



GDV

German Insurance
Association

SUSTAINABILITY REPORT 2026

How insurers contribute to climate protection



Sustainability Report 2026

Editors

Susanne Frohreich
Celine Kaszas
David Kinne
Dr. Wolfgang Reichmuth
Marc Schwiering
Dr. Michaela Willert
Dr. Jan Winkin

Guest Contributions

Rolf Häbeler, NKI-Institut für nachhaltige Kapitalanlagen GmbH
Simone Rehbronn, AGV

Responsible

Dr. Michaela Willert
Sustainability Coordination Office
Tel.: +49 30 2020-5118
Email: m.willert@gdv.de

Publication Assistant

Heike Borchardt, Nadine Luther

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p.38: unsplash | Steven Lawson;
p.45: unsplash | Mario Ame;

German Insurance Association

(Gesamtverband der Deutschen Versicherungswirtschaft e. V.)

Wilhelmstraße 43 / 43 G, 10117 Berlin
Visitor entrance: Leipziger Straße 121
Box 08 02 64, 10002 Berlin
Tel.: +49 30 2020-5000,
Fax: +49 30 2020-6000
berlin@gdv.de
www.gdv.de

Rue du Champ de Mars 23
B-1050 Brüssel
Tel.: +32 2 282 47-30
Fax: +49 30 2020-6140
bruessel@gdv.de
www.gdv.de/gdv-en

www.DieVERSiCHERER.de
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Content

Editorial	04
Executive Summary	05
Key facts from the report	07
1 Introduction	08
1.1 Climate protection measures are more necessary than ever	09
1.2 Regulatory Environment	10
1.3 Methodology and Sources of the Report	12
2 Embedding Sustainability in Companies	14
2.1 Strategies and Goals	15
2.2 Structures, Resources, and Methods	18
2.3 Use of Climate Change Scenarios for Risk Management	20
2.4 Transparency and Sustainability Reporting	24
2.5 Conclusion	29
3 Own Business Operations	30
3.1 Carbon Footprint and Resource Consumption	31
3.2 Women in Leadership and Diversity	35
4 Investments	38
4.1 Carbon footprint of investments	39
4.2 Investing based on sustainability policies	41
4.3 Supporting Activities	43
5 Insurance Business	45
5.1 Strategies and Approaches in Property and Casualty Insurance	46
5.1.1 Underwriting	48
5.1.2 Products and Product Components	51
5.1.3 Claims Settlement	54
5.1.4 Climate Change Adaptation and Protection Against Natural Hazards	57
5.2 Life Insurance	60
Further Resources and Links	62

Editorial

Sustainability and climate protection have lost political significance – unfortunately, one must say. For the facts clearly contradict this. In 2026, 900 million people in 33 countries experienced the hottest July on record, according to analyses by the EU's Copernicus Earth Observation System. Many regions in Europe suffered from drought, wildfires, and low water levels. For Germany alone, institutions such as the ECB, KfW, and IfW estimate that heat and low river levels reduced economic growth for 2026 by 0.1 to 0.4 percentage points.

In terms of insurance losses due to natural catastrophes, 2025 provided a respite with a below-average total of 2 billion euros. However, our statistics also show years in which losses totaled more than 18 billion euros. In many places, adapting to the consequences of climate change is becoming an urgent task more quickly than had long been assumed. It is therefore essential to continue slowing down climate change.

We can no longer afford a hesitant climate policy. At the same time, adaptation efforts must be pursued with determination. Heat protection plans can better protect

children, older adults, and people with health impairments. Restoring natural water cycles can help retain water in the landscape longer and stabilise river systems.

At the same time, there are encouraging developments: The member states of the European Union have agreed on a climate target for 2040. The global increase in energy demand in 2025 was fully met by the expansion of renewable energy. And finally, the Intergovernmental Panel on Climate Change now considers its previous "worst-case" scenario to be unlikely because climate policy and technological progress are having an impact.

Insurers are working to reduce their own carbon emissions, promote the circular economy, and support customers and business partners in adapting to climate change. This report provides an overview of the industry's ambitions, measures, and progress based on GDV surveys. At the same time, it aims to foster dialogue about challenges and potential solutions. After all, sustainable transformation can only succeed through collective effort.



Dr. Norbert Rollinger and Jörg Asmussen
Berlin, October 2026

Executive Summary

In its annual sustainability report, the GDV documents, at an aggregated level, the ambitions, approaches, and measures taken by insurers in the areas of investments, insurance operations, and their own business activities, particularly with regard to decarbonisation and climate protection, the circular economy, and social aspects. This report is based on three surveys conducted in 2026 among GDV member companies, each of which saw high participation. Unless otherwise stated, the reported percentages refer to the market-weighted shares of the participating insurers based on gross written premiums.

Embedding Sustainability in Companies

In a challenging economic environment, sustainability remains a central component of corporate strategy for the vast majority of insurers in 2026. The primary drivers are internal management and regulatory requirements. Despite changes in the requirements for sustainability communication and reporting, most companies are sticking to their sustainability goals, and many have further expanded the management of their initiatives using key performance indicators (KPIs). However, these goals are not always communicated publicly.

Based on their climate scenario analyses, nearly all insurers have already identified physical risks for property and casualty insurance in the short and medium term. In their investment portfolios, physical risks are gaining increasing importance in the medium term, alongside transitory risks.

Sustainability Reporting

Following the reform of the Corporate Sustainability Reporting Directive (CSRD), 91 % (market-weighted) of companies and corporate groups remain subject to reporting requirements. The changes brought about by the EU Omnibus Package and efficiency gains in implementation have led to a reduction in workload for about one-third of the responding insurers, while for the majority (59 %), the workload remained stable.

Nearly all companies rate the reporting topic “Climate Change” as important for their own operations, investments, and insurance business. The materiality of the

standards “Own Workforce” and “Governance” for their own operations is rated just as highly. The reporting topic “Consumers and End Users” is unanimously considered essential for the insurance business. For their investments, roughly half of the market also considers “Biodiversity” and “Governance” to be essential.

Own Operations

The industry’s Scope 1 and Scope 2 emissions, extrapolated for the year 2025, remained virtually unchanged compared with the previous year, while Scope 3 emissions rose significantly (+20 %) due to improved data. The mobility transition continues to gain momentum at many insurers: According to GDV projections, the share of all-electric company cars rose sharply again to 27 % (previous year: 19 %). Among insurers working to further reduce their emissions, the focus is most commonly on building energy efficiency, even greater use of renewable energy, and the area of action “mobility.”

Three-quarters of the insurers participating in the survey (not market-weighted) are implementing measures to promote urban nature and biodiversity in at least some of their locations, for example by ecologically enhancing building areas and outdoor facilities.

Investments

For many insurers, the continued decarbonisation of their investment portfolios is among their most important sustainability measures. Based on the total investment portfolios of primary insurers, an estimated 90 % are managed along pathways that pursue company-specific emissions targets (previous year: 89 %).

The carbon footprint for company shares, corporate bonds, and real estate - aggregated by the GDV for primary insurers - continued to show a positive trend in 2025, and stood at 44 metric tons of CO₂ per million euros invested (previous year: 47 metric tons). The prevalence of investment exclusions – e.g., for activities related to fossil fuels or controversial weapons – has increased to 84 % of primary insurers’ total investments (previous year: 74 %), and the application of ESG integration approaches has risen to 63 % of investments (previous year: 58 %).

The projected share of the investment portfolio that primary insurers report as sustainable on a company-specific basis in accordance with Article 2(17) of the EU Disclosure Regulation has risen to 11.6 % (previous year: 9.7 %). The number of renewable energy projects in primary insurers' portfolios rose to 1,691 in 2025.

Insurance Business

In 2026, a large number of property and casualty insurers increasingly succeeded in integrating sustainability issues into their core business, particularly the energy and mobility transitions as well as the circular economy. The market-weighted share of property and casualty insurers that review their respective underwriting risk based on ESG criteria (76 %, previous year: 53 %) and/or have defined exclusion criteria (67 %, previous year: 65 %) has risen significantly.

Nearly all property and casualty insurers offer insurance coverage for technologies and measures that can contribute to decarbonisation or transformation. The availability of such offerings covering photovoltaics, battery storage, heat pumps, balcony solar power systems, and charging infrastructure ranges between 95 % and 99 %, depending on the line of business. 98 % of motor insurers offer coverage for charging infrastructure and e-mobility. However, many insurers currently assess the demand for, or the uptake of, such offerings as still modest.

The percentage of property and casualty insurers that incorporate at least one of the sustainability measures surveyed for this report into their claims settlement process remains stable at a high level of 89 %. For example, 88 % prefer repairs over the complete replacement of damaged items, and 73 % ensure that replacements are energy-efficient. However, there is room for improvement in the percentage of building insurers that promote climate-resilient reconstruction or resilient

damage repair (44 %). That said, greater risk awareness is also needed among homeowners in this regard.

When working with service providers such as tradespeople or damage restoration companies, a growing proportion of insurers are looking for formal proof of sustainability expertise: 59 % require a sustainability plan (previous year: 35 %), and 53 % take sustainability certifications, labels, or comparable evidence into account (previous year: 39 %).

As the frequency and intensity of extreme weather events increase, prevention and adaptation to climate change continue to gain importance to ensure that insurance coverage remains widely available and affordable in the long term. In 2025, property and casualty insurers' losses from natural catastrophes totaled 2 billion euros. One positive trend is the increase in the share of residential buildings with natural hazard insurance to approximately 59 % (previous year: 57 %).

The report shows that, despite changes in the regulatory framework, sustainability remains strategically embedded at most insurance companies. Further progress is evident, particularly in the decarbonisation of investment portfolios and the integration of sustainability considerations into underwriting risk, claims management, and product design. The issues of nature-related risks and biodiversity conservation are gaining importance for risk management and investment strategies at numerous insurers. In the future, it will be necessary to analyse the extent to which this development translates into concrete measures. From the GDV's perspective, the foreseeable failure to meet the 1.5°C target of the Paris Agreement creates a new sense of urgency to actively help shape the transformation toward a sustainable economic system while simultaneously strengthening resilience to natural catastrophes through prevention and insurance coverage.

Key facts from the report

Own operations

	2022	2023	2024	2025
Companies with a sustainability strategy*	96%	99%	96%	99%
Companies with separate sust. function or representatives*	94%	87%	100%	100%
Scope 1+2 Carbon footprint of own operations in Germany in metric tons of CO ₂ e**	0.17 million	0.17 million	0.16 million	0.17 million
Scope 3 Carbon footprint of own operations in metric tons of CO ₂ e **	0,29 million	0,33 million	0,35 million	0,43 million
Carbon intensity (Scope 1+2), average in metric tons of CO ₂ e per FTE**	0.80	0.80	0.74	0.80
Retired carbon offset credits of survey participants in metric tons of CO ₂ e	0.13 million	0.26 million	0.34 million	0.16 million
Percentage of all-electric company cars among the survey participants**	/	10%	19%	27%
Percentage of women on executive boards***	15.6%	18.4%	19.6%	21.1%
Percentage of the Top 60 insurance companies without women on the board***	33.0%	26.7%	27.1%	31.7%
Percentage of women on supervisory boards***	27.5%	28.5%	30.6%	26.7%

Note: * Percentages represent GWP-weighted shares of insurers participating in the GDV surveys; ** Extrapolation for the overall market; Sources: Sustainability Reports GDV, ***DIW Female Managers' Barometer

Investments

	2022	2023	2024	2025
Percentage of assets managed according to company-specific sustainability criteria (e.g., compliance with recognised investment principles, use of ESG ratings, use of exclusion criteria)	90%	90%	91%	92%
Percentage of assets with company-specific carbon reduction target paths	70%	89%	89%	90%
Percentage of assets disclosed by insurers pursuant to Art. 2.17 SFDR	9.5%	8.6%	9.7%	11.6%
Percentage of green bonds	1.5%	1.7%	2.0%	2.2%
Percentage of investments in renewable energy	1.0%	1.2%	1.2%	1.1%
Carbon footprint – Total (equities, corporate bonds, and real estate) in metric tons of CO ₂ e per million euros	/	61	47	44
Carbon footprint - Equities and corporate bonds in metric tons of CO ₂ e per million euros	79	66	53	49
Carbon footprint – Real estate in metric tons of CO ₂ e per million euros	/	16	10	9

Note: Percentages represent the extrapolated share in the total investments of primary insurers. Sources: GDV surveys on investments;

Insurance Business

Property and casualty insurers ...	2023	2024	2025	2026
...with an ESG assessment process in underwriting risk	53%	51%	53%	76%
...with underwriting risk exclusions	65%	69%	65%	67%
...with communication with policyholders	56%	51%	52%	52%
...by monitoring relevant ESG metrics in underwriting risk	/	12%	31%	36%
...by underwriting risks/technologies/business models to promote the transition	/	/	/	59%
...by offering products or components with potential to contribute to decarbonisation and transformation*	58%	48%	34%	97%
with sustainability as a criterion in their claims settlement process, e.g. by saving resources and reducing emissions during repair, refurbishment and replacement processes	92%	86%	90%	89%

Note: The percentages represent GWP-weighted shares of the property and casualty insurers participating in the GDV surveys
* Question changed in 2026; until 2025: "Products explicitly marketed by insurers as sustainable." Sources: GDV Sustainability Reports



1

Introduction

The foreseeable overshoot of the 1.5°C threshold set by the Paris Agreement increases the urgency of climate protection and adaptation measures. At the same time, opportunities remain to limit the extent and duration of global warming and accelerate the transition to a climate-resilient economy. This chapter highlights the resulting areas of action, contextualises current regulatory developments, and explains the methodological basis of the report.

1.1 Climate protection measures are more necessary than ever

The Paris Agreement aims to limit the increase in global average temperature to well below 2 °C and, if possible, to 1.5 °C. The [United Nations Environment Programme](#) (UNEP) estimates that the 1.5 °C threshold could be exceeded as early as 2030. However, this does not render the 1.5 °C target obsolete. The impacts of every additional tenth of a degree of warming on natural ecosystems and human well-being are significant. It is therefore crucial to keep the extent and duration of any overshoot as minimal as possible in order to still achieve the long-term goal.

With decisive action, the trend can still be steered in the right direction. Resignation is not an option. UNEP describes the path to climate stabilisation in three phases, each with its own challenges:

- **First:** Rapid action is needed to limit the potential peak of global warming. Since the consequences of climate change increase non-linearly with rising temperatures, prevention, protective measures, and resilience must be strengthened simultaneously.
- **Second:** Greenhouse gas emissions must be reduced to net zero as quickly as possible to keep the “overshoot” phase short. At the same time, adapting to physical climate risks and managing more frequent and intense extreme weather events will continue to gain importance.
- **Third:** A decarbonised and renewable economic and lifestyle model must be sustained over the long term, while simultaneously addressing the long-term consequences of global warming. Adapting to changing climatic conditions thus becomes an ongoing task that requires continuous investment and effort.

According to calculations by the [Intergovernmental Panel on Climate Change](#) (IPCC), five additional years of greenhouse gas emissions at current levels will increase global warming by approximately 0.1 °C. At the same time, in 2024, nearly three-quarters of global greenhouse gas emissions stemmed from the combustion of fossil fuels and industrial processes.

The International Energy Agency (IEA) therefore views the consistent transition to electrification as one of the key measures for limiting global warming. According to the IEA, the new “[Age of Electricity](#)” has already begun. However, its potential for climate policy can only be realised if the expansion of renewable energy, grid infrastructure, and storage technologies progresses in tandem.

Global progress in this area is encouraging: By 2025, renewable energy had reached the same level as coal in electricity generation. The additional electricity demand was met entirely through renewable energy sources. For Europe and Germany, this development presents an opportunity to reduce their high dependence on energy imports. According to [Eurostat](#) data, import dependence stood at 57 % in Europe and 67 % in Germany in 2024. About two-thirds of these imports consisted of oil and petroleum products.

The [UN Global Environment Outlook 2025](#) summarises the key reforms necessary for the transformation of economic and financial systems:

- Phasing out subsidies for activities that are harmful to the climate and the environment and increasing support for renewable economic practices.
- Pricing of negative environmental impacts, along with supporting measures to promote environmentally friendly behavior.
- Embedding sustainability as a central component of governance, risk assessment, and risk management, as well as internationally coordinated action.

→ Strengthening sustainable financial flows through the targeted allocation of public funds and appropriate incentives for private investment. Given that an investment volume of 150 to 200 trillion U.S. dollars will be required by 2050 to achieve the global net-zero goal, the steering of capital flows as well as internationally coordinated standards and taxonomies are becoming increasingly important.

The developments described also directly affect the insurance industry: As risk managers, risk bearers, and investors, insurance companies play a central role in addressing transformation and climate risks. From the GDV's perspective, the foreseeable failure to meet the 1.5°C target therefore creates a new sense of urgency to actively help shape the transition toward a sustainable economic system while simultaneously strengthening resilience to natural catastrophes through prevention and insurance coverage.

1.2 Regulatory Environment

The EU has been working for several years on regulatory frameworks to support sustainable finance. However, in the parallel development of these requirements, the scope has at times gone beyond what was intended. Furthermore, some requirements are insufficiently coordinated with one another. Overall, this has led to uncertainty in the application of the law, and the implementation of these measures has placed a burden on many companies. In this regard, it was the right decision to begin correcting these regulatory missteps in 2025. Since the 2025 GDV sustainability survey, cross-sectoral requirements, regulations for the financial sector, and those specifically for insurers have continued to evolve.

Cross-Sectoral Requirements

As early as 2025, the European Commission proposed comprehensive changes to sustainability-related disclosure requirements (Corporate Sustainability Reporting Directive – CSRD). These include a significant narrowing of the CSRD's scope and coverage, as well as a simplification of the European Sustainability Reporting Standards (ESRS). The amendments to the CSRD have since been adopted as Directive (EU) 2026/470, which entered into force on March 18, 2026. The scope of the CSRD has been narrowed to companies with more than 1,000 employees and more than 450 million EUR in net revenue. In addition, the requirement to develop sector-specific ESRS was removed.

At the same time, the ESRS were revised. The European standard-setter EFRAG had submitted its technical recommendation for simplified ESRS to the European Commission at the end of November 2025. On July 3, 2026, the European Commission adopted [the revised ESRS](#) as a delegated act based on this. The number of mandatory data points is to be reduced by more than 60 %, and the total number of data points by more than 70 %. The Delegated Regulation was published in the Official Journal of the European Union on September 21, 2026, and will enter into force on November 10, 2026. It generally applies to fiscal years beginning on or after January 1, 2027. For companies that are no longer subject to reporting requirements, the disclosure requirements under the Taxonomy Regulation will also no longer apply.

The German transposition of the CSRD was initiated with the publication of a draft bill on July 10, 2025, by the Federal Ministry of Justice and Consumer Protection, but has not yet been completed.

In July 2026, the European Commission formally adopted a voluntary sustainability reporting standard (Voluntary Standard – VS) for smaller companies, which establishes a framework for voluntary reporting for companies outside the scope of the CSRD. At the same time, the VS is intended to limit the information requirements along the value chain of companies subject to reporting obligations. Companies with up to 1,000 employees are not required to provide information beyond the scope of the VS to companies subject to the CSRD. The [Delegated Regulation](#) on the VS standard was published in the Official Journal of the European Union on September 21, 2026, and entered into force on September 24, 2026. The upper limit for the value chain applies to fiscal years beginning on or after January 1, 2027.

Changes were also made to the sustainability-related corporate due diligence obligations (Corporate Sustainability Due Diligence Directive - CSDDD). The scope of application is set to be significantly narrowed to include only very large companies with more than 5,000 employees and global net revenue exceeding 1.5 billion euros. At the same time, the due diligence obligations will be more strongly focused on particularly high-risk areas of the value chain. The requirement to adopt a climate transition plan, as well as various provisions regarding liability and reporting, has been removed. In addition, implementation and application deadlines for the directive have been postponed by one year to 2028 and 2029, respectively.

Since September 27, 2026, new requirements to protect consumers from misleading environmental claims (“greenwashing”) have taken effect based on the EU Directive “Empowering Consumers for the Green Transition” (EmpCo Directive). In Germany, the EU regulations were implemented through amendments to the Act Against Unfair Competition (UWG). Since the new requirements took effect, voluntary general statements regarding environmental characteristics may only be made to consumers if they are either clearly and prominently explained in greater detail on the same medium or substantiated by an independent label of approval or other EU law. Furthermore, under the amended UWG, companies can no longer publicly commit to sustainability and climate protection for the future without defining concrete, measurable, and time-bound goals. Claims regarding future environmental characteristics must be underpinned by such verifiable targets in a detailed and realistic implementation plan and regularly reviewed by independent experts. The additionally planned directive to regulate specific environmental claims (Green Claims Directive) will not be pursued for the time being, but remains listed as “open” in the European Commission’s 2026 Work Programme.

Regulations for Sustainable Finance

The EU Taxonomy Regulation and related reporting requirements are being further developed. The changes to reporting under Article 8 of the Taxonomy Regulation, which were initiated in 2025, were published on January 8, 2026, in the [Official Journal of the EU](#) as Delegated Regulation 2026/73. In principle, the amended rules already apply to the 2025 financial year, which has ended. However, companies still have the option to apply the previous regulations. On March 17, 2026, the European Commission published proposals for changes to the technical screening criteria (TSC) of the Taxonomy Regulation and opened them for consultation. The proposals are intended to simplify the screening criteria and clarify the requirements for demonstrating compliance. For insurers, the revisions to the screening criteria for the construction industry, real estate, and forest management are particularly relevant from an investment perspective.

The revised Solvency II Directive (specifically Article 44) defines explicit requirements for the management of sustainability risks. Accordingly, insurers are required to establish a so-called sustainability risk plan. The European Insurance and Occupational Pensions Authority (EIOPA) had proposed a draft technical regulatory standard (RTS) for this purpose. These standards have been put on hold by the European Commission for the time being. On July 13, 2026, Bafin published

a [supervisory notice](#) on this matter. According to the notice, the requirements related to sustainability risk plans are to be implemented within the existing risk management system. Bafin does not expect a separate document for a sustainability risk plan for the time being.

Another provision in the revised Solvency II Directive (Article 41(1)) also stipulates that insurers should develop and implement guidelines for the selection of members of their administrative, management, or supervisory body (AMSB) to promote diversity, including a balanced gender ratio. The European Insurance and Occupational Pensions Authority (EIOPA) published [guidelines](#) on this topic in October 2025, which will take effect on January 30, 2027.

On November 20, 2025, the European Commission published a draft amendment to the Sustainable Finance Disclosure Regulation (SFDR). The most significant proposed changes concern the product classification system and the associated disclosure requirements. The existing disclosure categories under Articles 8 and 9 are to be replaced by a new categorisation system. The investments that give the categories its name are to account for 70 % of total investments.

At the same time, the revised Article 6 introduces fundamental sustainability-related disclosure requirements for all financial products. Furthermore, the proposal calls for the removal of the definition of sustainable investments (Article 2(17)) and the abolition of the DNSH principle. The current PAI statement at the company level is to be replaced by sustainability-related indicators at the product level.

In the future, intermediaries will no longer fall within the scope of the Disclosure Regulation. To support this, an adjustment to the PRIIP requirements is planned. From the GDV’s perspective, the treatment of products that currently disclose information under Article 8 or Article 9, as well as multi-option products, requires clarification. The legislative process could be completed by the end of 2026. Subsequently, extensive work on Level 2 will begin. The application of these rules to insurance products could then begin in 2030.

Against the backdrop of ongoing dynamic legal developments, it remains an important task for European and national legislators to further simplify the existing legal framework, reduce the burden on companies, and at the same time empower the financial sector to contribute to economic and social transformation.

1.3 Methodology and Sources of the Report

The report provides an aggregated analysis of how GDV member companies have strategically and organisationally embedded sustainability. Since the business models of many insurers are particularly affected by climate change and its consequences, the report places a special emphasis on this topic.

In line with the concept of double materiality, two perspectives are examined: First, the report investigates the impact that insurance companies have on the climate and the environment through their respective business strategies and activities (inside-out perspective). Second, it analyses how climate change and sustainability issues influence insurers' business operations (outside-in perspective).

In addition to climate change, the report examines other aspects of environmental sustainability, particularly the protection of natural resources. Intact ecosystems form the foundation for social prosperity and economic activity and are therefore also important for insurers' business operations. At the same time, as natural carbon sinks, they make an important contribution to climate protection and, as regulators of the water cycle, support adaptation to the impacts of climate change, such as floods and droughts. Furthermore, the report examines the topic of the circular economy, which has gained particular importance in recent years, especially for property and casualty insurers.

In the area of social sustainability, the focus is on insurers' own workforces, particularly on the issues of gender equality and diversity. In addition, taking into account internationally recognised human rights and labor standards can be important in responsible investment and in underwriting risks.

