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Sustainability Blog

By PwC Deutschland | 18. November 2025

First CSRD reports from European insurers show strong heterogeneity but provide relevant management impulses

Amid ongoing political debates surrounding the Omnibus Directive and the future design of European sustainability reporting, the first European (re)insurers have published CSRD-compliant reports — providing practical insights into the implementation of the new requirements.

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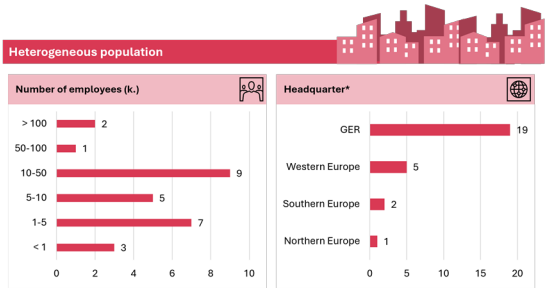
Against this backdrop, **PwC analyzed the CSRD reports of 27 European (re)insurance companies of varying sizes and business models**. The results not only provide an initial snapshot of current market practice but also indicate where best practices are already emerging — and where there is still considerable room for improvement.

It becomes evident that for the next reporting cycle clarity, consistency and strategic use of the reported data will be the key aspects to improve.



The benchmarking analysis focused on three key aspects:

- Formal reporting characteristics, such as scope and integration into existing reporting structures,
- Double materiality assessment, and
- Selected indicators and thematic priorities related to climate change (ESRS E1) and workforce matters (ESRS S1).

Early Trends in Reporting Structure

The first CSRD reports reveal a heterogeneous implementation of the new requirements, showing differences in the application of the European Sustainability Reporting Standards (ESRS), the scope and focus of reporting, and the handling of phase-ins.

Application and Integration

More than half of the insurers analyzed (52%) apply the ESRS (in some cases voluntarily) in full — even though the CSRD has not yet been transposed into national law in some countries, including Germany. Another 33% partially apply the standards, most commonly omitting certain reporting requirements, frequently in emissions reporting (E1–6) or disclosures related to remuneration (S1–16). Eleven percent are merely guided by the ESRS, and one company refrains entirely from ESRS-based reporting.

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In terms of placement, the majority of companies (74%) integrate the sustainability report into the management report, while 26% opted for a stand-alone report (possible only in countries where the CSRD had not yet entered into force at the national level).

Length of the Reports

The length of the reports differs widely, from 51 to 267 pages — spanning from concise presentations to very comprehensive disclosures that go beyond the required level of detail. The median report length is 108 pages. Most pages are devoted to general disclosures (ESRS 2) and to the particularly extensive standards ESRS E1 (Climate Change) and ESRS S1 (Own Workforce) — underscoring their central importance in the first reporting year.
By comparison, the chapters on ESRS E2–E5 (each 2–4 pages) and ESRS G1 (median 7 pages) are significantly shorter — often due to concepts, measures, and targets that are still under development, or due to lower disclosure requirements.

Use of Phase-Ins

All analyzed insurers make use of phase-in provisions, particularly for climate-related financial effects (E1-9) and disclosures on non-employee workers (S1-7) — signaling that many companies are taking a gradual approach to CSRD reporting. However, reporting practices remain inconsistent: only a few companies explicitly reference the transitional provisions defined in ESRS 1, making it difficult to discern whether information is missing due to phase-ins or materiality considerations.

Following the European Commission’s adoption of the “Quick Fix” Delegated Act on July 11, the available phase-in options were extended and expanded for fiscal years 2025 and 2026. Nevertheless, companies must still comply with certain reduced “de minimis” disclosure requirements.

Readability and Structure

Overall, the first CSRD reports often appear highly detailed and difficult to navigate from a reader’s perspective, as key information is frequently intermingled with overly granular data points or repeated throughout the document. EFRAG addressed this issue in its ESRS Exposure Drafts, noting that many companies found it challenging to communicate their sustainability strategy in a clear and coherent manner. The preparation of sustainability reports was therefore often perceived as a purely compliance-driven exercise with little flexibility — contradicting the CSRD’s objective of establishing sustainability reporting on an equal footing with financial reporting.

