table 7 · in % of responding P&C insurers weighted by market share

Clause	2024	2025
Buildings insurance		
Inclusion of balcony solar systems in insurance	58%	67%
Insurance policies that cover the additional cost of the use of eco-friendly building materials	52%	58%
Insurance policies that cover the additional cost of sustainable construction features (such as green roofs or reconstructing a solar installation) in a loss event	43%	57%
Insurance policies that cover the additional cost of energy consulting	19%	17%
Household contents insurance		
Inclusion of balcony solar systems in insurance	73%	72%
Insurance policies that cover the additional cost of new household appliances in the highest energy efficiency class	54%	51%
Bicycle theft clause	77%	75%
Liability insurance		
Module relating to the German General Act on Equal Treatment in the model terms and conditions for business and professional liability insurance	49%	31%
Supplementary module on renewable energy for personal liability insurance	38%	29%
Model clause for personal liability insurance supporting repairs of damaged property	37%	25%

Source: GDV

Further decline in marketing of “sustainable” insurance products

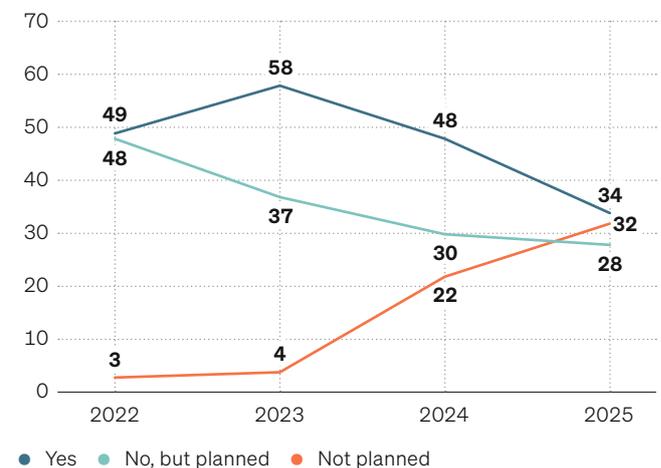
The insurance industry is constantly working on the development and market launch of sustainable products. Companies focus here on environmental and social sustainability. The goal is to offer insurance solutions that not only make financial sense, but also make a positive contribution in terms of sustainability. In the survey for this sustainability report, P&C insurers were once again asked whether they market products or product components from a sustainability perspective. The findings show a steep downward trend (figure 24). Only 34 % of the responding P&C insurers now market products or product components as “sustainable”. This figure has fallen by almost 14 percentage points year-on-year. At the same time, only 28 % still plan to offer products in this way in future. The percentage of insurers that do not envision marketing products or product components as “sustainable” has continued to increase, with a significant rise from 22 % to 32%. 6 % of responding companies did not provide any information on this point.

Low demand and regulations hinder the marketing of sustainable products

Insurers see low demand as the greatest obstacle to marketing sustainable insurance products (71%). In particular, many policyholders are not willing to pay any additional premiums. Further constraints include excessive transparency and verifiability requirements (63%), uncertainty regarding the legal situation (57%) and reputational risks (55%). Moreover, there is no definition

Does your company currently market products or product components as “sustainable”?

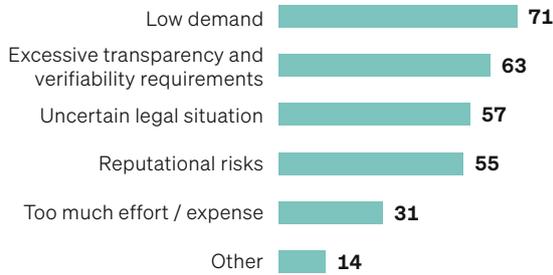
Figure 24 · Responses in % weighted by the P&C insurance market share



Source: GDV

What barriers/obstacles do you see to the marketing of sustainable products

Figure 25 · Responses in % weighted by the P&C insurance market share; multiple answers possible



Source: GDV

of “sustainable” non-life insurance products, whereas such a definition would provide legal certainty and reduce reputation risks relating to greenwashing. For 31% of the responding P&C insurers, the deciding factor is prohibitive effort and expense (figure 25).

In its 2024 [final report on greenwashing](#), the European Insurance and Occupational Pensions Authority (EIO-PA) reports on potential sustainability features of non-life insurance products that can be identified in market practices:

- Particularly sustainable claims management or particularly sustainable services