This report is based on several surveys of GDV member companies:

- **Survey on the allocation of investments** as of December 31, 2025, serving as the data basis for Chapter 4.
- **GDV sustainability survey** on the integration of sustainability aspects – particularly climate protection, biodiversity, and the circular economy – into business strategy, own operations, and property and casualty insurance. In addition, assessments were collected regarding the impacts of regulatory changes, such as those in the area of sustainability reporting. The survey was conducted from July 9 to August 14, 2026, and forms the basis for Chapters 2, 3, and 5.1.
- **Survey on life insurers' new business with ESG-related aspects** for the year 2025, serves as the data basis for Chapter 5.2.

The surveys were conducted via the GDV's member portal and were directed at all member companies. This made it possible to achieve high market coverage. Of the approximately 460 GDV member companies, the following response rates were achieved:

- **Survey on the allocation of investment assets:** The responses represent 81% of the investment volume of primary insurers.
- **GDV sustainability survey:** A total of 180 insurance companies participated. Among them were 117 primary insurers (excluding health insurers), which represent 72 % of the gross written premiums (GWP) of the German market. This includes 73 property and casualty insurers with a market share of 68 % of line-of-business-specific GWP, as well as 44 life insurers in the narrower sense with a market share of 76 % of technical reserves. In addition, reinsurers, health insurers, and holding companies participated in the survey.
- **Survey on new business of life insurers:** The responses cover just under 80 % of the total new business for capital-forming life insurance contracts.

In the German insurance market, many companies make strategic decisions at the group level. Therefore, questionnaires could be answered jointly for multiple insurance companies. Multiple responses were ruled out through the use of unique company identifiers.

The aim of the report is to provide an aggregated picture of the German insurance market. Given the high participation rate and the market coverage achieved, this objective can be considered fulfilled. Nevertheless, a certain degree of selection bias cannot be ruled out in the sustainability survey, as companies with lower sustainability ambitions may have been less likely to participate in the survey. However, the results prove to be largely consistent when compared to other GDV surveys and statistics.

To adequately reflect the market structure, the responses from companies in the GDV sustainability survey are weighted according to their share of gross written premiums (GWP). Companies with higher market shares thus carry greater weight in the analysis, as their decisions affect a larger number of customers.

When interpreting the results, the different reference values for each chapter must be taken into account:

- **Chapter 2:** Percentage of primary insurers participating in the survey, weighted by GWP.
- **Chapter 3:** Proportion of companies that completed the thematic questionnaire on their own operations.
- **Chapter 4:** Extrapolated shares of primary insurers' capital investments.
- **Chapter 5.1:** Percentage of property and casualty insurers participating in the survey, GWP-weighted.
- **Chapter 5.2:** Share of participating life insurers or the underlying policies.

The authors would like to thank all employees of the insurance companies who participated in the surveys, as well as their colleagues at the GDV who prepared the data used for the analyses in this report.



2

**Embedding
Sustainability
in Companies**

The decarbonisation of investments and business operations, the professional management of climate risks, and transparent sustainability reporting remain central components of corporate strategies for the vast majority of insurers, even in light of the changed political agenda and regulatory easing.

Strengthening competitiveness, bureaucratic requirements, and building resilience in a world of geopolitical tensions remain high on the political agenda in Europe and Germany. In an “omnibus” legislative package, the European legislature has reduced numerous requirements regarding transparency and corporate due diligence obligations in the area of sustainability, or has focused them on fewer – primarily larger – companies. This also affects German insurers, whose range of providers extends from regional insurance associations to global corporations. In recent years, regulation has been a key driver of insurers’ strategic direction. Preparing for implementation has led companies to build up sustainability expertise, but at the same time has tied up enormous resources. However, the reforms have also meant that insurers can rely less on data and reports from other companies within their value chain for their own efforts.

This chapter provides an overview of whether insurers’ strategic objectives around sustainability have changed. It also outlines the structures that have been established and the methods employed to achieve the set goals. Climate change and its consequences as well as the potential impact of climate policy on the insurance business remain a focus of the financial services regulator. This chapter provides an update on how insurers are incorporating climate change and climate policy into their

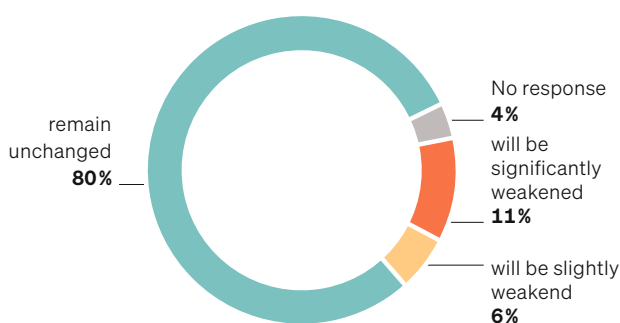
risk management. Finally, it demonstrates how insurers are implementing regulatory requirements to report regularly on the social and environmental risks to which they are exposed, as well as on the impacts of their activities on people and the environment (Corporate Sustainability Reporting Directive – CSRD).

2.1 Strategies and Goals

Reports from previous years had clearly shown that virtually the entire insurance market in Germany had integrated the environmental and social impacts of its own activities into its strategic orientation - going beyond a mere consideration of risks. The focus here is on the potential of the respective business models to help mitigate climate change. In addition, three-quarters of the insurers that participated in the GDV survey in 2025 considered the compatibility of economic growth and environmental sustainability to be high or even very high in the long term. In the short term, however, trade-offs between economic growth and environmental sustainability were perceived to a greater extent, and nearly half of the responding companies rated the compatibility as moderate. In light of economic uncertainty, this year’s survey therefore asked how the regulatory relief provided by the EU Omnibus legislation is affecting companies’ sustainability ambitions and priorities. For 80% of the responding companies (weighted by market share), ambitions and priorities have remained unchanged (Figure 1). For 6%, however, they have weakened slightly, and for 11%, they have weakened significantly. Overall, the level of ambition among the vast majority of insurers operating in Germany remains unchanged.

Sustainability ambitions and priorities remain largely stable

Figure 1 · Responses (in %) weighted by market share to the question: “How does the revised CSRD/Omnibus framework affect your company’s sustainability ambitions and priorities? The ambitions and priorities...”



Source: GDV

However, insurers’ communication about their ambitions will change in the future. Since September 27, 2026, new requirements based on the EU directive “Empowering Consumers for the Green Transition” (EmpCo), new requirements have been in effect to protect consumers from misleading environmental claims (“greenwashing”). In Germany, the EU regulations were implemented through amendments to the Unfair Competition Act (UWG). Since the law took effect, voluntary general statements about environmental characteristics made to consumers may only be made if they are either

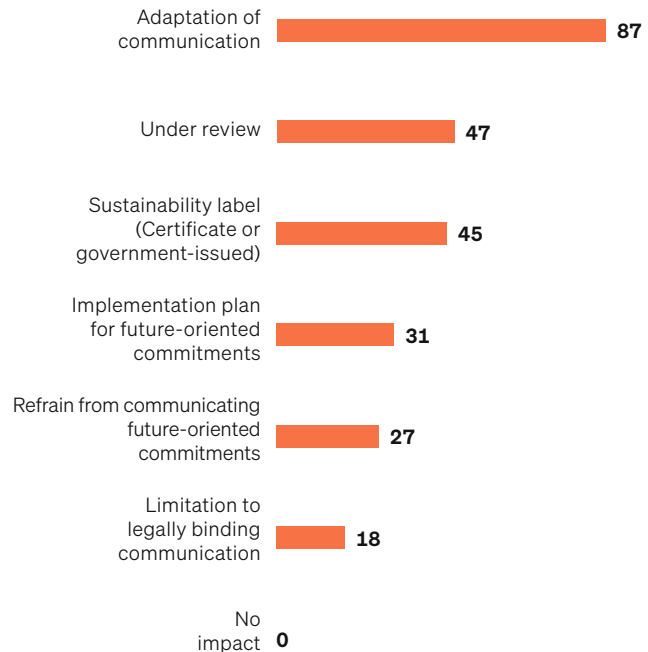
explained in more detail in the same medium, verified by an independent label of approval, or substantiated by other EU law. Furthermore, companies can no longer publicly commit to sustainability and climate protection for the future without defining concrete, that is, measurable and time-bound, goals. Claims regarding future environmental characteristics must be supported by verifiable targets in a detailed and realistic implementation plan and regularly reviewed by independent experts.

Insurers and financial products were not the focus of these regulations, but they are equally affected by them. At the time of the survey, only two companies with a small market share believed that the rules would have no impact whatsoever on their own communications (Figure 2). 87 % of the companies intended to adjust their communications, particularly by providing explanations and more specific details. It is therefore likely to become even clearer in the future in which sustainability aspects play a role for an insurer or insurance product. Just under half of the responding companies were still evaluating how to handle the new rules (47 %; multiple responses were allowed). Almost as high, at 45 %, was the proportion of companies that intend to back up their own statements in the future with certified or government-recognised sustainability labels. Another third of the companies plan to develop an implementation plan for forward-looking statements, as required by the UWG. Several fundamental characteristics can be derived from the regulations that a permissible and robust implementation plan would need to include. Beyond that, however, there are no further detailed specifications regarding the substantive requirements. In this respect, there are still some legal uncertainties for companies. By contrast, about a quarter of the companies will not make any public commitments regarding future environmental performance, and about a fifth intend to limit themselves to legally binding disclosures.

The extensive adjustments resulting from the EmpCo Directive do not mean that insurers have previously ignored the issue of greenwashing. On the contrary, in the financial sector, the prevention of “Greenwashing” has been a well-established issue for some time. Bafin had already defined the topic as a medium-term goal in its [Sustainable Finance Strategy](#) back in 2023. Against this backdrop, the majority of insurers have implemented internal processes to address greenwashing risks. Among the responding companies, 86 % (previous year: 84 %) have such processes in place with regard to their own information. Another 12 % plan to establish such internal processes. For external information, 52 % (previous year:

Corporate communications on sustainability are becoming more specific

Figure 2 · Responses in % weighted by market share to the question: “What impact is the EmpCo Directive and its implementation into German unfair competition law (UWG) expected to have on your company’s commercial communications regarding sustainability/ESG?”, multiple responses allowed



Source: GDV

64 %) of the responding companies have implemented processes. Another 24 % intend to follow suit. One-fifth of the responding insurers do not intend to implement internal processes for managing greenwashing risks related to external information (previous year: 26 %).

As part of sustainability-related corporate due diligence obligations (Corporate Sustainability Due Diligence Directive - CSDDD), EU lawmakers had mandated the development of transition plans. In these plans, companies were to specify how they intend to contribute to the goals of the Paris Agreement. This requirement was dropped as part of the omnibus legislation. Nevertheless, 45 % of the responding insurers state that they have already drawn up a transition plan (Figure 3). This figure is roughly the same as last year’s. These respondents consist almost exclusively of large insurance groups. Another 31 % are still planning to develop such plans, which are now voluntary (previous year: 36 %). Last year, this group included many medium-sized and SME insurers, some of which are now taking advantage of the regulatory relief. The proportion of insurers that do not intend to develop a plan has risen from 13 % to 16 %.

The transition plans that have been developed vary in terms of their characteristics and content (Table 1). All transition plans include the investment business, and more than 80 % also include the insurance business and the company’s own operations part of the planning. Compared to the previous year, the proportion of transition plans with scientifically sound content has increased. The proportion of publicly accessible plans backed by financial resources has also risen. International frameworks and guidelines provided important guidance during the drafting process.

However, insurers appear to be reluctant to use transition plans developed by companies in the value chain, or such plans may be less readily available due to regulatory changes. For 42 % of the responding companies, these plans play no role. 36 % of the responding companies use transition plans, and only 3 % plan to do so.

This year, the direction of sustainability efforts is being determined even more strongly than in previous years by the companies’ own management and by supervisory or regulatory requirements (Figure 4). With very few exceptions, all responding insurers cite corporate management as the strongest influence on their sustainability strategies, and 84 % supervision and regulation. While far less important, the focus on competitors is nonetheless on the rise. In contrast, shareholders (15 %), rating agencies, and customers (11 %) are seen as having less influence on the sustainability strategy than in the previous year. However, the role of the company’s own employees has declined the most (-10 percentage points). This could be an indication that, while CSRD sustainability reports support internal strategy and implementation processes, the market transparency in the area of sustainability created by the comprehensive CSRD reporting standards - which was intended to benefit financial service providers and, explicitly, other stakeholders as well - currently appears to have less potential impact, at least among insurers.

Characteristics of Transition Plans Developed and Their Prevalence

Table 1 · Prevalence in %

Characteristics	Prevalence
The reduction targets are consistent with the goals of the Paris Agreement	80-100
The reduction targets are supported by specific measures	80-100
The greenhouse gas savings resulting from the measures are quantified	80-100
The transition plan has no significant adverse effects on other environmental and social aspects (DNSH criterion)	80-100
The reduction targets are scientifically sound	80-100
The transition plan is aligned with international frameworks/guidelines (e.g., from FIT, GFANZ, CDP)	80-100
The transition plan is publicly available	60-80
The measures are backed by funding	40-60

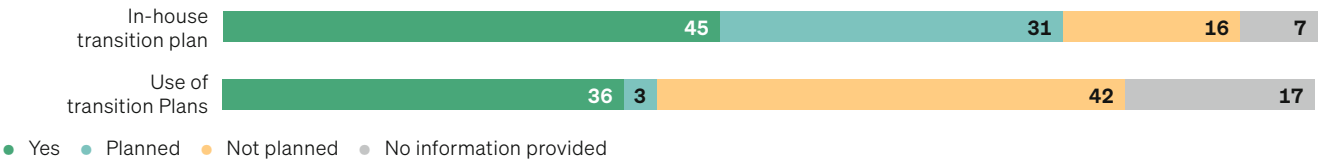
Source: GDV

Voluntary platforms and standards provide guidance to a large proportion of insurers regarding their own ambitions and strategies. The vast majority of insurance companies already voluntarily adhere to external sustainability standards to achieve their goals. For example, 89 % of responding insurers are members of the “Principles for Responsible Investment” (PRI) initiative, and 68 % are members of the Net Zero Asset Owner Alliance. Three-quarters of responding insurers have joined the Global Compact. The UN Principles for Sustainable Insurance are an important global initiative for the insurance industry. However, participation by German insurers has declined and now stands at 46 % (previous year: 62 %). Standards such as EMAS or ISO are widely used for internal own operations, at 47 %.

The GDV is a supporting partner of the PRI and the PSI. However, there is no single relevant market standard.

Transition Plans: Often Developed or Planned In-House, but Plans from Other Companies Are Used Less Frequently

Figure 3 · Responses (in %) weighted by market share to the questions: “Has your company developed a transition plan or an overarching transformation plan for itself?” and “Does your company already use transition plans from companies in the value chain?”



Source: GDV

In some cases, multiple standards are taken into account for different areas of the insurance business. The prevalence of the individual standards is described in the following chapters, which are dedicated to the respective areas.

2.2 Structures, Resources, and Methods

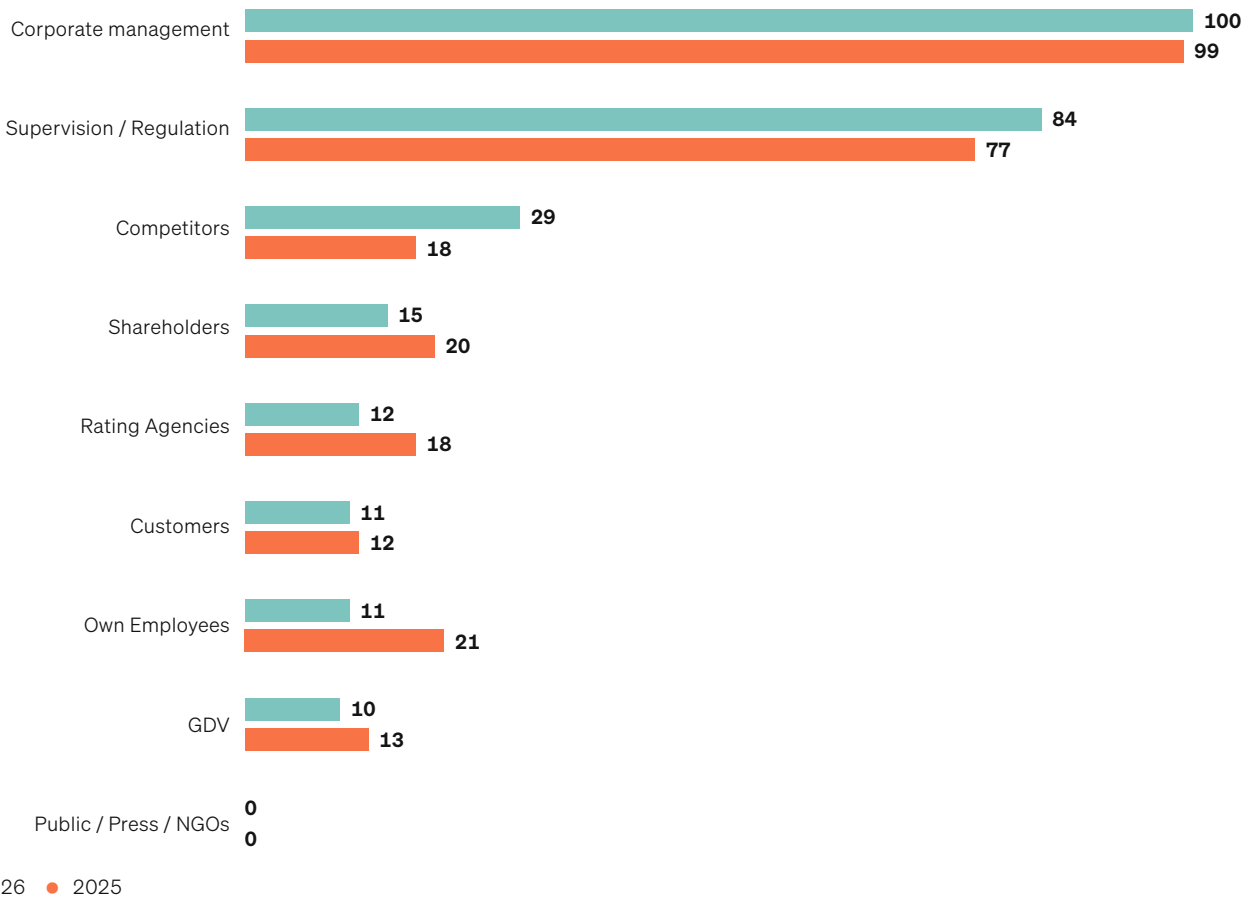
Sustainability remains the responsibility of senior management. Across nearly the entire industry (99 % of responding companies), senior management is responsible for implementing the respective sustainability strategy and achieving its goals. The second most common arrangement is for responsibility to be held by a dedicated committee (25 %). With shares of around 10 % each, responsibility is now less frequently concentrated in individual roles: CEO (10%), CFO (12%), CCO, and CRO (9 % each).

In recent years, all companies participating in the survey had separate sustainability units or sustainability officers coordinating the activities of the business units. For 71 % of the responding companies, regulatory changes have not resulted in any changes to responsibilities or resources related to sustainability. At 19% of the responding companies, sustainability units were expanded. At 6 % of the companies, sustainability functions have been placed in a new department. 5 % of the companies report a decline in resources, of which 3 % added new topics, and 2 % downsized the unit. One company reports that the unit was dissolved. The results here may be somewhat skewed, as companies in which the sustainability unit was dissolved likely no longer responded to the questionnaire.

The integration of sustainability considerations into the various business areas of insurance companies has increased compared to the previous year. The use of key performance indicators (KPIs) to quantitatively measure progress in implementing their own strategies has

Corporate governance and regulation have the strongest influence on sustainability strategies

Figure 4 · Maximum of three responses, answers in % weighted by market share in response to the question: “Which stakeholders have the strongest influence on your company’s sustainability strategy?”



Source: GDV

also increased (Figure 5). In nearly all responding companies, the cross-divisional business units such as investments and own business operations are part of the sustainability strategy. In both areas, the use of KPIs has increased by 3 and 8 percentage points, respectively, compared to the previous year.

In property and casualty insurance, there has been a significant increase (15 percentage points) in the inclusion of products for the retail market in strategic plans. This business segment is now included in the strategies of 98 % of the responding property and casualty insurers. Just under half of them use KPIs (+14 percentage points). At 90 %, underwriting is the second most common component of the strategy. However, KPIs are used somewhat less frequently there, at 34 percent. Products for commercial, industrial, and agricultural sectors are being integrated into the strategy, though at a declining rate. A significant decline had already occurred here last year, and this trend is now continuing at a slower pace, from 82 to 78 percent. At the same time, the use of KPIs has increased significantly by 20 percentage points.

In life insurance, the business areas covered have remained largely stable. However, once again, fewer responding companies are using KPIs for products (57 %), while the share using KPIs in underwriting has risen slightly to 10 %. Full coverage of all areas with KPIs is not expected in the future either, as in some cases no suitable indicators are available, or data collection can be very time-consuming.

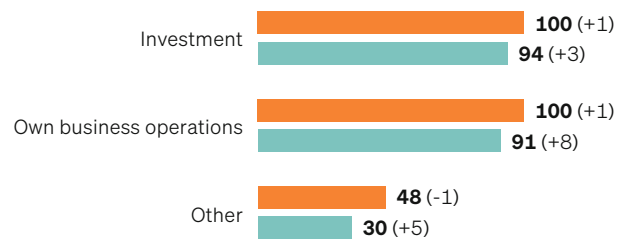
The trend evident in the figures is also reflected in the top three measures insurers were able to list in the questionnaire. Activities in the areas of investment and internal business operations were most frequently cited as TOP-1 and TOP-2 measures. Developments in investment, business operations, and the insurance business are discussed in greater detail in the following chapters. At this point, however, the relative importance of these areas in insurers' activities becomes particularly clear.

In the area of capital investment, the focus remains on the decarbonisation of portfolios, the integration of ESG criteria into investment decisions, and a stronger alignment with long-term climate goals. In addition to specific reduction targets, some companies are striving to improve the ESG profile and ESG ratings of their capital investments. Other companies are working to increase their engagement with investees or to make their investments more impact oriented.

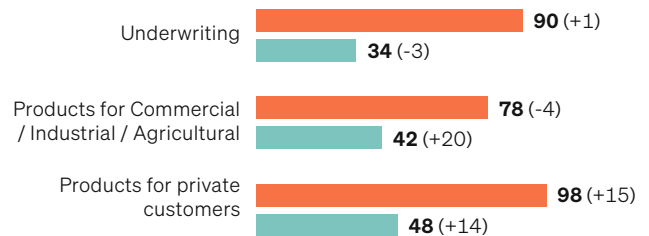
Business units involved in implementation and definition of Key Performance Indicators (KPIs)

Figure 5 - Responses in % weighted by market share; in parentheses: change from the previous year in percentage points; multiple responses allowed

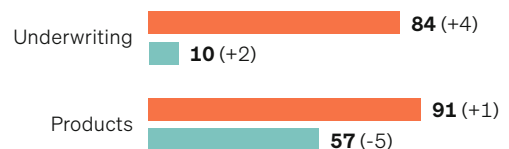
... cross-divisional business units



... in property and casualty insurance



... in life insurance



● Category is included ● KPIs defined

Source: GDV

In their own business operations, insurers are focusing on the decarbonisation of their premises and processes, increasing energy and resource efficiency, and designing buildings, mobility, and digital workflows in a sustainable manner. Some responses mention promoting biodiversity and ecological diversity at company locations.

Product development is cited as the third most common field of action among the TOP priorities. The range of topics extends from adapting insurance products to transitional climate risks and opportunities to developing innovative products to support societal decarbonisation. When it comes to insurance products, some insurers are also seeking to deepen the dialogue with corporate clients on transformation and climate issues. In addition, some

of the responding insurers are working to integrate sustainability aspects into their claims processes.

Among the TOP measures, raising employee awareness of climate protection, transforming corporate culture, and insurers’ social engagement are given slightly lower priority. To raise awareness, several insurers use training sessions, education and continuing education programmes, study tours, podcasts, and action days. Strengthening corporate culture and cultural transformation, as well as initiatives for health and well-being, are also mentioned. As measures for social engagement, some insurers aim to strengthen regional activities, support charitable foundations, or make donations.

Another key priority among the TOP measures is the continued strategic integration and management of the respective ambitions and goals within the companies. For many insurers, the implementation of regulatory requirements also remains important, specifically, reporting (CSRD, ESRS), the Sustainable Finance Disclosure Regulation (SFDR), and the adjustments to corporate communications discussed above in light of the EmpCo Directive.

When asked about the methods used to manage sustainability factors and their impacts (Figure 6), it becomes clear once again that insurers employ a wide variety of approaches. On average, more than five different methods were selected per questionnaire. Since these methods have evolved in recent years, the response options in the questionnaire were adjusted. As a result, a year-over-year comparison is not possible in all cases.

