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## AAE Own Sustainability Project

## Recommendations Report



- The AAE consistently emphasises the importance of sustainability and believes it is imperative to reflect this principle within the organisation. As an organisation, the AAE is actively involved in public discussions, consultations, and publishes regularly on the topic of sustainability, especially within the areas of pensions, insurance, and risk management.
- For these reasons, the AAE has initiated a review of its own sustainability as an organisation, as an initial step to identify and potentially implement improvements in its operations. It is noted that sustainability for the AAE is considered through all E, S, and G dimensions (with climate being a key component of the Environmental aspect 'E').
- The work on the project is carried out by members of the Sustainability and Climate-Related Risks Working Group (SCrR WG) and was split into two stages.
  - **Stage 1** has been completed following approval from the AAE Board of Directors in December 2024. Stage 1 related to the identification of the priority areas that would be analysed in the next stage.
  - **Stage 2** has been covered in *this presentation* and relates to the analysis of the areas identified in stage 1 and the preparation of recommendations for the consideration of the AAE Board.
- The recommendations under each of the identified areas are covered in the respective sections of this report.
- As a next step, the AAE Board will consider these recommendations and make decisions regarding the next steps, including implementation, discussion, or further analysis, as the Board may deem necessary.

The list below sets out the topics identified during Stage 1 as the priority areas to be assessed:

1. **Decarbonisation:** Estimate carbon footprint from traveling and identify opportunities for reduction and mitigation. Prepare a first estimate of the AAE's carbon footprint.
2. **Venue Sustainability:** Prepare recommendations that could be adopted as a policy for the selection of venues for AAE.
3. **Diversity and Inclusion:** Review current practice and identify any potential biases or areas for development.
4. **Governance:** Evaluate existing structures and policies to ensure alignment with governance-related sustainability principles.
5. **AAE Assets and Investments:** Consideration of ESG factors in the management of AAE's own funds.
6. **Reporting and Communication:** Consider any external reporting requirements or voluntary commitment for the AAE under relevant sustainability reporting standards (e.g., UN SDG framework).

*The reader should refer to the memo approved by the AAE Board on 11 December 2024. The list above only forms an abbreviated summary.*

- The AAE has taken a proactive step by assessing its internal sustainability practices across six priority areas identified and approved by the RMC committee and the Board: carbon footprint, venue sustainability, diversity & inclusion, governance, assets and investments, and reporting.
- This exercise builds on a solid foundation of good governance and public-interest alignment, with several good practices already in place – particularly in the areas such as the nomination panel’s terms of reference and transparency in selection practices.
- Among the areas examined, international travel to the AAE’s Spring and Annual meetings emerged as the primary contributor to its carbon footprint. Data from recent meetings suggests average emissions per participant of 0.53 to 0.65 metric tons of CO<sub>2</sub>, with projections rising notably for more remote destinations. However, it is acknowledged that the majority of AAE meetings take place online and, therefore, the AAE is already a “primarily online” organisation.
- The AAE may consider adopting a practical and proportionate sustainability approach tailored to its structure as a non-profit, volunteer-based organisation. In the area of travel and decarbonisation, the AAE could promote lower-carbon alternatives by encouraging train travel for shorter distances, facilitating shared transport arrangements, and optionally supporting the use of carbon offsets. Where feasible, centrally located cities may be preferred for at least one of the biannual meetings, while continuing to uphold geographical inclusivity as a key principle.
- Venue selection currently does not incorporate environmental sustainability criteria. Decisions are driven by logistical and cost considerations, and no formal policy exists to guide sustainable procurement or supplier practices.
- The AAE could introduce a light-touch sustainability policy. This may involve requesting basic disclosures on environmental certifications (e.g., ISO 14001, Green Key), incorporating sustainability considerations into event planning templates, and encouraging organisers to avoid single-use plastics and support local suppliers (it is clarified that environmental certifications would be for the event venues, not for the AAE itself). Additionally, venues with good public transport access may be preferred.
- A review of internal governance frameworks indicates that while diversity and transparency are already embedded in areas like the Nominations Panel. Although, there is merit in formalising an AAE-wide D&I policy and perhaps also offering voluntary guidance to member associations to promote broader representation by geography, gender, and association size. Monitoring efforts – already at a commendable level – may continue and be enhanced further to track progress over time.

