

Why are some insurers adding sustainable investing?

Many insurance companies have shown a growing interest in impact and sustainable strategies. Here's why:



RISK MANAGEMENT

Issues such as climate change and social inequalities can introduce long-term risks to a portfolio. Investing in sustainable projects may help mitigate some of these.



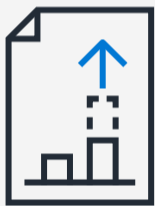
REGULATORY PRESSURE

Many jurisdictions are increasing regulatory emphasis on sustainable investment and disclosures.



CLIENT DEMAND

Individual and institutional investors are increasingly asking for strategies that address environmental, social, and governance (ESG) concerns.



LONG-TERM RETURNS

Growing evidence suggests companies with good ESG practices may outperform over time—a potential boon to insurers with long-term investment horizons.



REPUTATION AND BRANDING

Being seen as a responsible corporate citizen can enhance an insurance company's brand and reputation.



SOCIETAL RESPONSIBILITY

Beyond providing insurance, some firms view their role as being a responsible corporate citizen that can make a positive impact.



ALIGNMENT WITH CORE BUSINESS

Many insurers see a clear link between their core business of underwriting risk and the broader goal of creating a more sustainable and resilient society.

SOURCES: HARVARD LAW, HUMANITIES AND SOCIAL SCIENCES COMMUNICATIONS, JOURNAL OF GLOBAL RESPONSIBILITY, INTERNATIONAL JOURNAL OF ENGINEERING BUSINESS MANAGEMENT, AXA XL