Note

March 31, 2022

Zurich aims for net-zero target in operations by 2030 instead of 2050

- **Signs agreements with innovative carbon removal suppliers**
- **Early payments made to help suppliers scale their nature-based solutions**
- **Deep cuts in absolute emissions remain a key priority for this decade**

Zurich Insurance Group (Zurich) is bringing forward by 20 years its target to achieve net-zero emissions in its operations.

It now aims to reach the goal by 2030, after implementing plans announced last year to achieve deep cuts in absolute emissions this decade. After that, emissions that cannot be avoided will be removed from the atmosphere.

Zurich has signed carbon removal agreements with several suppliers of nature-based solutions, where it can have the biggest impact on the development of the carbon removal industry. It has made advance payments that will help these suppliers further develop, scale and commercialize their early stage and innovative technologies.

The projects were also selected to align with Zurich's broader sustainability goals including flood resilience, wild fire prevention and – through support for good quality jobs in sustainable industries – developing a fairer society.

"Since we first started measuring our carbon footprint in 2007, we have avoided an estimated 1 million metric tons of CO2-equivalent emissions, and our focus remains on reducing them to a minimum," said Alison Martin, CEO EMEA and Bank Distribution, and the Executive Committee member responsible for Sustainability. "To balance out our unavoidable residual emissions, we are supporting innovative carbon removal solutions. The urgency of the situation means we need to be proactive and help scale up the carbon removal industry, which is still in its infancy."

The chosen carbon removal suppliers are InterEarth from Australia, Bio Restorative Ideas from Puerto Rico and Oregon Biochar Solutions from the United States. Zurich's participation in these projects, facilitated through carbon removal marketplace Puro.earth, is instrumental for the projects to start and expand their operations.

The **InterEarth** project removes CO2 with an innovative method called woody biomass burial. The company grows a selection of highly adapted woody plants on degraded, low rainfall, and previously cleared farmland in Australia. Periodically, the plants are trimmed of their above-ground biomass and the harvested biomass is buried and encapsulated in dedicated subterranean chambers. The aim is to permanently store the carbon captured within the biomass.

Bio Restorative Ideas[1] plans to convert waste and invasive bamboo to high-quality biochar on the site of a former sugar cane factory in the southwest of Puerto Rico, which will be used to improve soils with cascading benefits in food production and yield. Other applications are also under consideration such as an additive to concrete or building materials.

Bamboo is a rapidly growing grass and when fallen and broken, particularly along waterways, can cause blockages, flooding and erosion. By collecting and converting it into biochar, the project also helps to prevent these negative effects.

Oregon Biochar Solutions[1] produces high-quality biochar, mainly sourced from forestry waste, including fire hazard biomass and forest fire burnt wood. Removing this latter material reduces the risk of future fires and puts waste material to a productive use. The U.S. company is already producing biochar, most of which is sold to farms, and has capacity to scale up to produce more than 3,000 metric tons per year. It uses the revenue derived from the sale of carbon removal certificates to pass cost savings on to local farmers and entrepreneurs looking to integrate clean products in their supply chain.

Zurich is committed to act now to remove carbon from the atmosphere and will continue to look for and support additional solutions to diversify its carbon removal approach. After initially focusing on biomass-based carbon removal, Zurich is now also looking at technological solutions such as direct air capture and storage.

To complement its net-zero strategy, Zurich aims to have 75% of its managed procurement spend[2] with suppliers that have science-based emissions reduction targets by 2025 and net-zero targets by 2030.

Until 2030, the Group will maintain overall carbon neutrality in its operations, steadily increasing the proportion of its carbon removal offsets that qualify for net-zero certification. The protection and restoration of natural habitats remains a focus in Zurich's overall climate change mitigation strategy, for example through the Group's work with the Zurich Forest project.

As a signatory of the UN Business Ambition for 1.5°C pledge, Zurich is committed to using every lever available – investments, operations, and products and services – to accelerate the transition and achieve net-zero emissions across its businesses by 2050. The Group is engaging with customers and investee companies to promote the adoption of business models aligned with the Paris Agreement.

[1] The Bio Restorative Ideas and Oregon Biochar Solutions projects are represented by GECA Environnement, a Canadian consulting firm which specializes in biochar and its production.

[2] Managed procurement spend means the spend of approximately USD 2 billion annually managed by Zurich's Procurement and Vendor Management function on goods and services that are required to enable Zurich to maintain and develop its operations.

Further Information

Zurich's path to net-zero operations
Puro.earth – Carbon removal standard, registry and marketplace
GECA Environment – Consultants in pyrolysis and biochar

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