Note

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ZURICH

Zurich puts environmental and social goals at heart of impact investment strategy

- **Zurich becomes first large institutional investor to prioritize the environmental and social goals of its impact investment portfolio**
- **Zurich will invest what is needed to meet its targets of avoiding 5 million metric tons of CO2 equivalent emissions annually and improving the lives of 5 million people a year**

Zurich, November 17, 2020 – Zurich Insurance Group (Zurich), the leading insurer on the Dow Jones Sustainability Index (DJSI), is to become the first large institutional investor to prioritize the 'impact' rather than monetary amount of its impact investment portfolio.

Zurich will focus on its targets of avoiding 5 million metric tons of CO2 equivalent emissions annually – the amount emitted in a year by one million cars[1] – and improving each year the lives of 5 million people – comparable to the population of Ireland. As of the end of September, the portfolio helped avoid 2.9 million tons of CO2 equivalent emissions and improved the lives of 4 million people.

The commitment comes after the Group exceeded the USD 5 billion target for its impact investment portfolio set three years ago.

Urban Angehrn, Group Chief Investment Officer, said: "Today, we are once again leading the industry by shifting away from monetary targets to actual impact achieved. The objective of our impact investment strategy has always been about the positive outcomes that we can achieve through our investment decisions. With this in mind, it makes sense for us to commit to invest as much as needed to fulfil our environmental and social goals, which remain unchanged."

[1] https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

Amit Bouri, Co-Founder and CEO of The Global Impact Investing Network (GIIN): “The GIIN applauds Zurich Insurance Group for continuing to raise the bar on its impact investing, anchoring around impact targets while allocating capital in alignment with both its fiduciary duty and intention to generate a measurable, positive impact for people and planet. To achieve our biggest global goals, like the UN Sustainable Development Goals and targets set by the Paris Agreement, we will need the commitment of institutional investors around the world. Investors have a critical role to play in transforming our future, and our hope is that Zurich inspires other investors to join the effort to drive measurable, positive impact, so we can make progress toward the more sustainable and inclusive world we all seek.”

Diane Damskey, Head of Secretariat, Operating Principles for Impact Management, said: “Congratulations to Zurich Insurance Group on their continued leadership among impact investors and taking the step to manage their impact investment portfolio solely based upon impact targets. As one of the founding Signatories to the Operating Principles for Impact Management, Zurich’s team has contributed to this growing and collaborative group of asset owners and asset managers that are shaping the future of impact investing.”

Zurich’s impact investment portfolio of USD 5.4 billion includes green bonds, social and sustainability bonds, private equity funds active in areas such as financial inclusion and clean technology, as well as impact infrastructure loans for projects such as wind or solar farms. Zurich will continue building a portfolio to deliver on its targets, going beyond the USD 5 billion investments originally targeted.

Over recent years, Zurich has developed a methodology to measure and aggregate impact across various asset classes. Measuring impact for three years in a row has led to multiple lessons in how to measure and manage impact, specifically in how to interpret the impact intensities of various types of investments.

This knowledge now allows the insurer to prioritize the targeted impact, allowing committed funds to follow. Throughout this time Zurich has openly shared its accumulated knowledge and expertise with other asset managers to support the development of common measurement standards and pledges to continue to share future learnings.

Further information

Impact investing is only one element of Zurich's responsible investment strategy. The insurer's own assets of around USD 200 billion are covered by Zurich's holistic responsible investment strategy, that applies the tools of environmental, social and governance (ESG) integration, active ownership, impact investing, selective exclusion screens and a net-zero by 2050 climate target.

Did you know?

- Zurich is committed to become one of the most responsible and impactful businesses in the world.
- In 2020 Zurich has been named the industry leader of the Dow Jones Sustainability Index (DJSI). Zurich has been participating in SAM's Corporate Sustainability Assessment since 2007. Companies are evaluated on economic, environmental and social factors.
- In 2013, Zurich was the first investor to issue a request for proposal (RFP) for a dedicated green bond mandate. In a market of under USD 13 billion in issuance, we pledged to invest USD 1 billion in green bonds, which we later raised to a USD 2 billion target, catalyzing this nascent market.
- Today, the market of green, social and sustainability bonds has reached over USD 1 trillion, and we have invested over USD 4 billion in the asset class.
- In 2017, we were the first private sector investor to not only set monetary but impact targets: our 5/5/5 approach. This required us to develop a methodology to measure, manage and aggregate impact on portfolio level. We have shared this framework, as well as our lessons from impact measurement with the market.

Zurich Insurance Group (Zurich) is a leading multi-line insurer that serves its customers in global and local markets. With about 55,000 employees, it provides a wide range of property and casualty, and life insurance products and services in more than 215 countries and territories. Zurich's customers include individuals, small businesses, and mid-sized and large companies, as well as multinational corporations. The Group is headquartered in Zurich, Switzerland, where it was founded in 1872. The holding company, Zurich Insurance Group Ltd (ZURN), is listed on the SIX Swiss Exchange and has a level I American Depositary Receipt (ZURVY) program, which is traded over-the-counter on OTCQX. Further information about Zurich is available at www.zurich.com.

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