VBDO

Benchmark on Responsible Investment by Insurance Companies in the Netherlands 2025

Insuring our Future

Insuring our Future

Benchmark on Responsible Investment by Insurance Companies in the Netherlands 2025

Project lead
Maarten Busch

With support from
Sara Heinsbroek

Contributions from
Jacqueline Duiker | Freek van Til | Manon Koelewijn

More information available from
Olivier Hofman, PR & Communications
olivier.hofman@vbdo.nl

Utrecht, The Netherlands
July 2025

Special thanks to all participating insurance companies for their indispensable contributions and cooperation.

Table of contents

About VBDO

The Dutch Association of Investors for Sustainable Development (VBDO) is a not-for-profit multi-stakeholder organisation. Our mission is to make capital markets more sustainable. VBDO believes a more sustainable and responsible capital market leads to a healthier and more just world. As an independent association, we are a passionate driver, motivator and knowledge leader for responsible investment and have been helping to anchor sustainability in companies since 1995. VBDO helps organisations to make choices that look beyond financial gain alone and consider environmental, social and governance (ESG) factors. Members include insurance companies, banks, asset managers, NGOs, consultancies, trade unions and individual investors. VBDO is the Dutch member of an international network of sustainable investment forums. VBDO's activities target both the financial sector (investors) and the real economy (investees) and can be summarised as follows:

DRIVING CHANGE THROUGH ENGAGEMENT

As a lobbying organisation, VBDO maintains an active and committed dialogue with the largest Dutch-listed companies. We attend approximately 30 AGMs (annual general meetings of shareholders) every year, where we ask critical questions about each company's sustainability performance. During these meetings, a VBDO spokesperson requests specific commitments on environmental, social and governance issues.

By means of engagement, we put sustainable business operations high on the agenda of the board, and we encourage companies to keep raising the bar.

MOTIVATING WITH BENCHMARKS

As a watchdog of the financial sector, VBDO has a leadership position in the development and implementation of benchmarks. These comparative studies make the performance of companies in the field of responsible and sustainable investment clear and transparent.

Benchmarks utilise the competitive strength of the market. This means that organisations are motivated by public assessment of a benchmark to continuously improve their performance in relation to each other and themselves.

Our benchmarks are issued in English. The best-known examples are our Benchmark on Responsible Investment by Pension Funds, our Tax Transparency Benchmark and our bi-annual Benchmark on Responsible Investment by Insurance Companies in the Netherlands.

KNOWLEDGE SHARING VIA THOUGHT LEADERSHIP

As a network and knowledge centre, VBDO is always up to date with the latest developments in sustainable investment. We share this knowledge by organising events such as round table discussions, seminars and masterclasses.

Our thematic studies, white papers and other publications are made publicly available and appear regularly in the national media and trade journals.

For more information about VBDO, please visit our website: www.vbdo.nl/en

Ranking

Ranking 2025	Name of insurance company	Overall score 2025	Governance	Strategic Asset Allocation	Portfolio	Individual Investment	Stars
1	a.s.r.	4,4	4,6	4,2	4,1	5,0	★★★★
2	NN Group	4,2	3,9	4,2	4,3	5,0	★★★★
3	CZ Groep	4,1	3,8	5,0	4,0	5,0	★★★★
4	Coöperatie VGZ	4,0	3,5	4,2	4,3	3,3	★★★
4	Athora Netherlands	4,0	4,1	3,3	3,8	5,0	★★★
6	Achmea	3,9	3,6	2,1	4,3	5,0	★★
7	Coöperatie Univé	3,8	3,5	5,0	3,5	4,7	★★★
8	Allianz Nederland Groep	3,7	3,3	4,2	3,6	5,0	★★★
9	Coöperatie Menzis	3,7	3,8	4,2	3,2	5,0	★★★
10	DSW	3,4	3,0	2,1	3,7	5,0	★★
11	Klaverblad	3,2	2,8	4,2	3,0	4,8	★★
12	Unigarant	3,2	2,9	4,2	2,9	4,3	★★
13	De Goudse Verzekeringen	3,1	2,5	3,3	3,1	4,7	★★
14	ONVZ	2,8	2,8	4,2	2,2	4,7	★★
15	Coöperatie DELA	2,8	2,6	3,3	2,5	4,1	★★
16	Scildon	2,8	2,6	3,3	2,3	5,0	★★
17	Monuta	2,7	3,1	2,1	2,2	4,6	★★
18	Zorg en Zekerheid	2,7	2,3	2,5	2,5	5,0	★★
19	ZLM Verzekeringen	2,6	2,4	3,3	2,3	3,9	★★
	Non-respondents:						
20	Salland Zorgverzekeraar	0,3	0,0	0,0	0,5	0,0	☆
21	Onderlinge 's-Gravenhage	0,1	0,1	0,0	0,2	0,0	☆

* The scores are rounded to one decimal place. However, insurance companies are only given a shared place in the ranking if they have the same score to two decimal places.

Preface

2025 will go down in the history books as a tumultuous year where more and more people challenged the need for implementing sustainability changes in our world. Even the undoubtable existence of climate change is starting to be disputed in political landscapes across the world. While climate scepticism is at an all-time high, the effects of climate change are affecting people's everyday lives and, therefore, affecting insurance companies. This negative impact will only worsen as we keep on living and investing in an unsustainable world.

A poignant example was the wildfires in California at the start of the year, which were first and foremost tragic because of the disastrous consequences for all people involved. But it's not only people and wildlife who feel the effects of these wildfires (which were caused by extreme droughts); insurance companies also pay the price. In the previous edition of this benchmark, we focused on the effects that climate risks have on insurance companies. We noted what the effects of an unsustainable world could be for insurance companies and with the wildfires in California, we have seen this start to come about. As of May 2025, more than 17.1 billion dollars[1] in claims have been paid due to LA County wildfires. As a result of this, there is an exodus of insurance companies willing to provide homeowner insurance in the state.

The effects of climate change are undeniably visible in the Netherlands as well, with extreme weather becoming normalised and temperatures rising. Of the 10 days with the highest temperatures measured in the Netherlands, only two took place before the 21st century. This extreme weather also affects biodiversity, as do other changes in the natural world. Naturalis has recently published a status report, which shows that the state of biodiversity in the Netherlands is alarming[2]. It cannot be clearer to me that it is time for everyone to step up and contribute to solutions to humanity's greatest threat: the unsustainable use of our world.

It is incredibly encouraging to see that Dutch insurance companies all underline the importance of sustainability in their responsible investment practices.

[1] www.insurance.ca.gov/01-consumers/180-climate-change/Wildfire-Claims-Tracker.cfm
[2] www.naturalis.nl/system/files/inline/Statusrapport%20Nederlandse%20Biodiversiteit%202025%20-%20Naturalis%20Biodiversity%20Center.pdf

It is incredibly encouraging to see that Dutch insurance companies all underline the importance of sustainability in their responsible investment practices. It is clear to me that the sector takes the everchanging world very seriously and I'd even go as far as to say that I'm very proud of the sector for all that it has already achieved. All insurance companies in scope have shown that they truly care about sustainability, through their governance and through their investments. I encourage all insurers in the Netherlands to continue this righteous path and to work with each other and relevant stakeholders to develop RI policies even further in order to strive towards a sustainable world!

This year, VBDO has implemented new methodology for the Benchmark on Responsible Investment by Insurance Companies in the Netherlands. We developed this benchmark after numerous consultations with the sector, and I want to express my gratitude to all benchmark participants who helped us with honing the methodology. Your feedback, both during the development and during the benchmark cycle, has been incredibly useful in enabling us to continue improving the benchmark. I am grateful for the trust you have given us to take the next step with our benchmark.

In conclusion, I want to thank everyone involved with this benchmark: our members, who make it possible for us to conduct the study and publish this report, all insurance companies without whose contributions and participation we couldn't produce this benchmark, and of course, all the asset managers and advisors who support the insurance companies. All of your contributions are invaluable to our research. I hope that you enjoy reading this report and that it inspires you to take further action.

Angélique Laskewitz
Executive Director of VBDO

VIEWPOINT

Sustainability at the Dutch Association of Insurers (Verbond van Verzekeraars)

Society as a whole will have to change how we produce and consume resources. Ultimately, biodiversity loss is mostly caused by human activity, which leads to overexploitation, climate change and extensive pollution.

VBDO asked Richard Weurding, Managing Director of the Dutch Association of Insurers (Verbond van Verzekeraars) to share his thoughts on biodiversity and other sustainability themes that the Association is focusing on.

THE SILENT SUMMER: FEWER INSECTS MEANS MORE WORRIES

Summer is a wonderful time. I thoroughly enjoy outdoor life and in recent years, I've hardly been bothered by flying insects. Perhaps others have noticed this too? What also struck me recently is how clean my car stays these days. In the past, I'd often need to give my windscreen, bonnet and headlights a good scrub to remove all the insect splatter.