- The Sustainability and Climate-related Risks Working Group (SCrR) operates under the Risk Management Committee, which may create procedural bottlenecks and inadvertently convey that sustainability is not a strategic priority. It is noted that other organisations, such as the IAA, have already elevated similar groups to full committee status. From a governance perspective, the AAE could consider elevating the SCrR to permanent committee status and updating its terms of reference to reflect a more strategic mandate.
- Additionally, on general governance, the AAE may wish to strengthen internal governance practices by formalising its approaches to supplier engagement, whistleblowing procedures, conflict-of-interest declarations, and prompt payment policies through written statements.
- The AAE's financial reserves are held in cash with BNP Paribas - a bank with strong ESG credentials - which aligns with the AAE's sustainability ambitions. While no investment activity is currently undertaken, future decisions could benefit from a more structured ESG investment policy statement. The AAE could adopt a formal investment policy to guide future allocations ensuring alignment with ESG principles.
- Finally, on the topic of reporting, the AAE may enhance visibility of its sustainability efforts by introducing a dedicated section on its website including periodic updates on progress (see Section 6 for sample text and structure). Aligning this communication with selected UN SDGs – as a voluntary framework – may help position the AAE as a leader by example in the actuarial profession.



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## 1. Measuring carbon footprint & decarbonisation: Context



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- The biannual meetings are one of the main sources of Carbon Footprint for the organization. This section aims to assess the carbon footprint associated with these meetings and explore ways to mitigate our environmental impact. The assessment was based on data provided on an individual basis during the registration process. Attendees were asked to submit information regarding their travel arrangements, which were then used to calculate the overall carbon footprint of the event
- Please note that the results of this analysis are dependent on several factors including the Carbon Footprint calculator used, the group of attendees, and the location of the event. For instance, type of travel mode chosen whether it is flying or taking the train can significantly impact the overall carbon footprint and the overall outcome. Different calculators may yield varying results based on their methodologies and assumptions.
- Furthermore, the total carbon footprint can be affected by whether carbon offsets were used, the type of offsets chosen, and where they were applied. Carbon offsets can vary widely in their effectiveness and credibility, depending on factors such as the projects they support (e.g., reforestation, renewable energy) and the geographical location of these projects.
- In our measurement we have not included electricity, WFH nor have we included interaction with suppliers. Senior Officers' meetings with stakeholders which happen physically only a few times per year and are attended by a handful of individuals have also been excluded from the initial exercise of measuring the AAE's carbon emissions. It is recognised that the majority of emissions are generated by the Spring and Annual AAE meetings which are attended by a significant number of individuals. These events are estimated to comprise the majority of AAE emissions. Given the limited resources for the project, at this stage, it was deemed appropriate to concentrate the analysis on the emissions related to these meetings.

## 1. Measuring carbon footprint & decarbonisation: Results from 2024/2025



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- Carbon emissions for the Autumn meeting in Budapest and Spring meeting in Edinburgh have been calculated based on the information provided at registration.
- The average carbon footprint per participant for the recent meeting in Edinburgh was estimated to be 0.65 metric tons compared to 0.53 metric tons for the Autumn meeting in 2024:

Meeting Location	Number of participants	Carbon Footprint (CO2 tons)	* Average Footprint (CO2 tons)
Budapest Autumn 2024	147	77.69	0.53
Edinburgh Spring 2025	133	86.02	0.65

- Calculation tools**
  - The myclimate flight calculator [CO2 emissions calculator: Calculate your carbon emissions – myclimate](#) was used to determine the quantity of CO<sub>2</sub> emissions that an aeroplane gives off per passenger for a given flight distance. Nitrogen compounds and aerosols are also included and converted into CO<sub>2</sub>. The calculation is based on average consumption data for typical short-haul and long-haul aeroplanes.
  - The carbon footprint calculator [carbonfootprint.com - Carbon Footprint Calculator](#) was used for calculating estimated emissions related to train/bus journeys. There are varying results depending on type of train (Long distance or Commuter ) or bus but typical results for rail and bus are considerably below corresponding results for flights.

