

Investing in a greener future

Green bonds can help the planet while providing market-level returns.



A green bond issued by the European Investment Bank (EIB) funded modernization of Vienna's unique Spittelau waste-to-energy plant.

Photo courtesy of Wien Energie, November 2015

As a signatory to the United Nations Global Compact, Zurich is committed to promoting greater environmental responsibility. We are encouraging development and 'diffusion' of environmentally-friendly technologies. One way to achieve our goals is by investing in green bonds. These bonds allow us to achieve market-level returns and still make a positive impact.

Green bonds typically are used to raise funds for projects that mitigate climate change. Their proceeds may also help communities adapt to more extreme weather events and challenges associated with a changing climate. The bonds can raise funding to benefit the environment in measurable ways.

Green bonds can also provide financing to other projects benefiting the environment, for example, sustainable water use, waste management, biodiversity, and similar types of projects.

A green bond issued by the European Investment Bank (EIB) is a good example of how these bonds can make a positive difference: its proceeds were used to fund modernization and enlargement of the Spittelau waste-to-energy plant in Vienna. After four years of construction, the plant resumed operations in 2015. Its advanced technology reduces carbon emissions by 43,000 tons per year, equivalent to the emissions that would be produced by driving the average car 100 million miles.

In 2014, we said we would double our commitment to invest in green bonds, raising the total to up to USD 2 billion. At the end of March 2016, we had USD 969 million invested in green bonds: We presently have about USD 400 million invested in green bonds issued by 'supranational' issuers like the EIB, which we estimate to have helped avoid over half a million tons of emissions, equal to driving a car 1.2 billion miles, or almost 50,000 around-the-world trips.

When evaluating green bond investments, we apply criteria following the voluntary **Green Bond Principles***. More detailed information about our evaluation framework and principles can be found in the **Zurich Whitepaper**.

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