

# Measurement and Reduction of the Carbon Footprint of Zurich Financial Services

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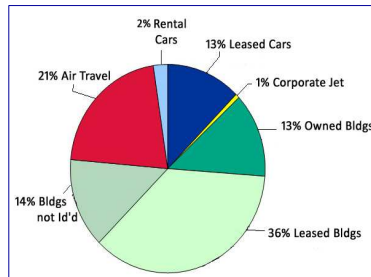
## Significance

Service-sector companies are responsible for significant quantities of carbon dioxide emissions that contribute to global climate change.<sup>1</sup> Zurich Financial Services, a service-sector company, has the opportunity to improve its environmental performance by reducing its total carbon dioxide emissions, which comprise its carbon footprint. Effective management of Zurich's carbon footprint will require emission reductions from countries that contribute the most to Zurich's group-wide total, as well as from a variety of sources, particularly, its owned and leased facilities.

## Background

- Zurich is a multi-national insurance company with offices in 63 countries, servicing customers in over 170 nations.<sup>2</sup>
- Our goal was to measure Zurich's carbon footprint for 2007.
- We then developed reduction targets and mitigation strategies that would reduce Zurich's contribution to climate change.
- Reducing Zurich's carbon footprint may lead to significant cost-savings, while simultaneously improving Zurich's competitiveness within the industry.
- Improved carbon management will help Zurich remain competitive when faced with possible future climate change regulation.

## % of Zurich's Total Emissions by Source



Zurich's largest sources of emissions are facilities - leased and owned - followed by air travel.

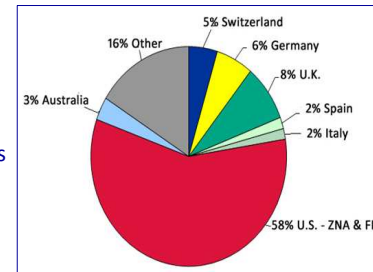
## Carbon Footprint

To measure Zurich's carbon footprint, we:

- Applied the WRI/WBCSD GHG Protocol.<sup>3</sup>
- Selected a baseline year of 2007.
- Analyzed available data for 7 target countries representing 74% of Zurich's full-time employees.
- Projected emissions for 27 other countries with available data for only full-time employees.

Zurich's carbon footprint for 2007 is **224,011 metric tons CO<sub>2</sub>**.

## % of Zurich's Total Emissions by Country



The U.S., as Zurich's largest emitter, must be targeted as part of an effective carbon management strategy.

## Next Steps

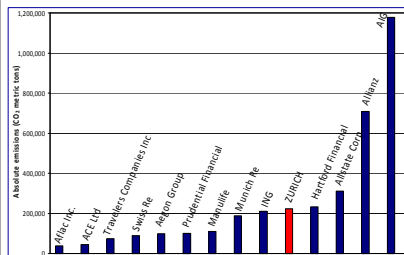
### Short-term

- Perform energy audits to assess each building's energy consumption breakdown and target major energy-consuming processes and technologies.
- Implement employee awareness programs.

### Long-term

- Streamline emissions inventorying.
- Expand the scope of footprint analysis to more accurately understand and reduce Zurich's contribution to climate change.

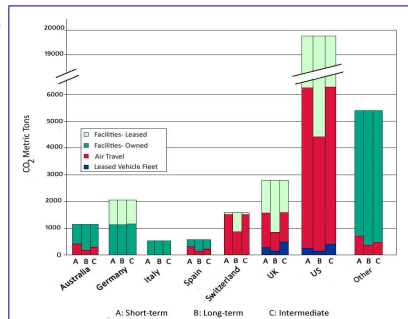
## Zurich's Position in the Financial Services Industry



- Zurich ranked 10<sup>th</sup> in our benchmarking analysis of 14 main competitors who reported CO<sub>2</sub> emissions in 2006/2007.
- By implementing our reduction strategies, Zurich can emerge as an environmental leader in the financial services industry.

## Reduction Options

### Summary of Mitigation Options to Achieve the 15% Reduction



The U.S. is targeted with the largest reductions, as shown by the height of the bars. All countries must target facilities for the greatest reductions, as exhibited by green shading.

**Option A:** short-term strategy to maximize emissions reductions from business travel.

**Option B:** long-term strategy that places a greater emphasis on facility-based reductions.

**Option C:** intermediate-term strategy that models moderate reductions from all sources.

Zurich has the flexibility to implement the option which best aligns with its corporate strategy and financial capabilities.

## Acknowledgments and References

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- Elpida Constantinou (Zurich)
- Lindene Patton (Zurich)



<sup>1</sup> Biello, D. 2006. Service Sector Not off the Hook When It Comes to Greenhouse Gas Emissions. *Scientific American*. Available at: [www.sciam.com](http://www.sciam.com).

<sup>2</sup> Zurich Financial Services. Available at: <http://www.zurich.com>.

<sup>3</sup> [WBCSD] The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard—Revised Addition. 2007. Prepared by the World Business Council for Sustainable Development and the World Resources Institute.