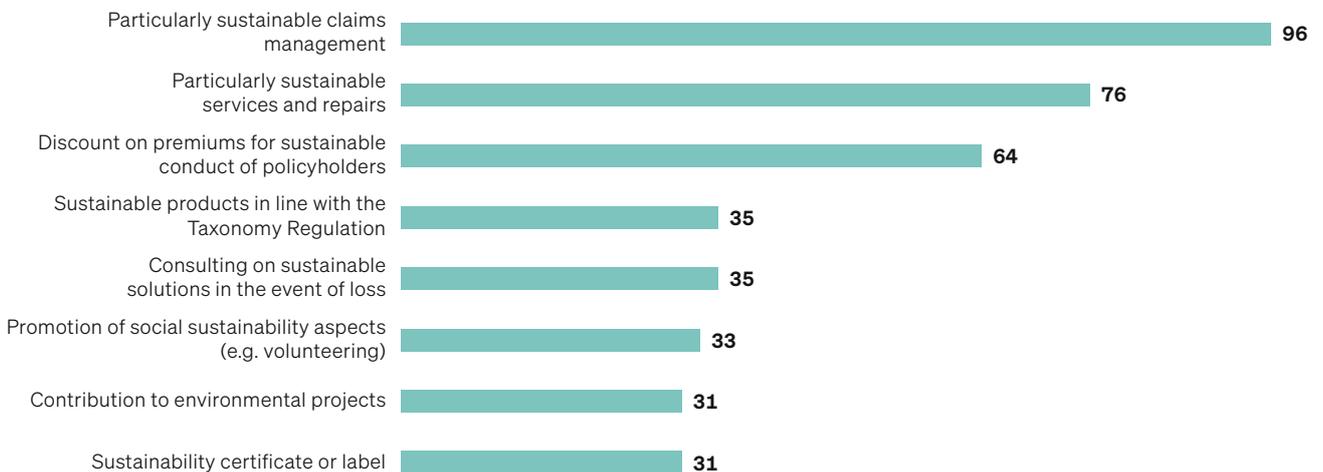
- Incentives for policyholders to support sustainable conduct
- Giving a proportion of insurance premiums to charity
- Underwriting of Taxonomy-aligned economic activities

The sustainability characteristics listed by EIOPA are also reflected in marketing practices on the German market. Figure 26 shows how P&C insurers characterise their sustainable insurance products or product components. The findings below relate solely to P&C insurers that have stated that they market sustainable insurance products.

- For 96%, forms of claims settlement or additional benefits that go beyond statutory requirements comprise sustainable product components. Examples include energy-efficient devices or technologies, renewable materials, additional benefits for repair over replace, etc.
- For 76%, particularly sustainable services or repairs constitute sustainable product components.
- 64% make use of premium rebates for sustainable conduct on the part of policyholders.
- Examples of characteristics that are less frequently marketed as sustainable product components include advice on sustainable solutions (35%), sustainable products as defined in the Taxonomy Regulation

If you currently market products or product components as “sustainable”, what characterises them?

Figure 26 · Responses in % weighted by the P&C insurance market share; only includes responses from companies that market products as sustainable; multiple answers possible



Source: GDV

(35%) and support for social projects (33%) or environmental projects (31%).

5.1.3 Claims settlement

Claims settlement presents considerable leverage for promoting sustainability, for example when service providers and trade contractors offer sustainable solutions. In 2024, insurance companies paid out a total of EUR 69 billion to settle some 25 million claims. The highest total payments related to vehicle insurance (EUR 30.8 billion), property insurance (EUR 22 billion) and general liability insurance (EUR 5.6 billion).

In 2021, insurers set themselves the goal of increasingly incorporating sustainability criteria into their claims settlement practices by 2025. They have achieved this goal. For 90% of the responding P&C insurers, sustainability is a criterion in their claims management process (previous year: 86%). Changes can be put into effect more rapidly in claims settlement than in insurance policy clauses that apply for a long time. The adoption of specific approaches and solutions is consequently proceeding at differing paces. Their use has decreased in some cases and increased significantly in others (figure 27):

- **Reduced travel:** to cut down on business travel, 86% (previous year: 91%) of insurers implement digitalisation (e.g. for expert opinions or claims settlement) and regional providers (71%; previous year: 77%).
- **Sustainable replacement:** There has been a slight decline in energy-efficient replacement, with 81% considering this important (previous year 85%). “Green for old” – damage rectification aligned with climate change mitigation, as with the use of reduced-carbon or nature-friendly materials, or net-zero technologies – is important to 16% (previous year: 28%).
- **Resilient replacement:** The most sustainable approach is to avoid or at least minimise damage. 44% of the property and casualty insurers now attach importance to replacement or damage rectification adapted to climate change (e.g. hail-resistant insulation, structural precautions for heightened risk of natural hazards and similar measures in line with the GDV “Build back better” guidelines – see under 5.1.4). The figure last year was 39%.
- **Circular economy:** As in previous years, just over 80% of responding P&C insurers prefer repair over replace. The share of P&C insurers that support

recycling instead of disposing of damaged or destroyed items has stayed the same, at 53%. The percentage of property and casualty insurers offering policyholders incentives to accept more sustainable alternatives – such as used parts for repairs – has increased significantly again (62%; previous year: 51%). However, repairing often costs more and takes longer than replacing, as repairs are more labour-intensive or because spare parts are hard to come by or slow to arrive. In other cases, there are standards and laws that require parts to be fully replaced if they are damaged.