\* Average per person.



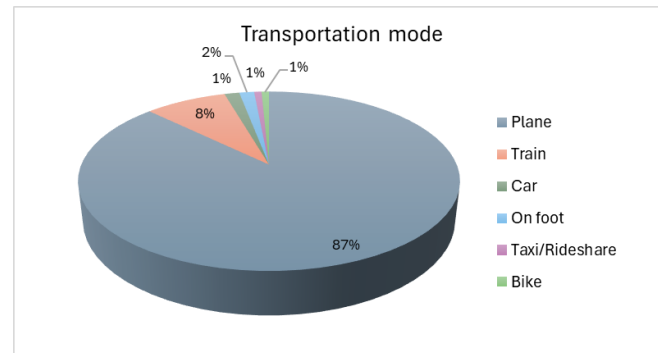
## 1. Measuring carbon footprint & decarbonisation: Further Results (Edinburgh)



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- Most participants (87%) travelled to the Spring meeting by plane with 8% travelling by train. 10% answered yes to using Carbon Credits/removal with half of these noting details.
- The total distance (one-way) travelled by all participants was estimated to be 201,275 km.
  - 116 out of 133 participants travelled by plane (191 thousand kms), 11 by train (7 th. kms) with the remaining 6 by car/foot/bicycle (3 th. kms)
- Distance to Edinburgh compared to a more central and long- distance option:
  - Assuming identical participation for upcoming meetings in Paris (Autumn 2025) and Limassol (Spring 2026) the total distance (return) and carbon emissions (total and per participant) have been estimated as follows:



Meeting Location	Distance Return	Carbon Footprint (CO2 tons)	* Average Footprint (CO2 tons)
Edinburgh Spring 2025	402,550	86.02	0.65
Paris Autumn 2025	317,800	67.91	0.51
Limassol Spring 2026	779,400	166.55	1.25

- It is noted that it is very difficult to interpret these figures in isolation.
- A history of these figures for each meeting should be collected over a few years in order to be able to meaningfully benchmark or report on the emissions from particular meetings.

\* Average per person.

## 1. Measuring carbon footprint & decarbonisation: Recommendations (1/2)

- Encourage Alternative Transportation for Short Distances
  - For distances up to 500 km, encourage participants to use trains instead of planes. Trains generally have a lower emission factor compared to planes.
- Group Travel and Shared Transportation
  - Provide informal guidelines in registration to encourage participants travelling from the same location to share transportation. This can include carpooling or shared rides to the nearest train station or airport.
- Carbon Offsetting
  - Promote (or subsidise) the use of carbon credits or carbon removal options among participants. This can help offset the emissions generated from their travel.
- Continued virtual participation and efficient scheduling for Spring and Autumn meetings
  - Virtual participation should continue to be prioritised for all other meetings apart from bi-annual meetings. This reduces travel-related emissions significantly.
  - Plan meetings and events in a way that minimises the need for frequent travel. For physical meetings continued focus for scheduling multiple meetings in the same location over a few days. This applies also for Board meetings and meetings with stakeholder or other partners such as the IAA.
  - It is recognised that some of these practices are already in place.

## 1. Measuring carbon footprint & decarbonisation: Recommendations (2/2)



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- Optimise Meeting Locations
  - Choose meeting locations that are centrally located and easily accessible by train or other low-emission transportation methods. This can reduce the overall travel distance for participants.
  - Examples could include Paris, Brussels and Vienna which are all centrally located in Europe with well-connected train routes.
  - Spring meetings could be held centrally while Annual meetings could continue to rotate throughout member associations.
  - A more remote location (with associated high carbons e.g., Limassol) can be justified/selected for one of the two physical meetings, if the second meeting has low total estimated emissions because of the more central location.
  - It is recognised that the above recommendations may conflict with D&I considerations where the AAE may prefer to diversify geographical locations where meetings take place. As such, it is appreciated that the social aspects of being inclusive with FMAs plays a significant role in the long-term sustainability of the AAE.
- Decarbonization related to areas apart from transport
  - For Energy Efficiency implement energy-saving measures in offices and homes and use renewable energy sources where possible. It is recognised that the AAE maintains a virtual office at the time being and employees work from home. As such, this point is made with the long-term view in mind.
  - Optimization of Supplier Practices by working with suppliers to reduce their carbon footprint or selecting suppliers with sustainable practices (see topic #2).

