

Fully anchoring sustainability

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The Swiss insurance industry has published its second sustainability report on schedule on 27 May 2021, the first Swiss National Climate Day. The report confirms that the topic of sustainability has not diminished in relevance among insurers, in spite of the coronavirus pandemic: an increasing number of insurers are integrating ESG criteria in their investment process. Sustainability criteria are involved in 83 per cent of investments.

As an important part of the Swiss financial centre, private insurers have major leverage when it comes to sustainably investing the assets they manage and thus, for example, counteracting climate risks. The insurers integrate sustainability criteria in 83 per cent of self-managed investments. Compared to the previous year, the number of companies taking environmental, social and governance (ESG) criteria into account in their investment management continued to increase: of the 38 companies covered by the sustainability report, 32 included ESG criteria in their investment decisions in the 2020 reporting year. This corresponds to an increase of seven companies compared with the previous year. This welcome development is expected to continue in the current year. 'More small and medium-sized insurance companies that were not yet able to provide any evidence for 2020 are now reviewing their positioning. The industry association can support them with its knowledge here,' says Gunthard Niederbäumer, Head of Non-life and Reinsurance at the Swiss Insurance Association (SIA) and initiator of the sustainability report. 'As a sector, we're still going through a learning process, which is made harder by the fact that the countless labels and standards make it difficult to recognise sustainable investments.'

For the first time, the report identifies which approaches have been used for sustainable investments in the individual asset classes. It can be seen here that the explicit integration of ESG risks and opportunities and the exclusion of investments that are not consistent with certain standards and values plays an important role in various asset classes. Many insurers also use their voting rights to organise their investments in line with ESG guidelines.

The association's strategic direction

Insurers see the impact of climate change and the loss of biodiversity as a risk that could cause significant damage in the economy and society. SIA has therefore anchored sustainability in its strategy. The industry association has also made a commitment to provide regular and transparent reports on the implementation of its sustainability efforts. This is why SIA is now publishing its sustainability report for the second time in a row. As an orientation aid, relevant aspects in the report are now provided with indicators for Global Reporting Initiative (GRI) disclosure standards. The sustainability report showcases the vast range of activities through which private insurers contribute to society's sustainable development. 'The topic of sustainability is driven by the entire industry. This can be seen, for example, from the fact that Swiss private insurers are committed to achieving the goals of the Paris Agreement,' comments SIA director Thomas Helbling on the publication.

In 2020, the insurance industry also succeeded – partly due to the coronavirus pandemic – in further optimising its ecological balance sheet in operational environmental management. The carbon footprint per full-time equivalent (FTE), for example, was reduced by 62 per cent from 1,553 kg to 973 kg. One reason for this is the reduction of work-related commuter and business traffic by 56 per cent year on year (due to the requirement for people to work from home). Many insurance companies are pursuing the aim of reducing their greenhouse gas emissions to net zero.

Fair and realistic retirement provision for all generations

In addition to the environmental dimension, sustainability includes social and economic components that are of equal importance for private insurers. For this reason, the sustainability report also looks at retirement provision, where insurers have for years been advocating realistic reform that is fair for all generations. In addition, the report presents insurers' efforts to help shape the working world of tomorrow and increase the attractiveness of the industry for employees. Insurers are also demonstrating their broad commitment to sustainability at the first National Climate Day, for which the SIA has become a presenting partner.

[Sustainability report 2020](#)

Note to editors

The Swiss Insurance Association (SIA) represents the interests of the private insurance industry at the national and international level. The association comprises around 70 primary insurers and reinsurers employing a workforce of 47,000 people in Switzerland. Overall, the member companies of the SIA account for around 85 per cent of insurance premiums generated in the Swiss market. This makes the insurance industry and, as a result, the SIA a major force in the Swiss economy. Private insurers are therefore committed to the successful development of the areas in which they operate, both in business and in social and political terms, meaning that they assume economic responsibility.

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