GLOBAL DECLINE IN INSECTS

Upon further investigation, my suspicion was confirmed: the insect population is not doing well. The situation is even worse in the Netherlands than it is globally; insect populations have declined by a quarter here over the past 30 years.[3] Although wasps, mosquitoes and ants can be very annoying, this is a deeply worrying development. Of the 10 million animal species, the majority are insects. They play a vital role in the planet's ecosystems: acting as nature's cleaners, as food for many other animals, and as pollinators for our fruit and vegetable crops. The population decline is a clear sign that biodiversity is in trouble, not only here, but across the entire world.

RESPONSIBLE INVESTMENT

So, it is not a surprise that insurers in the Netherlands have had a focus on biodiversity for many years. During the five-year International Responsible Business Conduct (IMVO, also known as IRBC) programme[4] by the Social and Economic Council (SER), biodiversity was a key theme ('jaarthema'). The focus on biodiversity was extended by a year since it was recognised as so important. Responsible business conduct means that when investing in companies, insurers do this in a responsible manner by taking human rights, working conditions and the environment into account. With this goal in mind, the Biodiversity Working Group[5] of the Sustainable Finance Platform[6] published a roadmap[7] to support financial institutions in identifying their impact, setting goals and reporting on biodiversity. I highly recommend giving it a read. It provides valuable guidance for those new to the topic and for those who have already gotten started with working on biodiversity.

CONTINUED FOCUS

Since the end of the IMVO programme in July 2024, more than ten insurers have voluntarily committed to continuing on the path forward.[8] Through their investment policies, they aim to encourage sectors and companies to halt biodiversity loss and, where possible, to reverse it. Society as a whole will have to change how we produce and consume resources. Ultimately, biodiversity loss is mostly caused by human activity, which leads to overexploitation, climate change and extensive pollution.

ADDRESSING UNHEALTHY DIETS

Speaking of consumerism, a new IMVO initiative was launched last year with the theme of (un)healthy food.[9] Our health is closely tied to healthy biodiversity. Using their investment policies, insurers are working together to encourage food producers and retailers to modify or cease the production of unhealthy, highly processed foods. This helps make healthier food choices easier and more accessible.

STRENGTHENING DEFENCE

In addition to health and biodiversity, more attention should also be paid to our safety. Growing geopolitical tensions highlight the importance of investing in resilience. That is why the Association and insurers are exploring responsible ways of contributing to the strengthening of the defence sector together. After all, sustainable safety is a requirement for a liveable world. In this, we focus on investments that promote stability, human rights, and technological innovation, with due diligence — careful assessment of the companies involved — taking centre stage.

Richard Weurding
Managing director of the Dutch Association of Insurers (Verbond van Verzekeraars)

[3] www.naturetoday.com/intl/nl/nature-reports/message/?msg=32224
[4] www.verzekeraars.nl/verzekeringsthemas/bedrijfsvoering/beleggingsbeleidimvo
[5] www.dnb.nl/groene-economie/platform-voor-duurzame-financiering/werkgroep-biodiversiteit/
[6] www.dnb.nl/groene-economie/platform-voor-duurzame-financiering/
[7] www.dnb.nl/media/dyykgsrc/from-pledges-to-action-2021.pdf
[8] www.verzekeraars.nl/media/fogbuiyo/samen-voor-meer-biodiversiteit.pdf
[9] www.verzekeraars.nl/media/hf1dlwb2/samen-voor-een-gezonde-samenleving.pdf

Introduction

This report provides a detailed overview of the current status and developments relating to the responsible investment (RI) practices of 19 Dutch insurance companies[10] with a combined sum of almost 400 billion euros in assets under management (AuM). The insurance companies are assessed based on how they formulate, govern, implement and report on their responsible investment policy. For each category, discussion points have been included to foster a dialogue about responsible investment. The report covers the period Q1 2024 - Q1 2025. We refer to this as the 2025 benchmark throughout the report. VBDO's assessment ranks the insurance companies in order of performance. As the methodology for this year's benchmark has changed significantly, results are not directly comparable to those of previous benchmarks.

Brief explanation of the methodology

Since its inception, the VBDO benchmark study has focused on bringing about sector-wide improvements to responsible investment practices. Starting this year, the core aim of the benchmark research has shifted from "making investments as sustainable as possible" to "realising a sustainable world using investments". To facilitate this transition, the benchmark has undergone a structural revision to better align with recent developments in RI, as it had outgrown its original framework. Given the significant growth of RI over the years, updating the benchmark was a natural next step. We've restructured the benchmark into four categories (Governance, Strategic Asset Allocation (SAA), Portfolio, and Individual Investments), guided by the motto: "Put your money where your mouth is."

Insurance companies have been given an overall score between 0 and 5, with 5 being the highest achievable score. It should be noted that a score of 5 does not mean that an insurance company is the 'most sustainable' or that no further improvements can be made. Rather, it indicates how well an insurance company has performed on the criteria that have been set in the current questionnaire. The overall score given to an insurance company reflects how well that insurance company has scored across the four categories. The categories are weighted differently; the difference in weighting is based in part on the number of questions included in each category, with Portfolio making up the majority of the questionnaire. Individual Investments has been assigned a lower weight as it is different in nature to the other three categories: it functions as a reflection and consistency check of the respondents' answers to the previous three categories. See Figure 1 for the overview of the scoring model. For a comprehensive overview of the methodology and research process, please see Appendix I.

[10] The scope of the benchmark is 21 Dutch insurance companies; the response rate for this year is a little over 90%. Non-respondents have been left out of the data analysis. All data derived from the research is thus based on a sample of 19 insurance companies.

Figure 1 | **Overview of scoring model**

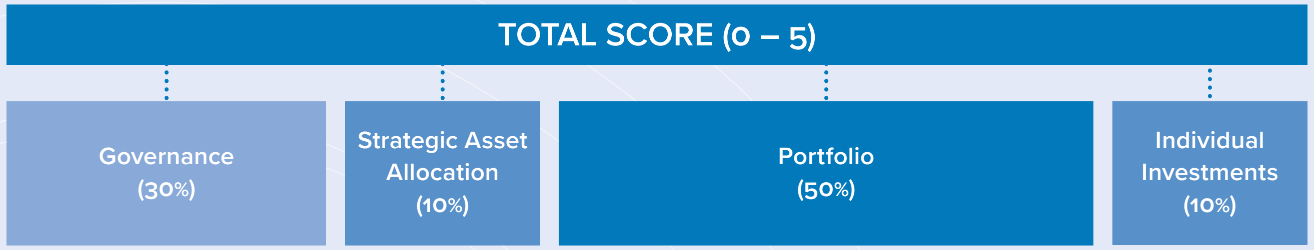
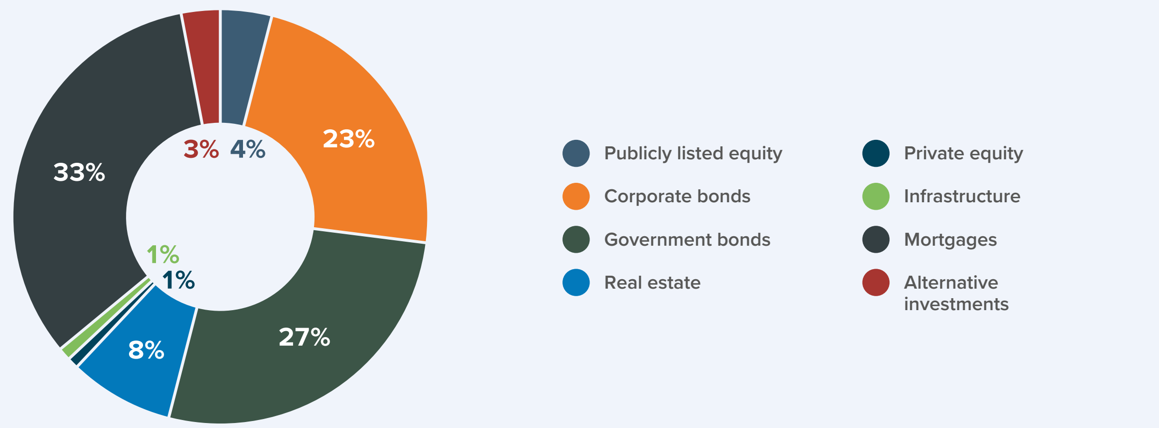