## 2. Venue sustainability: Context

- The AAE holds biannual physical meetings in different European cities and typically organises the European Congress of Actuaries every two years.
- Currently, no formal sustainability policy exists for the selection of venues or suppliers.
- Venue selection is primarily based on convenience, capacity, cost, and availability.
- Environmental sustainability criteria are not currently factored into selection or procurement decisions.
- Although the number of AAE physical meetings each year is limited, they represent key occasions where the organisation interacts with the external world. For this reason, enhancing sustainability in this area is both **visible and meaningful**.

## 2. Venue sustainability: Recommendations

- Adopt a light-touch Venue Sustainability Policy, to be applied flexibly based on cost and availability constraints.
- Encourage venue sustainability disclosure by requesting information on environmental certifications (e.g., Green Key, ISO 14001).
  - **Green Key** is an internationally recognised eco-label awarded to hotels, conference centers, and other tourism-related establishments that meet strict environmental and sustainability criteria (Managed by the Foundation for Environmental Education).
  - **ISO 14001** is a globally recognised environmental management standard developed by the International Organisation for Standardisation (ISO). It is **applicable to any organisation**, not just hospitality.
- Include sustainability questions in venue selection templates or RFPs (e.g., proximity to public transport, energy/water efficiency, waste management).
- Encourage organisers to avoid single-use plastics and support local catering options (e.g., requesting local and plant-based menu options).
- Provide guidance to organisers and include a short 'sustainability statement' in event planning templates.
- Where feasible and without compromising regional inclusiveness, favour venues with strong rail and public transport connectivity to help reduce travel emissions.

*It is recognised that prioritising train-accessible cities (E) may reduce emissions, but it could undermine geographic inclusivity and fairness (S) of AAE FMAs, if it consistently favours certain regions over others.*

- Review policy every 3 years and gather feedback after events.

### 3. Diversity & Inclusion: Overview

#### **Purpose of the Analysis:**


To evaluate how the AAE's internal governance structures reflect diversity and inclusion principles in practice, with a focus on gender, geography, and representation by member association (MA) size.

#### **Scope:**

- Assessment and existence of diversity-related governance policies and practices.
- Quantitative analysis of representation across general assembly, board of directors, nominations panel, and committee chairs.

*The analysis in relation to the representation of FMA categories, regions and overall diversity statistics is included in the appendix to this report.*

#### Current References to D&I:

- **Voting rights in the General Assembly:** Member Associations (MAs) are grouped into four categories based on size. This ensures voting power reflects membership distribution to a reasonable degree (see next slide).
  - **Nominations Panel Terms of Reference:** Includes explicit references to diversity, recommending a balanced distribution of appointments by geography, MA size, gender, practice areas and skills. In the call for nominations reference is made to article 2 of the NP ToR.
-  It is noted that the Nominations Panel provides a comprehensive and transparent annual report, which explicitly reports on diversity, including distribution by geography, member association size, voting rights, and gender.
- **Guidelines appointing Vice-Chairperson of a Committee:** Internal guidelines reference diversity on page 2. Requirement to observe the general ambitions on diversity that apply in the AAE. The diversity requirements can be hard to fulfil in one specific year, but over time, it should be possible to meet most of them.

#### Identified Gaps:

- **Protocol for the establishment of Working Groups and Task Forces:** The guidelines do not include any reference to diversity.
- **Call for Nominations:** Although the NP ToR on diversity are referenced, no explicit guidance is provided to MAs with respect to the candidatee they will nominate (i.e., no guidelines or requirements are set for the MAs and for ratios beyond the control of AAE).