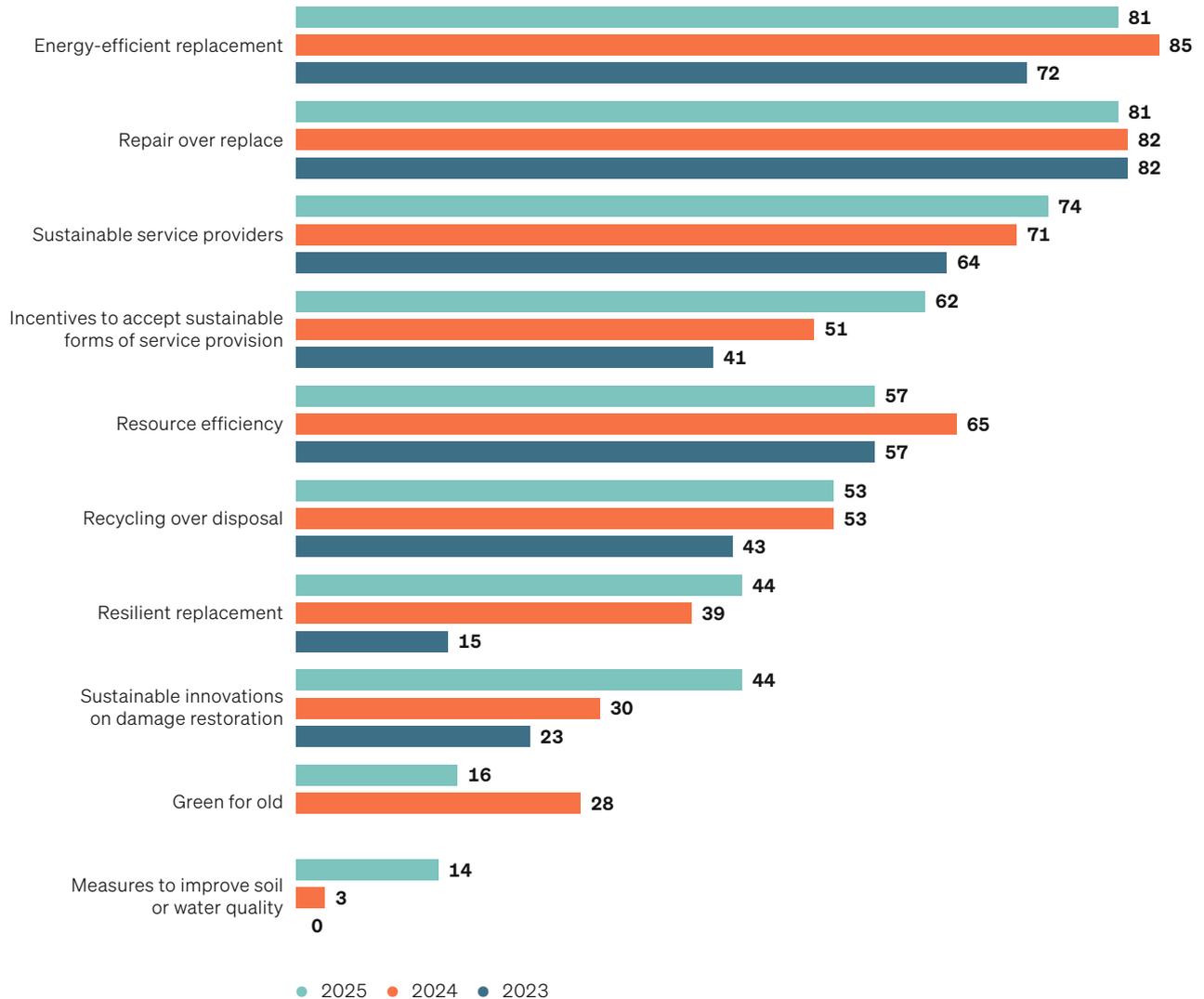
- **Protecting the environment:** 57% (previous year: 65%) promote resource efficiency, while 11% (previous year: 9%) consider conserving biodiversity to be of central importance. Greater focus is now placed on measures to improve soil or water quality (14%; previous year: 3%). 16% of the market (previous year: 13%) offset the carbon emissions associated with a claim.
- **Innovation:** Promoting “sustainable innovations” in damage rectification is a central aim of 44% (previous year: 30%).

In damage rectification, many insurers work closely together with service providers and trade contractors to promote sustainability along the value chain. 74% of the responding P&C insurers now consider sustainability when selecting service providers and trade contractors (previous year: 71%). Key factors for insurers are good governance on the part of the contractors (74%) and good conditions for employees (65%). The following environmental aspects are central:

- At 74%, regional focus continues to be very important (previous year: 73%).
- There has been a noticeable decrease with regard to economical resource use (58%; previous year: 67%). Many pay attention to generally sustainable repair methods (70%; previous year 67%) and exemplary environmental standards such as avoiding harmful substances, preventing pollution or ensuring proper disposal (60%; previous year 63%).
- Waste avoidance, waste management and recycling measures now play a role for 46% (previous year: 50%).
- The percentage of responding P&C insurers that prioritise the avoidance of greenhouse gases and emissions when selecting service providers and

Sustainability concepts in claims settlement

Figure 27 · Responses in % weighted by the P&C insurance market share; multiple answers possible



Source: GDV

contractors (e.g. based on carbon footprint or leak prevention, for example in the installation of heating or air conditioning) has dropped from 48% to 43%. However, this is after the percentage doubled in the previous year.

→ A service provider’s vehicle fleet plays a role for 45% (previous year: 42%). The energy efficiency of the equipment pool has become more important (53%; previous year: 41%).