Figure 2 | **Average asset allocation***



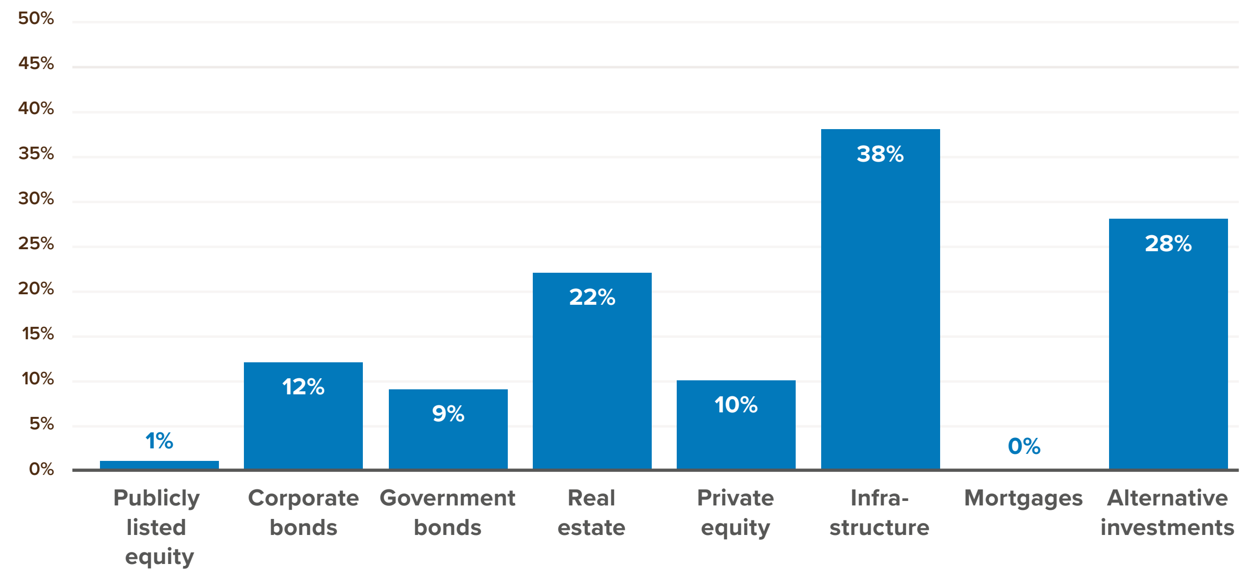
*Based on self-reported data. Assets out of scope such as cash currency and interest swaps have not been included in this chart and the underlying calculations.

Table 1 | **Leaders by size 2025**

Ranking 2025	Name of Insurance Company	Score
Large Insurance Companies		
1	a.s.r.	4,4
2	NN Group	4,2
3	Athora Netherlands	4,0
Medium Insurance Companies		
1	CZ Groep	4,1
2	Coöperatie VGZ	4,0
3	Coöperatie Univé	3,8
Small Insurance Companies		
1	DSW	3,4
2	Klaverblad	3,2
3	Unigarant	3,2

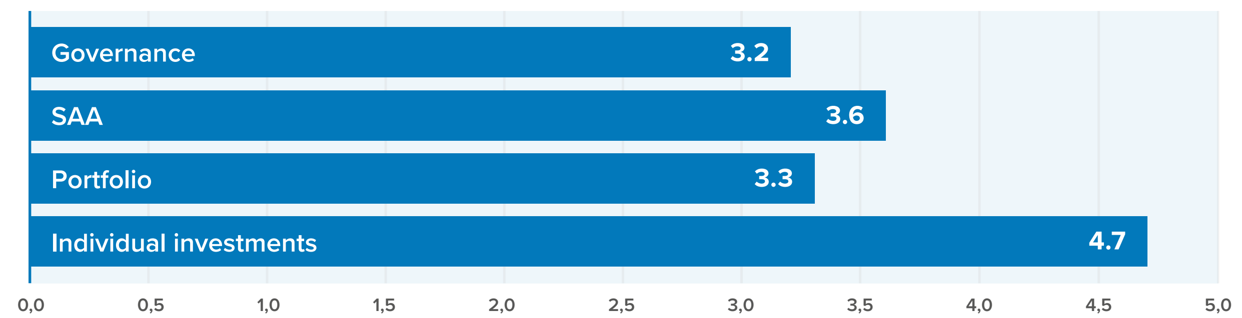
*The insurance companies have been divided into equally large groups based on AuM.
The 'large' category consists of the 33% of participants of the benchmark with the highest AuM, and so on.

Figure 3 | **Percentage of impact investments per asset class***



*Based on self-reported data. The definition of what qualifies as an impact investment can vary per insurance company.

Figure 4 | **Average score per category**



Key findings

All insurance companies are stepping up to the plate
The difference between the scores of insurance companies in scope is much lower than in most years since the start of the VBDO benchmark in 2009. All insurance companies in scope are making a great effort in implementing diversity throughout the entire organisation. It is encouraging to see that the sector takes responsible investing so seriously.

Embedded diversity policies are the norm
In this year's benchmark, we found that almost every insurance company has formalised a diversity policy. We found that almost half of all insurance companies have detailed diversity policies, including but not limited to, age and gender, cultural/diverse backgrounds, inclusive hiring practices and provisions for fostering an inclusive work environment.

Investors see the importance of integrating sustainability in the ALM study
In the new Strategic Asset Allocation (SAA) category of the benchmark, we found that insurance companies are already actively talking with their SAA service providers on including sustainability-related scenarios in the asset-liability management (ALM) study. 95% of the insurance companies have included climate change-related forward-looking scenarios in their ALM/SAA study.

Insurance companies are making moves on biodiversity
In the 2023 benchmark report, we recommended that insurance companies implement biodiversity in RI policies. In 2023, only 32% of insurance companies in scope had a biodiversity policy. We are pleased to say that in 2025, 100% of all insurance companies in scope have created biodiversity policies. It is truly inspiring to see the great work on this topic that insurance companies are doing, both in their policies and also through the Biodiversity Working Group of the Dutch Association of Insurers.

Recommendations

Signing investor statements directly and publicly is a good way to show your true colours
From the response to the questionnaire, it can be derived that insurance companies are increasingly signing investor statements in their own name addressed to both companies and entities such as government agencies. To VBDO, this is a positive development. VBDO encourages insurance companies to continue to sign investor statements directly (not only through the fiduciary manager) as this is a great way to signal to the rest of the world what your sustainability ambitions are.

Know what's in your portfolio and check if this aligns with your key sustainability themes
VBDO has noted that insurance companies have implemented ambitious policies that include sustainability themes relevant to them, such as health or human rights. It is vital for insurance companies to scrutinise their RI policy and the themes contained therein through the lens of their portfolio. Ask questions such as:
- Does this investment fit our investment beliefs?
- Does this investment fit our sustainability policy?
- Does this investment fit our key sustainability themes?

Embed sustainability throughout the entire investment process
It is vital that sustainability is embedded in all phases of the investment process. That means that sustainability should be part of the investment beliefs, the ALM/SAA process and the (responsible) investment policy. VBDO commends all insurance companies who already have this in place and encourages all insurance companies to scrutinise their investment process.

Expand your diversity policy with concrete targets
VBDO commends insurance companies on their diversity policies; several elements are often included to help the insurance company attract a wide array of people from different backgrounds, ages, genders, sexual orientations, etc. VBDO encourages insurance companies to also set diversity targets and, for example, to ask employees to rate the workplace diversity to make policies more concrete.

How to revise a benchmark[11]

Jacqueline Duiker, Senior Manager of Sustainability & Responsible Investment at VBDO – In This year's edition of the Benchmark on Responsible Investment by Insurance Companies in the Netherlands has undergone a significant transformation. At the forefront of this shift is Jacqueline Duiker. In this interview, she shares key insights into the rationale behind the revised approach

What was the reason behind revising the methodology for the Benchmark on Responsible Investment?

During the almost 20 years we have conducted the Benchmark on Responsible Investment (hereafter: the benchmark), much has changed in the field of sustainable investment, both in awareness and in practice. Now, increased transparency on ESG is required and ESG risk has even become part of the supervisory framework for the financial sector. Consequently, participating insurance companies and pension funds indicated they were ready for a rigorously updated benchmark methodology.

Moreover, if we look at the causes and effects of climate change, the state of human rights in business, and the ongoing loss of biodiversity, we – as a society – stay far behind in achieving what is needed for a thriving society and the commitments to international agreements. If we continue to fail to bend the curve on these issues, this poses severe risks to investors and an unimaginably high cost to society at large. Clearly, we all need to step up to the plate to prevent the worst case scenario from happening, The role of VBDO is to drive change in the sector with challenging benchmarks.

How does the new methodology better capture the RI practices of the insurance company sector?

The main purpose of this revised benchmark is to stimulate reflection and provoke discussion within the insurance companies on how they can step up to the plate. We aim to heighten the sustainability ambition and simultaneously diminish the amount of work for the insurance companies. For this reason, the new methodology goes beyond requirements made by regulators and supervisors. In addition, the revised benchmark is less of a "check-the-box exercise" and more of a basis for discussion on how an insurance company can contribute to real-world sustainability through its investments and whether the decision-making on this is consistent throughout the investment process. Space has been intentionally carved out to leave room for innovative approaches and qualitative assessment. As such, the benchmark research is much better suited as an instrument for discussion, both within the organisation and with external stakeholders. Another important difference is that the score is no longer weighted according to the allocation of the assets under management.

Who has been involved in defining the new methodology and how have they contributed?