#### Recommendations:

Consider strengthening the existing approach by:

- Adopting a formal Diversity & Inclusion Policy at the AAE Level
- Providing voluntary D&I guidance to MAs
- Ensuring future governance documents include appropriate D&I considerations



### 3. Diversity & Inclusion: Summary

- **Current Policies in Place**
  - Voting rights are distributed across four categories of Member Associations (MAs), ensuring proportional representation by size.
  - The Nominations Panel Terms of Reference explicitly promote diversity across geography, MA size, gender, and practice areas. The NP also provides a comprehensive and transparent report which explicitly addresses diversity.
  - Guidelines for appointing committee vice-chairpersons reference long-term diversity ambitions.
- **Key Findings from Statistics Review (2017–2025)**
  - There is a relative over-representation of smaller associations. However, this is not due to a specific policy, but due to the nature and origin of the pool of candidates for the board, nominations panel and committee chair positions. The pool is mostly/typically the committee members where each association delegates one member by default, so the pool is biased by design.
  - There is a broad balance between the representation of MAs (larger vs smaller associations)
- **Observations:**
  - The current structure provides a reasonable balance between large and small MAs due to one-delegate-per-MA rules in committees.
- **Recommendations:**
  - Strengthen current practice through a formal AAE-wide D&I Policy (beyond the NPs' terms of reference).
  - Consider providing voluntary D&I guidance to MAs to support diverse nominations.
  - Continue monitoring and publish diversity data regularly (e.g., every 1–3 years). Encourage broader participation and outreach to underrepresented regions and MA categories.
  - Encourage MA's to collect diversity data on a voluntary basis.

*The analysis in relation to the representation of FMA categories, regions and overall diversity statistics is included in the appendix to this report.*

## 4. Governance

Sustainability governance comprises two different aspects:

1. What is the specific governance around sustainability topics at the AAE?
2. How sustainable is the AAE general governance?





### A. The governance around sustainability topics at the AAE

- At the moment, the SCrR is a working group reporting to the Risk Management committee, not a full committee
- Potential issues:
  - It looks to the outside like sustainability is a low-priority topic for the AAE (which is not the case)
  - In practice, it slows down the SCrR work because everything needs to be first validated by the RMC before it goes to the AAE board (even when it involves topics and stakeholders that are not within the remit of the RMC)
- Proposals:
  - Make the SCrR a **permanent committee** rather than a working group, like the IAA just did
  - Update the original SCrR **terms of reference** from 2021, which are outdated
  - Ask board and member associations support to provide more **active delegates** to the group
- Sustainability as a permanent committee would also be an example of best practice for our member associations



### ✓ SCrR terms of reference

- Current terms of reference (2021): mostly 'bottom up', i.e. more like a list of initial tasks than a strategic mission statement
- Potential inspiration from the IAA:  
[https://www.actuaries.org/IAA/IAA/Committees/Climate\\_and\\_Sustainability/Landing.aspx?Tabs=4#Tabs](https://www.actuaries.org/IAA/IAA/Committees/Climate_and_Sustainability/Landing.aspx?Tabs=4#Tabs)
  - *To promote the role of the actuary, raise its image and profile in the area of managing climate and sustainability risks*
  - *Support the relevant Supranational relationship team(s) in their engagement initiatives on topics relating to climate and sustainability*
  - *Proactively prepare the profession to the challenges related to climate and sustainability and advance the competency of the profession by creating awareness, facilitating knowledge sharing and educating actuaries*
- In addition, also state that we also aim to support and inform the sustainability initiatives of the European insurance industry and of European policymakers, regulators, and financial supervisors
- We will also check whether further inspiration can be taken from the UK IFoA sustainability board's terms of reference

### B. Sustainability in the AAE general governance

- Main source of inspiration: CSRD and ESRS G2 business conduct:  
<https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/17%20Draft%20ESRS%20G1%20Business%20Conduct%20November%202022.pdf>

#### Sub-topics

##### Business conduct

For the purposes of this standard, the following factors are collectively referred to as business conduct matters:

- (a) Business ethics and corporate culture, including anti-corruption and anti-bribery, the protection of whistleblowers, and animal welfare
- (b) The management of relationships with suppliers, including payment practices, especially with regard to late payment to SMEs
- (c) Activities and commitments of the enterprise related to exerting its political influence, including its lobbying activities.