→ 35% (previous year: 37%) of insurers consider it important that restoration firms promote the circular economy: They ensure among other things that durable, recyclable or easily dismantled materials are used in damage rectification. However, there is still

a reluctance to deploy used or reconditioned parts instead of new parts (26%; previous year: 23%).

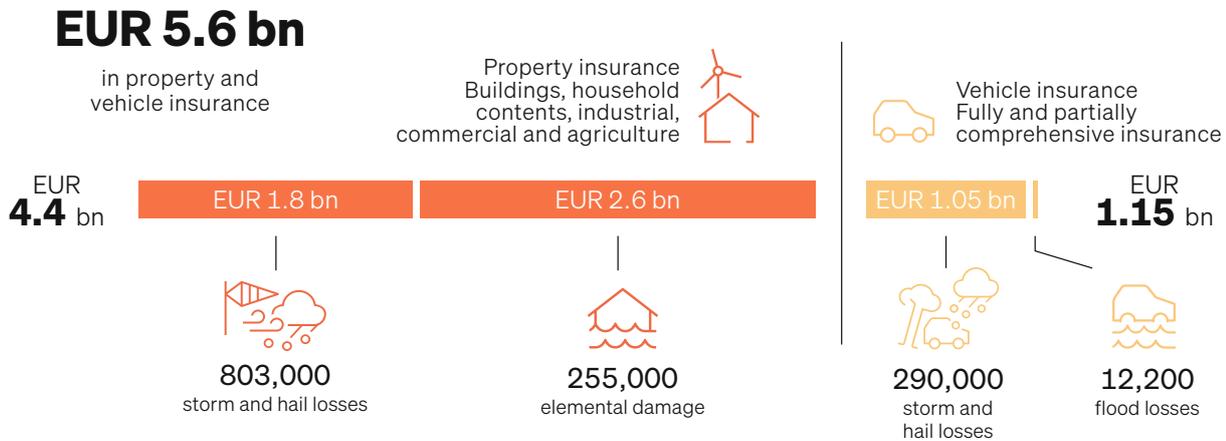
→ The proportion of insurers that request sustainability policies from service providers or even go so far as to look for sustainability certification has remained stable (39%; previous year 38%).

Certification for sustainable restoration companies

In the previous year, the GDV and the restoration industry, represented by its industry association, Fachverband Sanierung und Umwelt (FSU) e. V., published a list of criteria for the certification of sustainable restoration companies. A set of non-binding guidelines, [“Nachhaltigkeitsziele für die Sanierung von Schäden](#)

Natural hazard losses of 2024 at a glance

Figure 28 · Claims expenses in property and vehicle insurance, in EUR billion



Source: GDV

in der Sachversicherung, [Kriterienkatalog des GDV](#) (“Sustainability goals for the restoration of damage in property and casualty insurance, GDV criteria catalogue”, VdS 6038), aim to provide greater transparency and guidance for insurers and restoration companies alike. Together with the guidelines “VdS-Nachhaltigkeitsmanagement” (“VdS Sustainability Management”, VdS 6037) they also constitute the basis for the certification of sustainable restoration companies by VdS Schadenverhütung GmbH. Certification can enhance the reputation and effectiveness of restoration companies with regard to sustainability. This makes it easier for insurers to select and cooperate with sustainable restoration companies. However, certification in accordance with VdS 6038 can also be obtained on the basis of another recognised standard and from other accredited certifiers.

5.1.4 Climate change adaptation and insurance against natural hazards

Insurance companies help the economy and society to mitigate climate change and manage its unavoidable impacts. They safeguard against the financial impact of climate-driven changes that are already here, notably by insuring against increasingly frequent extreme weather events (para. 20 of the Sustainability Positioning). Furthermore, they help commercial policyholders with the assessment of physical and transient climate risks (para. 2). Insurers also contribute to raising public awareness, promote risk consciousness and support climate research (para. 24).

Continued high level of insurance payouts for natural hazard-related claims

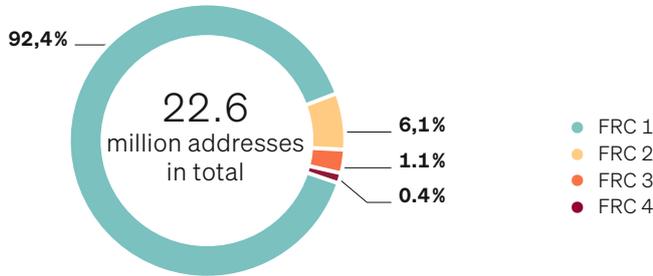
Insurers in Germany have been providing cover against natural hazards for decades. In the last 50 years, they have paid out more than EUR 200 billion for insured losses. 2024 once again saw P&C insurers incur a high level of natural hazards-related losses, in the amount of EUR 5.6 billion (see figure 28) – only EUR 50 million down on the year before. EUR 4.4 billion of this is accounted for by property insurance, which includes buildings, household contents and also commercial and industrial insurance. That is EUR 700 million more than the previous year. EUR 1.8 billion relates to storm and hail damage. There was no major storm damage last year. On the other hand, there was major flood damage with flooding first in Saarland and Rhineland-Palatinate in May and then in Baden-Württemberg and Bavaria in June. Alongside flooding due to high river levels, natural hazards also include storm floods, landslides and snow-loading events. Risks of this kind accounted for EUR 2.6 billion in property insurance losses last year – EUR 1 billion more than the long-term average.