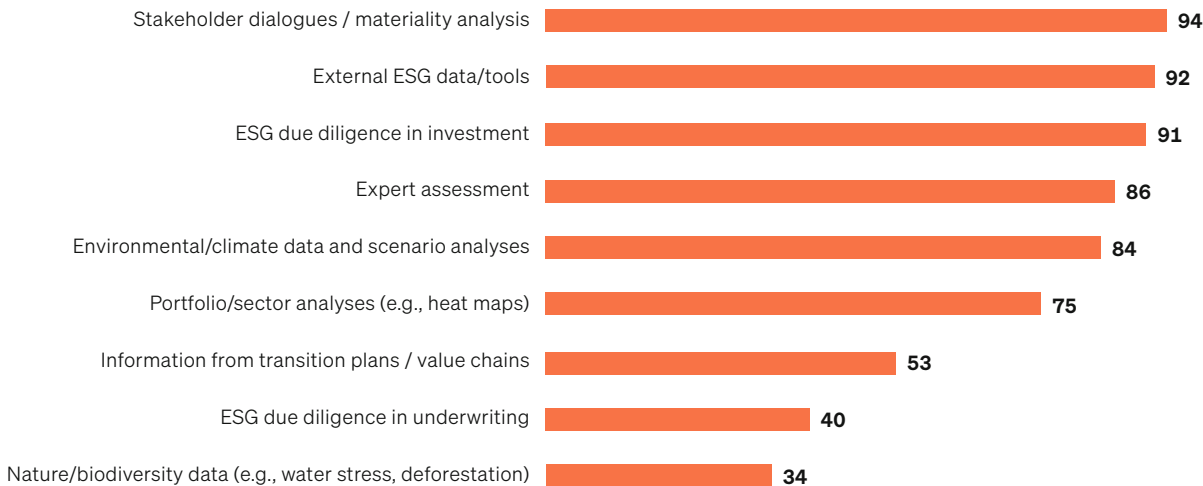
Materiality analyses and stakeholder dialogues are the most frequently cited, at 94 percent. For companies subject to reporting requirements, materiality analysis is a core element of CSRD reporting. The use of ESG tools or ESG data follows at 92 % but has once again lost some ground compared to previous years (previous year: 95 %), as has ESG due diligence in investment decisions (91 %, previous year: 93 %). By contrast, the proportion of companies relying on expert assessments has risen to 86 % (previous year: 80 %). 84 % rely on environmental and climate data as well as scenario analyses. The following section discusses this method in greater detail. More than half use information from their own value chain. Since the use of transition plans, as shown above, is less widespread, companies are evidently relying on other sources of information in this regard. The use of ESG due diligence when underwriting risks has further declined to 40 % (previous year: 62 %). The newly surveyed use of nature and biodiversity data, at 34 %, is roughly comparable to the evaluation of environmental data regarding biodiversity risks surveyed in previous years.

2.3 Use of Climate Change Scenarios for Risk Management

As risk bearers and investors, insurance companies face the challenge of identifying, assessing, and responsibly managing physical and transitional risks associated with climate change. As climate change intensifies, the corresponding requirements for risk management within companies have also increased. Since 2022, regulators

Wide Range of Methods for Identifying Sustainability Factors

Figure 6 · Responses in % weighted by market share; multiple selections allowed in response to the question: “What methods does your company use to identify sustainability factors or impacts?”



Source: GDV

have expected that material climate change risks be assessed using scenario analyses. This involves examining possible future developments to proactively identify new risks and take countermeasures at an early stage. The findings are to be incorporated into business planning and strategy and reported to the financial regulator Bafin (report on the “Own Risk and Solvency Assessment – ORSA”). With the latest developments in Solvency II, these scenario analyses have also been enshrined in law effective 2027.

In 2022 and 2023, the Sustainability Report presented for the first time how insurers are implementing regulatory requirements. Companies with a 72 % market share (measured by GWP) completed the thematic questionnaire for this year’s report. This once again provides detailed insights: How are the impacts of climate change being assessed? In which areas and time frames are impacts classified as material, and in which are they not?

Nearly all responding insurers conduct climate change scenario analyses (98 %). Only a few insurers with a 2 % market share currently do not conduct scenario analyses, as climate change does not pose a material risk to them.

To support its member companies, the GDV has developed potential approaches for implementing regulatory requirements and, in early 2022, published its first edition of “Climate Change Scenarios in ORSA”, a publication aimed at experts within the companies. [Version 3.0](#) (only in DE) was released in the summer of 2025; it was completely revised and largely rewritten. This GDV publication is used by nearly the entire market (89 %).

Insurers are required by regulation to analyse the impacts of at least two long-term climate change scenarios – one with a temperature increase below 2 °C and one above 2 °C. The “Network for Greening the Financial System (NGFS),” a global alliance of central banks and supervisory authorities formed to contribute to achieving the goals of the Paris Agreement, has developed various long-term scenarios that can be used to assess climate-related risks. These scenarios differ not only in terms of the magnitude of the temperature rise but also in terms of the policy measures designed to promote the transition. Each scenario is associated with different physical and transitional risks. The NGFS provides appropriate climate and economic indicators for each scenario. The GDV publication on climate change scenarios in ORSA discusses these scenarios in detail.

The survey shows that the NGFS scenarios have essentially become the standard – 93 % of the insurers who

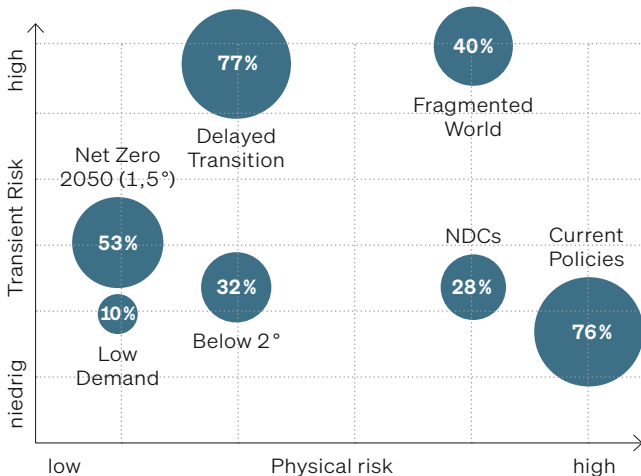
responded use these scenarios. Alternatively, some use their own scenarios or, for example, IPCC scenarios. Among the seven long-term NGFS scenarios, two are by far the most commonly used (Figure 7): The “Delayed Transition” and “Current Policies” scenarios are each used by more than three-quarters of the survey participants. The “Delayed Transition” scenario assumes that climate policy measures are initially postponed but then abruptly introduced in order to just meet the climate target. This scenario is associated with high transitional risks involved. “Current Policies” assumes that no additional climate policy measures will be taken beyond those already implemented. In this scenario, the physical risks of climate change are particularly pronounced. Furthermore, more than half of the market uses the Net-Zero-2050 scenario, which depicts an ambitious transition toward net-zero carbon emissions by 2050. While it is initially associated with transitional risks as well, it leads to significantly lower physical risks in the long term. The newly introduced “Fragmented World” scenario – in which climate policy measures are implemented late and only in part of the world – is used by 40 % of the market. In addition, however, the “Below 2 °C” and “Nationally Determined Contributions (NDCs)” scenarios are used to a significant extent (32 % and 28 %, respectively). The “Low Demand” scenario is used significantly less frequently, at 10 %. It assumes a rapid but comparatively cost-effective transition and, accordingly, presents low physical and transitional risks. Therefore, it is likely less suitable for risk management purposes.

Insurers are examining all areas of their core business for the impacts of climate change (Figure 8). In most cases, both quantitative and qualitative analyses are conducted. Quantitative assessments are particularly common for investment portfolios (92 %) and the underwriting practices of property and casualty insurers (90 %). The proportion of insurers conducting quantitative analyses has risen significantly over time. In addition, qualitative analyses continue to be carried out, particularly in the underwriting practices of life and property and casualty insurers (91 % and 73 %, respectively). Even though effects can now be quantified in many areas, it is evident that further qualitative analyses remain valuable. Other topics are examined qualitatively by more than half of the market. These include impacts on a company’s own business operations (operational risks) and other types of risks, such as reputational risks or climate-related lawsuits.

Climate change can affect various business areas with different time horizons. In the survey, respondents were therefore asked, for each individual area, over what time periods the impacts of physical and transitional risks are

Clear Favorites Among the NGFS Scenarios Used

Figure 7 · Responses in %, weighted by market share; multiple responses allowed to the question: “Which of the NGFS’s long-term scenarios are used?”



Source: GDV

identified: in the short term (within the next five years), in the medium term (from five years to 2050), and in the long term, beyond 2050. Many insurers have not provided any information for this long-term period. One reason for this is likely that, in the NGFS scenarios, the economic data projections end in 2050, while the climate projections extend to 2100. This reflects a fundamental problem: the further one looks into the future, the greater the uncertainty becomes regarding how far the economic transformation will have progressed by then and how successfully the transition will have been managed. However, especially with regard to transitional risks, scenario analyses need a certain degree of plausibility in order to draw meaningful conclusions from them. At the

same time, uncertainty is also growing over time at the corporate level regarding how a company’s own business will have developed by then in terms of underwriting and capital investments – yet a company’s own exposure to specific physical and transitional risks depends on this.

Impact on the Investment Portfolios

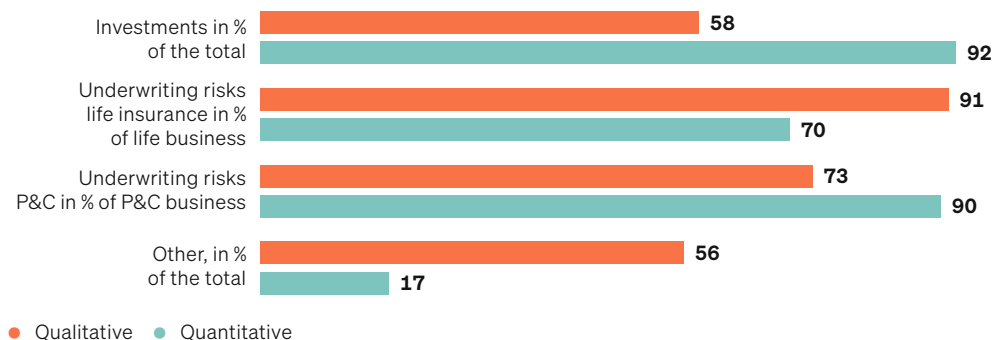
Limiting climate change requires the continued transformation of the real economy, which – through new regulatory frameworks, prices, products, and production processes – will also lead to changes in valuations on the capital market. This is accompanied by corresponding transitional risks for capital investments. In the survey, two-thirds of the market (67 %) already see short-term impacts of such risks on their investments, with 14 % of them assessing the impacts as significant (Figure 9a). This proportion rises to 84 % in the medium-term outlook through 2050, with 25 % assessing the impacts as significant. Even for the more distant future beyond 2050, more than half (52 %) continue to expect impacts from transitional risks

Physical risks also affect the valuation of assets, for example, through disruptions to companies’ production processes or natural catastrophes affecting real estate. More than half of insurers (57 %) expect physical risks to have an impact on their assets even in the short term (Figure 9b). Compared to previous surveys, significant risks are now also perceived in the short term (11 %). In the medium and long term, as many as 86 % and 61%, respectively, anticipate impacts, with a growing proportion of them assessing the risks as significant (18% and 25 %, respectively).

Thus, very large majorities across the board expect both transitional risks and physical risks to have an impact on their investments. Significant impacts of transitional

The impacts of climate change are analysed qualitatively and quantitatively

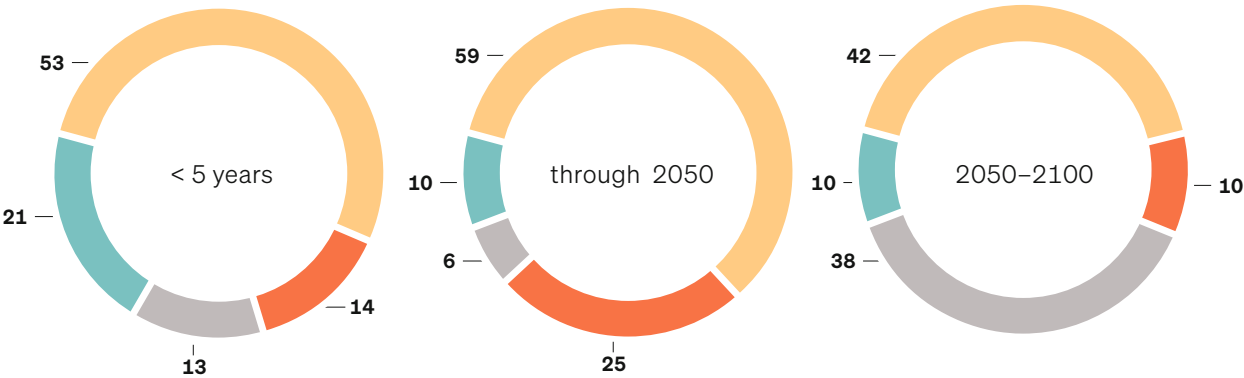
Figure 8 · Responses in %, weighted by market share, for investment and “Other” as a percentage of the total; for life insurance and SUV, the percentage of responses specific to each line of business; multiple responses allowed



Source: GDV

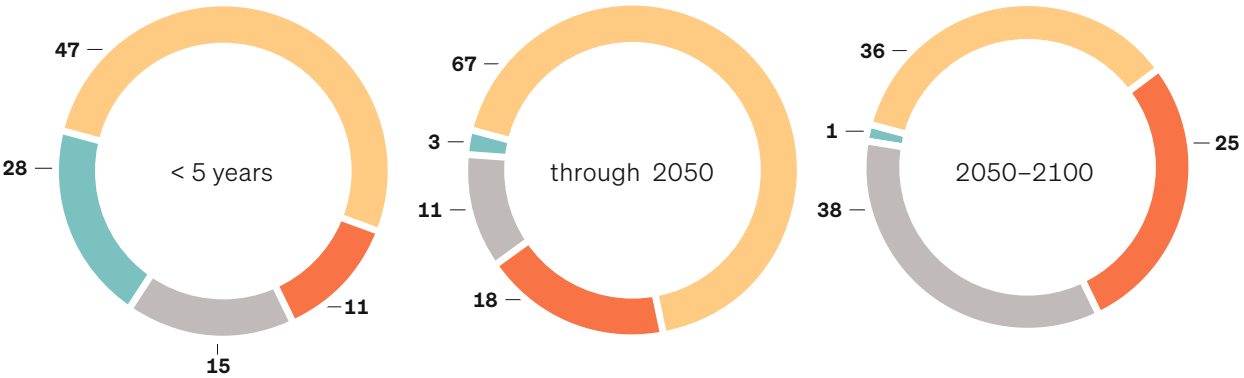
Transitional Risks for Investment Portfolios

Figure 9a · Responses in %, weighted by market share



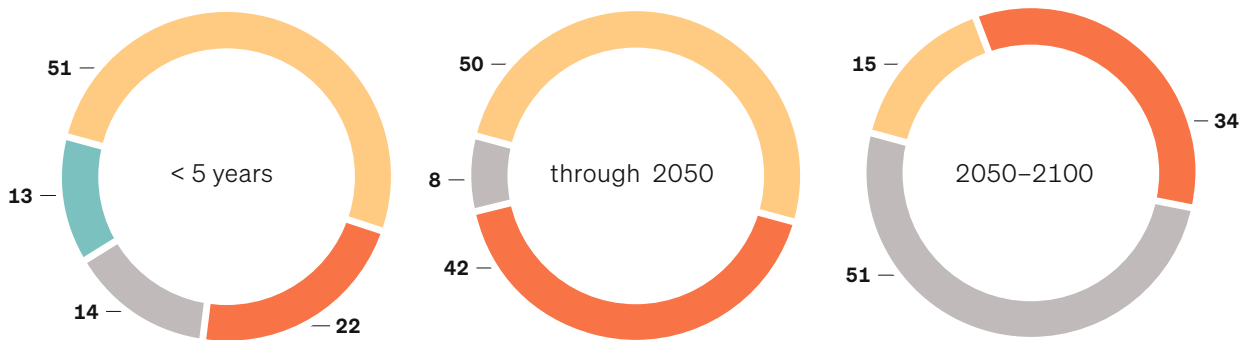
Physical Risks for Investment Portfolios

Figure 9b · Responses in %, weighted by market share



Physical Risks for Property and Casualty Insurance

Figure 9c · Responses from SUVs, weighted by market share (%)



● No impact ● Some impact ● Material impact ● Not specified

Source: GDV

risks peak in the medium term, while for physical risks they continue to rise over time. It should be noted, however, that for both types of risk, 38 % of respondents did not provide any information regarding the long term. The proportion of those who explicitly do not expect any impacts is by no means increasing; rather, it declines to as low as 1% for physical risks.

Impact on Property and Casualty Insurance

In property and casualty insurance, physical risks – such as the frequency of extreme weather events – are a particular focus. In the short term, 73 % of the property and casualty insurance market segment expect physical risks to have an impact on prudential underwriting risks, with 22 % – a significantly higher proportion than in previous surveys – already anticipating significant impacts (Figure 9c). In the medium term through 2050, the vast majority of property and casualty insurers – 92 % – expect physical risks to have an impact, with 42 % anticipating significant impacts. For the long term beyond 2050, only 49% cite impacts, with 34 % – the majority of them – expecting significant impacts. However, this decline in the reported figures is put into perspective by the fact that more than half of the participating property and casualty insurers (51%) did not provide data for the period after 2050. Not a single property and casualty insurer expects no impacts from physical risks in the medium or long term.

Impacts on Life Insurance

In life insurance, physical risks can have an impact in the form of climate-related changes in morbidity and mortality. In the short term, 60 % of the life insurance market segment expects physical risks to affect underwriting risk (no figure provided); in the medium term, 80 %; and in the long term, 70 %. In the medium and long term, 14 % and 17 %, respectively, expect significant impacts, but none in the short term.

Transitional risks can also arise in life insurance, for example, due to an increase in policy cancellations resulting from economic transformation. In the short term 43 %, in the medium term 78 %, and in the long term 67 % of the life insurance market segment expect transitional risks to affect underwriting. However, hardly any life insurers expect significant impacts (0 %, 2 %, and 2 %, respectively). The proportion of companies that did not provide data rises for both types of risk from 13 % to 16 % in the short and medium term to 27 % in the long term.

This shows that life insurance underwriting is also exposed to certain climate-related risks. Unlike in property and casualty insurance underwriting or in the area of

investments, however, the proportion of companies that consider these risks to be significant is low. Climate-related risks apparently have the greatest impact on the areas of property and casualty insurance and investment portfolios.

The purpose of these long-term scenario analyses is to enable insurers to identify potential risks early on and take preventive action if necessary. As shown at the beginning of this chapter, insurers have already developed strategies for managing sustainability risks. Against this backdrop, 54 % of the responding companies state that the scenario analyses did not reveal any additional need for action on their part. For 28 %, a concrete need for action became apparent, and measures were derived accordingly. In every case (i.e., for the same 28 %), these measures concern reinsurance policy and underwriting policy in property and casualty insurance, as well as, in most cases, investment (25 %). Measures related to the company's own business operations (12 %) are significantly less common, while underwriting policies in life insurance are rarely mentioned (3 %).

Aside from the topic of climate change, this year's survey also included questions about nature-related financial risks for the first time. The focus was on what types of analyses insurance companies could envision conducting over the next three years for material nature-related risks facing their businesses. Multiple responses were allowed. The results showed that 11 % of the responding insurers cannot envision conducting more detailed analyses because no material risks exist for their companies. 31 % cannot envision conducting more detailed analyses because such analyses are not (yet) feasibly possible. In contrast, 59 % could envision conducting qualitative analyses, and 35 % quantitative analyses.

2.4 Transparency and Sustainability Reporting

In recent years, many associations and companies – including the insurance industry – have criticised the extensive scope of the new EU regulations on sustainability reporting. With the first omnibus package in February 2025, the European Commission proposed a significant narrowing of the scope and coverage of the CSRD, as well as a simplification of the European Sustainability Reporting Standards (ESRS). The corresponding amendments to the CSRD have since been adopted as Directive (EU) 2026/470, which entered into force on March 18, 2026. Accordingly, the scope of the CSRD is now limited to companies with more than 1,000 employees and more than 450 million euros in

net revenue. In addition, the requirement to develop sector-specific ESRS has been removed.

At the same time, the ESRS were revised at the European level. EFRAG submitted its technical recommendation for simplified ESRS to the European Commission at the end of November 2025. On July 3, 2026, the European Commission adopted [revised ESRS](#) as a delegated act based on this recommendation. These provide for a significant reduction in reporting requirements: The number of mandatory data points is to be reduced by more than 60 %, and the total number of data points by more than 70 %. The Delegated Regulation was published in the Official Journal of the European Union on September 21, 2026, and will enter into force on November 10, 2026. It generally applies to fiscal years beginning on or after January 1, 2027.

According to [estimates by the governing parties](#) in the German Bundestag, this will significantly reduce compliance costs for the business sector from approximately 1.65 billion euros to approximately 172 million euros; one-time compliance costs will decrease from approximately 881 million euros to approximately 99 million euros. Of this amount, approximately 169 million euros are attributable to administrative costs resulting from reporting requirements.

The GDV survey shows that sustainability reporting based on the CSRD remains mandatory for the majority of the German insurance market even after the scope of application was adjusted by Omnibus I. Companies and corporate groups that meet the Omnibus I thresholds for CSRD reporting obligations account for 91% of the responses. In contrast, 9 % of the responding companies state that they do not meet the new thresholds. Only a very small number of the responding companies (0.3 % of the responses) would have become subject to new reporting requirements under the previous CSRD criteria but now fall outside the scope of application due to the Omnibus I thresholds. These figures correspond to earlier GDV projections for the industry, so the GDV survey is likely to provide an accurate reflection of current market conditions.

In Germany, there is currently no legal obligation to report in accordance with the CSRD. Nevertheless, many insurers have already reported voluntarily in accordance with or based on the CSRD and the ESRS. In particular, corporate groups with branches in multiple EU member states are currently faced with inconsistent regulations. According to [Accountancy Europe](#), as of September 2025, 21 member states had already transposed the CSRD into national law.

How do insurers rate the effort required for reporting compared to the previous year? The changes brought about by the EU Omnibus Package have already had a positive impact on about one-third of the responding insurers (Figure 10). Thirty percent reported a reduction in their workload of up to 25 %, while for 4 %, the reduction was even more significant. For a majority of 59 %, the CSRD workload remained stable. In contrast, only 1 % of the responding companies reported a higher reporting workload. The results suggest that many insurers have now integrated the requirements into existing processes. This may have contributed to efficiency gains in reporting. The coming years will show to what extent the ESRS adjustments will lead to simplifications.

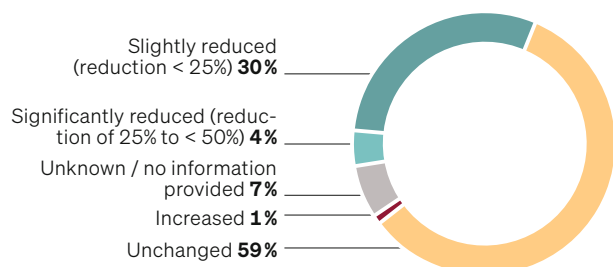
At the time of the survey, 77 % of the responding companies already stated that they fully apply the ESRS (Figure 11). Another 12 % apply the ESRS partially, and only 2 % do not apply it at all. The remaining 9 % that did not provide any information are likely to be companies that are no longer subject to reporting requirements under the new thresholds (see above). The results illustrate that the ESRS, regardless of regulatory changes introduced by Omnibus I are already firmly established in the sustainability reporting of a large portion of the insurance market. In particular, full implementation shapes the reporting, while only a very small proportion of companies have opted out of it entirely.

Many insurers also plan to go beyond legal requirements when it comes to external audits of their sustainability reporting. These audits could be applied not only to mandatory reports but also to voluntary reporting. For the 2026 financial year, a total of 79 % of responses came from companies seeking a voluntary audit of their sustainability reports (Figure 12). Of these, 45 % plan to undergo a limited assurance audit. Another 34 % aim for a higher level of assurance with a reasonable assurance audit. In contrast, only 12 % of the responding companies do not plan to undergo a voluntary audit. For another 3 %, the decision is still pending, and for 6 %, no information is available. External auditing of sustainability reporting remains relevant for a large portion of the insurance market, even in the absence of a legal obligation. This suggests that many companies place a high value on the reliability and robustness of their sustainability information.

In parallel with the ESRS, the European Commission also formally adopted a voluntary sustainability reporting standard (Voluntary Standard – VS) for smaller companies in July 2026. This standard provides companies outside the CSRD's scope with a proportionate framework for voluntary sustainability reporting. At the same

CSRD reporting burdens remain largely stable or are decreasing

Figure 10 · Assessment of changes in reporting burden compared to the previous year by companies that reported under the CSRD in both fiscal years; responses in %, weighted by market share



Source: GDV

time, the VS is intended to limit the information requirements along the value chain for companies subject to reporting obligations. Companies with up to 1,000 employees are not required to provide information to CSRD-subject companies that goes beyond the voluntary standard. The Delegated Regulation was published in the Official Journal of the European Union on September 21, 2026, and entered into force on September 24, 2026. The upper limit for the value chain applies to financial years beginning on or after January 1, 2027.