In response, the latest EFRAG Exposure Drafts propose several simplifications: once the revised standards take effect, companies will be able to include an Executive Summary to provide readers with an initial orientation at the beginning of the sustainability report. This also applies to extensive EU Taxonomy disclosures and additional information on non-material topics (e.g., for rating agencies). In addition, redundancies are to be avoided through more clearly defined disclosure rules regarding concepts, actions, and targets.

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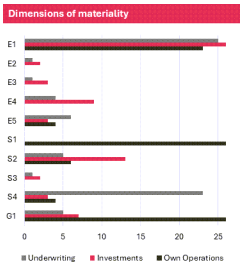
In summary, challenges such as readability and structure are being directly addressed in the upcoming ESRS revisions, with the aim of improving the overall accessibility of sustainability reports.

Insights into the results of the Double Materiality Assessment

For one of the core elements of CSRD reporting — the **double materiality assessment** — a clear market standard is already emerging. All insurers analyzed structure their materiality analyses along three dimensions: **own operations, investments, and underwriting activities**. It is evident that some ESRS standards are considered material across all three dimensions, while others are only deemed material within specific areas.



The standards **ESRS E1 (Climate Change), ESRS S1 (Own Workforce),** and **ESRS G1 (Governance)** were identified as material by all analyzed insurers. They therefore form the foundation of CSRD disclosures in the insurance sector, with relevance across all business areas.

Additional Topics in Underwriting and Asset Management

ESRS S4 (Consumers and End Users) was identified as material by all primary insurers, particularly in the core business of underwriting, while the standard is not relevant for reinsurers due to their business model. Regarding resource use and the circular economy (ESRS E5), it also appears that insurers recognize relevance in their claims management, but these topics are still at an early stage.

By contrast, the focus in asset management is on labor in the value chain (ESRS S2): More than half of the companies considered this material. Topics related to biodiversity and ecosystems (ESRS E4) are only deemed material by about one-third, even though disclosures in ESRS E4 are often contextually linked with Impacts, Risks, and Opportunities (IROs) in ESRS E1—a sign of the still low maturity level regarding the capture and measurement of biodiversity topics.

Other Environmental Standards

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Standards such as ESRS E2 (Pollution), ESRS E3 (Water and Marine Resources), and E5 (Resource Use and Circular Economy) have so far been identified as material by only around 20% of insurers, both in the investment and underwriting areas. Insurers generally do not see themselves as significantly exposed to these topics in their own operations due to their business model. It can also be generally observed that environmental topics beyond climate are still much less developed. For example, data collection or data provision by investees in asset management remains limited, and regulatory requirements for collecting and reporting these data are still in development.

For underwriting activities, reporting on these topics is also limited. This is partly due to dependence on the business model: While these topics are rarely relevant for life and health insurers, it is different for property insurers. Furthermore, within property insurance, industrial commercial lines insurers are more affected by environmental topics beyond climate, whereas the majority of the industry does not see ESRS E2 and E3 as material.

Company-Specific IROs

A review of the analyzed reports also shows that many insurers already report on additional topics beyond the explicit ESRS subject areas: 69% of the companies report company-specific IROs. Compliance-related topics such as cybersecurity and data protection are addressed particularly often—content that can be considered part of the S4 and G1 standards but are not explicitly part of reporting obligations. Furthermore, six companies already report on their Insurance Associated Emissions (IAE) in the motor vehicle and/or commercial lines sectors as part of their company-specific disclosures. Thus, many insurers are still utilizing the phase-in provisions.

Range and Interpretation of material Impacts, Risks, and Opportunities

With the classification of material topics, the question of the substantive depth of reporting also comes into focus: How many impacts, risks, and opportunities (IROs) are material, and how are they presented in the report?

On average, companies report a median of 35 material IROs, though the actual range extends from 12 to 87. This wide variation primarily reflects differences in methodological approaches and levels of granularity. Some companies opt for a concise, aggregated presentation, while others take a more detailed approach and describe their IROs in depth — down to the sub-sub-topic level.