Natural hazards insurance rate now 57%, and rising

Natural hazards damage to household contents and residential buildings can be covered by natural hazards insurance. More and more policyholders are opting for this important component of buildings insurance. Some 57% of residential buildings in Germany were insured against natural hazards as of the end of 2024, and this figure is rising. This marks a 12 percentage point increase in [insurance density](#) (2019: 45%; source: GDV).

Flood risk of addresses and residential buildings

Figure 29a · Distribution by flood risk class (FRC) in ZÜRS Geo 2025 zoning system for risk of flooding, backflow and heavy rainfall



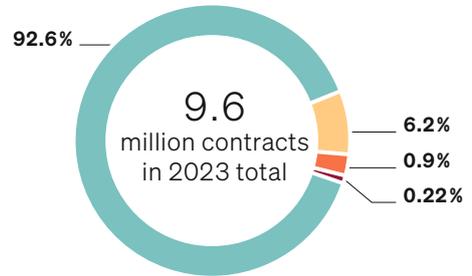
Statistical occurrence of flooding:

- FRC 1:** Not affected by flooding from major bodies of water according to current data
- FRC 2:** Flooding less frequent than once in 100 years; in particular, areas that could also be inundated by 'extreme flooding'
- FRC 3:** Flooding once in 10 to 100 years
- FRC 4:** Flooding at least once in 10 years

Source: GDV

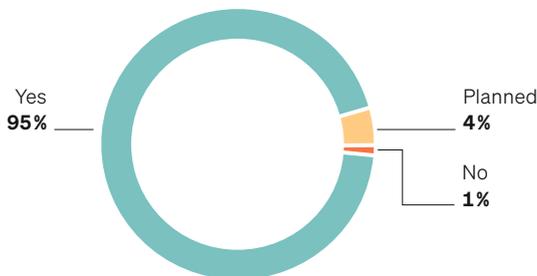
Buildings insurance – Natural hazards (elemental)

Figure 29b · Distribution of contracts by flood risk class (FRC)



Do you provide customers with information on how to avoid damage (e.g. fire, lightning, flooding or pipe-burst damage)?

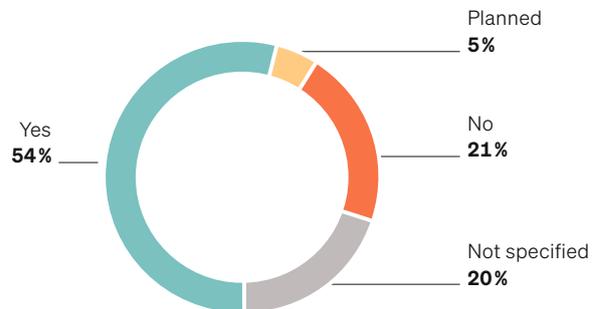
Figure 30 · Responses in % weighted by the P&C insurance market share



Source: GDV

Do you advise customers on how they can protect themselves from climate change impacts and on “build back better” adaptation measures?

Figure 31 · Responses in % weighted by the P&C insurance market share



Source: GDV

In their coalition agreement, the parties to the new government have agreed to place a greater focus on natural hazards insurance. The GDV is actively supporting the processes underway in this regard, with proposals of its own on insurance coverage, prevention, climate change adaptation and catastrophe loss protection.

For risk assessment purposes, insurance companies draw on the ZÜRS Geo zoning system for floods, backflow and heavy rain. As shown by the 2023 insurance portfolio data (see figure 29), buildings in flood-risk areas – including ZÜRS risk classes 3 and 4 – are insured in line with their share of the total portfolio. This data does not support the claims frequently made in the media that insurance is unavailable in particularly high-risk regions.

Insurers inform and advise customers on prevention and climate change adaptation

Prevention is one of the most effective ways of mitigating risk. Insurers support prevention and climate change adaptation in various ways. Almost all P&C insurers (95%) inform customers about how to avoid losses due to causes such as fire, lightning, flooding or pipe bursts (figure 30). Most P&C insurers provide information of this kind on their websites.

Another means of promoting prevention and climate change adaptation is customer guidance. Over half of the responding P&C insurers provide guidance for policyholders, among other things on the “build back better” approach (see figure 31). Another 5% plan to do

so in future, although it should be noted that this approach is mainly relevant for property insurance.

Insurers use risk-based discounts on premiums or deductibles as incentives for prevention

Half of the responding P&C insurers grant policyholders risk-based discounts on premiums or deductibles if they take preventive measures, although it should be noted that this mainly relates to property and technical insurance. For the first time, the GDV sustainability survey asked insurers to what extent they consider preventive measures taken by customers when signing up buildings insurance policies.

- The majority look for backflow preventers. Many insurers check for basements protected from surface water ingress.
- Almost equally as many attach importance to where supply systems (electricity and heating) are installed and whether oil tanks are dispensed with entirely or secured against flood buoyancy and oil escape.
- Less importance is attached to a waterproof concrete basement or to lightning/surge or storm/hail protection.

