

Actively shaping a specific climate policy geared toward net zero by 2050

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Achieving net zero emissions by 2050 undeniably requires specific and active climate policy measures from governments and companies. The necessary transformation of the economy and the energy sector requires emission reductions, renewable energies, energy efficiency and sustainable practices in all areas. The basis of the general corporate strategy of Zurich Invest Ltd, as the manager of the Zurich Investment Foundation, is a climate policy geared toward net zero by 2050.

Expansion of the active ownership approach

In addition to the engagement activities, the active ownership approach enables the investors of the Zurich Investment Foundation to influence the business decisions of companies by exercising voting rights at shareholders' meetings. Such active ownership ensures that climate and sustainability goals are reflected in business practices.

In order to exert more influence here, Zurich Invest Ltd formulated and implemented new, additional corporate governance principles focusing on climate change. Among other things, they emphasize reducing greenhouse gas emissions and transitioning to renewable energies.

New interim targets for corporate bonds

New interim targets for corporate bonds in 2023 aim to reduce carbon dioxide emissions by 2030. Carbon dioxide emissions are to be reduced by 50 percent by 2030 compared to 2019. These targets are in line with the target-setting protocol of the Net Zero Asset Managers Initiative and contribute to global efforts to limit global warming to 1.5 degrees Celsius.

Extension of the exclusion approach

In addition, Zurich Invest Ltd expanded its three-stage exclusion approach last year. All real estate and mortgage investment vehicles were included in the sustainable investment concept. In this way, the strategic focus on climate change can be given greater consideration in these investment solutions.

Figure 1

1. Controversial arms	2. Climate	3. Controversial sectors
UN Global Compact	Zurich Insurance Group principles	Sin sectors
For all investments	For all investments	Only for alternative investments
<p>In addition to the exclusion principles of the Swiss Association for Responsible Investments (SVVK): exclusion of companies that violate the UN Global Compact principles concerning controversial arms and produce, store, distribute, market or sell banned cluster munitions or anti-personnel mines.</p> <p>SVVK+ SVVK + UNGlobal Compact</p>	<p>Exclusion of companies:</p> <ul style="list-style-type: none"> ≥ 30% Turnover from the extraction of thermal coal ≥ 30% Income from the extraction of oil from oil sand or oil shale ≥ 30% Power generation from coal or oil shale Development of new infrastructure projects for coal mining or power generation from coal ≥ 20 m metric tons Amount of thermal coal mined per year Operators of transport infrastructures for transporting thermal coal or oil sand products (including pipelines and rail transport) 	<p>Only for alternative investments Exclusion of companies involved in the following morally objectionable activities:</p> <ul style="list-style-type: none"> – Alcohol production – Tobacco production – Gambling – Adult entertainment – Fur production

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