Differences also appear in visual presentation: table formats, narrative text, categorizations by business dimension, or thematic clustering — this diversity of approaches makes comparisons difficult, despite the existing regulatory framework.

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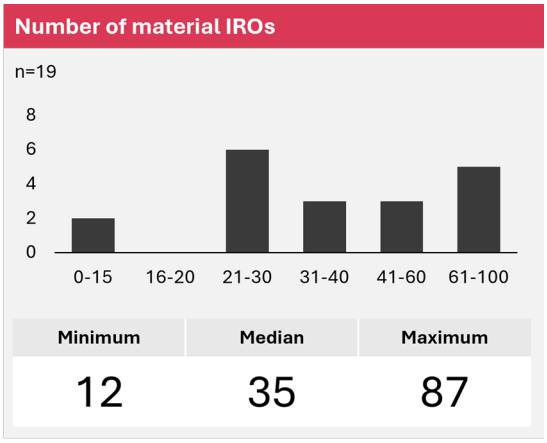

Despite these differences in the level of detail, the substantive classification of IROs follows a recognizable pattern depending on the thematic area. For environmental standards, negative impacts — such as emissions or biodiversity loss — dominate. Positive impacts are much less frequently reported, not least because robust indicators for many of these topics are still lacking. In contrast, within the social and governance areas of insurers' own operations, the opposite picture emerges: positive impacts prevail, for example through training programs or initiatives promoting work-life balance.

However, when the focus shifts to social topics along the value chain (ESRS S2 and S3), the classification again tilts toward negative impacts and risks, particularly concerning working conditions at suppliers or business partners.

Ambiguities in Impact Assessment

It is noteworthy that similar circumstances are sometimes classified inconsistently or inaccurately. While some companies label emission reductions as positive impacts, others correctly classify them as measures to mitigate negative impacts. Such inconsistencies pose a risk of greenwashing and highlight the need for greater transparency around impact interpretation.Consequently, the question of whether implemented mitigation or prevention measures may already be considered in impact assessment has now been explicitly addressed in EFRAG's Exposure Drafts, aiming to enhance clarity and consistency.

Classification of Opportunities and Risks

A similar pattern can be observed in the reporting on opportunities and risks: while all insurers report on climate, reputational, and demographic risks, the discussion of opportunities often remains vague. Although 92% of companies identify opportunities — for example through green insurance products or stronger employee engagement — as material, risks are generally analyzed more systematically and described in

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greater depth than opportunities.

Yet, ESG-related opportunities could represent an important strategic lever — for instance, in developing new business models for climate adaptation, enhancing customer loyalty, or strengthening the employer brand. However, many reports still fail to tap into this strategic potential.

In the next reporting cycle, it will be essential that opportunities are positioned in a forward-looking way — beyond the mere fulfillment of regulatory requirements.

Potential for Improvement Toward More Efficient Reporting

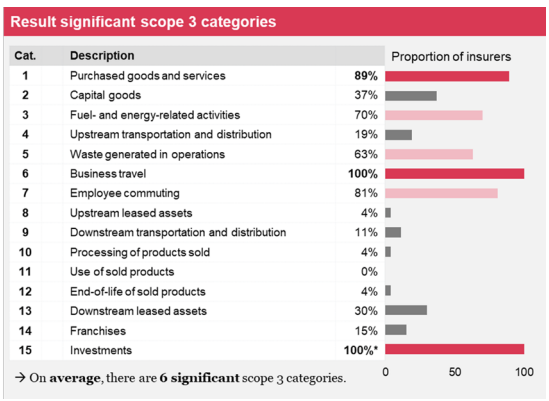
The amended ESRS standards issued by EFRAG will strengthen the focus on material and business-model-relevant topics by further developing the concept of “materiality of information.” This principle will in the future serve even more effectively as an overarching filter for determining which information should be included in the sustainability report — including general disclosures under ESRS 2. In this context, the concept of “significance” has been refined and more closely linked to the information needs of report users.