In the responses to the GDV questionnaire, half of the eligible companies or corporate groups with 1,000 or fewer employees indicate that they plan to implement the VS as early as financial year 2026 or are at least currently evaluating it. This suggests an early willingness to adopt the standard.

In addition to the formal requirements for sustainability reports, this year's GDV survey once again examined which sustainability topics are particularly relevant to the insurance industry (Figure 13). To provide a nuanced picture, respondents were again asked for which business areas the respective thematic standards are considered material. Compared to the previous year, the results show both stable priorities and significant shifts. The figure focuses on the standards that were particularly relevant in 2025. Standards E2 "Pollution", E3 "Water" and S3 "Affected Communities" are not presented due to their comparatively lower relevance this year as well.

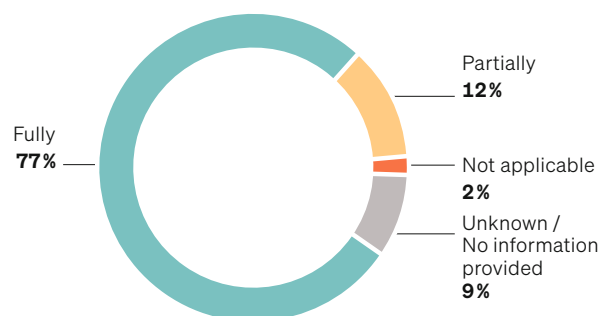
→ **Environmental Standards:** Nearly all participating companies rate Standard E1, "Climate Change," as material for the three business areas of Own Operations, Investment Portfolio, and Insurance Business. Compared to the previous year, the percentages have

thus risen slightly once again. 93 % rate it as material for their own operations (previous year: 89 %), 98 % for the investment portfolio (previous year: 95 %) and 96 % for the insurance business (previous year: 95 %). This underscores the continued relevance of climate change as a central sustainability issue for the insurance industry. Standard E4 "Biodiversity and Ecosystems" is considered material primarily for investments (50 %, prior year: 49 %) and, to a significantly increasing extent, for the insurance business as well (39 %, prior year: 20 %). Standard E5, "Resource Use and the Circular Economy," is considered relevant particularly for the insurance business (28%, previous year: 18 %) and investments (27 %, previous year: 32 %). In contrast, only 6 % of companies still consider it material for their own operations. Compared to the previous year, this share has declined significantly by 36 percentage points.

→ **Social Standards:** 97 % of participating companies rated Standard S1 "Own Workforce" as material for their own business operations. For the insurance business, however, the standard is rated as material by only 2 % of companies, and for investment activities, by none at all. Its relevance for their own business operations remains as high as in the previous year. Changes in the percentages for investment activities and the insurance business are due to the fact that in the 2025 survey, many companies classified the standard as relevant to the entire company. For the survey it was attributed to these business areas. This response option was no longer offered in the 2026 survey. Standard S2 "Workers in the value chain" has gained significantly in importance across all three business areas: 45 % (previous

The majority of companies are opting for full implementation of the ESRS

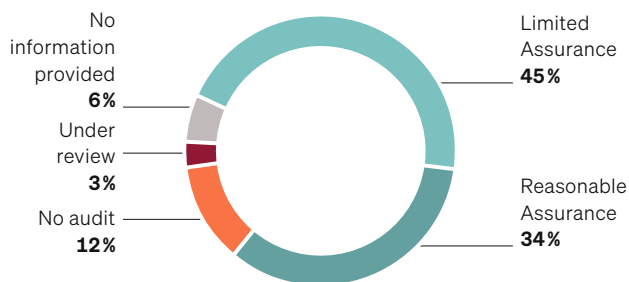
Figure 11 · Responses (in %) weighted by market share to the question: "Does your company apply the ESRS fully or in part for reporting purposes?"



Source: GDV

Majority of companies aim for voluntary auditing of reports

Figure 12 · Responses in % weighted by market share to the question: “If you prepare a mandatory or voluntary report for the 2026 fiscal year, will your company have this report audited on a voluntary basis?”



Source: GDV

year: 27 %) of companies consider it essential for investments, 33% (previous year: 17 %) for their own business operations, and 28 % (previous year: 3 %) for the insurance business. Standard S4, “Consumers and end-users,” continues to be highly relevant, particularly for the insurance business (97 %, previous year: 94 %). A steady 39 % (previous year: 36 %) also rate it as material for investments. The assessment of materiality for their own business operations has halved from 44 % to 22 %. However, this decline is also attributable to the changed survey methodology.

→ **Governance Standard:** The Governance Standard is of particular importance for a company’s own operations. 97 % (previous year: 95 %) of the responding companies rated it as essential. For investment activities, the proportion is 50 %, and for the insurance business, 12 %. These figures declined compared to the previous year, which is also likely attributable to the changed survey methodology.

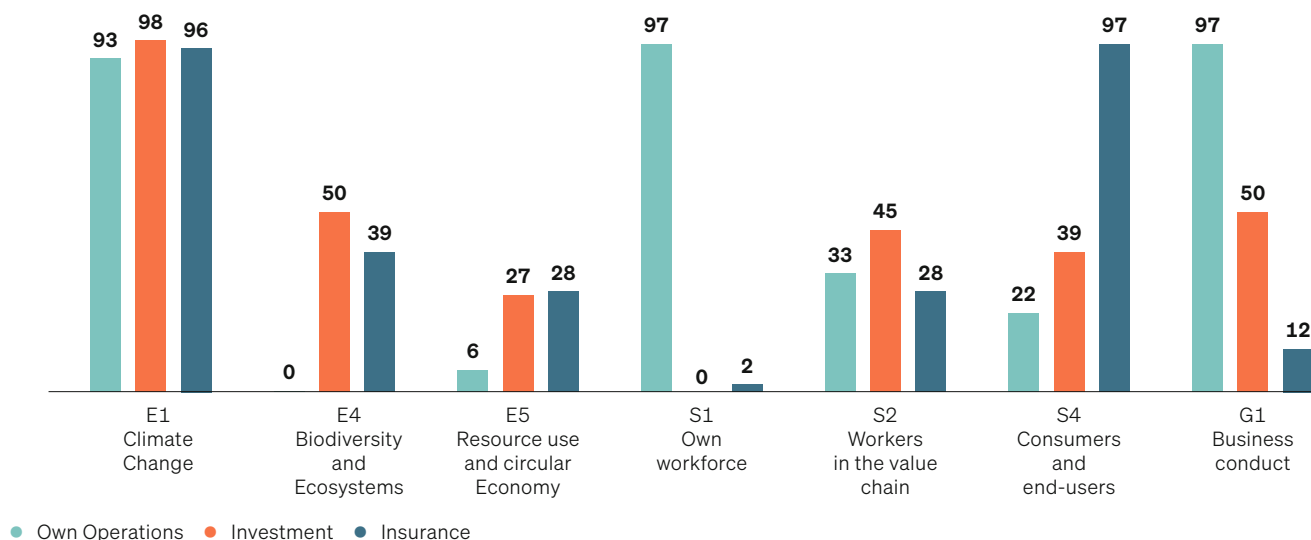
Overall, the results show a stronger attribution of sustainability topics with individual business segments. While E1 “Climate Change” continues to be rated as material by nearly all companies across all segments, the relevance of S1 “Own Workforce” and the “Governance” standard is focused even more strongly on the companies’ own operations. At the same time, E4 “Biodiversity and Ecosystems” in the insurance business and S2 “Workers in the Value Chain” are gaining in importance across all three business segments..

Even though some companies assess the overall burden of reporting requirements as lower than in the previous year, it remained unchanged for the majority of the market. Regulatory changes continue to make implementation challenging for companies. In addition to its ongoing work in committees and task forces, the GDV supported its members with the following additional measures:

→ Twice a year, the GDV informs its member companies about new regulatory developments through the “Accounting & Reporting” webinar. In addition

Four topics are identified as material across nearly the entire market

Figure 13 · Responses (in %) weighted by market share to the question “Which topics has your company identified as material as part of the materiality analysis in accordance with the ESRS?”



Source: GDV

to sustainability reporting, the webinars cover other topics as well.

- On October 14, 2026, the GDV presented the Materiality Navigator to its member companies for the second time, focusing on the practical implementation of materiality analysis by GDV members.
- In early November 2026, the GDV will host a two-part webinar series on the new ESRS. The series will present and contextualise the key changes and their practical implications for sustainability reporting.
- In addition, the GDV analyses the industry's sustainability reports as part of its CSRD statistics. The results are used, among other things, to develop industry positions and for internal comparisons, and are made available to member companies. Initial interim results for financial year 2025 were presented as part of the Materiality Navigator.

In addition, the GDV maintains other initiatives to promote transparency and dialogue:

- Since 2023, anyone interested has been able [to subscribe to the "Sustainability News" email newsletter](#), which provides regular updates on current legislative developments, studies, and GDV position papers.
- At TransVer Day, insurers publicly take stock and engage in dialogue with their stakeholders. The theme of TransVer Day 2025 was "Climate Change: Reality Between Risk and Retreat." The TransVer Prize, worth 5,000 euros, was awarded in 2025 to the organisation ["Klimafakten."](#) Klimafakten works to strengthen society-wide consensus on climate protection and translates scientific findings for broad segments of society, including through fact-checks on its website and the handbook "Talking About Climate."

GDV Reform Proposals for More Efficient and Proportionate Sustainability Reporting

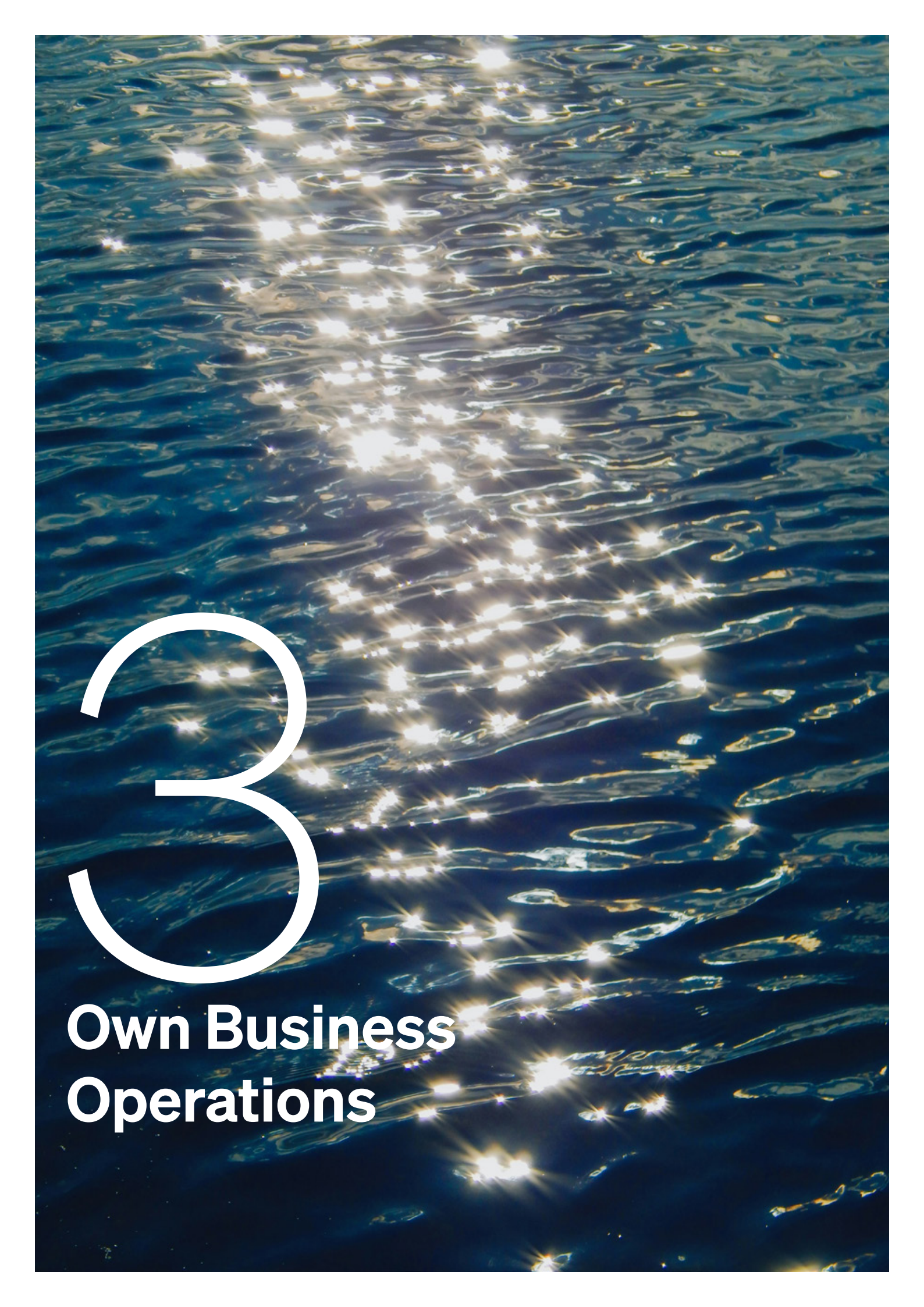
- Legal certainty and stability in sustainability reporting requirements
- Prompt, one-to-one implementation of the CSRD at the national level
- Strengthening international compatibility
- Strengthening the Voluntary Standard as a practical and proportionate reporting framework

2.5 Conclusion

Sustainability – particularly with regard to mitigating climate change – is now firmly embedded in the organisational, strategic, and operational structures of all insurers. Despite regulatory easing, sustainability goals remain largely in place. About 80 % of insurers have not changed their sustainability ambitions and priorities. Sustainability thus remains a central component of corporate strategy for many insurers. The requirements for communication and reporting are changing, but they do not lead to a departure from long-term sustainability goals. However, in some cases, these goals are no longer communicated publicly.

Most insurers are aware of the risks posed by climate change – and, at the same time, of the benefits of a societal transformation toward decarbonisation and the promotion of climate-positive activities. This is because nearly all insurers conduct the climate scenario analyses required by regulators. In the medium term, insurers see the greatest risks to their investments in transitional risks, but increasingly also in physical risks. In property and casualty insurance, physical risks are already classified as significant in the short and medium term. Life insurers also identify climate risks, but generally assess them as less significant.

The focus of individual insurers' activities in the area of sustainability is on the decarbonisation of investments and business operations. Numerous insurers are also working to integrate the issues of climate change and adaptation more firmly into their insurance products. In some cases, insurers are addressing the issue of biodiversity at their own premises. Further key areas of focus for insurers include the continued development of strategic integration and transparent, credible sustainability reporting. In addition, some companies are working on employee training, corporate culture, and strengthening their social responsibility.



3

**Own Business
Operations**

Insurers continue to work on transforming their own business operations. While greenhouse gas emissions in 2025 rose slightly compared to the previous year, many companies are pushing forward with measures in the areas of buildings, energy, and mobility. At the same time, the industry is continuing its efforts to promote diversity and women in leadership positions.

In the materiality analysis for sustainability reporting under the Corporate Sustainability Reporting Directive (CSRD), climate change and the company's own workforce were almost unanimously identified as material topics for the company's own operations. This chapter provides an in-depth overview of the activities and achievements related to both of these topics.

Chapter 3.1 provides an overview of the evolution of the industry-wide carbon footprint in the sector's own business operations and of other metrics on environmental performance. Chapter 3.2 focuses, within the topic area "Own Workforce," on the trend in the proportion of women in leadership positions and the industry's measures to promote diversity and equal opportunity. Since the Solvency II Review, insurers have been required by regulators to promote a diverse composition of members when selecting members of their administrative, management, or supervisory bodies, including a balanced gender ratio.

3.1 Carbon Footprint and Resource Consumption

Compared to other economic sectors, the business operations of insurance companies generate significantly fewer emissions and consume fewer resources. Nevertheless, insurers contribute to Germany's and Europe's greenhouse gas footprint at their locations, through business and commuting travel, and, looking ahead, through the increasing use of energy-intensive AI applications. Insurers that pursue ambitious plans to reduce their greenhouse gas emissions can help achieve Germany's climate neutrality goals by 2045 and Europe's by 2050.

As Chapter 2 has shown, own operations are an integral part of the sustainability strategies of all insurers participating in the GDV sustainability survey. KPIs were defined by 91 % of the insurers (weighted by market share). This corresponds to the proportion of companies subject to CSRD reporting requirements in the survey. According to the European Reporting Standards (ESRS) to be applied in the future,

greenhouse gas emissions identified as material must also be disclosed.

The GDV sustainability survey included a separate questionnaire on the topic of internal business operations. The following analyses are based on 30 completed questionnaires. They represent 68% of the gross written premiums of the German insurance market. In this chapter, percentages refer to the number of responses and are not weighted by market share (unweighted results).

Strategies and Reporting of Emissions

The survey results show that insurers' strategic plans and ambitions differ based on their time horizons and metrics. Some companies aim to reduce emissions, while others focus on emissions per full time employee (FTE). In some companies, targets are currently being revised due to changes in legal requirements (implementation of the EmpCo Directive and CSRD reporting obligations) or operational changes. Specific reduction targets for the year 2030 have been set by 60 % of the responding companies.

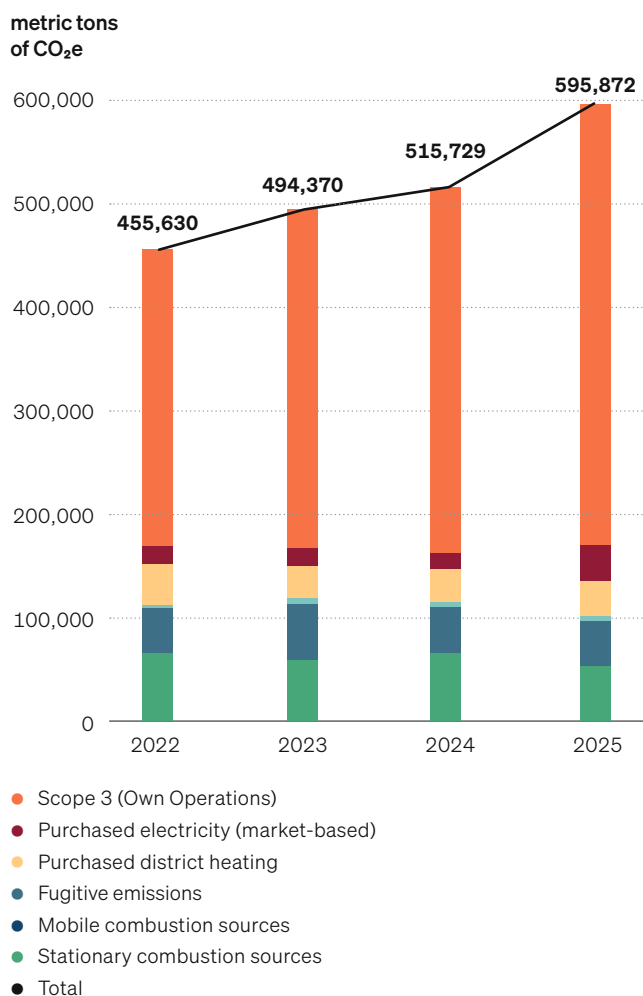
For accounting purposes, emissions that are not generated internally are often calculated by applying an externally specified emission factor to individual activities. These factors may change over time. For example, the emission factors for the German electricity mix may decrease in the future as the share of renewable energy increases. Conversely, the factors may increase if an activity is assessed as more harmful to the climate. This can result in reported emissions not decreasing despite progress in the activities under consideration. The question was therefore raised as to how insurers handle this. Some companies factor positive developments into their calculations as "passive decarbonisation levers." Others would, if necessary, readjust their targets or target pathways. With regard to negative developments, some insurers are considering changes to the KPIs (e.g. measuring direct consumption rather than emissions). An important aspect is transparency regarding such changes. Many companies state that they document and explain these changes in their sustainability reports when they are significant.

Extrapolated Emissions of the Insurance Industry

To determine the industry-wide carbon footprint, insurers reported their Scope 1 and 2 emissions in accordance with the GHG Protocol for premises in Germany, as well as relevant Scope 3 emissions. The GDV extrapolated these figures to the entire industry. Financed and insured emissions are not taken into account in this chapter. Due to the focus on Germany, the figures are not comparable to the greenhouse gas accounting in the CSRD reports. In CSRD reporting – particularly for larger and internationally active companies – different organisational boundaries are applied than in this report. Furthermore, this chapter does not take into account emissions from rental properties (see Chapter 4).

Greenhouse gas emissions from the industry's own business operations

Figure 14 · Extrapolated CO₂ emissions in Scopes 1 – 3 in 2025, in metric tons of CO₂e



Source: GDV

The greenhouse gas emissions extrapolated to the industry for Scopes 1 through 3 amount to approximately 596,000 metric tons of CO₂ equivalents (tCO₂e) for the year 2025 (Figure 14). Scope 1 and Scope 2 emissions total 171,000 tCO₂e and have risen slightly compared to the previous year. The emissions per full time employee (FTE) has also risen slightly, with the median and mean values increasing to 0.74 and 0.80, respectively (Table 2). The figure for the calculated Scope 3 emissions has risen significantly to 425,000 tCO₂e.

Estimates of greenhouse gas emissions are subject to short-term fluctuations, some of which are due to methodological factors. A medium-term perspective allows for a better assessment of trends in greenhouse gas emissions. Since 2019, Scope 1 and 2 emissions have fallen by a good fifth, with the emissions per FTE have decreased by 46% on a median basis and by 28 % on a mean basis.

An analysis of the individual components of Scope 1 and Scope 2 emissions reveals where the insurance industry has increased or reduced emissions. Emissions from stationary combustion sources (including, for example, heating systems and emergency generators) have fallen significantly by 20 % compared to the previous year. Mobility emissions (mobile sources, i.e., company-owned vehicles) have remained virtually unchanged compared to the previous year. In contrast, emissions from purchased district heating have risen by 5 %, and emissions from purchased electricity have more than doubled. Overall, Scope 1 and 2 emissions rose by 16%.

Emissions from purchased electricity were likely positively influenced, on the one hand, by an expansion of green electricity use to 93 % (previous year: 88 %). The share of self-generated renewable energy rose by 3 percentage points to 4.4 %. On the other hand, the transition of company car fleets from internal combustion engines to electric vehicles is likely to cause emissions from purchased electricity to rise. Many insurers account for the electricity consumption of electric cars using the emission factors for the German electricity mix.

Scope 3 Emissions

According to the [GHG Protocol](#), indirect Scope 3 emissions include numerous own operations. In 2023, a GDV working group methodologically prepared the questionnaire for surveying Scope 3 emissions in order to achieve comparable results. Since insurers' reported emissions from investment activities are far higher than those from their own business operations (see Chapter 4), many insurers calculate and report only the emissions they

consider material. In this respect only a few companies report data for all surveyed Scope 3 categories.

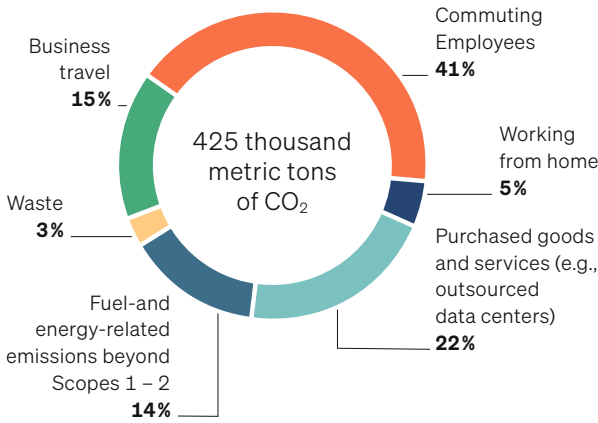
Nevertheless, the Scope 3 emissions recorded in the GDV sustainability survey have risen by 20% compared to the previous year and now total approximately 425,000 tCO₂e. The increase is likely due, in part, to improved data availability regarding purchased goods and services. These include, for example, outsourced data centers or cloud computing. The share of these categories in reported emissions has risen to 22 % (previous year: 20 %, Figure 15). On the other hand, higher emissions from purchased electricity also result in higher fuel-and energy-related Scope 3 emissions. These account for 14 % of Scope 3 emissions (previous year: 18 %). However, commuting continues to account for the largest share at 41 % (previous year: 40 %). The share of emissions from business travel remains stable at 15 % (previous year: 16 %).