- Corporate culture
- Management of relationships with suppliers
- Avoiding corruption and bribery
- Political influence & lobbying
- Protection of whistle-blowers
- Payment practices (esp. with regard to SMEs)
- ~~Animal welfare~~

### B. Sustainability in the AAE general governance

- The **supplier selection** process should include sustainability considerations whenever feasible
- **Lobbying and conflicts of interest:** we should ensure that individuals contributing to the AAE work are unbiased and act in line of the AAE values and objectives (not their country or employer)
  - Honor system based on self-declaration ('oath')
  - Make sure to report any incident
- **Fit & proper:** we should ensure that contributing individuals have enough expertise and availability for the tasks and role they perform with the AAE
  - Extend the existing questionnaire (more questions linked to expertise and availability, could also be combined with the conflict-of-interest declaration mentioned above))
- Set up external (outsourced) hotline for **whistleblowing** and confidentially reporting incidents
- Maintain fair and quick **payment practices**, especially to individuals and SMEs
  - Formalize the current practices into a policy (e.g. <10 days) + monitor delays or incidents

## 5. Assets and Investments: Current Status

- Financial oversight is provided by the AAE Treasurer, a Board-level director.
- The AAE holds approximately €1 million in reserves, entirely in cash with BNP Paribas.
- There are no current plans to invest in risky assets such as equities, although we understand that fixed income assets such as AAA EU Government Bonds may be considered.
- BNP Paribas is a founding member of the Net-Zero Banking Alliance, committed to net-zero emissions by 2050. The bank has published transparent ESG strategies aligned with responsible finance principles.



### Analysis:

- **Cash Holdings with BNP Paribas:** Given BNP Paribas's commitment to net-zero emissions and its active role in sustainable finance, continuing to hold cash reserves with the bank aligns with AAE's sustainability objectives.
- **Apply ESG Criteria to Any Future Investments:** If the AAE considers allocating part of its reserves to low-risk fixed income assets, ensure that ESG factors are taken into account in the selection process. This could involve favouring issuers or instruments that are aligned with strong environmental, social, and governance performance at the sovereign level.
- **ESG Investment Policy:** Introduce a short policy stating that ESG considerations will be integrated into decisions relating to banking relationships and future investments, consistent with AAE's commitment to sustainability.

### Conclusion:

- Due to the nature of the organisation, reserves are expected to be held mostly in cash. Sustainability can be improved by banking with a bank that has a commitment to net zero. The AAE's existing bank, BNP Paribas, already meets this criterion.
- A formal policy recognising ESG as a selection criterion will improve investment governance and ensure future financial decisions are aligned with AAE's values.

## 6. Reporting and communication

**Objective:** Improve transparency and accountability by establishing a simple, meaningful reporting approach on the AAE's internal sustainability efforts.

### Recommendations:

#### 1. Add a dedicated sustainability section to the AAE website

- Communicate the AAE's internal sustainability efforts in a clear and accessible manner
- Highlight actions taken under each of the five focus areas (*measuring and mitigating carbon footprint, venue sustainability, D&I, governance, assets & investments*)
- Reference the public-interest purpose of the AAE (Art. 2 of the Statutes)

#### 2. Adopt a reporting framework as a guiding structure, to assist public communication

- Use the UN Sustainable Development Goals (SDGs) framework as a voluntary guiding structure (widely recognised)
- Focus on explicit SDGs where the actuarial profession has direct technical impact, and credible ability to advise and support.

#### 3. Review and update the sustainability webpage periodically

- Consider publishing a short progress summary every 1 to 3 years
- Adjust focus areas as needed in line with organisational priorities and external expectations

## 6. Reporting and communication: Sample Website Text

\*\*\*Sample text for the AAE Website\*\*\*

### AAE's Commitment to Sustainability

As outlined in Article 2 of our Statutes, the Actuarial Association of Europe (AAE) aims to:

*“provide objective, independent, professional advice to European institutions and stakeholders on all matters of actuarial relevance, in pursuit of the public interest.”*

In line with this mission, the AAE is committed to integrating sustainability principles into its own operations, governance, and financial management. This reflects our belief that actuaries not only advise others on sustainability – but must also lead by example.