Nearly a third of responding P&C insurers cited a [flood label](#) from [Hochwasser Kompetenz Centrum e.V. \(HKC\)](#) or [flood prevention certificate \(Saxony\)](#) as an important approach for promoting sustainability in underwriting, although this is primarily relevant to property insurers. A flood pass provides a validated risk assessment for a building and helps the owner better recognise, assess and manage flood risk. The GDV is a member of the HKC Advisory Board.

It is very important to provide building owners with financial support for preventive measures against natural hazards. Support programmes similar to the KfW energy-efficient building refurbishment programme would be very helpful in this regard.

Many insurers already follow the GDV “Build back better” guidelines

Insurers also attach importance to systematic and effective climate change adaptation in claims settlement by the repair and restoration of damaged or destroyed property. In this connection, they follow approaches such as “build back better” (para. 21 of the Sustainability Positioning). In the previous year, the GDV published [non-binding guidance](#) for putting this approach into practice so that residential buildings are more resilient to extreme weather events. 31 % of the responding P&C

insurers already make use of this guidance. It is necessary to bear in mind here that not all insurers offer buildings insurance. The guidance provides specific proposals and recommendations for action to prevent damage to residential buildings due to natural hazards. It starts with an assessment of the building fabric and the building’s local/site-specific risk exposure. More-resistant building materials or components, such as watertight windows and doors to protect against flooding, play an important role. Other suitable protective measures include structural changes such as a lip to prevent water ingress on downward-leading stairs. Cost-benefit analysis can be used to determine the economic efficiency of potential measures.

Support for agriculture in climate change-related losses and climate change adaptation

Time and again, extreme weather events impact cereal and fruit harvests. Heavy rainfall, drought, hail and frost damage are set to increase as a result of climate change. This can pose a threat to the continued existence of agricultural and horticultural enterprises. In the face of increasing climate and policy-related challenges, agriculture is currently in the midst of a radical transformation process. This highlights the importance of insurers, which continue to actively support the agricultural sector in risk management. (Agricultural) insurers have detailed their contribution to the sectoral sustainability roadmap in a [position paper](#). By developing and providing sustainable, climate-friendly insurance products specifically geared to the needs of the agricultural sector, they cover a significant portion of the financial risks both within and outside of agriculture. They also systematically drive innovation, digitalisation and preventive measures and thus actively contribute to sustainability in the sector..

The Taxonomy Regulation

The EU Taxonomy is a European classification system designed to channel investment towards environmentally sustainable economic activities. The Taxonomy Regulation addresses six environmental objectives. Non-life insurance products are covered by the climate change adaptation objective. Under the EU Taxonomy Regulation, subject to certain conditions, insurance against climate-related perils is a sustainable economic activity that contributes to climate change adaptation. Property and casualty insurers that are required to report under the CSRD (see section 2.3) must disclose the extent to which their economic activities are environmentally sustainable within the meaning of the EU Taxonomy Regulation (“Taxonomy-aligned”).

On 4 July 2025, the European Commission published proposed amendments to sustainability reporting in accordance with Article 8 of the Taxonomy Regulation. The amendments are to apply from 1 January 2026 and are contained in a Delegated Regulation that is part of a general set of changes to the sustainability reporting requirements. Amendments with regard to non-life insurance include the introduction of a materiality threshold. There is a modified reporting template and, subject to certain requirements, an option not to report for two years.

On an ongoing basis since 2022, the GDV has been working with a project group on a set of frequently asked questions (FAQs) comprising non-binding interpretation and application guidance for GDV member companies on the implementation of reporting for primary insurers on Taxonomy-aligned economic activities. The changes will be incorporated into the FAQs once the published Delegated Regulation has entered into force.

Ongoing work on loss prevention approaches to protect against natural hazards

Loss prevention approaches also play an important role. They provide improved protection for people and property, and insurers use them to appropriately assess, manage and prevent risks. With regard to natural hazards, the following publications on loss prevention by the German insurance industry are to be mentioned: Protection of buildings against hail [VdS 6100](#), protection against flooding [VdS 3521](#), protection against storm damage [VdS 2389](#), guidelines on structural flood prevention [VdS 6002](#), and guidelines on mobile flood protection systems [VdS 6001](#). The increasing risk of extreme weather events is also a key topic of the last GDV report, “Schadenverhütung in der Sachversicherung 2023/2024” (“Loss prevention in property insurance 2023/2024”).

The GDV is actively involved in developing and updating recommendations for protection against natural hazards and extreme weather events by contributing its loss experience and expertise in risk management and loss prevention; for example

- At Deutsches Institut für Normung e. V. (DIN, the German Institute for Standardisation), among other things in the “Grundlagen der Sicherheitsanforderungen an Bauwerke (GruSiBau)” (“Basic principles for the definition of safety requirements for structures”) and on climate change adaptation in standards.
- At the German Association for Water, Wastewater and Waste (DWA) on flood prevention in

connection with high water levels and heavy rain, including flood-adapted planning and construction and municipal flood prevention audits.