Vehicle fleet and mobility

The number of business trips and travel extrapolated for the industry fell slightly again in 2025, by 5 %, compared to the previous year (Figure 16). Actual figures are not available for all companies; some are calculated, while others are not tracked at all. Based on GDV projections, the volume of air travel has again decreased significantly compared to the previous year (-30 %). Revised business travel policies could be one reason for this. While the volume of car trips has decreased slightly (-4 %), the volume of rail travel has increased slightly by 6 %. To date, greenhouse gas emissions have primarily come from passenger cars and airplanes, since business travel

Composition of Scope 3 Emissions

Figure 15 · Shares of various categories in Scope 3 emissions



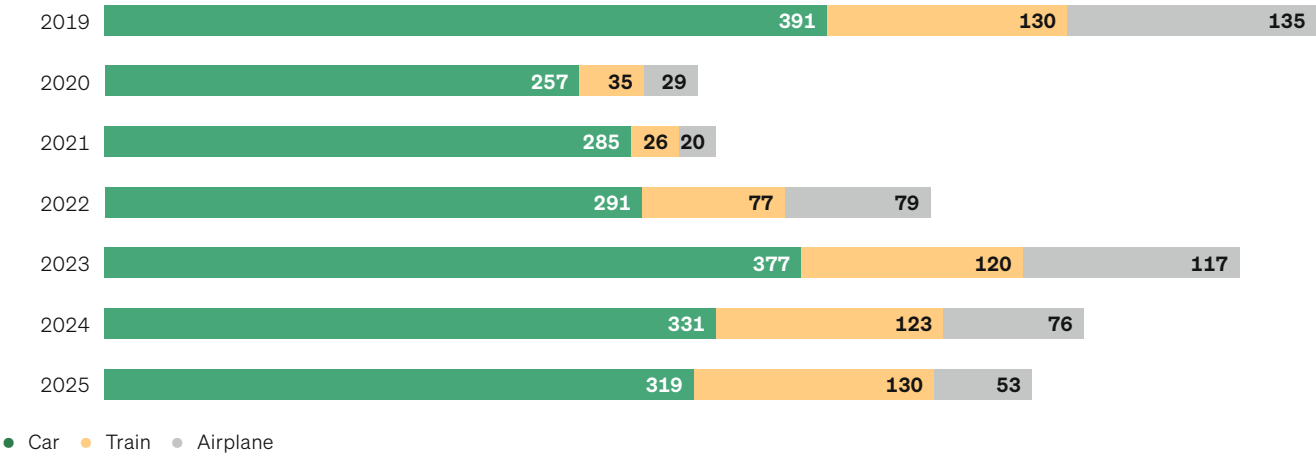
Source: GDV

by train (which is generally powered by green electricity) is already very low in emissions.

With a share of 49.9 %, combustion-engine vehicles are now in the minority in insurers' own vehicle fleets (compared to 67 % the previous year). The share of fully electric company cars now stands at 27 % and has once again risen sharply compared to the previous year (19 %; Figure 17). Hybrid powertrains, at 23 % (previous year: 14 %), are now just behind, despite their own increase in share. By comparison: The share of purely electric passenger cars across Germany stood at 4.1 % in 2025 (source:

Breakdown of Mobility by Mode of Transportation

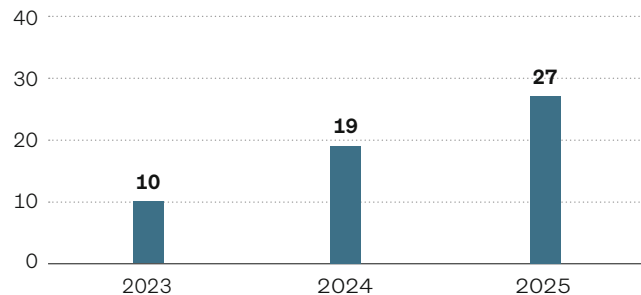
Figure 16 · Data in millions of kilometers traveled, extrapolated to the industry



Source: GDV

The Shift to Electric Mobility Continues

Figure 17 · Percentage of fully electric vehicles among company cars



Source: GDV

[German Energy Agency](#)). Combined with the industry's high use of green electricity (93 %), electric cars represent a CO₂-saving mobility solution.

As their electric vehicle fleets expand, insurers are increasingly offering charging stations to their employees. The insurers surveyed had 1,500 charging stations, some of which are equipped with multiple charging points; this means that, on average, 67 office employees share one charging station. A well-developed charging station infrastructure is a key component for the continued electrification and decarbonisation of company car fleets and employee commutes.

Insurers' Environmental Performance

In addition to the decarbonisation of business operations, the GDV sustainability survey collected further metrics on operational ecology. Total paper consumption has

increased compared to the previous year to 115 kg per back-office FTE (previous year: 98 kg). In contrast, water consumption has fallen relatively sharply and now averages 6.61 m³ per full-time employee. Compared to 2019, it has thus been cut in half. Waste generation has remained largely constant. Additional environmental indicators can be found in Table 2. Due to materiality analyses under the CSRD, some insurers no longer collect data on water consumption and waste generation, meaning the data base will become smaller in the future.

Measures to Reduce Carbon Emissions: Focus Remains on Buildings, Energy, and Mobility

Chapter 2 had already shown that decarbonising their own business operations is an important component of many insurers' sustainability strategies. In more detail, they have additional measures – some of which are very extensive – on their agenda. The focus of these measures is in the field of “Buildings and Energy Supply”, closely followed by business travel. Many insurers also identify employee commuting as an important area for action. The top measures currently cited by the insurers participating in the survey regarding their own business operations are:

- “Buildings and Energy”: The focus of the measures mentioned clearly lies in this field of action. Some insurers view the switch to green electricity as a priority measure. Insurers also mention increased on-site power generation through photovoltaics, connection to the district heating network (sometimes in combination with heat pumps), and heat recovery in data centers as measures. As larger projects, some insurers are planning energy-efficiency upgrades, new

Overview – Environmental Performance of Insurers' Own Operations

Table 2 · Key figures based on Full-time Equivalents (FTE) or back-office FTE (BO-FTE)

Metric	Unit	Type	2019	2021	2023	2024	2025
Scope 1–2 market-based	tCO ₂ e	Projected	208,518	169,806	167,120	164,663	171,045
Scope 1–2 market-based	tCO ₂ e per FTE	Median	1.35	0.89	0.70	0.71	0.74
Scope 1–2 market-based	tCO ₂ e per FTE	Average	1.12	0.90	0.80	0.74	0.80
Scope 3	tCO ₂ e	Projected	n.a.	n.a.	327,250	352,729	424,827
Electricity consumption	kWh per BO-FTE	Average	3524	2880	2176	2290	2357
Waste generation	t per BO-FTE	Average	0.22	0.17	0.14	0.15	0.14
Water consumption	m ³ per BO-FTE	Average	13.99	9.24	9.09	8.77	6.61
Total paper consumption	kg per BO-FTE	Average	117	125	113	98	115
Passenger cars	km per FTE	Average	2136	1469	1930	1734	1654
Rail	km per FTE	Average	716	129	591	600	613
Airplane	km per FTE	Average	810	101	574	366	277

Source: GDV

construction, or the application of environmental criteria or certifications for buildings. Other insurers aim to reduce energy consumption by downsizing of office space through remote work.

- “Mobility and Vehicle Fleet”: The second-most-frequently mentioned activities fall under this category. Numerous insurers are continuing to work on the transition to e-mobility. Current measures also include mobility options for employees (public transportation, bicycle leasing) as well as increased use of trains instead of cars and flights for business travel.
- Ranking third among the responses is the continued digitisation of own operations and customer communication to reduce paper consumption. One insurer cites the reuse and recycling of hardware as an important measure.

Measures to promote urban nature and biodiversity at the company's own building sites

At their locations, three-quarters of the insurers surveyed are implementing measures to promote urban nature and biodiversity. A prerequisite for this is that the buildings are owned by the insurers and, where applicable, that suitable outdoor areas are available. 67% of insurers are implementing measures at individual locations, while 7% are doing so at all their locations. 11% report that they are planning such measures.

Particularly common are green roofs (11 mentions), the creation of flowering and wildflower meadows (9 mentions), and biodiversity-promoting plantings with native and climate-adapted species. In addition, beehives, insect hotels, and nesting aids are being set up, and trees, orchard meadows, and other woody plants are being planted. Individual companies are creating additional habitats through ponds, sand pits, dry stone walls, or piles of deadwood. Specific examples include the creation of a 900 m² wildflower meadow, four beehives at a single location, and green hedgerow benches on a rooftop terrace. Overall, there is a focus on the ecological enhancement of outdoor areas and building grounds, as well as the creation of habitats for insects, birds, and other animal species.

Climate Initiatives and Carbon Offsetting measures

In the GDV survey, two-thirds of companies reported carbon reduction and removal activities outside their value chains for the year 2025. The associated carbon credits totaled 135,500 tCO₂e – a figure that is significantly lower than the previous year's (336,000 tCO₂e), partly due to the slightly lower survey response rate.

The total reported credits correspond to 97% of the total reported Scope 1 and 2 emissions.

There are different approaches within the industry when it comes to using carbon credits and supporting climate projects. Among those who purchase credits, the benchmark used to determine the amount varies. For some companies, Scope 1 and 2 emissions are the decisive factor. Others, for example, include emissions from sales operations or working from home. In some cases, insurers support climate protection projects directly, without purchasing credits. About one-fifth of the responding insurers do not use offsetting at all, partly due to uncertainties regarding the effectiveness of such projects.

The source of carbon credits is categorised according to the CSRD Standard E1-7:

- 54 % come from emission reduction projects,
- 37 % come from natural carbon sinks,
- 9 % come from technical removal.

Regarding emission reduction projects, some insurers point to additional social impacts in the Global South; regarding natural sinks, some insurers cite the positive impact on biodiversity, for example through the rewetting of peatlands or forest restoration.

When selecting carbon credits, the responding insurers use one or more externally certified standards. The Gold Standard is used most frequently (48 %), followed by the VCS standard (29 %). These two standards are also featured in [the Federal Environment Agency's guide to voluntary carbon offsetting](#). 22 % use other standards, such as Verra or ISO 14064-2.

3.2 Women in Leadership and Diversity

Since the Solvency II Review, insurers have been required by regulators to promote diversity in the composition of their administrative, management, or supervisory bodies (AMSB), including objectives related to gender-balance. In October 2025, the European Insurance and Occupational Pensions Authority (EIOPA) published [guidelines](#) on this topic, which will take effect on January 30, 2027. Greater diversity in decision-making structures is intended to facilitate independent opinions and well-informed decision-making. Diversity and inclusion are intended to ensure that the different perspectives and opinions of the members of the AMSB are taken into account.

EIOPA defines diversity as “the situation whereby the characteristics of the members of the AMSB, including their educational and professional background, gender, age and geographical provenance, are different to an extent that allows a variety of views within the AMSB.”

Insurers should establish guidelines to promote diversity. In particular, they should set an appropriate timeframe and quantitative targets regarding gender balance on the AMSB and specify how these targets will be achieved. Insurers should also establish guidelines to promote diversity among their employees and combat discrimination.

German insurers have already demonstrated positive progress: The proportion of women on the executive boards of the 60 largest insurance companies has more than doubled since 2014, and steady growth is also evident at lower levels (Table 3). As a result, the growth in recent years has been slightly higher than the trend outside the financial sector. Overall, however, Germany has stagnated when it comes to women in leadership – after annual growth rates of around 1 %, little has changed from 2024 to 2025. The latest [AllBright report](#) on the executive boards of publicly traded companies also shows no positive momentum: The proportion of women remains at 19.7 %, while the proportion of new female appointments declined significantly.

The results of the GDV sustainability survey 2026 show that 68 % of the responding companies (market-weighted) have signed the German Charta of Diversity. This figure is again similar to that of 2024, after the proportion of signatories had stood at 84 % in 2025. 46 % of the

Trend in the Proportion of Women by Senior Management Level (SL) in Internal Operations

Table 3 · Percentages

	SL 1	SL 2	SL 3	SL 4	SL 1–4
2012	10.6	21.3	30.3	26.5	25.5
2017	14.8	23.3	32.7	34.2	27.3
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
2025	25.1	31.1	40.0	40.2	34.8

As of December 31 of each year
Source: AGV Flexible Workforce Statistics

responding companies have undergone the “Work and Family” audit (previous year: 41 %).

These efforts are reflected in the figures with a slight positive trend. According to the [DIW Female Executives Barometer](#), the proportion of women at the executive board and supervisory board levels in 2025 was 21.1 % (previous year: 19.8 %) and 26.7 % (previous year: 30.6 %), respectively. In 2025, the proportion of women at the first management level was 25.1 % (previous year: 23.1 %; Table 3). More than one-third of positions at senior management levels 1 through 4 in back-office roles are held by women. In the interest of transparency and also as a benchmark for companies in the insurance sector, the AGV publishes the current figures on the proportion of women in leadership roles on its [website](#).

Guest Contribution: Simone Rehbronn, Employers' Association of Insurance Companies in Germany (AGV)

Through initiatives such as the AGV Top Female Executives Conference, INSURWOMEN@NETWORKS, and the AGV Diversity Conference, the AGV supports insurance companies in further increasing the proportion of women in leadership positions, connecting female executives, and strengthening the exchange of experiences across the industry.

The insurance industry has made progress in recent years regarding the proportion of women in leadership positions. Nevertheless, there remains potential for a more balanced representation of women and men. Time budgets play a key role in this context: On average, women in Germany do about 43 % more unpaid work than men – equivalent to nine additional hours per week. This includes, in particular, childcare and housework, as well as family planning and organisational tasks, which are often summarised under the term “mental load.” This additional burden is particularly evident during the family phase: On average, women receive parental benefits for significantly longer than men – in 2025, the planned duration of benefits was 14.9 months and 3.8 months respectively. This time commitment can also impact career development opportunities and the assumption of leadership responsibilities.

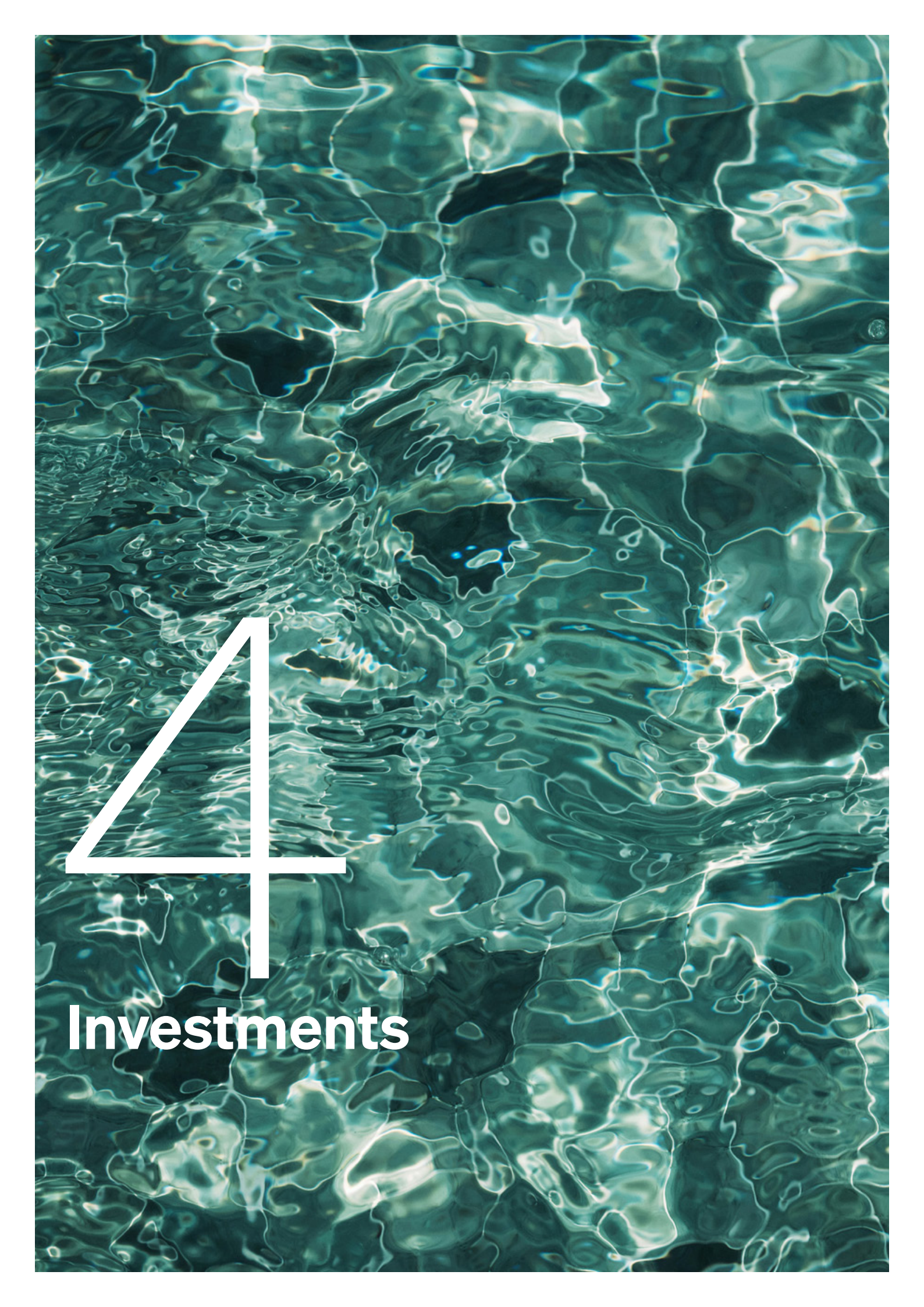
In the insurance industry, there are significant differences in work-time models. Overall, 26.1 % of office-based employees work part-time; among women, the figure is around 41 %. In contrast, only about 7 % of office-based managers work part-time. Part-time work provides flexibility and supports the work-life balance, but at the same time, it presents companies with additional challenges in designing leadership and succession models.

In our surveys and discussion forums, companies report that it is becoming more difficult in some cases to attract female candidates for leadership positions. In addition to time constraints and work-life balance, they cite a tendency toward greater hesitation when it comes to taking the next career step. Part-time leadership or “top-sharing” can help better align leadership responsibilities with different life stages and tap into additional potential.

The AGV addresses these developments through its industry-wide initiatives. The AGV Industry Advisory Board “Women in Leadership & Culture,” composed of female and male board members and executives, raises

awareness of the issue across the industry and supports companies through dialogue, networking, and practical initiatives. Key projects include:

- **The AGV Top Female Executives Conference** brings together female executives from the insurance industry every two years and provides a space for exchange, networking, and new ideas.
- **„Fit for Leadership“** is a leadership coaching program for high-potential female candidates. Developed in collaboration with external service providers, the program is aimed in particular at companies that have limited capacity to implement their own initiatives for developing female talent.
- Digital formats such as **INSURWOMEN@NETWORKS** and web talks with female board members strengthen networks, create visibility, and provide insights into different career paths. The network is aimed at female managers and career-driven women and facilitates the exchange of ideas on professional and personal issues related to careers and leadership.
- Founded in 2021, the **exchange for diversity officers** brings together representatives from 25 companies and corporate groups. The focus is on best practices, current developments, and specific issues arising from corporate practice.



4

Investments

With investments totaling approximately 1.9 trillion euros, the insurance industry is the largest institutional investor in Germany. The survey documents the status of implementing sustainability-related approaches in the investment portfolios of German primary insurers. The focus is on decarbonisation goals, the integration of ESG investments, investments in renewable energy, and the development of the carbon footprint.

For all insurers participating in the GDV sustainability survey, investments are a cornerstone of their sustainability strategies, as Chapter 2 has shown. At all responding insurers, the investment sector is integrated into the implementation of these strategies, and 94 % of the companies (market-weighted) have defined key performance indicators (KPIs) for management purposes. The majority of insurers anticipate an increasing impact from transitional and physical climate risks.

This chapter provides an overview of the current status of primary insurers in implementing their company-specific ambitions and objectives. Their investment portfolio totaled 1.6 trillion euros in 2025. This overview is based on a survey on the state of sustainability in investment as of December 31, 2025, in which primary insurers representing 81% of the investments in this market segment have reported (previous year: 84 %). This high level of coverage enables reliable conclusions to be drawn for the entire market. Therefore, unless otherwise stated, the figures in this chapter are extrapolated to the total investment portfolio of primary insurers. In addition, results from the GDV sustainability survey are used.

4.1 Carbon footprint of investments

Extrapolated to the overall market, decarbonisation targets are reported for 78 % of primary insurers' investments (previous year: 91 %). With very few exceptions, the companies using such methods have set their sights on the year 2050. The decline in this figure could be related to the adjustment of corporate communications to the requirements of the EmpCo Directive, as described in Chapter 2. According to this, about one-quarter of the insurers that responded to the GDV sustainability survey stated that they would refrain from communicating future-oriented commitments. Extrapolated to all primary insurers, science-based pathways were established for 90 % of investments to meet their respective decarbonisation ambitions (previous year: 89 %). In addition, the GDV sustainability survey 2026 shows

The majority of the insurance market has set targets to reduce financed emissions by 2030

Figure 18 · Responses (weighted by market share) to the question: "Has your company formulated ambitions or targets to reduce financed emissions by 2030?";



Source: GDV sustainability survey 2026

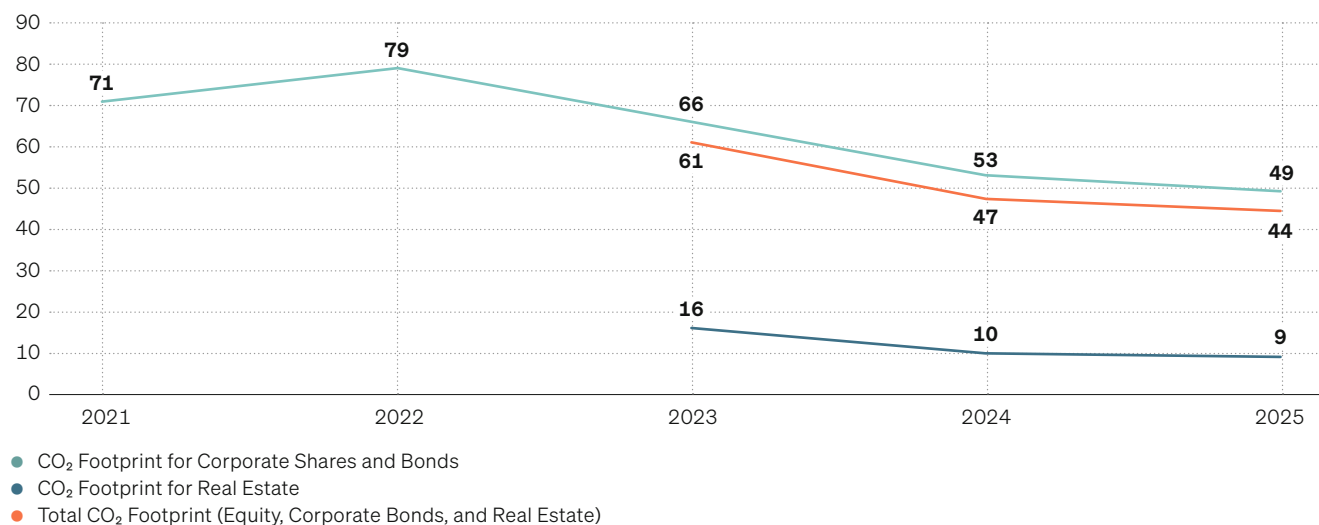
that 82 % of the responding companies (measured by gross written premiums) have set reduction targets for the year 2030 (Figure 18). Of these insurers, two-thirds assess their progress toward achieving these targets as "on track" (30 %) or even "better than planned" (36 %).

To measure progress toward decarbonisation, many insurers use, among other things, the carbon footprint of their investments. The trend in the carbon footprint can be significantly influenced by one-time effects and factors such as e.g., economic growth, data quality, or portfolio reallocations. Therefore, the significance of this metric lies particularly in a long-term analysis.

In 2026, the GDV compiled a sector-wide carbon footprint for the investments of primary insurers for the fifth time. The carbon footprint is calculated for publicly traded companies (stocks and bonds) as well as for real estate. Furthermore, only Scope 1 and 2 emissions from the investees are taken into account. In defining the carbon footprint, the GDV follows the Delegated Regulation on the SFDR.

Positive Trend in the Carbon Footprint, 2021 – 2025

Figure 19 · Figures in metric tons of CO₂ per million euros invested for corporate equities, bonds, and real estate



Source: GDV

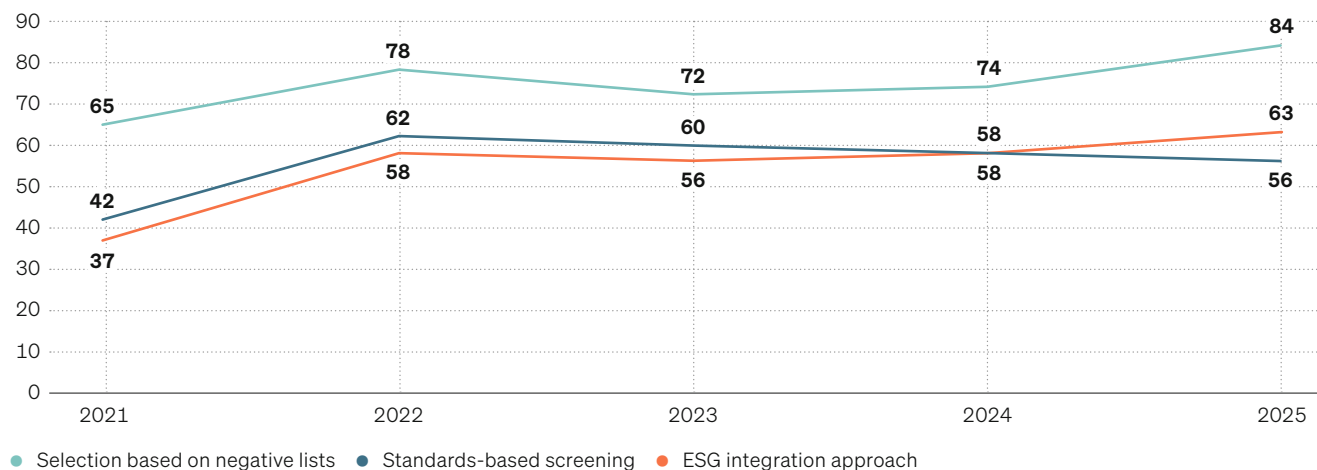
The GDV collected data for investments totaling 363.3 billion euros. The total carbon footprint in 2025 was 44 metric tons of CO₂ per million euros invested (previous year: 47 metric tons of CO₂, Figure 19). The carbon footprint for equity and debt securities declined by 6% to 49 metric tons of CO₂ per million euros invested. In accordance with the Delegated Regulation on the SFDR, the carbon footprint of real estate investments was calculated for the third time. This calculation includes only the emissions caused by the operation of the properties. For the year 2025, the carbon footprint for real estate is 9 metric tons of CO₂ per million euros invested (previous year: 10 metric tons). For insurers, the energy-efficient renovation of buildings – funded through equity and debt capital – is relevant in the context of capital investment, as it increases the attractiveness and value of residential and commercial real estate.