We spent a lot of time discussing the structure of the new benchmark with various stakeholders and internally as the VBDO team. The expertise of the various team members has been utilised to develop the different components. Consulted parties included pension funds, insurance companies and asset managers, as well as industry experts and academics. Together, we aimed to determine how to grasp the benchmark's ambition: realising a sustainable world through investment. Based on their input and comments, we drafted a questionnaire, which was tested by several pension funds and insurance companies. In addition, we organised two sector-wide consultation sessions, where we presented the guiding principles and structure of the new benchmark. Finally, we sent the draft questionnaire to all participating insurance companies and pension funds. During all these phases, we received feedback and processed it in the questionnaire that underlies the benchmark.

What do you hope the new benchmark will lead to?

We hope to stimulate discussion on sustainability and sustainable investment within the boardroom of the asset owners, in this case the insurance companies. It is a fundamental discussion involving fiduciary duty, representing the interest of participants, and formulating a well-informed vision on sustainability. Our questions can be used as the basis for a meaningful conversation with internal and external stakeholders. To encourage the thinking on how current approaches lead to sustainability and stimulate action on the development of new approaches and the bringing down of barriers to do so. After all, as people only thrive in liveable conditions on a liveable planet, the same applies to investments.

[11] This viewpoint has been adapted from the 2024 Responsible Investment by Pension Funds in the Netherlands report.

1. Results per category

1.1 Governance | Good governance is essential for the successful implementation of any policy. It relies on several key factors, including a strong knowledge of responsible investment and sustainability at the board level, regular discussions on responsible investment and consultations about the RI policy and related practices. Additionally, clear guidance from a diverse board to asset managers on setting goals and measuring outcomes, is crucial for achieving success.

RESULTS 2025 | The average score for Governance is 3.2, with a range of 2.3 to 4.6.

DISCUSSION POINTS FOR GOVERNANCE:
- What is the best way to integrate sustainability in the boardroom?
- How can sustainability be embedded throughout the insurance company?

NEW THIS YEAR

The Governance category focuses on the grounding of RI and sustainability in the organisation. This includes the leadership and knowledge of the board and consultation with relevant parties, such as the participants and NGOs. This is essential for ensuring that the company stays abreast of sustainability and RI-related topics and takes action to refine its RI policy and related activities when required. One of the new additions to the benchmark is a question dedicated to the incorporation of sustainability in the investment beliefs and the insurance company's internal (board) diversity policy.

SUSTAINABILITY ALL THE WAY TO THE BOARDROOM

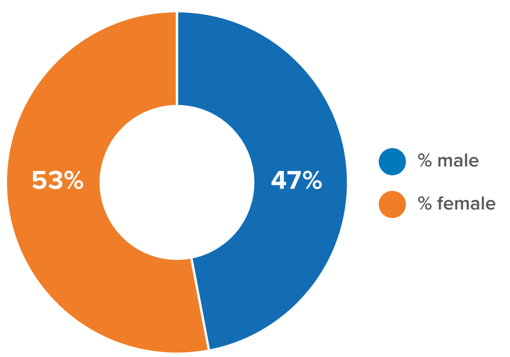
It is vital that sustainability in embedded in the entire insurance company. For this reason, VBDO asks whether sustainability is discussed in the boardroom and to what extent it is discussed. This year, we found that all boards of insurance companies in scope discuss sustainability/responsible investing in some form. 42% of all respondents have even scored the maximum points here by discussing the investment beliefs, the sustainability ambition, the strategic asset allocation and specific sustainability cases. This shows that insurance companies' C-suites take sustainability seriously.

DIVERSITY IN THE WORKPLACE

Diversity is essential in organisations to ensure that the employees are an accurate reflection of society. While there has been increasing backlash in 2025 against diversity, equity and inclusion (DEI) policies, especially in the US, VBDO underlines that diversity in an organisation is pivotal for ensuring fair, sustainable and reflective business practices. It is encouraging to see that all insurance companies in scope are taking steps in diversity. Almost half of all insurance companies have extremely detailed diversity policies, including, but not limited to, points on age and gender, cultural/diverse backgrounds, inclusive hiring practices and provisions for fostering an inclusive work environment.

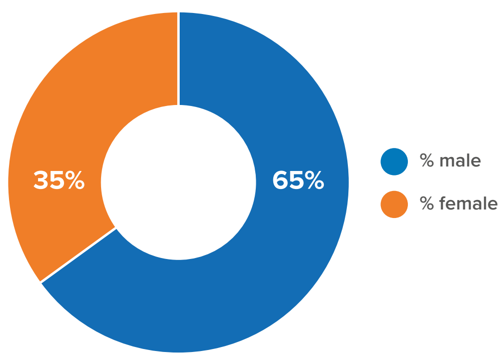
With regard to gender in the workplace, we have found that the employee base of insurance companies is equally split between male and female employees (See Figure 5). In the boardroom, however, men are still more represented than women, with an average board consisting of about 2/3 men and 1/3 women (see figure 6).

Figure 5 | **Average gender distribution in the workforce***



*Based on self-reported data.

Figure 6 | **Average gender distribution in the board of directors***



*Based on self-reported data.

Why is the Governance category important?
Jacqueline Duiker, Senior Manager Sustainability & Responsible Investment, VBDO:

Good governance is key to grounding sustainability at the heart of the insurance company. Consistent alignment of ambitions and sufficient knowledge are crucial to underpin the execution and implementation of the investment process, ranging from investment beliefs to investment policies to portfolio management, and to the assessment of results.

RECOMMENDATIONS FOR GOVERNANCE:
- Integrate concrete targets in the diversity policy.
- Discuss all facets of the RI process, from the investment beliefs to the results, with the board.

SUSTAINABILITY IN THE INVESTMENT BELIEFS

The investment beliefs of an insurance company are the foundation of the investment activities. These investment beliefs underline the framework and boundaries in which the investor operates. Traditionally, investment beliefs are set up as a number of bullet points that sketch out the boundaries in which investment takes place, with beliefs focused on creating value from the investments. These beliefs are often focused on diversification of the portfolio and long-term investing as means to create value. In recent years, more and more investors are adding RI-related investment beliefs which refer to the benefit of RI in relation to long-term investing. All insurance companies in scope have added such an investment belief. This shows that for insurance companies in the Netherlands, responsible investing is embedded in the foundation of their investment activities.

CONSULTING STAKEHOLDERS IS ESSENTIAL TO TACKLE DILEMMAS

Insurance companies are increasingly consulting with stakeholders about their RI policies and the double materiality assessment (DMA), which insurance companies have to do under the Corporate Sustainability Reporting Directive (CSRD). It remains vital that the company sees consultations with stakeholders as a valuable exercise that can guide the company, not just a mandatory requirement. For this year's benchmark, we asked insurance companies whether consultations with stakeholders (such as NGOs, other insurance companies, industry organisations and customers) led to changes in their policies. 84% of insurance companies indicated that the results from consultations recently led to a change in their RI policy. An interesting finding about consultations is that insurance companies can use them to adapt their policy based on dilemmas that concern the industry. A recent example of such a dilemma is whether or not to invest in the defence industry. We found that multiple insurance companies used input from stakeholders to make a well-informed choice on this important issue.

1.2 SAA | Strategic asset allocation (SAA) plays a fundamental role in shaping the portfolio construction and long-term investment strategies of insurance companies. Integrating sustainability developments into the SAA process and asset-liability management (ALM) modelling is becoming increasingly important for meaningful analysis. This section focuses on factors such as dialogue with service providers on the incorporation of sustainability into their methodologies, and the types of assumptions and views used in modelling.

RESULTS 2025 | The average score for Strategic Asset Allocation is 3.6, with a range of 2.1 to 5.00.

DISCUSSION POINTS FOR STRATEGIC ASSET ALLOCATION:

- How can you ensure the relevant providers are implementing sustainability in their policies?
- How can you make sure that the sustainability scenarios reflect the real world?

NEW THIS YEAR

The Strategic Asset Allocation category is a new addition to the methodology. As SAA and ALM are essential for portfolio construction, it is vital that sustainability and related scenarios and forward-looking views have been incorporated in the process. The insurance company needs to have an understanding of how scenarios are constructed and what transition pathways or damage functions are, or are not, modelled in baseline or stress-testing scenarios.

INTEGRATING SUSTAINABILITY IN THE ALM/SAA PROCESS

Insurance companies all perform ALM studies, which inform the SAA. An ALM study is done to ensure that an insurance company's assets are structured and managed in a way that meets its liability obligations while minimising financial risks and optimising capital efficiency. ALM studies include scenarios with shocks to the portfolio of the insurance companies. Traditionally, these scenarios were mostly based on macro-economic factors, such as what the effects of economic crises could be on the portfolio of the insurance company. As the effects of climate change have been happening more and more over the last few years, investors are increasingly interested in the consequences of sustainability challenges on their portfolios. The ALM study is only as good as the data it is based on. Insurance companies see the importance of engaging the parties providing these studies to assess what sustainability-related scenarios are based on, and what their underlying assumptions are. All insurance companies in scope scrutinise the models that are used in the ALM/SAA study and 84% of insurance companies actively engage their service providers. As a result of adding sustainability scenarios in their ALM study, 47% of insurance companies in scope have made a change in their strategic asset allocation.