- At the Association of German Engineers (VDI) (in connection with flood protection with technical building systems),
- As part of the European [FlashFloodBreaker](#) project for the development of an innovative early warning system to prevent urban flash flood damage. The system combines real-time data, AI-supported analysis and automated protection mechanisms to secure at-risk regions quickly and efficiently.

GDV provides information on natural hazards and raises public awareness on risk

Insurance companies play a major role in helping to understand the impacts of climate change and raising awareness as to the risks they pose to society. Their long-standing knowledge provides the basis for academic research into natural hazards, climate impacts and climate adaptation. Every year, the GDV compiles a natural hazards report detailing the damage to buildings, household contents, trade, industry, agriculture and vehicles. The reports, including those from previous years, can be downloaded from the [GDV website](#). A supplementary [online data service](#) provides graphics, tables and maps on natural hazard losses. The Naturgefahrenreport (Natural Hazards Report) 2024 focused on water-sensitive areas. What strategies exist for dealing with too much and too little water in Germany? How does the dyke system work? How can towns and cities protect themselves from heat and heavy rain? The Natural Hazards Report 2025 focuses on the topic of housing in various facets and from the perspectives of sustainability and climate change. One service provided by insurers to raise risk consciousness among the population is a [flood checkup \(Hochwasser-Check\)](#). This free service provides a quick and easy assessment of a building’s stormwater and flooding risk. Without registration, the only data item that needs to be entered is the place of residence.

GDV supports research with data, studies of its own and modelling

GDV supports the scientific community in researching climate-related risks. With financial resources provided by the GDV, the Wissenschaftsförderprogramm (science funding programme) of the Deutscher Verein für Versicherungswissenschaft (German Association for Insurance Science; DVfVW) is funding a research project on sustainability in buildings insurance using the example of heavy rainfall prevention (Coburg University of Applied Sciences and Euro-FH University of Applied Sciences, Hamburg). In addition, a research

project is being carried out on the subject of natural hazard insurance for municipal buildings (University of Hohenheim) as part of the GDV's science cooperation programme.

The growing frequency of exceptional weather events such as heavy rainfall poses a problem with increasingly dense urban development. Surface sealing prevents rain water from soaking into the ground. In the event of extreme rain, this can lead to floods causing serious damage. The GDV has analysed the average degree of surface sealing in built-up areas of 134 cities in a [surface sealing study \(Versiegelungsstudie\)](#). The GDV calls upon communities to make greater allowance for the risk of heavy rain in urban and landscape planning. A greater focus also needs to be placed on reversing surface sealing. Since 2023, the GDV has been working on a flash flood model to analyse where else in Germany flood disasters could occur similar to the Ahr valley flooding of 2021.

GDV data is also used in the following projects:

- The insurance industry supports public-sector [climate adaptation strategies](#) with data on insured natural hazard losses and insured portfolios and also plays an important role in [climate loss estimation](#).
- In cooperation with Deutscher Wetterdienst (DWD – the German weather service), the GDV provides detailed information on heavy rain and hail to support DWD research into those weather phenomena.

Scaling up climate change adaptation: onus is on federal, state and local governments

In light of the increasing number of extreme weather events due to climate change, there is an urgent need for enhanced prevention measures and climate change adaptation strategies. In the absence of suitable countermeasures, the GDV estimates that premiums for buildings insurance could double within the next ten years. The German insurance industry therefore sees the onus as being on the federal, state and local governments to swiftly advance the development of effective climate change adaptation strategies and above all to step up their implementation. With regard to extreme natural disasters, the GDV also advocates that the state and private insurers should share responsibility for shouldering the risks – a solution that several European countries have already successfully implemented.

5.2 Life insurance

Customers can now choose from a wide range of life insurance products with sustainability features. The types of products on offer cover the entire range from conventional insurance policies to hybrid and unit-linked products. A survey (covering almost 80 % of the market) on new business signed by life insurers in 2024 showed that almost all companies offer endowment life insurance products with ESG investment options. Their classification is based on the provisions of the Sustainable Finance Disclosure Regulation (SFDR).

- According to the survey, the proportion of products with sustainability options in new business (funds selectable in accordance with Article 8 or 9 of the SFDR) was almost 98 % for fund products and over 90 % for hybrid products.
- The proportion of products for which customers made use of this option was 59 % for fund-only products and 68 % for hybrid products.

GDV reform proposals for rapid and effective climate change adaptation

- Climate-adapted planning, building and restoration: prevention should be embedded in state building codes (Landesbauordnungen).
- Statutory ban on building in flood-prone areas: every year, around 1,500 new buildings are constructed in such areas.
- A halt to surface sealing: building permits should be predicated in future on a climate risk assessment.
- Introduction of natural hazard risk certificates for every building in Germany.
- Nationwide natural hazards portal based on the Austrian model (HORA): a database is provided for use by the public administration and businesses and also helps raise public risk awareness.
- Centralised nationwide data repository on all climate change adaptation measures: this would publicise successful projects and encourage their replication while promoting targeted investment.

→ The survey also showed that total guarantee assets are disclosed in accordance with Article 8 or 9 of the SFDR by half of life insurers in respect of conventional products and two-thirds of insurers in respect of the conventional component of hybrid products. Where disclosed, the minimum proportion of guarantee assets in sustainable investments – in each case as the average across all companies offering such products – was 4.3% for conventional products and 5.5% for the conventional component of hybrid products.