### AAE's Commitment to Sustainability

As part of our internal sustainability review, the AAE has reviewed the following areas affecting our sustainability as an organisation:

- 1. Measuring our carbon footprint:** Estimating our organisational carbon footprint and identifying emission reduction opportunities.
- 2. Venue Sustainability:** Promoting sustainable venue selection for AAE events by encouraging environmental certifications, public transport access, and local, low-waste services.
- 3. Diversity & Inclusion:** Reviewing our governance practices to promote fair representation, gender balance, and inclusion in line with our values.
- 4. Governance:** Strengthening our internal structures to align with ethical and sustainability principles, including transparency, whistleblower protection, and responsible supplier relationships.
- 5. Assets & Investments:** Applying Environmental, Social and Governance (ESG) criteria to our banking relationships and any future investment decisions.

## 6. Reporting and communication: Sample Website Text

\*\*\*Sample text for the AAE Website\*\*\*

### Our Alignment with the UN Sustainable Development Goals

The AAE supports the United Nations Sustainable Development Goals (SDGs) and recognises the actuarial profession's particular relevance to the following:

1. **SDG 1 – No Poverty:** Through the design of social security and pension systems that protect against old-age poverty and financial shocks.
2. **SDG 3 – Good Health and Well-being:** By modelling healthcare costs and risks and contributing to sustainable health insurance systems.
3. **SDG 5 – Gender Equality:** By identifying and mitigating gender-based disparities in financial products and actuarial models.
4. **SDG 8 – Decent Work and Economic Growth:** Through the design of employment-linked benefits and support for economic resilience via insurance and pensions.
5. **SDG 10 – Reduced Inequalities:** By fostering fair access to financial protection tools and inclusive product design.
6. **SDG 13 – Climate Action:** By modelling long-term climate risks and supporting resilience in insurance and investment frameworks.
7. **SDG 17 – Partnerships for the Goals:** Through active engagement with policymakers, regulators, and global actuarial bodies to advance sustainable practices.

Learn more at the [UN Sustainable Development Goals website](#).

## 7. Limitations and Caveats

- **Strategic Scope vs. Operational Capacity:** The areas identified in this project are deliberately high-level, intended to establish a foundational internal sustainability structure for the AAE. This approach balances ambition with flexibility, allowing the AAE to scale or adjust actions based on available capacity, evolving priorities, or external developments.
- **Nature of the Organisation:** The AAE is a non-profit, volunteer-based professional association with no commercial operations, physical offices, or manufacturing footprint. As such, traditional ESG frameworks designed for corporates or public institutions are only partially applicable. All proposals must be interpreted in light of the AAE's unique legal form, structure, and mission.
- **Resource Constraints:** The project was delivered with limited resources, relying primarily on voluntary contributions from members of the Sustainability and Climate-related Risks Working Group (SCRr WG). No external consultants or funding were used, and implementation support will likewise be limited unless additional resources are allocated.
- **Initial Step, Not a Final Framework:** This initiative should be seen as a first step – a structured attempt to formalise internal sustainability thinking. It does not claim to offer a comprehensive solution. Instead, it sets direction and opens space for future refinement and discussion.
- **Narrow Focus on travel emissions:** Given resource and data limitations, decarbonisation analysis was constrained to travel-related emissions from the AAE's physical meetings (Spring and Annual meetings), which are assumed to represent the bulk of the organisation's operational footprint. Other sources (e.g., remote working or supplier emissions) are acknowledged but not quantified at this stage.
- **Non-binding Recommendations:** All recommendations included in this Stage 2 report are non-binding. They are intended as proposals for consideration by the Board and may be subject to revision, further analysis, or phased implementation depending on feasibility and priorities.
- **Implementation Dependent on Board Approval:** The analysis and recommendations presented are meant to inform, not direct, the AAE's decision-making. Their adoption – whether in whole or in part – will depend on Board endorsement, resource availability, and practical considerations specific to each topic.
- **Evolution Over Time:** The framework proposed in this report is expected to evolve over time, in line with emerging best practices, changes in member expectations, and the maturing of the AAE's own strategy in this area.



