

Building Resilience Together

Zurich Insurance Group Invests in the City of Zurich Green Bond for a Brighter Future Together

The City of Zurich faces increasing challenges from climate change, including extreme weather and rising temperatures. To address these, the city has set ambitious goals: achieving net-zero greenhouse gas emissions by 2040 and transitioning 80% of city-owned buildings to fossil-free energy by 2030 (100% by 2035). Achieving these targets requires substantial investment in green buildings and climate mitigation measures. To fund these initiatives, the City of Zurich issued Green Bonds¹⁾ aligned with the Green Bond Principles (GBP) of the International Capital Market Association (ICMA). These bonds ensure transparency, attract sustainable investments, and finance projects like energy-efficient buildings and climate protection programs.

Zurich Insurance Group participated as an investor in the City of Zurich's Green Bond issuance. The City of Zurich launched its first Green Bond in 2023 (raising CHF 300 million), followed by a second issuance in 2024, raising CHF 400 million. Zurich Insurance Group (Zurich) invests approx. CHF 10 million in the 2nd issuance. The Green Bond, according to its framework can finance sustainable urban projects, such as energy-efficient buildings, renewable energy infrastructure, sustainable mobility, and climate adaptation initiatives. All projects are carefully selected to meet the City's ambitious climate and energy goals.

According to the 2024 Impact Report, the Green Bond contributed to Financing Sustainable Building Projects and Supporting Climate Protection Programs. Proceeds from the green bond issuance were used to fund five environmentally friendly new buildings and four major renovations in the City of Zurich (CHF 240 million in new buildings / CHF 100 million in renovations). All these projects adhered to strict standards under Minergie, a Swiss construction standard for new and renovated buildings, ensuring high energy efficiency, healthy indoor climates, and the use of environmentally friendly materials.



Examples include schools, a health center, a police department, and a housing estate—all designed to minimize their carbon footprint and promote sustainable urban living. Additionally, CHF 7.5 million of the Green Bond funds were allocated to climate protection initiatives, such as heating replacement and building renovation programs. These programs help property owners transition from fossil-fuel heating to heat pumps or district heating, and encourage comprehensive building upgrades to enhance energy performance.

This investment aligns with Zurich's purpose to create a brighter future—supporting projects that benefit the environment and build local community resilience. Over the years Zurich has built a multibillion-dollar green bond portfolio. Assets with minimum credit risk, such as bonds issued by national governments, supranational institutions, or municipals, form a very significant part of Zurich's asset allocation. Besides the favorable credit risk profile, predictable income stream and market rate return, the measurable impact makes green bonds an interesting impact investment. The City of Zurich's Green Bond exemplifies how one can support local communities while generating market-rate returns. By investing in this Green Bond, Zurich directly supports the city's transition to a low-carbon economy while helping to safeguard local communities against climate risks.

1) City of Zurich's website: [Investor Relations | Stadt Zürich](#)

2) Picture: AfAf Seraina Wirz, Zürich