ROADBLOCKS IN INTEGRATING SUSTAINABILITY IN THE ALM/SAA

It is a relatively new phenomenon to implement sustainability in the ALM study and in the SAA, therefore VBDO asked insurance companies what their main perceived barriers were in integrating sustainability in the ALM study. There are a number of different complexities, but insurance companies indicated that the main one is that it is a very complex process to model the effects of climate change, biodiversity-loss and other issues on their portfolio. Aside from this, there is also not a lot of data available for sustainability impacts aside from climate change. Biodiversity impacts, for example, are difficult to model for the portfolio, even though they are very relevant. Companies and countries depend on ecosystem services for their economy, so a rapid loss of biodiversity (in bee populations for example) could lead to great economic losses. Data for this is not readily available, so it is imperative that insurance companies engage with their service providers to encourage them to research this field. Finally, the costs associated with purchasing sustainability-related services were also pointed out as a more pragmatic barrier to implementing sustainability in the ALM study. However, it should be noted that not taking sustainability into account will likely lead to even higher costs in the future.

RECOMMENDATIONS FOR STRATEGIC ASSET ALLOCATION:

- **Engage with your service provider for the ALM study on implementing sustainability in the SAA process.**
- **Keep questioning the models which are used by the service providers; are the climate models updated, and do they reflect the most recent developments and insights?**

Standards and regulations

To some extent, reporting on responsible investment is encouraged by voluntary codes, guidelines and standards. However, mandatory legislation and current national and international developments indicate that disclosure standards are likely to become stricter and a legal requirement. Current legislation and guidelines include:

- **The Code of Conduct for insurers published by the Dutch Association of Insurers (Verbond van Verzekeraars):** The Code of Conduct by the Dutch Association of Insurers (latest version from 2018) indicates that social and ecological components should be part of corporate governance and the investment policy and that insurers should be accountable for this. Additionally, the Association and insurers are working together on several sustainability topics, with a focus on biodiversity, health and defence.
- **The Corporate Sustainability Reporting Directive (CSRD):** Effective from 2024 and replacing the Non-Financial Reporting Directive (NFRD), the CSRD requires large insurance companies to report non-financial disclosures on a broad range of ESG topics. Depending on the outcomes of the companies' double materiality assessment (DMA) the company must comply with the European Sustainability Reporting Standards (ESRS), which mandate sector-agnostic and sector-specific disclosures.
- **EU Taxonomy Regulation (EU 2020/852):** This regulation defines criteria for determining whether an economic activity is environmentally sustainable. Insurance companies must disclose how and to what extent they use the Taxonomy to assess sustainability in their investment strategies. The aim is to combat greenwashing and improve the credibility of sustainability claims.
- **The Task Force on Climate-related Financial Disclosures (TCFD):** The TCFD's recommendations (which are structured around governance, strategy, risk management, and metrics and targets) remain a global benchmark. For insurers, these disclosures are especially relevant due to the long-term nature of their liabilities and the systemic risks posed by climate change.
- **The Taskforce on Nature-related Financial Disclosures (TNFD):** the TNFD framework encourages insurers to integrate nature-related risks into financial decision-making and disclosures. The framework is particularly relevant for insurers with exposure to sectors that have a significant impact and reliance on biodiversity.
- **The Global Reporting Initiative (GRI):** The GRI is an organisation that helps companies and organisations to report on their sustainability efforts. The GRI Standards are globally used sustainability reporting standards for disclosing information about environmental, social and economic impacts. Reporting in accordance with the standards helps companies to ensure that stakeholders can gain a clear understanding of how the company is addressing its responsibilities in these areas. GRI's framework promotes transparency and accountability in sustainability practices. For example, GRI 207: Tax focuses on tax transparency, including country-by-country reporting.
- **The Kunming-Montreal Global Biodiversity Framework (GBF):** The GBF resulted from the 2022 UN Biodiversity conference. The vision of the GBF is "a world of living in harmony with nature where by 2050, biodiversity is valued, conserved, restored and wisely used, maintaining ecosystem services, sustaining a healthy planet and delivering benefits essential for all people." The GBF includes 23 targets to which insurance companies can align their RI policies to strengthen biodiversity policies.
- **The B Team:** The B Team has developed a set of Responsible Tax Principles covering a company's approach to tax management, relationships with others and reporting to stakeholders. These topics have been embedded in seven principles.

1.3 Portfolio | The portfolio offers crucial insights into the insurance company's sustainability ambitions and gives a clearer picture of how the RI policy is being incorporated into investment decisions. An investment portfolio encompasses a large group of asset classes. This benchmark's research is focused on public markets, namely publicly listed equity, corporate bonds and SSA bonds. By looking at important elements such as active ownership and other specific RI instruments, a clearer understanding of how sustainability is integrated into the insurance company's investment practices can be achieved. This section explores how different sustainability themes are addressed within the portfolios of insurance companies by focusing on three key themes: climate change, biodiversity and a key social theme which the insurance company can select based on their policy.

RESULTS 2025 | The average score for Portfolio is 3.3, with a range of 2.2 to 4.3.

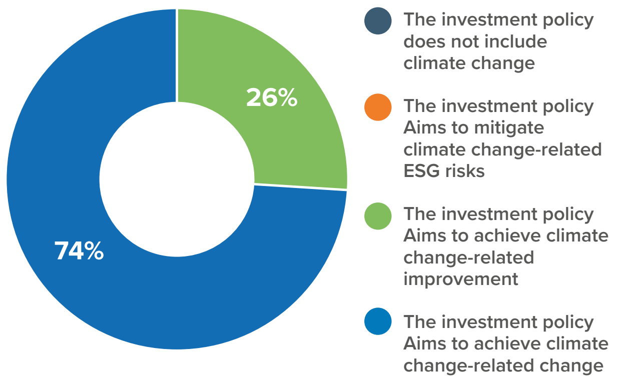
DISCUSSION POINTS FOR PORTFOLIO:
- What is the insurance company's role in engaging governments?
- How do you ensure a well-oiled stewardship approach to your key sustainability themes?

NEW THIS YEAR
In this category, various sustainability themes and how they are addressed by RI instruments take centre stage. The questions are divided into general policy, for example on exclusion, inclusion, voting and impact investing, a deep dive into four sustainability themes and finally public reporting. Two of the themes are provided by VBDO, namely climate change and biodiversity. The participating insurance companies are invited to select a social theme from their RI policy. The theme questions look at the general ambition for the concerning theme captured in relevant policy by the asset owner and how it has been incorporated into active ownership activities (engagement and voting).

CLIMATE AND BIODIVERSITY POLICIES
All insurance companies in scope have both a climate and a biodiversity policy. This is a very positive development from the 2023 benchmark, when only 32% of insurance companies had a biodiversity policy and 90% of all insurance companies had a climate policy. Figure 7 and Figure 8 show the classifications of climate and biodiversity policies respectively. These two figures include the 'improvement-change ladder', which we implemented in the new methodology. In general, a policy aimed at 'improvement' is defined as a policy that aims to reduce harm as much as possible in the business operations of investee companies/countries. A policy aimed at 'change' is broadly defined as a policy that has positive effects in the real world. This year, 21% of respondents have achieved a biodiversity policy which includes restoration aside from mitigating negative impacts, which is very encouraging. We want to stimulate every insurance company to substantially include biodiversity restoration in their policy as well as to create the largest positive impact on nature as possible.

Figure 7 | **Climate policy**

How is climate change embedded in the investment policy?

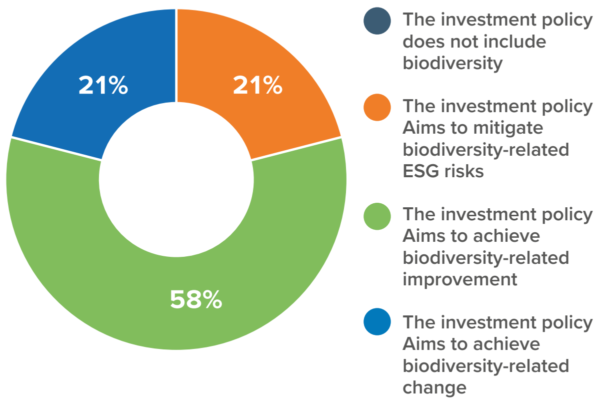


How can insurance companies make a difference through their portfolio?
Jacqueline Duiker, Senior Manager Sustainability & Responsible Investment, VBDO:

The portfolio encompasses the investment policy and its implementation. It has always been and still is the core focus of the benchmark. We look for specificity and a high level of ambition, accompanied by a wide area of investment strategies for three sustainability themes: climate change, biodiversity, and a social theme determined by each insurance company based on their own key sustainability topics. In doing so, we aim to move beyond generic approaches towards specific approaches with defined intended changes in the real world.