## D&I Section 3: Statistics & Current Practice: Voting Rights in the General Assembly

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Based on **average** fully qualified members (FQMs) per association during the six year period 2020-2025:

Membership Category	Subscription Size	Number of Mas	FQMs	Votes in GA	FQM per Vote
Cat 1	1-150	17	1,174	20	59
Cat 2	151-600	7	1,833	13	141
Cat 3	601-1600	4	4,567	15	304
Cat 4	1601+	5	20,904	24	871

- Formal equality among MA would over-represent the membership of small MAs and under-represent the big MAs
- FQM based voting rights would under-represent the membership of small MAs and over-represent the big MAs
- Current policy is fair and similar to existing practices, e.g. European Parliament; US Congress & Senate; and Switzerland





Analysis based on data during the 8-year period from 2017 to 2025:

- **Gender** ratio of females has varied in the range 22%-44% until 2024/2025. Females are underrepresented as a nominal ratio but the ratio is consistent with overall membership ratio (37%) – which is beyond AAE's control)

- **\*Size 8 years = 72 „total board-member-years“**

Cat	Cat Size	FQMs	Board Members	FQM of MA / Board Members
1	1-150	1 174	20	59
2	151-160	1 833	13	141
3	601-1600	4 567	15	304
4	1601+	20 904	24	871

- **\*\*Region 8 years = 72 „board-member-years“**

				FQM of MA / Board Members	Excl UK
N	North	13 054	22	593	90
E	East	546	6	91	
S	South	3 520	11	320	
W	West	11 357	33	344	

*The underrepresentation of the North is fully due to the UK, excluding the UK, the effect of the overrepresentation of the small associations is visible*

- **Chairperson** 2/9 female 22%; for size (nobody from category 2) and region (5/9 from West) is statistically not relevant.

*\* Board/Region: 9 board members over 8-year period = 72 total years  
This allows for time duration of board membership to be taken into account.*



Analysis based on data during the 8-year period from 2017 to 2025:

- Gender ratio of females ranged between 0 and 27%. Females are under-represented even compared to overall membership ratio (37%)

- Size 8 years = 88 „panel-member-years“

Cat	Cat Size	FQMs	Panel Members	FQM of MA / Panel-member-year
1	1-150	1 174	28	42
2	151-160	1 833	13	141
3	601-1600	4 567	24	190
4	1601+	20 904	23	909

- Region 8 years = 88 „board-member-years“

				FQM of MA / Panel-member-year	Excl UK
N	North	13 054	20	653	99
E	East	546	13	42	
S	South	3 520	20	176	
W	West	11 357	35	324	

*The underrepresentation of the North is fully due to the UK, excluding the UK, the effect of the overrepresentation of the small associations is visible.*

- Chairperson: statistically irrelevant (1/8)
- Panel composition was generally balanced across regions and MA size categories, including Category 2 MAs.
- No major structural gaps observed, though continued monitoring is advisable to ensure consistency over time.

*\* Size/Region: 11 NP members over 8-year period = 88 total years  
This allows for time duration of membership to be taken into account.*



Analysis based on data during the 8-year period from 2017 to 2025:

- **Gender** ratio of females ranged between 20% and 40, which is comparable to overall membership ratio (37%)

- **Size 8 years = 40 „committee chair-years”**

			Chairs	FQM of MA / Committee-chairs
1	1-150	1 174	10	117
2	151-160	1 833	0	n/a
3	601-1600	4 567	11	415
4	1601+	20 904	19	1100

- **Region 8 years = 40 „committee chair-years”**

			Chairs	FQM of MA / Committee-chairs	Excl UK
N	North	13 054	16	816	124
E	East	546	5	109	
S	South	3 520	4	880	
W	West	11 357	15	757	

- We can observe that the smaller associations are overrepresented, however the link is less straightforward than in the case of the prior groups (Board members, Nomination Panel) as:
  - We have less data points (40 years vs 72 years)
  - Normally there are less candidates for these positions, so there is less room for taking into account diversity as a principle.

*\* Size/Region: 5 Committee Chairs over 8-year period = 40 total years  
This allows for time duration of chairmanship to be taken into account.*



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