Overall, the significant reduction in carbon footprint metrics since 2021 is a positive development. However, the carbon footprint will continue to be subject to (market) fluctuations in the future. The long-term trend is therefore decisive. Since the first survey in 2021, the industry has reduced its carbon footprint for equity holdings and bonds by 31% (Figure 19). Due to insurers' high investment volumes, the carbon footprint of investment portfolios is expected to develop similarly to that of the overall economy in the long term. The key to further decarbonising investment portfolios is therefore how the path toward decarbonising the real economy is continued.

The carbon footprint from Scope 1 and 2 emissions is counterbalanced by a positive climate impact from the portfolios of those insurers that finance renewable energy projects: In 2025, primary insurers implemented 1,691 projects in the solar and wind energy sectors. This represents an increase compared to the previous year's 1,391 projects. The volume of electricity produced from these projects rose to approximately 24.3 billion kWh (2024: 23.9 billion kWh), which corresponds to approximately 18% of the annual electricity consumption of all German households (2021: 138.6 billion kWh; [source: Destatis \[DE\]](#)).

Key Approaches for Accounting for Sustainability Aspects

Figure 20 · Percentage of investments managed using various approaches; relative weightings based on fair value; multiple responses allowed



Source: GDV

4.2 Investing based on sustainability policies

Sustainability considerations – such as the emissions of investees or adherence to international principles regarding respect for human rights – can be integrated into investment decisions through a variety of approaches. This year's survey of GDV members revealed that an extrapolated 92 % (previous year: 89 %) of investments are managed using sustainability criteria defined by each individual company. For 56 % of investments, they rely on external ESG standards and ratings (previous year: 51 %). Their own approaches cover 41 % (previous year: 41 %).

Consequently, the use of methods and approaches to incorporate sustainability considerations into investment management has also increased (Figure 20). Insurers have a mix of methods at their disposal to implement their sustainability and ESG strategies: The largest share of investments is managed using negative or exclusion lists (84 %, previous year: 74 %), now followed by ESG integration approaches (63 %, previous year: 58 %) and standards-based screenings (56 %, previous year: 58 %). Engagement approaches are used to manage 27 % (previous year: 24 %) of investments. Best-in-class strategies or positive lists are used significantly less frequently.

The prevalence of exclusion criteria used by companies has remained stable compared to the previous year. Since the overall share of investments managed using exclusion lists has increased, the share of investments subject to these exclusions has also risen:

- All insurers with exclusion lists state that they exclude the manufacture and sale of controversial weapons (100 %, same as the previous year).
- 95 % (previous year: 99 %) exclude investments in companies that generate a significant portion of their revenue from coal-related activities (exploration, extraction, processing, etc.), and 83 % (previous year: 84 %) exclude companies with revenue from oil and tar sands.
- 69 % (previous year: 70 %) of the responding companies reported exclusions related to human rights violations. The explicit exclusion of child labor was reported by 68 % (previous year: 68 %) of insurers. It should be noted that these categories in particular are part of standards-based screenings and ESG integration strategies, which are also very widespread and increasingly being applied. These methods include, for example, aligning investments with the UN Global Compact or with achieving a minimum ESG score. In such cases, the formulation of explicit exclusions is not necessarily required.

The share of investments in the investment portfolio for which a positive contribution to sustainability can be assumed – either based on how the funds are used or on the insurers' assessment – has risen compared to the previous year, and the positive trend of recent years remains intact (Figure 21):

Guest Contribution: Rolf Häbler, NKI-Institut für nachhaltige Kapitalanlagen GmbH

Investments in Armaments and Resilience – The Insurance Industry's Contribution to Enhancing the Defense Capabilities of Germany and Europe

Russia's war of aggression against Ukraine marks a turning point in European and German postwar history. After decades of disarmament, Germany now faces the challenge of restoring its defense capabilities within a few years and warding off potential attacks on its own territory or that of its European NATO partners. This turning point also raises the question of what contribution the German insurance industry can make through its investment activities to finance the necessary investments in armaments and resilience.

This primarily involves rearming with weapons systems, whereby a fundamental distinction must be made between prohibited and conventional weapons. Prohibited weapons include weapons systems whose effects – particularly on the civilian population – are considered so devastating that the international community has agreed to ban them through international conventions. Insurers organised within the GDV that use negative lists in their investment decisions consistently exclude all weapons prohibited by such conventions ratified by the Federal Republic of Germany. These include biological and chemical weapons, as well as anti-personnel mines and cluster munitions.

Conventional weapons continue to form the backbone of military defense capabilities. The decision as to whether an insurance company invests in the manufacturers of these weapons depends on its individual values and objectives – as defined, for example, by its own sustainability strategy – and can therefore only be made by the individual insurers. The same applies to investments in companies that produce so-called “dual-use” products – that is, products such as trucks, drones, or software that can be used for both civilian and military purposes. Here, every company continues to face the challenge of systematically identifying and evaluating such investments.

The question of whether investments in defense companies are consistent with the principles of sustainable finance is a subject of controversy. Current European and German regulations see no contradiction here and allow investment products classified as sustainable to invest in the defense industry, although prohibited weapons are explicitly excluded. This position enjoys

broad support. Critical investor groups, on the other hand, see a fundamental conflict between the arms industry and sustainability and point out that, given the high levels of investment by conventional investors, the capital of sustainable investors is not needed to adequately finance arms companies. In this area of tension, every insurer must define an individual approach to its investment strategy.

Another challenge is how to implement the exclusion of individual weapons systems – and, consequently, certain companies – in indirect investments, i.e., investments made through funds and ETFs. One partial answer to this is the range of funds and ETFs classified as sustainable, which exclude manufacturers and dealers of prohibited weapons. However, these investment products must also meet other requirements set by insurers, such as those regarding track record, risk, and return.

A particular challenge for the insurance industry in the sale of insurance products is that provisions agreed upon in a contract apply for the entire term of the contract and can only be adjusted in the interim with considerable effort. Since, for example, endowment life insurance policies often have long terms, decisions made regarding the exclusion or inclusion of certain defense products often remain in effect for decades.

In addition to military equipment in the narrow sense, the resilience of the economy, society, and politics is increasingly becoming the focus of defense policy considerations – and here, in particular, the protection and expansion of critical supply infrastructure, such as energy and communications, as well as cybersecurity. Another key area is defense-related transport infrastructure, which is intended to ensure the mobility of armed forces and equipment. In this context, the dual-use capability of transport infrastructure – such as the load-bearing capacity of bridges – is gaining in importance.

The necessary investments in resilience cannot be financed solely through public budgets and special funds. Many insurers in Germany have been actively involved for many years not only in the expansion

of transportation infrastructure but also in the expansion of renewable energy, thereby contributing to the strengthening of an independent electricity supply for German businesses and households. In addition to investments in generation facilities, increased efforts are needed to distribute and store the renewable electricity. Here, too, insurance companies are among the largest groups of investors in this sector.

Due to their long-term investment strategies and large investment volumes, insurance companies are ideal

partners for expanding defense-related infrastructure and thereby increasing resilience. However, in order for them to fulfill this role – including within the framework of public-private partnerships – more investable projects must be created for private investors. This would enable insurers to align their fiduciary responsibility for policyholders' capital even more closely with their socio-political responsibility for the protection of freedom and democracy.

→ The share of investments in green bonds rose to 2.2 % (previous year: 2.0 %), while the share in social bonds fell to 0.9 % (previous year: 1.0 %).

→ The share of investments in renewable energy declined slightly to 1.1 % in 2025 (previous year: 1.2 %). The investment volume in renewable energy thus fell slightly in absolute terms by 1.4 billion to approximately 17.9 billion euros (previous year: 19.3 billion euros).¹

→ Investments that, in the assessment of the respective insurers, contribute to achieving an environmental goal, such as climate protection, amount to 184 billion euros (previous year: 154 billion euros; sustainable investments as defined in Article 2(17) of the EU Disclosure Regulation). This represents 11.6 % of total investments (previous year: 9.7 %). The definition of sustainable investments in Article 2(17) of the SFDR is open-ended and is interpreted differently by some companies. The slight increase in investments meeting sustainability criteria compared to the previous year indicates a consistent interpretation of the definition by the companies. A more precise definition of the metric in the SFDR would further enhance its informative value. The metric does not imply that the insurers' remaining investments are not sustainable. Nearly the entire market (97%) intends to increase the share of investments with sustainability characteristics – i.e., those

aligned with climate goals or other environmental and social aspects – in the future.

4.3 Supporting Activities

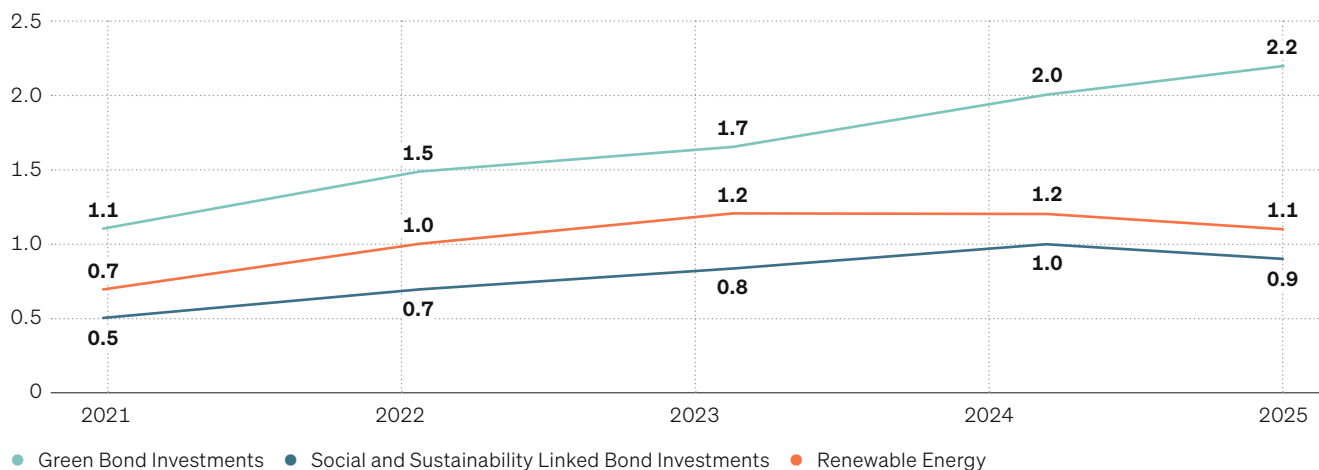
Since 2021, the GDV has been a supporting partner of [the Principles for Responsible Investment \(PRI\)](#) and the [Net-Zero Asset Owner Alliance \(NZAOA\)](#). Many insurers adhere to voluntary standards and have joined initiatives to jointly apply and further develop expertise and methodological knowledge. Of the total investments made by primary insurers, 84 % are managed by PRI signatories and 54 % by NZAOA members. (2024: 84 % and 58 %). In general, the various net-zero initiatives in the financial sector have recently come under considerable pressure and have often disbanded or, in some cases, significantly adjusted their governance structures. The NZAOA, which is geared toward capital pooling entities, however, remains a significant net-zero initiative with a strong membership base. The GDV coordinates the regular meetings of the NZAOA's German country group.

In the summer of 2025, the GDV published an [ESG questionnaire for the selection of asset managers](#). This tool enables insurers to ensure that their investments are aligned even more consistently with ESG criteria (environment, social, and corporate governance). Use of the questionnaire is voluntary and non-binding. It is flexible and can be adapted or supplemented as needed.

¹ Absolute figures are not extrapolated to primary insurers.

Stable Share of Selected Investments with Sustainability Contributions

Figure 21 · Share of total investments in %; relative weightings based on fair value; multiple responses allowed



Source: GDV

In 2026, the GDV continued its dialogue with member companies and asset managers on this topic.

The GDV provides its members with additional information and materials that they can use to further develop their own sustainability strategies and in their investment decision-making processes. These include, for example, an overview of the relevant UN conventions as non-binding guidance for future exclusions, as well as a non-binding guide for granting corporate loans that takes sustainability factors into account. Webinars, workshops, and informational events on sustainability topics were also held for GDV members. In addition, the GDV engages in regular dialogue with representatives of NGOs to discuss current sustainability issues.

As part of the research funding program of the German Association for Insurance Science (DVfVW), for which the GDV provides the financial resources, a research project on the topic “Incorporating Sustainability in Investment and Portfolio Optimisation in Solvency II-Regulated Insurance Companies” (Technical University of Braunschweig). Furthermore, the GDV supports a junior professorship at the Center for Financial Research at the University of Cologne, with a research focus on asset management and sustainable finance.

GDV Reform Proposals for More Sustainable Investments

- Improved framework conditions for investments in sustainable infrastructure within the framework of the Deutschlandfonds. In this context, the ramp-up of investments in transmission grids and the implementation of the energy and heating transitions at the municipal level are particularly relevant.
- More efficient and consistent regulation in the area of sustainable finance
- Simpler and faster planning procedures for the expansion of renewable energy



5

Insurance Business

Climate change, resource scarcity, technological innovations, and societal change are altering the operating environment for property and casualty insurers. This brings with it new requirements for risk assessment, the design of insurance products, and the orientation of claims management. Nearly all life insurers offer investment options in their product portfolios that they disclose as sustainable, e.g., with regard to achieving climate goals. At the same time, the EU is working to further develop disclosure rules to make sustainability information more understandable and easier to compare.

Chapter 2 has shown that, for nearly all property and casualty insurers – as well as many life insurers – underwriting and product development are integrated into the implementation of sustainability strategies. Among property and casualty insurers, this applies particularly to the retail business, but also to the commercial business for 78 % (market-weighted). With regard to products, an increasing number of property and casualty insurers are using key performance indicators (KPIs) to measure and steer the implementation of their strategies. Among life insurers, however, this proportion has declined. This chapter examines developments in greater detail, particularly in the property and casualty insurance sector. The data is based on the GDV sustainability survey. 73 property and casualty insurers, representing a 68 % market share of segment-specific gross written premiums (GWP), participated in the survey. Unless otherwise stated, the reported percentages correspond to the responses of the participating property and casualty insurers, weighted by their respective market shares of segment-specific GWP.

Section 5.1 provides an overview of the strategies and approaches of property and casualty insurers. Subsections 5.1.1 through 5.1.3 address the topics of underwriting, insurance products, and claims settlement. Section 5.1.4 focuses on protection against natural hazards and adaptation to the consequences of climate change. Current developments in life insurance are examined in section 5.2.

5.1 Strategies and Approaches in Property and Casualty Insurance

Insurance coverage helps make the financial consequences of risks manageable and safeguards investments even under changing conditions. For businesses and households it can cushion the financial impact of losses and thereby make investment decisions more predictable. The insurability of risks plays a particularly important role when it comes to new technologies,

changing business models, and investments in renewable energy or infrastructure that conserves resources.

Insurers not only contribute to the financial protection against losses but can also provide incentives for prevention and loss-mitigation measures. Furthermore, the claims settlement process in particular offers opportunities to support sustainability goals, for example by promoting repairs, reuse, and resource-efficient solutions during the reconstruction or replacement of damaged goods.

The operating environment for the insurance industry is currently undergoing significant changes. Climate change – with its associated increasing physical risks – geopolitical tensions, rising claims expenses, and stricter regulatory requirements are shaping risk assessment as well as the design of products and processes. Against this backdrop, numerous property and casualty insurers are addressing the environmental and social aspects of their business models. This applies to underwriting as well as product development, claims processing, and the further development of in-house processes.

Strategic Focus: Energy and Mobility Transitions Remain a Priority – Circular Economy Gains Further Importance

As in previous years, property and casualty insurers were surveyed on the areas in which they believe – based on their underwriting policies, products, or claims management – they are contributing to the transformation toward a 1.5°C-compatible way of life and economy. Through the development of expertise, the underwriting of new technologies and business models, and the further development of their product portfolios, insurers have a wide range of opportunities to actively support this transformation while simultaneously tapping into new business areas.

Overall, the results show that numerous insurers are turning their attention to three key areas. The proportion of insurers focusing on the energy transition, the

mobility transition, and the circular economy is growing particularly rapidly (Figure 22).

For most property and casualty insurers, the energy transition and the mobility transition remain among the strategically relevant areas of transformation. After support had declined in the previous year, its importance rose significantly again in the reporting year: 84 % of the responding companies (responses are weighted by the property and casualty insurers' market share) state that they want to make a positive contribution to the energy transition (previous year: 71 %), and 82 % to the mobility transition (previous year: 67 %).

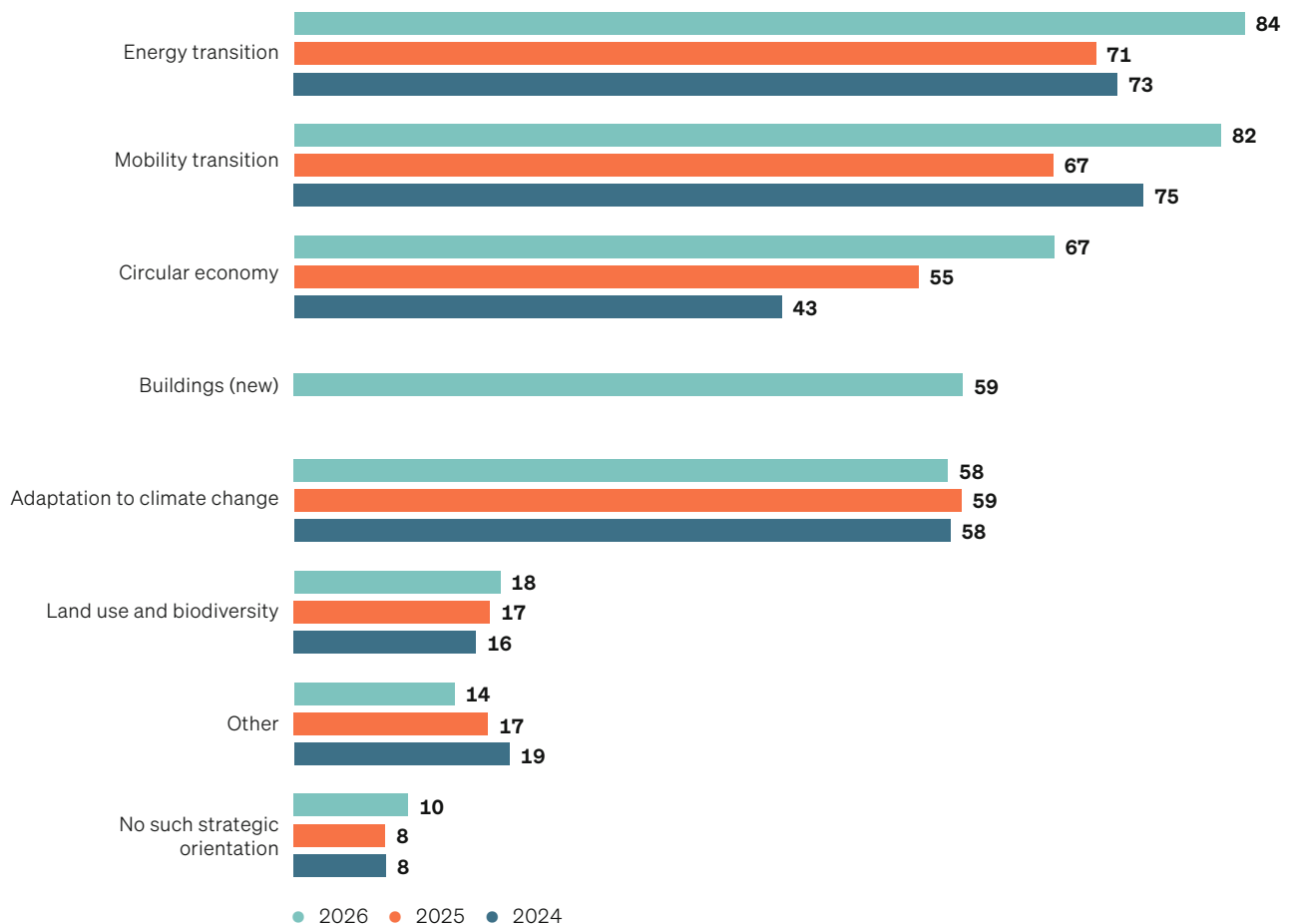
Both transformation processes are increasingly reflected in underwriting practice. The expansion of renewable energy, the proliferation of storage technologies, and the electrification of transportation are creating new insurance needs and altering existing risk profiles.

At the same time, additional business opportunities are opening up for insurers, such as in insuring innovative technologies, facilities, and infrastructure.

The importance of the circular economy is also growing particularly rapidly. With 67 % of respondents this share is significantly higher than the previous year's figure of 55 % and continues the upward trend of recent years. This development is likely driven by the increasing regulatory focus on the issue, such as through the EU Ecodesign Regulation for sustainable products and the EU Directive on the Promotion of the Repair of Goods, which has now been transposed into German law. In addition, the economic significance of circular business models is growing. For the insurance industry, this creates new opportunities along the entire value chain. Repair, remanufacturing, and reuse are gaining importance both in claims management

The energy and mobility transitions are the most important topics

Figure 22 · Responses in %, weighted by market share in property and casualty insurance, to the question "Has your company developed a strategic direction to make a positive contribution in the property and casualty insurance sector to the following areas of transformation (e.g., by building expertise, insuring innovations, or aligning the product portfolio)?"; Multiple selections allowed



Source: GDV

and in the assessment of liability, property, and operational risks. At the same time, by incorporating relevant concepts into their products and claims settlement processes, insurers can contribute to the development of a more resource-efficient economy.

59% of insurers cite the building sector as a key area of transformation for their strategic direction. While last year's surveys still focused on energy-efficient buildings, the scope was deliberately broadened this year. The aim was to determine whether companies are pursuing strategies for the building sector that go beyond energy efficiency issues – such as those related to renovation, resource use, repair and resilience, climate adaptation, or innovative construction methods.

Adapting to the consequences of climate change – not limited to the building sector – is an important area of focus for 58 % of the insurers who responded. The proportion of insurers focusing on this area of transformation has remained constant over the years. Increasingly frequent and severe extreme weather events are making prevention and adaptation a central component of risk management. This issue encompasses not only providing coverage for damages but also, increasingly, creating incentives for prevention and improving the resilience of buildings, businesses, and infrastructure. Risks must be reduced over the long term, and damages must be avoided or at least minimised.

At 18%, the topics of biodiversity and sustainable land use (previously “nature-based solutions”) continue to be less frequently incorporated into strategic plans (previous year: 17 %).

5.1.1 Underwriting

As part of the underwriting process, property and casualty insurers can actively shape risk coverage while taking environmental, social, and governance factors into account. They have a variety of methods and approaches at their disposal (Figure 23).

The proportion of insurers with assessment processes based on environmental, social, and governance criteria (ESG assessment processes) has risen significantly, from 53 % to more than three-quarters of the responding companies. By 2026, ESG assessment processes have become the most widely used tool in underwriting, through which property and casualty insurers – in their own assessment – contribute to sustainable development. An additional 12 % of the responding property and casualty insurers plan to introduce them (previous year: 20 %).

For 10% of companies, ESG assessment processes are currently not an option; this figure is unchanged from the previous year. Figure 24 shows that since 2021, ESG assessment processes have evolved from a niche topic to a widespread component of underwriting.

The percentage of insurers that monitor relevant ESG metrics has also risen again, now standing at 36 % (previous year: 31%). Currently, these are primarily larger companies, but an additional 47 % – representing a broader market spectrum – plan to implement monitoring. It follows logically that ESG monitoring does not end after underwriting but continues throughout the contractual relationship.