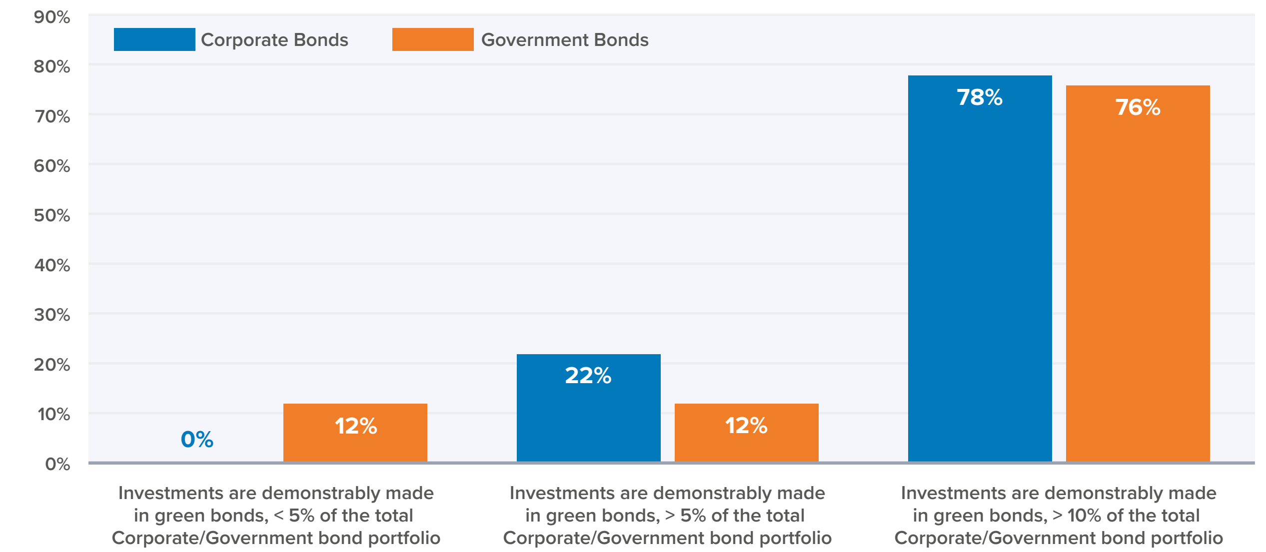
Figure 8 | **Biodiversity policy**

How is biodiversity embedded in the investment policy?



RESPONSIBLE TAX IN INVESTMENTS
Tax is an integral part of sustainable development as a whole because governments use taxes to finance, amongst other things, the energy transition and adaptation to climate change. In addition, there are significant reputational and financial risks related to tax, which can negatively impact investors' portfolios. Responsible taxation refers to the practices or principles upheld by individuals, businesses and governments to ensure that the decision-making process regarding tax matters takes into account social and ethical considerations. Insurance companies all have at least some responsible tax expectations of their investee companies and/or carry out active ownership activities, but an in-depth approach remains relatively niche. We have noted that this year, 53% of all insurance companies have voted and engaged with companies in their portfolio based on the topic of responsible tax.

Figure 9 | **Green bonds**



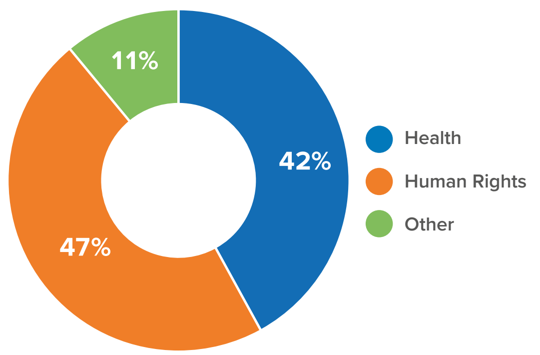
INVESTMENT IN GREEN BONDS

Investing in labelled green bonds is a relatively simple way to invest sustainably as an insurance company. Figure 9 shows the distribution of insurance companies investing less than 5%, more than 5% and more than 10% in green bonds. It is an interesting finding that investing more than 10% of the government and corporate bond portfolio in green bonds has become the norm.

KEY SUSTAINABILITY THEMES: SOCIAL

Aside from climate change and biodiversity, we asked insurance companies in scope to provide a social sustainability theme that is embedded in their own policy. Figure 10 shows the distribution of chosen themes, we have categorised these themes in 3 categories. The most chosen social themes by far were 'human rights' and 'health'. We have noticed a clear trend of health insurers aiming their investment policy more at health improvements, as this aligns well with their own business operations. Human rights as a theme is implemented by all types of insurers; some insurers have implemented this policy via the theme living wages.

Figure 10 | **Selected social themes**



COMMUNICATING WITH CUSTOMERS ABOUT RI

Almost all insurance companies in scope take the effort to communicate about their RI policy. It is important to be open with customers about the ambitions and dilemmas that the insurance company faces. Open communication leads to better understanding of the sustainability policy and ambitions of the insurance company. There is no single best way to reach customers, therefore we asked insurance companies if they could give us their best examples of ways they have communicated with customers about the RI policy. One of the most straightforward ways to reach customers is via (digital or printed) newsletters and social media, such as LinkedIn. Other examples of outreach are via podcasts on sustainability and even special activities for customers where they can also give their input on the RI policy of the insurance company. It remains vital to keep in touch with your customers to increase their understanding (and therefore support) of the RI policy.

RECOMMENDATIONS FOR PORTFOLIO:

- Signing investor statements directly is an efficient way to show your true colours as an insurance company.
- Ensure sustainability is embedded in all investments, not just via impact investing in green bonds.

How to invest in biodiversity

VBDO spoke with **Madelon Moorlag, Manager Asset Management at Klaverblad,** about integrating biodiversity in the RI policy and what success on biodiversity looks like.

Is biodiversity important to Klaverblad as an investor?

Yes, biodiversity is a very important topic for Klaverblad, which is why we've written a biodiversity action plan with ambitious goals. These are still quite visionary, long-term goals, and we want to make them more concrete. We realise that biodiversity is important not only for asset management but increasingly also for the insurer's business operations. We are currently looking at how we can embed biodiversity even better in both the investment and the insurance policies. The tricky part is to determine how to strengthen the intersection of biodiversity within investment and insurance policies as biodiversity has an impact on both. There is a lot of data available and there are numerous initiatives on biodiversity. This makes it vital for us to always keep in mind how Klaverblad can best have a positive impact on biodiversity.

How does Klaverblad embed biodiversity in financial decision-making?

In two ways. On the one hand, Klaverblad is looking at opportunities to create positive impact. We do that through a venture capital fund, for example, which is focused on regenerative agriculture. And on the other hand, together with BNP AM, we're analysing the "mean species abundance" (MSA) of the portfolio. Based on that, we're looking at whether we can widen the tracking error a bit. If, for example, we underweight[12] a certain sector that has a high negative impact on the MSA, then that is a relatively simple way to implement biodiversity into the equity portfolio. Eventually, specific sectors emerge that have a high negative impact on the MSA. This approach looks across the entire equity portfolio and then calculates the MSA not just per sector but also per company. For climate, we've decided to exclude the biggest CO_2 polluters, but we have also created what we call a "green pocket" of companies that have more than 50% of their revenue related to the energy and ecological transition, independently from their activity sector. For biodiversity, we're leaning more towards underweighting, rather than completely excluding. That means, on one hand, Klaverblad positions its portfolio to create positive biodiversity impact, and on the other hand, there is still room left for engagement with investee companies that might have a more negative impact on biodiversity. We have high ambitions when it comes to biodiversity, and we want to continually increase our monitoring on the active ownership activities.

Can you measure progress on long-term biodiversity goals?

That is becoming easier with deforestation or CO_2 emissions, which we also link to biodiversity. That's a positive thing about the MSA approach, you already have a lower biodiversity footprint if your portfolio's emissions are lower. We also monitor the other drivers of biodiversity loss by steering based on certain themes within biodiversity. We do this with water, for example, for which we have also set goals. That's what I see as the only positive thing about the scaling down of the CSRD – it brings you back to focusing on your original sustainability policy. In our case, this included climate, biodiversity and water, but these are naturally interrelated. Water is a topic with multiple measurable indicators, which makes it easier to implement targets. We have 0% exposure in regions where water scarcity is expected by 2030, and we measure that. That also contributes to biodiversity. So, I think it helps to split up biodiversity into multiple topics, with corresponding goals, because having smaller, more manageable goals makes it more feasible to accomplish them.

What does success on biodiversity look like according to Klaverblad?

When defining success, you clearly need to look at the actual measurement of biodiversity impact, which is still difficult. For us, it's really about making an impact. I do believe that it's a positive move to have a certain percentage of your portfolio making a positive impact and I think that aligns well with Klaverblad's philosophy. That's how we work: we look at the biodiversity footprint of the multinationals in our portfolio, with the ultimate goal being that we do not contribute to biodiversity loss. I expect that as time progresses, that this becomes increasingly measurable.

[12] Underweighting entails investing a lower percentage in an entity than what it represents in the benchmark.

Over time, more data will emerge, which should prove that the decisions we've made were right. But if you first wait for all the data before setting high-level goals or implementing scenarios, then you're already far behind. So Klaverblad tries to run those two strands (striving for better measurement while trying to bring about a positive impact in the short-term) in parallel as much as possible.