Climate Reporting under ESRS E1

With the first reporting wave, the thematic standard ESRS E1 – Climate Change has come into particular focus. The implementation of its requirements, however — especially regarding emissions reporting, climate target setting, and transition plans — varies across companies. While many organizations already provide extensive emissions disclosures, there are notable differences in how they define targets and plan strategically for transformation toward climate neutrality.

Emissions Reporting

All analyzed companies disclose their direct and indirect emissions under Scope 1 and Scope 2. However, these account for only 0.7% of total reported emissions (median). The overwhelming majority — 99.3% (median) — relates to Scope 3 emissions, and within Scope 3, 99.6% stem from Category 15, i.e., *financed emissions from investment portfolios*.



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Despite this clear concentration on financed emissions, insurers address a wide range of upstream and downstream emission sources. All analyzed companies, for example, report emissions from business travel, and 82% include emissions from employee commuting (Categories 6 and 7), highlighting the relevance of mobility topics within their own operations. In addition, the majority of insurers (89%) disclose emissions related to purchased goods and services (Category 1) — a category particularly relevant in the context of IT services, consulting, and marketing.

More than half of insurers also report emissions from energy-related activities (Category 3, 70%) and waste generated in operations (Category 5, 63%), reflecting growing awareness of indirect environmental impacts in day-to-day business activities.Beyond these categories, a few insurers disclose other Scope 3 categories, resulting in a more differentiated picture. The only exception is Category 11 (“Use of sold products”), which none of the analyzed companies report on.

Financed Emissions as the Primary Driver

Despite disclosures across multiple Scope 3 categories, the distribution clearly shows that investments remain the key driver of climate impacts for insurers. The overwhelming majority of reported emissions (99.6%) fall under Category 15 – financed emissions, arising from investment portfolios. For large insurers with extensive assets under management, this category dominates the overall emissions profile.

The specific volume of financed emissions depends on several factors, which — due to differing implementation approaches — currently limit comparability:

- **Coverage**: Higher data coverage, particularly for corporate bonds, equities, and sovereign bonds, generally increases the amount of reported emissions. Depending on portfolio composition, insurers have varying levels of data access. A high share of alternative investments still poses challenges for emissions reporting. The comparatively small contribution from real estate holdings is partly due to the fact that typically only Scope 1 and 2 emissions for the current year are included.
- **Portfolio scope**: Differences in the inclusion of certain asset classes — such as the exclusion of sovereign bonds or project finance — further restrict comparability between companies.
- **Methodology**: Methodological choices, for instance the inclusion of Scope 3 emissions of investees, can increase reported emissions by more than eightfold on average. In addition, the use of estimates and differing quality standards for estimated data further limit comparability.
- **Inclusion of real assets**: Divergences also exist in the treatment of emissions from fully consolidated real estate holdings — often reported under Scope 1 and 2 in Germany, but typically classified as Scope 3 in other European markets.

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These factors show that comparability of metrics remains limited, and greater methodological consistency will be required before reliable benchmarking is possible.

Insurance-Associated Emissions

Beyond investments, insurers are increasingly focusing on emissions arising from underwriting activities — for example, through the insurance of emission-intensive assets such as vehicles. These are known as Insurance-Associated Emissions (IAE).Findings show that 93% of the analyzed insurers identified emissions from insurance activities as material within their materiality assessments.However, the technical implementation of emissions reporting in this area is still in its early stages: most insurers did not yet publish quantified values in their first reporting year. Only six insurers disclosed their emissions, using the PCAF Part C methodology for calculation. All six covered motor emissions in the retail segment, while five also reported emissions from commercial portfolios.

Currently, the main challenge lies in data availability and quality, making data collection particularly resource-intensive in the early stages — and highlighting the importance of developing common market standards.

Emission Reduction Targets and Transition Plans

Collecting and reporting emissions data is only the first step — achieving Net Zero transformation requires the definition of reduction targets. The analysis shows that companies do not always clearly distinguish between “Net Zero” and “carbon neutrality”, even though the ESRS assigns different levels of ambition to these concepts. In the current reporting year, 31% of insurers have defined Net Zero ambitions for their investment portfolios, whereas only 15% have set Net Zero ambitions for their own operations. A similarly heterogeneous picture emerges for underwriting: 8 out of 27 companies have already set targets — though only three of them have science-based Net Zero goals, while the others report more general emission reduction targets.

