

Zurich signs up to UN business pledge to limit global temperature rise and announces it will use only renewable energy by 2022

- **Zurich signs up as the first insurer to the Business Ambition for 1.5°C Pledge aimed at limiting average global temperature increases to 1.5°C above pre-industrial levels by 2030.**
- **Over a 24-month period Zurich will proactively engage with clients and investee companies with the aim to assist them in adopting plans to reduce their exposure to thermal coal, oil sands and oil shales.**
- **Zurich has committed to utilize 100% renewable power in all global operations by the end of 2022.**

Zurich, June 25, 2019 – Zurich Insurance Group (Zurich) today announces that it is accelerating actions to progress towards a low-carbon economy amid an increasing climate crisis. As the first insurance company, Zurich commits to set targets in the framework of the UN Global Compact Business Ambition Pledge that aims at limiting global temperature rise to 1.5°C above pre-industrial levels. Zurich will also expand its existing thermal coal policy aimed at reducing the use of carbon intense fossil fuels.

The recent report by the UN Intergovernmental Panel on Climate Change (IPCC), gives the world only 11 years to successfully transition to a new path or risk planetary warming with unimaginable consequences. This will require an immediate and major transformation across energy, land, industrial, urban and other systems.

“As one of the world’s leading insurers we see first-hand the devastation natural disasters inflict on people and communities. This is why we are accelerating action to reduce climate risks by driving changes in how companies and people behave and support those most impacted. It is simply the right thing to do,” said Mario Greco, CEO Zurich Insurance Group.

Zurich recognizes the vital role science-based targets play to meet the Paris Agreement's targets by specifying how much and how quickly companies need to reduce emissions. Currently, in the insurance sector, science-based targets do not typically exist for either Underwriting or Investment Portfolios. However, as part of Zurich's Pledge, it is playing an active role in developing industry methodology for measuring the carbon footprint of liabilities to enable setting such targets. Zurich has also joined the Stakeholder Advisory Group of the Science Based Target initiative*, a project to help financial institutions align their lending and investment portfolios with the Paris Agreement ambition.

As part of Zurich's Pledge, it is also updating its position on some of the most carbon-intensive fossil fuels. In line with Zurich's prior thermal coal policy, Zurich will engage with both clients and investee companies with more than 30% exposure to thermal coal, oil sands and oil shales in a dialogue over a 2 year period with the aim to drive a deeper conversation regarding their credible mid to long-term transition plans. The updated position outlines that Zurich generally will no longer underwrite or invest in companies that:

- generate more than 30% of their revenue from mining thermal coal, or produce more than 20 million tons of thermal coal per year;
- generate more than 30% of their electricity from coal;
- are in the process of developing any new coal mining or coal power infrastructure;
- generate at least 30% of their revenue directly from the extraction of oil from oil sands;
- are purpose-built (or "dedicated") transportation infrastructure operators for oil sands products, including pipelines and railway transportation;
- generate more than 30% of their revenue from mining oil shale, or
- generate more than 30% of their electricity from oil shale.

The company also announces that it will use only renewable energy as power by 2022, and as such has formally joined the RE100, a global leadership initiative bringing together influential businesses committed to 100% renewable electricity. In addition, Zurich is taking aggressive actions to eliminate single-use plastics and reduce internal paper usage by 80%. With extreme weather events already causing devastation around the world, Zurich will also continue to help those communities most impacted by flooding through its award-winning program to enhance flood resilience, which has already benefitted 225,000 people across nine countries.

Zurich began instituting environmental, social and governance (ESG) considerations into its core business practices in 2012. The company became carbon neutral in 2014. Zurich's actions are aimed at influencing behaviors by future proofing the company's own operations, applying both its investment and underwriting capabilities to manage climate risk, and preparing communities to mitigate against the physical effects of extreme weather.

Further information

* The Science Based Targets initiative mobilizes companies to set science-based targets and boost their competitive advantage in the transition to the low-carbon economy. It is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) and one of the We Mean Business Coalition commitments. The initiative defines and promotes best practice in science-based target setting, offers resources and guidance to reduce barriers to adoption, and independently assesses and approves companies' targets.

Zurich Insurance Group (Zurich) is a leading multi-line insurer that serves its customers in global and local markets. With about 54,000 employees, it provides a wide range of property and casualty, and life insurance products and services in more than 210 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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