The aim of the SFDR requirements is to channel capital flows towards sustainable investments and economic activities by providing comparable and meaningful sustainability information on financial products. There is broad consensus among the European Commission, European supervisory authorities and financial market players that the SFDR does not adequately meet its objectives as it stands. One of the main problems is that the information on financial products is highly complex and hard to compare. This makes it difficult for investors to assess how sustainable a given financial product might be. Moreover, the requirements in the SFDR are not fully aligned with those in other legislation such as the Insurance Distribution Directive (IDD).

The SFDR requirements are difficult to apply to conventional life and annuity policies and hybrid products prevalent in the German insurance market. The reason is that with these products, all or part of the premiums paid by policyholders go into a mutual investment, the insurers' conventional guarantee assets. This enables the collective balancing of investment risks and the provision of long-term capital for investment, including investment outside of the equity markets. These insurance-specific structures need to be taken into account in the forthcoming revision of the SFDR so consumers have a wide range of ESG insurance products to choose from in future.

Another idea being proposed for the revision of the SFDR is the introduction of ESG product categories in order to provide greater clarity for investors, including retail investors. The European Commission presented three options for structuring ESG product categories in summer 2025::

→ Option 1 proposes three ESG product categories: “sustainable”, “transition” and “other ESG”. This is a comprehensive categorisation system that potentially covers all ESG-related products. The third category would include products with innovative strategies

that do not come under the first two. It would also include less ambitious products, such as those that avoid harmful investments.

→ Option 2 only provides for the two categories “sustainable” and “transition”. In this case, the categorisation system would be very narrow. It would only cover a small part of the ESG market and would significantly restrict the scope of the current Articles 8 and 9 of the SFDR.

→ Option 3 proposes that the existing Articles 8 and 9 of SFDR be used to define formal product groups. Products with a transition objective or innovative strategies would not be included.

The European Commission also communicated that Option 1 was the overall favourite for ESG product categorisation. This is positive from the insurers' perspective as it would allow for a wide range of innovative ESG-related products to be included. Another fundamentally positive aspect is that consideration has been given to specific insurance products. From an industry perspective, however, a general simplification of the disclosure requirements has priority. Furthermore, the sustainability preferences questionnaire (stipulated on in the IDD) should be greatly simplified and adapted in line with the revision of the SFDR and also with the ESG product categories, if applicable.

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1. Introduction



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german news



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english news



2. Embedding of sustainability in companies



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Page 21: BaFin 2023: Sustainable Finance Strategy



Page 22: EFRAG 2025: Amended ESRS



Page 24: EU Commission 2025: Press release – Commission presents voluntary sustainability reporting standard to ease burden on SMEs

3. Own business operations



Page 30: GHG Protocol 2025: Standards & Guidance



Page 30: GDV 2024: Broschüre zu indirekten Treibhausgasemissionen im eigenen Geschäftsbetrieb (Guidance on indirect greenhouse emissions in own business operations)

german

english



Page 31: German Energy Agency (DENA) 2024: Dena-Monitoringbericht – Neuzulassungen von Pkw mit elektrischen Antrieben (dena Monitoring Report: New registrations of passenger cars with electric drives) 2024



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Page 38: Eurostat 2025: Air emissions accounts for greenhouse gases by NACE Rev. 2 activity – quarterly data



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Page 39: Destatis 2024: Electricity consumption of households by household size



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Page 44: European Union 2024: Regulation (EU) 2024/1781 of the European Parliament and of the Council of 13 June 2024 establishing a framework for the setting of ecodesign requirements for sustainable products



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Page 48: EIOPA 2024: Advice to the European Commission on greenwashing risks and the supervision of sustainable finance policies



Page 50: GDV 2024: Nachhaltigkeitsziele für die Sanierung von Schäden in der Sachversicherung (Sustainability goals for the restoration of damage in property and casualty insurance)



Page 51: GDV 2025: Wohngebäude- und Hausratversicherung: Versicherungsdichte/Einschlussquote für die Volldeckung gegen weitere Naturgefahren (Elementar) (Homeowners and home contents insurance: insurance density/proportion of full coverage against additional natural hazards)



Page 53: Hochwasser Kompetenz Centrum e.V. (Flood Competence Center) 2025. Hochwasserpas Deutschland (Flood label Germany)



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Page 53: GDV 2024: Leitfaden Build Back Better (“Build back better” Guideline) (in German)



Page 53: GDV 2023: Positionspapier - Beitrag zur Nachhaltigkeitspositionierung in der Landwirtschaft (Position paper – Contribution to sustainability positioning in agriculture)



Page 54: GDV 2024: Bericht zu Schadenverhütung in der Sachversicherung (Report on loss prevention in property insurance)



Page 54: GDV 2024: Naturgefahrenreport (Natural Hazards Report) 2024



Page 54: GDV 2025: Naturgefahrenreport
(Natural Hazards Report) 2025



Page 54: GDV 2025: Datenservice zum Naturgefahrenreport
(Natural Hazards Report data service)



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Page 55: GDV 2023: Versiegelungsstudie
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