This distribution demonstrates that the path toward a comprehensive climate strategy aligned with ESRS E1 is still under development — particularly with regard to a consistent target-setting framework. The definition of concrete climate targets is closely linked to strategic Net Zero transition pathways, even if these are not yet fully integrated into reporting.

Approach to Transition Plans

A key instrument in this context is the **transition plan**, for which **ESRS E1-1** requires a clear statement on whether such a plan exists, how it is designed, or whether it will be developed in the future.

In practice, however, only three insurers in the analyzed peer group have so far published a transition plan in line with ESRS requirements. Two of them meet the ESRS criteria fully, while one aligns with the guidance only partially. All other insurers report that they have not yet implemented a transition plan. Instead, many include vague statements such as *“in the coming years”* or *“planned for the future”*, usually without a binding timeline. Some even use alternative terminology for transition plans.

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It is also important to note that the CSRD only establishes a transparency obligation, meaning companies are not legally required to develop a transition plan. The question of a possible future legal obligation — which might have arisen from the Corporate Sustainability Due Diligence Directive (CSDDD) prior to adoption of the Omnibus package — remains open pending the outcome of trilogue negotiations.

Nevertheless, a growing prevalence of transition plans can be expected in the medium term — not least because they represent a key management tool for achieving climate targets across operations, investments, and, increasingly, underwriting activities.

Focus on Social Sustainability – ESRS S1

Alongside ESRS E1, ESRS S1 contains the most extensive reporting requirements in terms of content, expanding the scope of sustainability reporting to include key social topics within a company's own operations.Against the backdrop of societal changes such as demographic shifts, rising expectations around diversity, and demands for fair and transparent compensation systems, insurers face the challenge of not only capturing these aspects but also actively shaping them.

Employee Turnover and Age Structure Shaped by Skills Shortage and Generational Shift

A key aspect under ESRS S1 is the composition and stability of the workforce. For the analyzed insurers, the employee turnover rate is generally below 10%, indicating a stable employment situation. However, the age distribution reveals some notable patterns: the share of employees under 30 years old is comparatively low, with a median of 15%, while 30% of employees are over 50 – and in some German companies, the figure even exceeds 40%.

These figures illustrate that the insurance sector is facing a significant demographic transition that must be addressed strategically. Insurers are therefore required to implement knowledge management and succession planning. Increasingly, the analysis also considers the role of alternative service models such as shoring and sourcing options and the use of new technologies.

Potential to Further Specify ESG in Executive Compensation

Integration of sustainability factors into variable executive compensation is prevalent at 73% of the analyzed insurers. Common target categories include climate goals, customer satisfaction, diversity, and ESG integration within the business model. This demonstrates a clear signal that sustainability is also being embedded at the leadership level. However, the specific design and measurement of goal achievement often remain vague. Many companies use general wording such as*"supporting the net-zero transition"* without defining measurable indicators or thresholds for ESG-related factors.

For transparent disclosure, it would be crucial to establish a clear and traceable link between target definition, performance evaluation, and compensation outcomes.

Wide Range in Pay Ratios and Gender Pay Gap

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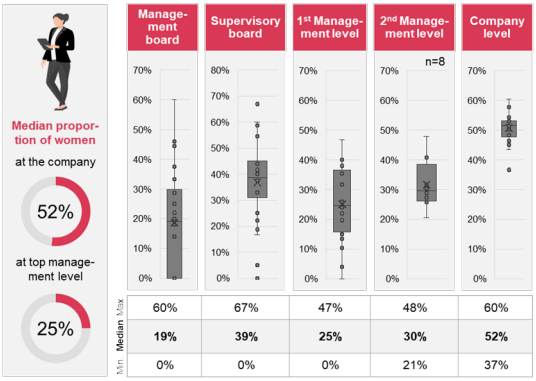
Beyond the inclusion of sustainability aspects in executive remuneration, there is growing focus on internal pay distribution. Particular attention is given to the pay ratio between the highest-paid individual and the median employee. This indicator illustrates the extent of income disparity and ranges from 6 to 187 among the analyzed insurers, with a median of 33. Location and sourcing decisions are key drivers of this variation: companies with a high domestic value creation share generally report lower pay ratios, whereas foreign operations with significantly lower wage levels can increase the ratio substantially.