In the **commercial and industrial customer** segment, the increased proportion of insurers conducting ESG assessments is evident across all lines of business:

- most frequently, at 64 %, in **property** insurance [+20 percentage points (pp) year-over-year],
- **liability** and **engineering** insurance, each at 56 % (+17 pp and +7 pp, respectively),
- **transport** insurance at 50 % (+10 pp),
- and similarly widespread in the lines of **motor** (46 %, +11 pp), **accident** (43 %, +4 pp), and **legal protection** insurance (42 %, +10 pp),
- ESG underwriting processes are used less frequently in **surety** and **trade credit** insurance, at 21 % each (+11 pp).

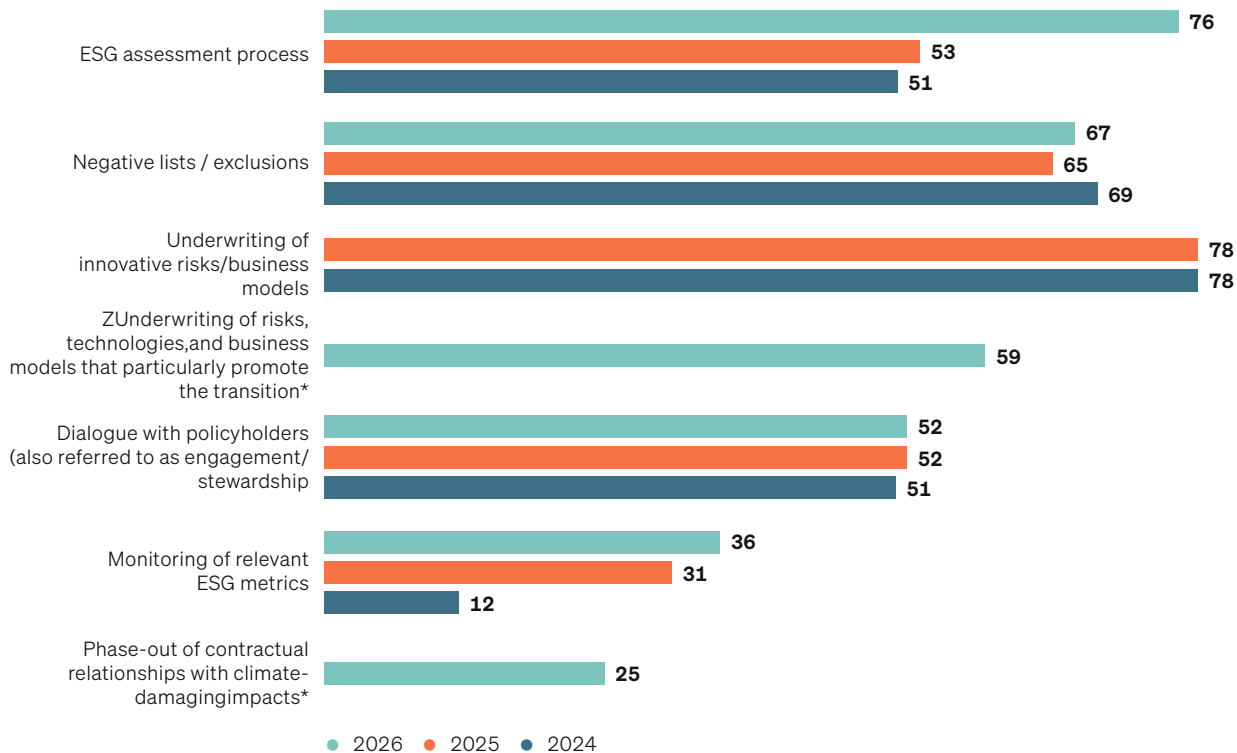
At all insurers that conduct an ESG assessment, the underwriting unit carries out this review independently as an additional process. In addition, at some insurers, the units collaborate with others – such as the sustainability team or product management – or a separate organisational unit conducts the review. In some cases, underwriters use external data providers as a source of information.

ESG Assessment Criteria

As part of their ESG assessments, insurers are – as in previous years – placing greater emphasis on social factors and corporate business practices than on environmental criteria. The sharp increase in the adoption of these processes suggests that many insurers have only recently begun applying assessment processes in underwriting. In terms of operational implementation, social and governance criteria appear to be easier to manage, or data availability seems to be higher. Furthermore, the figures suggest that many insurers combine

Approaches and Methods for Promoting Transformation in Underwriting

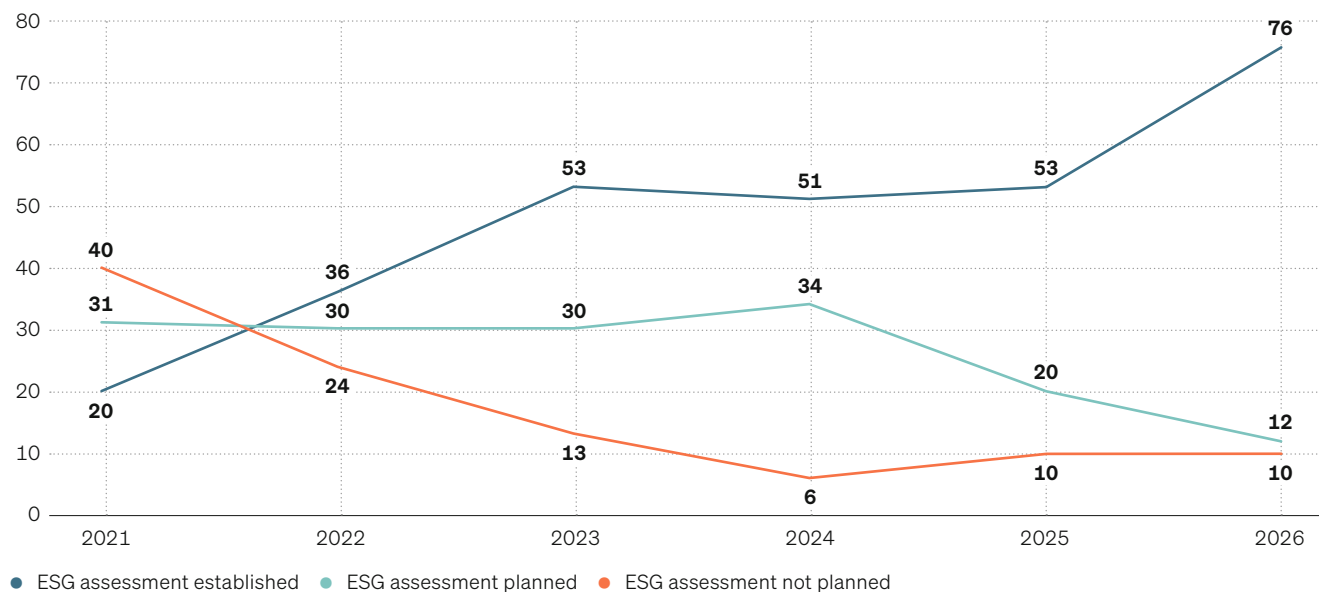
Figure 23 · Responses in % weighted by market share in property and casualty insurance to the question “Do you use one or more of the following methods in underwriting to positively influence sustainable development?”; multiple responses allowed



*New response options in 2026; Source: GDV

Use of ESG Assessment Processes in Underwriting by Insurers

Figure 24 · Responses in %, weighted by market share in property and casualty insurance



Source: GDV

ESG assessment processes with underwriting exclusions that place greater emphasis on economic activities related to fossil fuels and deforestation risks (see below).

- 76 % of insurers with these processes review the manufacture of controversial weapons (previous year: 77 %),
- 60% review controversial business practices (previous year: 75%),
- 57% cited the protection of human rights within the assessed company and – included in the survey for the first time this year – within its supply chains (previous year: 76 %), as well as 48 % citing compliance with labor rights in accordance with the principles of the UN Global Compact (previous year: 69 %),
- 41% cited alignment with the Paris Agreement climate goals (previous year: 53 %),
- 38% each for animal welfare and nature conservation (previous year: 50 % and 49 %, respectively).
- The carbon footprint of policyholders has so far been taken into account only sporadically. This response option was included for the first time in the reporting year.

Exclusions from coverage

Two-thirds of the property and casualty insurers that responded use underwriting exclusions for commercial and industrial risks (+2 percentage points). Another 7 % plan to introduce them. Although the market-weighted share of insurers with exclusions is lower than the share of insurers with ESG assessment processes, in absolute terms, however, this group is larger. Companies with comprehensive or partial underwriting exclusions (exclusion or negative list) cite the following exclusion criteria:

- All exclude the manufacture and sale of controversial weapons as well as coal-related activities.
- Controversial business practices (84 %), activities related to petroleum and other fossil fuels (83 %), violations of labor and human rights (82%), and child labor (81 %) – which are more likely to be an issue for companies with international operations – are excluded in similar proportions.
- Two-thirds exclude activities that contribute to deforestation or forest degradation.

Underwriting of Innovative Risks, Technologies, and Business Models

59 % of the responding property and casualty insurers state that they underwrite risks, technologies, or business models that particularly promote the transition (“de-risking the transition,” “Climate Solutions”). The survey question was adjusted compared to previous years to place greater emphasis on securing transformation projects and climate solutions. The results are therefore not directly comparable with those from previous years and are presented separately in Figure 23.

The term “Climate Solutions” (as defined, for example, in the ISO 32212:2026 standard) refers to insurance products and services that support the transition to a climate-neutral and resilient economy. These include, in particular, coverage for technologies, projects, and business models that contribute to reducing greenhouse gas emissions, increasing energy and resource efficiency, or adapting to the consequences of climate change. Of particular importance are solutions that make novel technologies, infrastructure, and business models insurable. By assuming and transferring risks, insurers can create an important prerequisite for the financing, scaling, and market penetration of such projects. Specifically, insurers cited the following examples of their “Climate Solutions” in the GDV survey: insurance for renewable energy and the associated infrastructure, electric mobility solutions, shared mobility, and coverage concepts for climate-resilient reconstruction.

Among the approaches and methods for promoting transformation, dialogue with policyholders – also referred to as engagement or stewardship – continues to be frequently cited by 52 % of the insurers surveyed.

For the first time, respondents were asked about the approach of gradually phasing out existing contractual relationships with climate-damaging impacts. One-quarter of the responding property and casualty insurers state that they are pursuing such phase-out strategies and are thereby actively managing their portfolios in the context of sustainability and transformation goals.

Identification and Reduction of Downstream Scope 3 Emissions

Among property and casualty insurers, 34 % reported using KPIs in underwriting (Chapter 2). Almost as high – at 30 % – is the proportion that has set ambitions or targets for reducing insured emissions by 2030. Another 7 % are planning to set such targets. Some companies are also striving to analyse, increase transparency

regarding, and reduce emissions resulting from their claims settlements.

Tracking and managing insured or claims-related emissions continue to pose significant challenges for companies. In particular, the availability of reliable data and the development of suitable calculation methods remain key hurdles.

5.1.2 Products and Product Components

With more than 385 million insurance policies, property and casualty insurers reach broad segments of the economy and society. Through their products, coverage modules, and insurance terms, they therefore have a wide range of opportunities to accompany and support transformation processes. In addition to providing coverage for new technologies, insurance products can create incentives for the use of more climate-friendly, resource-efficient, or resilient solutions.

The GDV sustainability survey examined the extent to which property and casualty insurers offer products or product components that can contribute to decarbonisation or the transformation of the economy and society. These include, for example, expanded coverage concepts for sustainability-relevant technologies, restoration concepts featuring more energy-efficient replacement solutions, and incentives for preventive measures. Line-specific response options were provided for the lines of residential building and household contents insurance, commercial building and contents

insurance, liability insurance, and motor insurance. Additional offerings may also exist.

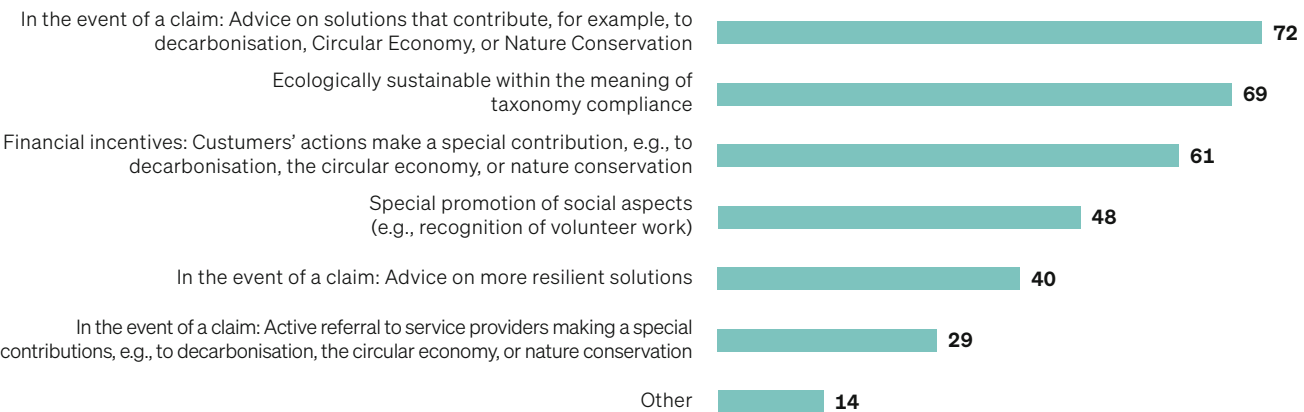
The further development of products and insurance terms often takes effect with a time lag, as new benefits frequently become effective only upon the conclusion of new policies or contract amendments. The results show which standard products, additional coverage options, or claims settlement methods insurers currently offer their customers. However, many insurers assess the demand for such offerings as modest. To the extent that insurers have collected relevant data, the uptake so far has been rather low. This could also be due to the fact that innovative solutions or expanded coverage often involve additional costs and can result in higher premiums.

First, a cross-sector overview of selected product approaches on the market is provided, followed by a breakdown by insurance line. Overall, 97 % of respondents – weighted by market share – indicated that they offer such products. Figure 25 shows the products or product modules offered by numerous insurers that promote the selection of lower-emission, more resource-efficient, or more resilient solutions.

→ Just under three-quarters of the responding companies (72 %) offer advisory services on solutions in the event of a claim that make a particular contribution, for example, to decarbonisation, the circular economy, or nature conservation.

Features of products or product components that contribute to decarbonisation or sustainable transformation

Figure 25 · Responses in % weighted by market share in property and casualty insurance to the question: “If your company currently offers products or product modules that contribute to decarbonisation or sustainable transformation, what characterises them?”; multiple responses allowed



Source: GDV

- 69 % of the responding property and casualty insurers have products or product modules in their portfolios that meet the requirements of the EU Taxonomy Regulation. The EU Taxonomy is the European classification system for environmentally sustainable economic activities. The environmental objective “Adaptation to climate change” also takes certain non-life insurance products into account. Under specified conditions, insurance coverage for climate risks can therefore be classified as a taxonomy-compliant economic activity. Insurance companies subject to CSRD reporting requirements must disclose the extent to which their business activities meet the criteria of the EU Taxonomy.
- 61 % of the responding property and casualty insurers provide financial incentives for behaviors that contribute, for example, to decarbonisation, the circular economy, or nature conservation.
- Nearly half of the responding insurers (48 %) also specifically take social aspects into account; for example, their benefits or terms and conditions support volunteer work.
- 40 % advise their customers on more resilient solutions in the event of a claim to strengthen resilience against future risks.
- 29 % actively refer customers to tradespeople, repair services, or service providers whose services can make a significant contribution to transformation goals.

Contributions of Individual Insurance Lines to Sustainable Transformation

From a sector-specific perspective, the products and components offered by various insurers are categorised under the following areas of focus: the energy transition, the mobility transition, circular economy measures, and “Sustainable Buildings and Consumption.” The offerings range from coverage for new technologies and support for resource-efficient repairs to additional benefits for energy-efficient, climate-friendly, or climate-resilient restoration concepts. In this way, the relevant property and casualty insurance products safeguard sustainable investments and contribute to the achievement of society’s climate, resource, and adaptation goals.

The percentages shown in Table 4 and in the sections on the individual insurance lines refer only to the insurers corresponding to the respective lines. The results thus show the prevalence of individual product and service

features within each line. Not all areas of focus were surveyed for all lines.

Residential Buildings Insurance

In residential building insurance, the focus of the offerings is clearly on supporting the energy transition. Nearly all companies that responded for this line of business offer insurance coverage for renewable energy systems and technologies. Coverage for these is primarily provided through standard policies. However, supplementary clauses and modules are also widely used for photovoltaic systems and charging infrastructure.

The “Sustainable Buildings and Consumption” sector has emerged as the second most important focus area in the offerings of the responding insurers in this line of business. Many insurers offer products that take into account emissions and environmental impacts – whether during post-damage restoration or in the materials and processes used. Unlike with coverage for energy technologies such measures are not addressed exclusively through product design. Rather, the offerings differ in terms of standard benefits, add-on modules, or coverage options in the event of a claim.

Among the 46% of building insurers that provide for additional costs for environmentally sustainable construction measures following an insured event, such measures are primarily offered immediately upon the occurrence of a claim. This highlights the potential of claims settlement to drive sustainable transformation (see Chapter 5.1.3). Among the 44 % of insurers offering “Build Back Better” programs – meaning climate-resilient reconstruction – the corresponding benefits are often already included in the standard product or available as an add-on.

Offers that specifically take the circular economy into account are, however, less common in this sector. Residential building insurance is traditionally geared toward restoration or replacement a new-for-old basis. Circular economy approaches, such as the use of used or remanufactured building components, can therefore be integrated into the existing claims-settlement framework only to a limited extent. Furthermore, it may make more sense to retrofit buildings with new components to improve their energy efficiency during restoration after damage. Additionally, corresponding material cycles in the construction industry are only just being established.

Features of products or product components that contribute to decarbonisation or sustainable transformation

Table 4 · Market-weighted percentages in the respective lines of business, including (co-)insurance, coverage of additional costs, or support through standard and supplementary clauses or offers in the event of a claim

	Residential Buildings	Commercial buildings and contents	Home contents	Motor vehicles	Liability
Energy transition					
PV systems	99	98	/	/	98*
Systems for heating, cooling, and hot water production from renewable energy sources (excluding PV)	95	90	/	/	98*
Balcony solar power systems	95	/	99	/	/
Battery Storage	95	78	/	/	51
Mobility Transition					
Charging infrastructure / E-Mobility	96	63	/	98	/
Financial incentives for E-Mobility	/	/	/	58	/
Bicycle theft	/	/	99	/	/
Circular Economy					
Promoting repairs instead of new purchases / replacement purchases	25	55	70	75	51**
Promotion of resource-efficient repair methods	7	13	43	51	/
Repairs using used parts / refurbished components	4	31	3	31	/
Environmentally sustainable claims settlement (Services or repairs that make a significant contribution, e.g., to decarbonisation, the circular economy, or nature conservation)	4	10	4	42	/
Sustainable Buildings and Consumption					
Energy-efficient materials or components (e.g., better insulation, energy-efficient windows) or appliances or systems (e.g., highest energy efficiency class)	77	80	84	/	52**
Use of eco-friendly building materials (e.g., naturally renewable raw materials or materials that are free of or low in harmful substances)	69	56	/	/	/
Climate-friendly materials with a reduced greenhouse gas footprint	54	53	/	/	/
Environmentally sustainable construction measures following an insurance claim (e.g., green roofs, PV systems, solar thermal systems)	46	42	/	/	/
Build Back Better	44	35	/	/	/
Energy consulting	17	43	/	/	/

/ = not reported

* (Co-)insurance of renewable energy facilities

** Compensation for damages or coverage of additional costs beyond statutory requirements

Source: GDV

Commercial Property and Contents Insurance

In commercial property and contents insurance as well, offerings designed to address the energy transition are very widespread, mostly through standard coverage. Supplementary coverage options are used somewhat more frequently by product providers, particularly for photovoltaic systems and battery storage. Climate-conscious benefits for buildings and commercial inventory are offered somewhat less frequently, for example in the form of additional coverage for energy-efficient materials or components (80 %), eco-friendly building materials (56 %), and climate-friendly materials such as low-carbon cement or concrete (53 %). At 43 %, coverage for energy consultations is offered more frequently than for private customers. Many insurers use both standard coverage and additional modules and clauses for these services.

Compared to residential building insurance, circular economy approaches also play a greater role. These offerings are primarily integrated into standard coverage and are only occasionally offered as standalone add-ons.

Overall, it is evident that sustainability-related benefits in commercial insurance are more frequently structured as optional extensions of insurance coverage than in residential building insurance.

Home Contents Insurance

Among the sector-specific home contents insurance policies surveyed, the vast majority of providers are actively addressing the issues of the energy transition, the mobility transition, and sustainable consumption. Balcony solar power systems are a standard component of coverage for nearly all providers. When it comes to bicycle theft protection, just under two-thirds of the offers are structured as special clauses. The greatest variation in the type of coverage is found in the coverage of additional costs for energy-efficient appliances or systems as replacements following a claim: for just under half of the providers, this is part of standard coverage, while one-quarter each offer these benefits through add-on modules or in the event of a claim.

In home contents insurance, benefits related to the circular economy are offered more frequently than in the previously mentioned lines of business: 70 % of insurers encourage repair over new purchases or replacement, while 43 % support resource-efficient repair methods. Both approaches are primarily implemented when a claim is filed, suggesting that the claims settlement process is a good starting point for preserving the value of damaged items.

Motor Insurance

In motor insurance, there was particular interest in benefits related to the mobility transition and the circular economy. Nearly all companies offer special services or extended coverage for electric mobility or charging infrastructure (98 %). These offerings are predominantly included in standard policies. 58 % of insurers in this sector provide financial incentives for the use of electric mobility, also almost exclusively through standard coverage.

Circular economy approaches are also incorporated into numerous offerings. The most common – offered by three-quarters of companies – is the option of repair instead of a new purchase or replacement. In addition to the benefits of conserving resources and preserving value, a well-developed circular economy infrastructure could also help mitigate claims inflation.

Liability Insurance

In this sector, nearly all responding companies insure against liability risks arising from damage caused by renewable energy systems (98 %). Geothermal risks are already covered by 88 % of the companies.

The other segment-specific services are offered by roughly half of the insurers in each case. The liability insurance services surveyed are mostly part of the standard coverage. Only a small portion of insurers use supplemental clauses.

Assistance and Travel Protection Services

48% of the responding companies offering assistance and travel protection services additionally stated that they provide extended insurance coverage for bicycles and e-bikes, for example in the form of breakdown assistance (not shown in Table 4). Of these, two-thirds are add-on modules. Otherwise, the insurance coverage is included as part of the standard coverage.

5.1.3 Claims Settlement

Claims settlement provides property and casualty insurers with an effective starting point for incorporating sustainability aspects into the restoration of damaged and destroyed assets. By selecting and managing repair, restoration, and replacement processes, resource-efficient solutions can be promoted and emissions reduced. Service providers and tradespeople who use low-emission methods or more resource-efficient materials contribute to this effort. The potential of this lever is evident from the high volume of claims: In 2025, insurance companies paid out a total of 68 billion euros to settle

approximately 25 million claims. The largest claim volumes were in motor insurance (31.9 billion euros), property insurance (19.9 billion euros), and general liability insurance (5.8 billion euros).

Focus on the Circular Economy and Sustainable Partners in Claims Management

The percentage of responding property and casualty insurers that incorporate at least one of the following sustainability measures into their claims settlement process remains stable at a high level of 89%. However, the efforts of many insurers to integrate sustainability aspects into this part of their core business often go unnoticed, as they are not explicitly mentioned in the policy terms and conditions, for example. Figure 26 provides an overview of how property and casualty insurers utilise the various measures:

- Circular economy: There is strong momentum in the area of the circular economy. 88 % of the responding property and casualty insurers prefer repairs over complete replacement of damaged items (previous year: 81 %). Following a temporary spike in the previous year, the proportion of insurers offering incentives for the use of sustainable alternatives, such as used parts, has fallen back to 53 % (previous year: 62 %). This could indicate that practical implementation in certain lines of business continues to prove challenging. The percentage of companies that prioritise recycling over disposal of damaged items also fell to 43 % (previous year: 53 %).
- Short distances: To reduce business travel mileage, 89 % (previous year: 86 %) of insurers rely on digitisation (e.g., for expert assessments or claims settlement) and 83 % on regional focus (previous year: 71 %). These figures are consistent with the measures insurers are taking regarding their own operations (Chapter 3).
- Climate-conscious replacement: 73 % of companies ensure that damaged goods are replaced with energy-efficient alternatives when settling claims (previous year: 81 %). The proportion of insurers settling claims using the “Green for Old” approach rose from 16% to 30 %. In doing so, they specifically consider, for example, low-carbon, resource-efficient, or otherwise sustainable materials and technologies. This suggests that sustainability considerations are increasingly being factored into the quality of the replacement as well, and not just into the decision to repair.
- Innovation: 45 % of responding insurers rate emission-reducing or resource-saving innovations in claims settlement as relevant to their claims processes (previous year: 44 %). This year, the response options were made more specific with regard to emission reduction and resource conservation.
- Other environmental aspects: 39 % of insurers specifically aim to conserve resources when a claim is filed (previous year: 57 %). The decline could indicate that companies are now focusing their efforts more strongly on specific areas of action, such as the circular economy, sustainable service providers, or innovative restoration solutions. Measures to improve soil or water quality play a role for 11 % (previous year: 14 %).
- Resilient replacement: 37 % of the insurers surveyed consider climate-resilient reconstruction or resilient damage repair to be important. This includes, for example, more resilient building materials or structural adaptations to increased natural hazard risks in line with the GDV’s “Build Back Better” guidelines (previous year: 44 %).