What is important when aiming for success on biodiversity?

It is not just a case of making adjustments to the portfolio; active ownership is very valuable. There are a lot of good engagement initiatives that have the main objective of improving biodiversity. You can tweak your portfolio endlessly, but these initiatives are so valuable. Often, capacity is an obstacle, but being a mid-sized insurer also means that you're forced to make things efficient, simple and transparent and to do them well. Plus, you're closer to the action. Collaboration, as well as talking about biodiversity and what you need from your managers and providers, for example on reporting, is important and leads to clearer discussions. And when that has been achieved, next time you can move ahead instead of constantly playing catch-up with reports.

1.4 Individual Investments | This section encourages reflection on how sustainability ambitions are aligned with investment decisions. It gives insights into the investment choices of insurance companies across asset classes in both public and private markets, looking for alignment with their RI policies and sustainability goals.

RESULTS 2025 | The average score for Individual Investments is 4.7, with a range of 3.3 to 5.0.

DISCUSSION POINTS ON INDIVIDUAL INVESTMENTS

- **What key themes should investments be monitored on?**
- **What is the impact of your investment portfolio in the world? Would changes in the portfolio result in real world changes as well?**

NEW THIS YEAR

The Individual Investments category is different from the previous three categories as it serves as a consistency check as well as a moment of reflection. By looking at specific corporate and sovereign entities provided by VBDO, this category underscores how investment decisions align with the insurance company's sustainability beliefs and RI-related policies. For the private markets section, insurers can select an investment from their own portfolio to highlight best practices. Due to the highly confidential nature of this information, specific results have not been included in our reporting on this category.

KNOW YOUR PORTFOLIO

This year, the three corporate entities were selected from the consumer staples, infrastructure and technology sectors. The three sovereign entities comprise one developed market and two emerging markets entities. For private markets, insurers were asked whether they were invested in infrastructure, private equity, real estate or mortgages, and to provide a relevant example if applicable.

When policies have been formalised and strategies have been laid out, it all comes down to the shaping of the investment portfolio and why it ends up looking the way it does. Have the policies and RI activities had the intended effect? And do you actually agree with what investments end up in your portfolio? If all works as it should, the portfolio should be consistent with the insurer's vision on and ambition for sustainability.

Discussing sample cases can be a valuable test to explore where everyone stands on the above by opening up dialogue and encouraging discussion. Additionally, it can help with determining if and what should be discussed with asset and fund managers, advisors, consultants and data and service providers.

What is the purpose of the Individual Investments category?

Jacqueline Duiker, Senior Manager Sustainability & Responsible Investment, VBDO:

We look for consistency throughout the investment process: from strategy to portfolio construction and management level, and finally on the level of individual investment decisions. This category can be particularly helpful to stimulate discussion within the board and with the rest of the organisation and its stakeholders on how their beliefs and policies match with individual investments.

RECOMMENDATIONS FOR INDIVIDUAL INVESTMENTS:

- Know what you're investing in!
- Look further than climate impact when monitoring individual investments.
- Create a process whereby you assess your individual investments and check them against the policy of the insurance company.
  - Collaborate with other insurance companies on implementing such a process.

Confronting your own policy

VBDO spoke with **Desiree Wareman, Manager Treasury & Asset Management**, and **Ruben Colen, Specialist Treasury & Asset Management, from Menzis** about the process Menzis has set up to screen individual investments for sustainability.

How does Menzis approach the screening of individual investments?

Desiree: We initially started screening to give more substance to our efforts to align with the IRBC Agreement (IMVO covenant), and as part of our due diligence cycle, which is based on the OECD guidelines. The consultation we had with VBDO regarding the new benchmark methodology also motivated us to tackle this. I still remember walking out of your office and saying to Ruben, "Well, I think we should highlight one company per investment category during each Investment Advisory Committee (red. Beleggingsadviescommissie) meeting to discuss together." These case studies help connect our investments with Menzis' top-down policy and examine how the policy impacts individual companies in our portfolio. We also wanted to make the policy much more concrete and relatable for the Investment Advisory Committee. That was at least our initial goal, as well as to also ensure that our policy is actually being implemented. This seemed like a very pragmatic way to get a feeling of the companies in our investment portfolio. The outcomes of such a case study can then lead to the evaluation of our own policy and inspire the development of new policies. We've noticed this happening now that we've been working on it for a while.

Ruben: Last year, Menzis decided to purchase ESG data ourselves. It was a good way to familiarise ourselves with the available sustainability data. The data provider offers ESG modules based on compliance with legislation and regulation, product involvements such as tobacco or weapons, and impact, especially for climate change. We're now working on the climate transition plan, so it's helpful to have more insights per company into climate impact and things like SDG alignment. We have created a standard format for the case study for these companies. The format includes data from all ESG modules offered by the data provider, on the basis of which we developed our analysis model.

Why did you decide to purchase your own sustainability data?

Ruben: We chose to purchase the sustainability data ourselves because it brings us closer to the investment portfolio: we can look things up faster and conduct deeper analysis. This is especially helpful considering new regulations like the EU Taxonomy and CSRD, where there's a lot of reporting involved. It's also more convenient because we can act faster with the auditor since there are fewer intermediaries. We see this as well with the IRBC due diligence cycle, where we have to continually screen the investment portfolio to assess risks, and that's just a bit easier when we have the data ourselves.

Desiree: We consider sustainability to be a core task of our investment policy, which means we also develop policies ourselves in consultation with a fiduciary manager and partly with asset managers. This way we have more influence, and we are able to better align the responsible investment policy with what is appropriate across the broader Menzis organisation. If you have access to the data yourself, you can conduct an independent analysis and you have more control. It also helps with mandatory reporting and allows you to challenge other parties more effectively on sustainability.

Have there been any interesting findings from this process?

Ruben: We're currently working on a climate transition plan, and the data we now have direct access to supports this development. For example, we have data on physical risks, and also on transition risks and the extent to which a company is aligned with the Paris Agreement. So now we're figuring out how to use that data to develop better KPIs and align our investment portfolio with our ambitions on climate change.

Desiree: What added value does it have? Well, at the very least, insight into the activities of the companies in Menzis' investment portfolio. For example, we conducted an analysis of a large multinational and discovered that part of their revenue comes from defence contracts. Without that analysis, we wouldn't have known this directly. You simply learn what opportunities, risks and impact companies actually have, and that's valuable in itself. We can now also confirm whether the companies in Menzis' portfolio align with our responsible investment policy, investment beliefs and strategy. That's an important insight we can use for adjusting or creating a new policy. Now that we can also compare this data with that of the fiduciary manager, we're more equipped to engage in discussions when there are discrepancies. We've already experienced that, and in those cases, we ended up calling the data provider.

Can any insurer get started with this?

Ruben: Yes, although you need to take costs and capacity into account. It does take a lot of work to carry out such an analysis, although it gets easier the more you standardise things. But we're still working on that; we've been doing this at Menzis for about a year now and are constantly working on streamlining the process to make it more efficient.

Desiree: Yes, I think any insurer can get started on a process like this. You can make an analysis as detailed and thorough as you want. Menzis has chosen to do this in-house, but I think an insurer could also ask the fiduciary manager or a sustainability advisor, "If I want to know more about the ESG risks and impact of company X, can you please show me how it looks in relation to our policy?" because that also gives insight into how the policy translates into the underlying companies in the portfolio. And that's possible even if you don't have your own data. Our Investment Advisory Committee is really positive about these analyses we've done ourselves because it makes the opportunities, risks and impact of our portfolio much more tangible.

Appendix I - Methodology

The VBDO Benchmark on Responsible Investment by Insurance Companies in the Netherlands compares the largest insurance companies operating in the Netherlands. The participating insurance companies and VBDO share a common goal – to enrich how responsible investing is considered and implemented by insurance companies.

The insurance company benchmark research has been conducted bi-annually from 2009 onwards. Over the years, significant changes to its methodology have been made periodically. In 2024, the latest completely revised version came into effect. Due to the rigorous nature of the revision, the current benchmark ranking and outcomes are not directly comparable to editions from before 2024.

VBDO strives to ensure that the scoring methodology is as objective and data driven as possible by employing various measures, thereby providing an unbiased evaluation of the performances of insurance companies. However, we acknowledge that, like all qualitative assessments, a degree of subjectivity inevitably creeps into the process. This is a natural part of evaluating complex, multifaceted issues. By transparently recognising this balance between objectivity and subjectivity, we aim to provide a fair and comprehensive analysis. We invite constructive and critical feedback to continuously enhance our assessment methods.

GUIDING PRINCIPLES

With the benchmark research, VBDO aims to do three things: encourage collaboration, inspire reflection and instigate change. The core principle of the methodology is that insurance companies use their capital to realise sustainability, and subsequently a sustainable world and society. This means not just incorporating societal needs into the investment strategy, process and activities, but also enshrining societal needs in the investment beliefs and all further levels of the investment process. The questionnaire has been developed to stimulate discussion on the insurance company's vision, ambition and practices regarding sustainable investing.