Another key metric providing insight into pay dynamics is the gender pay gap. Here too, substantial differences are observed: the unadjusted median stands at 21%, ranging from 8% to 32%. Larger and internationally active insurers tend to exhibit higher values.The unadjusted gender pay gap does not account for structural factors such as work experience, qualifications, employment level, or position within the organization. It therefore mainly reflects differences in role distribution between genders, offering an initial indication of potential imbalances without statistically adjusting for them.

Share of Women in Leadership Positions

The analysis of the unadjusted gender pay gap provides insight into existing pay disparities between men and women at the employee level. However, to comprehensively assess gender equality within companies, it is also essential to look at the representation of women in leadership positions. Despite women making up an average of 52% of the total workforce, there remains a significant underrepresentation of women in management roles. At the first management level, the median share is only 25%, and at executive board level, merely 19%. The trend is clear: while gender distribution among employees is relatively balanced, true equality in leadership positions remains a key area for action. However, comparability of these figures is limited by differing definitions of “management level.” It is not always evident whether companies include only the level directly below the executive board, all senior leaders, or also middle management positions in their calculations.



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Overall, the analyzed indicators highlight that social aspects are gaining increasing strategic importance for insurers: they form the basis for future-oriented compensation strategies and provide impetus for promoting diversity and succession planning – both essential building blocks to sustain long-term performance and innovation capacity.

Conclusion: CSRD Reporting Between Orientation and Strategic Integration

With the introduction of the CSRD, sustainability reporting in the insurance industry has undergone a profound transformation. While initial structural commonalities in material topics can be observed, the practical implementation of reporting requirements still varies considerably.

On the positive side, key sustainability topics such as climate change, diversity, fair compensation, and governance are now well-established within reports. However, further progress is needed in areas such as transition planning, target setting, and opportunity reporting, as well as in improving the comparability of selected key figures. The readability and structure of reports also offer potential for optimization.

Looking ahead to the next reporting season, clarity, consistency, and strategic relevance will emerge as core quality characteristics of strong sustainability reporting – not merely for regulatory compliance, but as a foundation for credible communication and responsible corporate management.

Insurers continue to operate within a dynamic regulatory environment: according to the current German draft legislation, for companies in the first reporting wave with more than 1,000 employees, the currently applicable ESRS standards will remain relevant for the 2025 financial year. The expanded phase-in options introduced by the “Quick Fix” will apply once published in the Official Journal of the European Union and do not need to be transposed into national law. In parallel, it is expected that the revised ESRS standards will only become binding from the 2027 financial year onwards.

In summary, insurers have initiated the transition toward comprehensive, strategically relevant sustainability reporting. The focus in the coming years will be on consolidating reported content, enhancing comparability and comprehensibility, and ensuring that sustainability strategies are credibly communicated, effectively managed, and closely linked to business strategy.

The foundation for this has already been laid.

Detailed results can be found in the study "**CSRD Benchmarking of Banks and Insurers – PwC Study 2025: CSRD Reports of Over 60 Financial Institutions Compared**".

Upon request, an individual company-specific evaluation of the benchmarking results can also be provided to identify targeted action areas and further develop the company’s sustainability reporting.

Also relevant:

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- Aktuelle CSRD-Berichterstattung: Einblicke in das ESG-Risikomanagement von Versicherern
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Schlagwörter

Climate Change, Corporate Sustainability Reporting Directive (CSRD), ESG, European Sustainability Reporting Standards (ESRS), Non-financial reporting directive (NFRD), Sustainability Reporting, Sustainability Risk, Sustainable Finance (SF), Wesentlichkeit

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