Sustainability Criteria in the Selection of Claims Partners

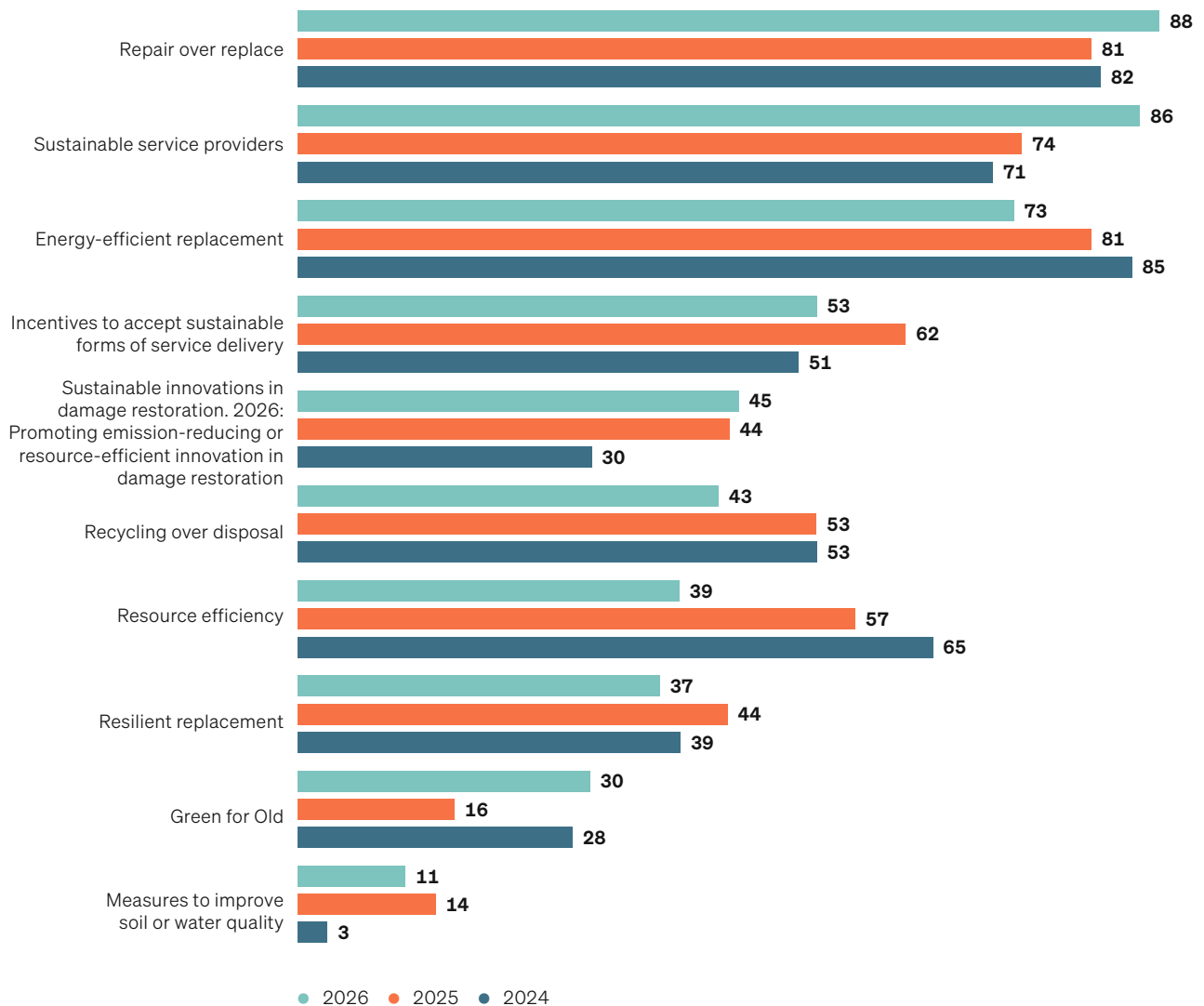
In many lines of business, the settlement of insurance claims involves service providers such as experts, restoration companies, and tradespeople. When selecting these providers, 86 % of the responding property and casualty insurers now take sustainability aspects into account (previous year: 74 %). For the majority of insurers, good management of the contracted companies is important (75 %, previous year: 74 %), as are social factors such as fair wages, diversity, and fair working conditions (71 %, previous year: 65 %).

With regard to environmental sustainability, the following criteria are applied particularly frequently:

- At 86 %, the consideration of regional factors is once again significantly more widespread (previous year: 74%).
- Following a decline the previous year, slightly more insurers are again paying attention to the efficient use of natural resources by service providers (61 %, previous year: 58 %). Exemplary environmental protection standards – such as the avoidance of harmful substances, protection against pollution, or proper disposal – are also being considered as criteria slightly more frequently (62 %, previous year: 60 %).
- There has been a sharp increase in the use of formalised proof of sustainability. 59 % of insurers require service providers to submit a sustainability plan (previous year: 35 %). In addition, 53 % take into

Sustainability Concepts in Claims Settlement

Figure 26 · Responses in % weighted by market share in property and casualty insurance regarding criteria in the company's claims settlement process, even if they are not explicitly part of the contractual service promise; multiple responses allowed



Source: GDV

account sustainability certificates, labels, or comparable evidence (previous year: 39 %). 61 % of the responding property and casualty insurers are familiar with the non-binding guidelines “Sustainability Goals for the Restoration of Property Damage” (VdS 6038), which can be taken into account in the sustainability certification of restoration companies.

→ Repair methods that make a significant contribution to decarbonisation, the circular economy, or nature conservation are considered a selection criterion by 51 %.

→ Measures for waste prevention, waste management, and recycling play a role for 45 % of insurers, remaining nearly at the previous year's level (46 %).

→ The service provider's vehicle fleet is a factor for 43 % (previous year: 45 %). The energy efficiency of the equipment fleet is now considered by only 44 % of the responding insurers (previous year: 53 %).

→ The percentage of insurers that take steps to avoid climate-damaging emissions when selecting service providers and tradespeople has fallen back to 31 % after a temporary spike last year (previous year: 43 %).

These include, for example, taking carbon footprints into account or implementing measures to prevent leaks during the installation and maintenance of heating and air conditioning systems. It is possible that emissions-related aspects will increasingly be addressed within the framework of overarching sustainability requirements or certifications and are therefore less frequently cited as a standalone selection criterion. Furthermore, the availability of reliable emissions data remains limited among many service providers.

- The use of used or remanufactured parts instead of new parts has risen to 34 % compared to the previous year (previous year: 26 %). In contrast, the proportion of responding property and casualty insurers has decreased slightly to 31 % (previous year: 35 %) who ensure that their service providers transition to a circular economy, for example by using durable, recyclable, or easily disassemblable materials during damage repair

5.1.4 Climate Change Adaptation and Protection Against Natural Hazards

Chapter 1 referred to calculations by the United Nations Environment Programme (UNEP), according to which the 1.5°C target of the Paris Agreement is likely to be exceeded as early as around 2030. Adaptation to climate change and prevention are becoming more urgent, and protection against damage is growing in importance.

Insurers in Germany have been covering the financial consequences of natural hazards for decades. In the past 50 years alone, they have paid out more than 200 billion euros for insured losses. With a loss volume of around 2 billion euros, the natural hazard year 2025 was comparatively moderate for property and casualty insurers (Figure 27). Of this amount, approximately 600 million euros were attributable to motor insurance. In property insurance – which includes, among other things, residential buildings, household contents, and commercial and industrial insurance – insured losses totaled around 1.4 billion euros, which was 3 billion euros below the 2024 level. At around 1 billion euros, storm and hail damage accounted for the largest share of claims expenses. Insured natural perils, caused by events such as flooding due to high water and heavy rain or landslides and snow load incidents, totaled approximately 400 million euros in property insurance.

Insurance coverage rate for natural hazards now at 59% – and rising

In residential building insurance, damage caused by storms and hail is generally covered. An additional rider is required to insure against other natural hazards. By the end of 2025, approximately 59 % of residential buildings in Germany are insured against natural hazards – and the trend is on the rise (previous year: 57 %). To assess risks, insurance companies rely on the zoning system for flooding, backwater, and heavy rain ([ZÜRS Geo](#)).

In its coalition agreement, the federal government had agreed to give greater consideration to natural disaster insurance. The announced details have not yet been provided, but are expected in the first quarter of 2027.

The GDV continues to closely monitor political developments regarding natural disaster insurance and contributes its expertise to the debate. With the “[Elementar Re](#)” concept, the insurance industry has presented a concrete proposal that demonstrates how insurance coverage against natural hazards can be made permanently available, affordable, and insurable over the long term. Furthermore, the GDV advocates for a stronger link between insurance coverage, prevention, and adaptation to climate change, as well as for a sustainable safety net system in the event of extraordinary natural disasters. German insurers will engage constructively in the upcoming political decisions.

The need for action on prevention and climate adaptation remains high

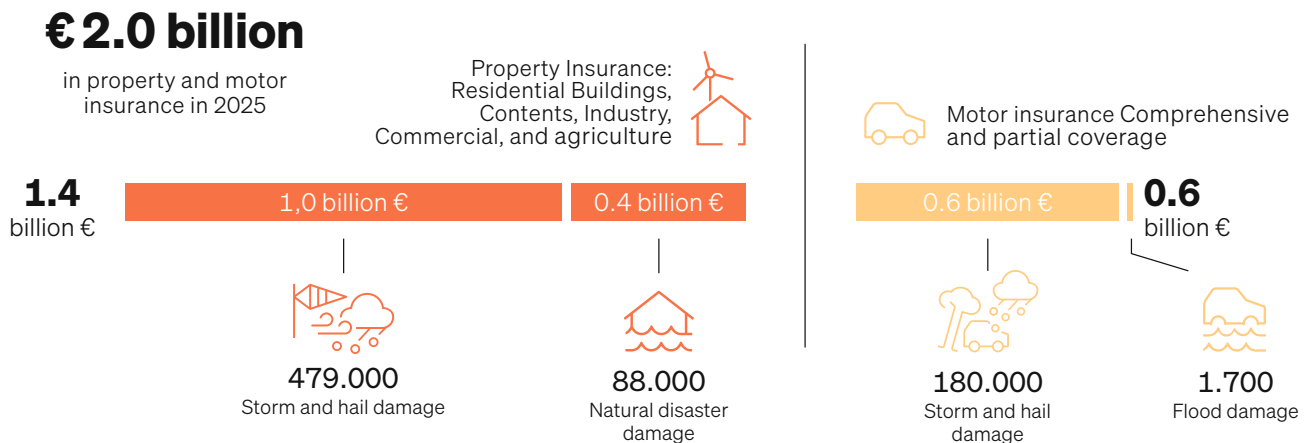
The comparatively quiet year in terms of natural hazards should not obscure the long-term trend. The frequency, intensity, and geographic spread of such events are increasing, heightening the urgency for action on prevention and climate adaptation. According to the GDV’s assessment, premiums for home insurance could double within the next ten years if no effective countermeasures are taken. The insurance industry is therefore calling on the federal government, the states, and local governments to consistently further develop existing strategies for adapting to the impacts of climate change and, in particular, to significantly accelerate their implementation. From the GDV’s perspective, the public sector plays a key role in effectively limiting damage through appropriate prevention and adaptation measures.

GDV Guide to “Build Back Better”

Repairing and rebuilding damaged or destroyed property is not only about remedying the damage that has occurred, but increasingly also about increasing resilience

Claims from natural hazards in 2025 at a glance

Figure 27 · Claims Expenses in Property and Motor Insurance



Source: GDV, Natural Hazards Report 2026

to future extreme weather events and preventing further damage as much as possible. The “Building Back Better” approach provides guidance in this regard, enabling residential buildings in particular to be designed to be more climate-resilient. 89 % of the property and casualty insurers who responded are familiar with the non-binding guidelines for residential building insurance published by the GDV in 2024, which support the practical implementation of this approach. The [guidelines](#) are used in a variety of ways: 49 % use them in product development, 34 % for company-specific considerations, and 21 % for training purposes. However, only 5 % of the responding property and casualty insurers have consulted the guidelines in connection with specific claims to date.

Insurers inform customers about prevention and adaptation to climate change impacts

Insurance companies’ long-term expertise is an important source for scientific research on natural hazards, climate impacts, and climate adaptation. However, there is also a need for greater, action-oriented risk awareness among the general public. The vast majority of property and casualty insurers who responded (89%) inform their customers about how they can protect themselves from the effects of climate change and about measures to address climate impacts (Figure 28).

The GDV educates the public about natural hazards and raises public awareness of risks

Every year, the GDV publishes the Natural Hazards Report, which provides a detailed assessment of damage to buildings, household property, commercial properties, industry, agriculture, and vehicles. The reports,

GDV Reform Proposals for Rapid and Effective Adaptation to the Consequences of Climate Change

Climate-adapted planning, construction, and renovation: Prevention should become an integral part of state building codes.

- Statutory ban on construction in flood-prone areas: Every year, approximately 1,500 new buildings are constructed in flood-prone areas.
- Stop land sealing: A climate risk assessment should be mandatory for building permits in the future.
- Introduction of a natural hazard certificate for every building in Germany.
- A nationwide natural hazard portal modeled after Austria’s ([HORA](#)): A database serves as a tool for administrative and business use while simultaneously raising the public’s awareness of risks.
- Centralised nationwide tracking of all adaptation measures: Make successful projects visible and replicable; promote targeted investment.

including those from previous years, can be downloaded from the [association's website](#). A supplementary [online data service](#) provides graphs, tables, and maps on damage caused by natural hazards. The 2026 Natural Hazards Report shows how climate change is altering the risk landscape in Germany – and what that means for insurability. The focus is on crisis management: taking precautions, responding appropriately when an event occurs, managing damage, and ensuring a resilient recovery. Examples from various regions around the world provide insights into how risks can be identified, mitigated, and better insured against.

[The Flood Check](#) is a free service offered by insurers to raise the public's awareness of risks. It allows users to quickly and easily determine the risk of heavy rain and flooding for their property by simply entering their place of residence. It also provides tips on how to prepare.

Research, Data, and Collaborations

The GDV supports research into climate-related risks by providing data, conducting its own analyses, and engaging in scientific collaborations. Together with research institutions and government agencies, the association develops the foundations for better understanding natural hazards, assessing risks, and supporting adaptation to the consequences of climate change.

Collaboration partners include, among others, the German Weather Service (DWD), the Free University of Berlin, and the Karlsruhe Institute of Technology (KIT). The focus is particularly on researching and assessing natural hazards such as heavy rain, hail, and flooding. The insurance industry provides extensive claims and policy data for this purpose, thereby contributing to the advancement of scientific knowledge and risk models.

A current focus is the development of a nationwide flash flood modeling system. This system is intended to provide a more comprehensive analysis and assessment of the risks posed by extreme precipitation events, particularly along smaller watercourses in mid- and high-altitude mountain regions. The results, which will be made available to member companies in a timely manner – initially for testing purposes – may provide additional insights for risk assessment and prevention in the future.

In addition, the insurance industry supports the climate adaptation strategies of the federal and state governments, as well as the scientific analysis of climate impacts, with its long-term, regionalised data. The data provide important insights into the development of

natural hazard risks, damage caused by extreme weather events, and insurance coverage in Germany, thereby contributing to a robust knowledge base for prevention and climate adaptation.

Ongoing work on loss prevention strategies to protect against natural hazards

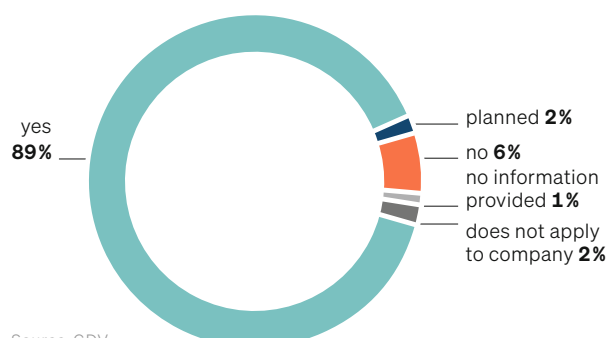
In addition, loss prevention strategies play an important role. They enhance the protection of people and property, and insurers use them to appropriately assess, manage, and prevent risks. In the area of natural hazards, the following publications (in German) on loss prevention by the German insurance industry are worth noting: Building Protection Against Hail [VdS 6100](#), Flood Protection [VdS 3521](#), Storm Protection [VdS 2389](#), the guide “Structural Flood Prevention” [VdS 6002](#), and Mobile Flood Protection Systems [VdS 6001](#). The publication “Protection Against Geohazards – Guidelines for Hazard Assessment, Risk Assessment, and Preventive Measures” ([VdS 6025](#)) has been available since April 2026.

The association actively contributes to developing and updating recommendations for action to protect against natural hazards and extreme weather events by sharing its experience with damage incidents as well as its expertise in risk management and damage prevention, e.g.:

- at the German Institute for Standardisation (DIN), including work on the fundamentals of safety requirements for structures (GruSiBau) and the adaptation of standards to the consequences of climate change,
- at the German Association for Water, Wastewater, and Waste (DWA) regarding flood prevention in

Information on Adaptation to Climate Change

Figure 28 · Responses (in %) weighted by market share in property and casualty insurance to the question: “Do you inform your customers about how they can protect themselves from the consequences of climate change and about climate adaptation measures?”



Source: GDV

connection with flooding, heavy rainfall, including flood-adapted planning and construction, as well as audits of municipal flood prevention measures,

- at the HochwasserKompetenzCentrum (HKC e.V.) in the further development of the Flood Passport,
- as part of the European “FlashFlood-Breaker” project, which focuses, among other things, on developing an innovative early-warning system to prevent damage from flash floods in urban areas. It combines real-time data, AI-supported analysis, and automated protection mechanisms to provide early warnings to at-risk regions so they can be protected quickly and efficiently.

5.2 Life Insurance

Customers now have access to a wide range of life insurance policies with sustainability features that take into account, for example, the emissions of the investment assets or international principles regarding respect for human rights. The product range encompasses all types of products: traditional, hybrid, and unit-linked. A GDV survey (market share: just under 80% based on endowment life insurance policies) on new business for life insurers in 2025 revealed that nearly all companies offer endowment life insurance products with investment options that, in the assessment of the respective insurers, contribute to achieving an environmental goal, such as climate protection. Providers disclose information for these products in accordance with the Sustainable Finance Disclosure Regulation – SFDR:

- According to the survey, the share of products with sustainability-related investment options (choice of funds under Articles 8 or 9 of the SFDR) in new business was 95% for unit-linked products (based on the number of contracts; previous year: 96 %) and just under 77% for hybrid products (previous year: just under 75%).
- The share of products for which customers actually utilised this option was 55 % for unit-linked (based on the number of contracts; previous year: 57 %) and 47 % for hybrid products (previous year: 54 %).
- The survey also showed that, for traditional products and the traditional component of hybrid products, two-thirds of those surveyed participating life insurers disclose their total general account in accordance with Article 8 or 9 of the SFDR. Where such

disclosure was made, the minimum share of sustainable investments in the general account – as reported under the SFDR, calculated as an average across all companies offering this product – was 4.6 % for traditional products and for the traditional component of hybrid products (previous year: 4.3 % and 5.5 %, respectively).

The SFDR regulations aim to channel capital flows into sustainable investments and economic activities by providing comparable and meaningful sustainability information on financial products. The EU legislature is working on new rules to help the SFDR better achieve its objectives. One of the main challenges to date is that the mandatory disclosures for financial products are very complex. It is difficult for investors to assess how sustainable an individual financial product may be.

In connection with the SFDR revision, the introduction of ESG product categories is also part of the proposals aimed at providing greater clarity for investors and retail investors. In November 2025, the European Commission presented its proposals for the design of ESG product categories. Since then, the Council has also adopted its General Approach, and the European Parliament’s ECON Committee has adopted its report, which still needs to be finally approved by the European Parliament.

What all three proposals have in common is that they aim to replace the existing disclosure categories under Articles 8 and 9 with a new categorisation system. The new, comprehensive categorisation system is intended to potentially cover all products with an ESG focus. Three product categories are envisaged for the future:

- Products with transition objectives (Article 7): Investments in the sustainable transformation of companies, economic activities, or other assets; or investments that contribute to such a transformation.
- ESG Basic Category (Article 8): Integration of sustainability factors into the investment strategy beyond merely taking sustainability risks into account. This category would cover products with strategies that do not fall under the other two categories and thus also includes less ambitious products, such as those that avoid harmful investments.
- Products with sustainability objectives (Article 9): Investments in sustainable companies, economic activities, or other assets, as well as investments designed to promote sustainability.

Classification into one of the categories is expected to be challenging, as the proportion of investments that

give the category its name must amount to 70%. Insurance products were explicitly taken into account in the deliberations. This allows a wide range of ESG-related products to be included in the new framework, even for investments in the general account.

From the industry's perspective, however, a fundamental simplification of disclosure requirements is a top

priority. Limiting standardised product information to two pages represents a first step in the right direction. There remains a need for a significant simplification of the requirements for assessing sustainability preferences (as regulated by the IDD), which are currently still very complex and not very consumer-friendly.

Further Resources and Links

1. Introduction



Page 09: United Nations Environment Programme 2026: Limiting Overshoot: Navigating exceedance of 1.5 °C and pathways toward return



Page 09: Intergovernmental Panel on Climate Change (IPCC) 2026: Indicators of Global Climate Change 2025: Annual Update of Key Indicators of the State of the Climate System and Human Influence



Page 09: International Energy Agency 2026: Analysis and Forecast to 2030



Page 09: Eurostat 2026: Energy in Europe: imports dependency



Page 09: United Nations Environment Programme 2025: Global Environment Outlook



Page 10: European Union 2026: Commission Delegated Regulation (EU) 2026/1563 of July 3, 2026



Page 10: European Union 2026: Commission Delegated Regulation (EU) 2026/1560 of July 3, 2026



Page 11: European Union: Commission Delegated Regulation (EU) 2026/73 of July 4, 2025



Page 11: Bafin 2026: Supervisory Notice 04/2026 (VA): Changes Resulting from the Solvency II Review



Page 11: EIOPA 2025: Guidelines on the Concept of Diversity in the Selection of Members of the Administrative, Management, or Supervisory Body

2. Embedding Sustainability in Companies



Page 16: Bafin 2023: Bafin's Sustainable Finance Strategy



Page 21: GDV 2025: Climate Change Scenarios in ORSA. Version 3.0 (DE)



Page 25: European Union 2026: Commission Delegated Regulation (EU) 2026/1563 of July 3, 2026



Page 25: German Bundestag 2026: Committee Document 21(6)73 – Amendment proposed by the CDU/CSU and SPD parliamentary groups to the Federal Government's draft bill – Draft Act Implementing Directive (EU) 2022/2464



Page 25: Accountancy Europe 2025: CSRD transposition tracker

3. Own Operations



Page 32: GHG-Protocol 2025:
Standards & Guidance



Page 34: German Energy Agency 2025:
Monitoring Report – New Registrations of Passenger
Cars with Electric Drives in 2025



Page 35: Federal Environment Agency 2018:
Guide – Voluntary CO2 Offsetting Through Climate
Protection Projects



Page 35: EIOPA 2025: Guidelines on the Concept of
Diversity in the Selection of Members of the Administra-
tive, Management, or Supervisory Body



Page 36: AllBright Foundation 2025:
Crisis Paralysis: Stagnation in the Proportion
of Women on Executive Boards



Page 36: DIW 2026:
Female Managers Barometer 2026



Page 36: AGV: Key Figures:
Proportion of Women in Companies

4. Investments



Page 43: Principles for Responsible Investment 2025



Page 43: Net-Zero Asset Owner Alliance 2025



Page 43: GDV 2025: Non-binding ESG questionnaire for
the selection of asset managers

5. Insurance Business



Page 57: GDV 2025: "ZÜRS Geo" – Zoning System for
Flood Risk and Assessment of Environmental Risks



Page 57: GDV 2025:
Natural Hazard Protection for
All: Insurers Present a Model for a Protection System Against
Natural Hazards



Page 58: Austrian Federal Ministry of Agriculture,
Forestry, Climate and Environmental Protection,
Regions, and Water Management:
Natural Hazard Overview & Risk Assessment (HORA)



Page 58: GDV 2024:
Build Back Better Guidelines



Page 59: GDV Natural Catastrophes Report,
various years



Page 59: The Insurers:
Flood Check



Page 60: Emschergenossenschaft 2024:
FlashFloodBreakers Project



German Insurance Association (GDV)

Wilhelmstraße 43 / 43 G, 10117 Berlin

Entrance: Leipziger Straße 121

Box 08 02 64, 10002 Berlin

Tel.: +49 30 2020-5000, Fax: +49 30 2020-6000

www.gdv.de, berlin@gdv.de