In addition to the core principle, several guiding principles have been used during the questionnaire development. These mainly focus on connecting the needs of the real world with investing (real world impact), focusing on the ownership of the asset owner, and consistency between the insurance company's sustainability ambition, its portfolio construction and its use of active ownership (our 'walk the talk' principle).

THE VBDO RESPONSIBLE INVESTMENT BENCHMARK SET-UP

The questionnaire comprises four categories: Governance, Strategic Asset Allocation, Portfolio, and Individual Investments. These categories act as interlocking layers, with each category diving deeper into the insurance company's responsible investment process, strategy and activities.

I. **Governance** | An insurance company needs to decide on its vision on responsible investment and a sustainable world, guided by the board. Accordingly, questions are included on the board's involvement and its expertise, as well as on the grounding of sustainability in the insurance company's investment beliefs and overall organisation.

II. **Strategic Asset Allocation** | Strategic asset allocation (SAA) determines an insurance company's portfolio construction. To properly include sustainability and related scenarios and forward-looking views on a strategy level, attention should be paid to the methodology behind the scenarios and models.

III. **Portfolio** | By looking at the RI policy and its different elements, such as active ownership, a general sense of the insurance company's sustainability ambitions can be gained. Following questions on policy and RI instruments, a more detailed look is taken into three different sustainability themes and how these are treated in the RI policy and active ownership activities. Two of the three themes are provided by VBDO, namely 'climate change' and 'biodiversity'. The insurance company is asked to provide its own social theme. A prerequisite for the chosen theme is its explicit inclusion in the insurance company's (responsible) investment policy.

IV. **Individual Investments** | VBDO expects to see the elements covered in the previous categories come together in (the motivation for) individual investment decisions. This section is intended to increase the insurance company's understanding of how successfully its RI policy and beliefs are being integrated into investment decisions. It also promotes reflection and discussion about sustainability in general, the fund's sustainability ambitions, and the impact of the organisations invested in. In short, it helps to reveal how the answers from the first four categories are consistent with investment decisions. Several corporate and sovereign investment examples are provided by VBDO. These are the same for each participant. Participants are asked to explain their motivations behind the investment decision based on their investment beliefs and relevant policies. Furthermore, participants are asked to provide one example each for the asset classes infrastructure, private equity, mortgages and real estate from their own private assets portfolio.

UNDERLYING PRESUMPTIONS

The benchmark methodology relies on several presumptions:

I. The benchmark study is impartial.

II. The scope of the benchmark is determined by selecting the 21 largest insurance companies active in the Netherlands in terms of assets under management (AuM), based on figures provided by the Dutch Central Bank. Removal from the research scope can occur for different reasons, e.g. mergers or a significant reduction in assets under management. Non-respondents are left out of the data analysis.

III. The assets included in this benchmark are those of the participating Dutch insurance companies, irrespective of where these are being managed.

IV. The benchmark study considers policies and activities of the asset owner (the insurance company). Policies and activities of other parties, such as asset managers, are not taken into consideration unless a valid reason for doing so can be provided or if specifically allowed by the methodology. This differs per question.

V. This benchmark focuses on listed categories (publicly listed equity, corporate bonds and government bonds). For the Individual Investments category, private assets are included through investments in infrastructure, private equity, real estate and mortgages. Other assets, such as cash, commodities, currency overlays, hedge funds and interest swaps are not included in this benchmark study.

VI. The benchmark study's research scope generally runs from the beginning of Q1 of the previous year until the end of Q1 of the year in which the benchmark study takes place to better reflect recent changes implemented by the participating insurance companies. This study's scope is the entirety of 2024 and Q1 of 2025.

VII. The study is dependent on the input and documentation provided by the participating insurance companies as well as publicly available information. It is therefore presumed that the data provided is accurate, after which the information is checked against the standards and requirements set in the questionnaire.

THE VBDO RESPONSIBLE INVESTMENT BENCHMARK PROCESS

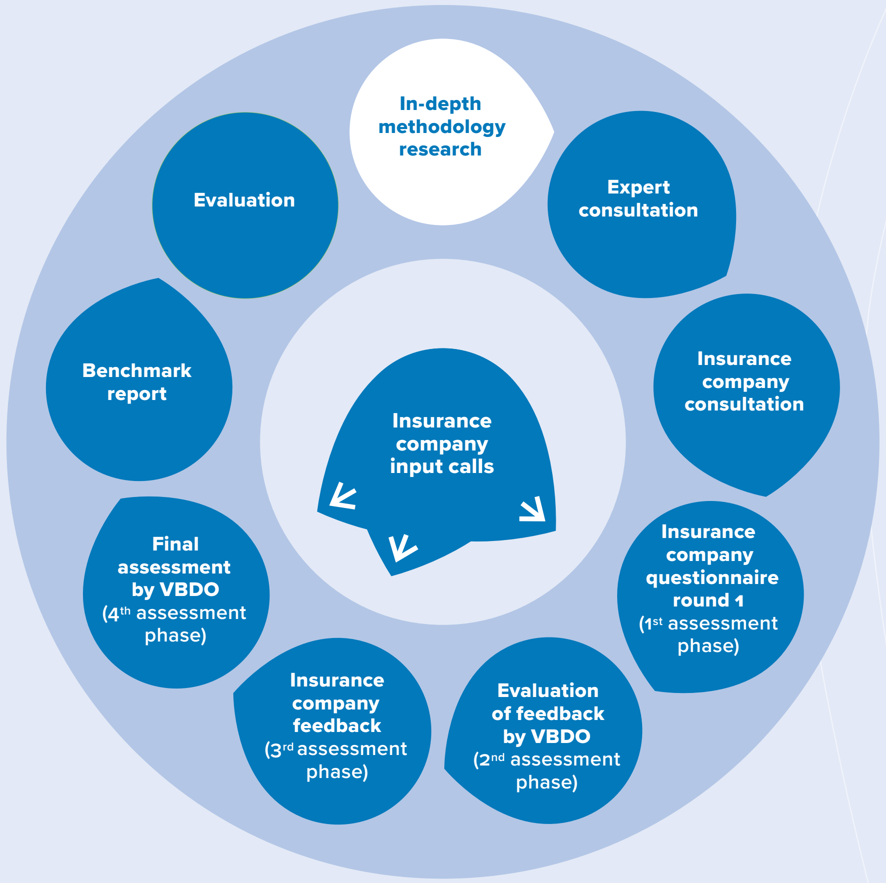
The yearly benchmarking cycle consists of two elements: the research and consultation process and the assessment process. Both are collaborative efforts by VBDO and the participating insurance companies.

The research and consultation process takes place before and after the assessment stage. If needed, consultation with external experts from and adjacent to the financial sector, such as academics, takes place. A yearly (preferably face-to-face) consultation with participating insurance companies takes place before the start of the assessment process. Central to this consultation are alterations to the methodology proposed by VBDO and suggestions for adjustment from the participating insurance companies. If needed, changes are made before the assessment phase takes place. After the conclusion of the assessment phase, the concerning year's benchmark results and feedback provided by participants are evaluated. Outcomes from this evaluation are then taken into consideration for possible methodology adjustments and the consultation rounds.

The assessment process consists of four phases. The questionnaire is sent out to participating insurance companies. After the questionnaire has been filled out, VBDO assesses the arguments and documentation provided for each question. VBDO's findings are then sent to the insurance companies for review. Any remarks and additional documentation provided by the insurance companies are then assessed by VBDO, after which the final assessment is shared with the participants. In effect, participating insurance companies have two opportunities for feedback.

See also Figure 11 for a schematic overview of the benchmark cycle.

Figure 11 | **Benchmark process.**



Appendix II - Star rating

VBDO uses a star rating based on a 0 – 5 star range in addition to a 1 – 20 ranking in numbers. The star rating is based on each insurance company's total score and on the scores the insurance company achieves in the individual categories: Governance, Strategic Asset Allocation, Portfolio, and Individual Investments. The minimum standards might be expanded in the future. The following scores and minimum standards determine the number of stars awarded:

★★★★★

5 STARS
A score of at least 4.5 on all categories (Governance, Strategic Asset Allocation, Portfolio, and Individual Investments)

★★★★

4 STARS
A total score of at least 4.0;
a score of at least 3.5 on all categories

★★★

3 STARS
A total score of 3.5 up to and including 3.9;
a score of at least 2.5 on all categories

★★

2 STARS
A total score of 2.5 up to and including 3.4;
a score of at least 2.0 on all categories

★

1 STAR
A total score of 1.5 up to and including 2.4

☆

0 STARS
A total score below 1.5

Vereniging van Beleggers voor
Duurzame Ontwikkeling (VBDO)
Pieterstraat 11, 3512 JT Utrecht
+31 (0) 30 234 00 31 | info@vbdo.nl

Dutch Association of Investors for Sustainable Development (VBDO) Please email us at info@vbdo.nl if you would like to receive regular updates from VBDO. Follow VBDO on Twitter at http://twitter.com/VBDO