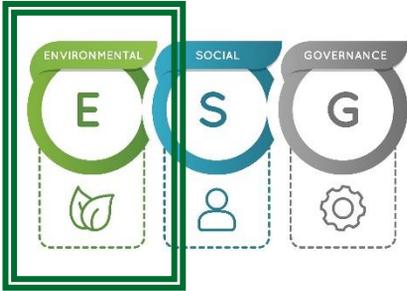


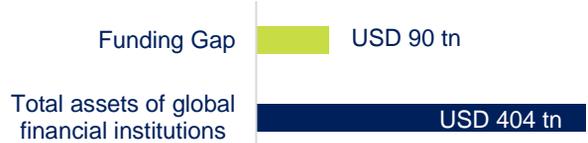
# Twelve Capital - Climate Transition Strategy



As an insurance investment specialist Twelve Capital has a strong commitment to ESG and Sustainability throughout its strategies. The Climate Transition Equity Strategy in particular focusses on the Environmental aspects of climate sustainability while also considering social and governance aspects.

## The financial industry is paramount in addressing the funding gap

To reach net-zero by 2050, around USD 90 trillion of infrastructure investment is required over the next 15 years alone, according to the Intergovernmental Panel on Climate Change (IPCC).



Source: Statista, IPCC 2021

Total assets of global financial institutions reached an amount of USD 404 trillion by the end of 2019, according to statista.



Financial services are key for a net-zero economy, as companies need funding and insurance to manage risks from climate change.

## Climate Transition Strategy in detail

Twelve Capital takes responsibility and aims to contribute by investing in companies that are financing the transition to reorient capital in a sustainable manner.



Twelve Capital is leveraging the financial industry, which commands a large pool of capital, more of which could be steered towards sustainable economic activities.

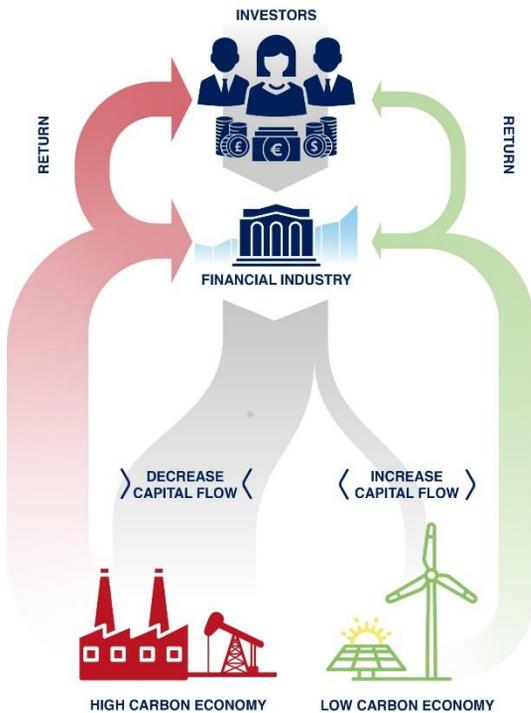
## The market opportunity

Our focus on ESG is impactful and a major driver of underlying performance.

The “E” matters and is supposed to enhance performance. Environmental leadership improves brand recognition, helps to reduce costs, reduces regulatory interventions and may improve returns by allocating capital into the right areas.

Climate Regulation is gathering pace and sets the precedent for asset rotation and capital flow into ESG and Sustainable Assets.

## Sectors of focus



Source: Twelve Capital

### Insurance / Re-Insurance Companies

- Providing insurance to sustainable companies / assets
- Investing in sustainable assets

### Banks

- Lending to sustainable activities / companies
- Offering sustainable financing

### Technology sectors like FinTech and InsurTech

- Key enabler of measuring and analysing climate change
- Automation and machine learning in risk modelling

## Within those sectors Twelve Capital looks for companies that

show clear evidence of steering their capital to low carbon, climate resilient activities (i.e. launch of new green products, services and underwriting activities)

**and**

demonstrate their commitment to reduce their energy consumption CO<sub>2</sub> / GHG emissions

**and**

have a minimum standard on ESG based on our in-house ESG process

## The two pillars to help limit the impact of climate change are

Mitigation<sup>(1)</sup> = Reducing emissions

Adaptation<sup>(1)</sup> = Reducing vulnerability

**By steering capital into the right directions Twelve Capital believes that, besides doing “the right thing”, there are opportunities for generating value for investors.**

(1) As defined by the EU taxonomy for sustainable activities.

## About Twelve Capital

Twelve Capital is an independent investment manager specialising in insurance investments for institutional clients. Its investment expertise covers the entire balance sheet, including Insurance Bonds, Insurance Private Debt, Catastrophe Bonds, Private Insurance-Linked Securities and Equity. It also composes portfolios of its Best Ideas. It was founded in October 2010 and is majority-owned by its employees. It has offices in Zurich, London and Munich.

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