



LEA 02	Disclosure: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input checked="" type="checkbox"/> To encourage corporate transition or identify the need for additional or other support</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p>		
Collaborative engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input checked="" type="checkbox"/> To encourage corporate transition or identify the need for additional or other support</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p>		
Service provider engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input checked="" type="checkbox"/> To encourage corporate transition or identify the need for additional or other support</p> <p><input type="checkbox"/> We do not engage via service providers</p>		

RI TRANSPARENCY REPORT

2014/15

Zurich Insurance Group

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Public							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public							✓
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Public							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Description of RI considerations	✓	Public	✓					✓	
SAM 02	Role of investment consultants	✓	Public				✓			
SAM 03	RI factors in selection, appointment and monitoring across asset classes	✓	Public							✓
SAM 04	Breakdown of passive, active quant and active fundamental	✓	Public							✓
SAM 05	ESG incorporation strategies	✓	Public	✓	✓					
SAM 06	Selection processes (listed assets)	✓	Public	✓					✓	
SAM 07	Appointment considerations (listed assets)	✓	Public				✓			
SAM 08	Monitoring processes (listed assets)	✓	Public	✓						
SAM 09	Percentage of (proxy) votes cast	🔒	n/a		✓					
SAM 10	Selection processes (non-listed assets)	✓	Public	✓					✓	
SAM 11	Appointment considerations (non-listed assets)	🔒	n/a				✓			
SAM 12	Monitoring processes (non-listed assets)	✓	Public	✓					✓	
SAM 13	Description of RI considerations in 'other' asset classes	✓	Private	✓					✓	
SAM 14	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓					✓	
SAM 15	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public		✓					
SAM 16	Disclosure of RI considerations	✓	Public						✓	

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 09	Types of sustainability thematic funds/mandates	⚠	n/a	✓						
LEI 10	Description of ESG integration	✓	Public	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 14	ESG issues in index construction	✓	Public	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Public	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	🔒	n/a		✓					
LEA 04	Objectives for engagement activities	🔒	n/a		✓					
LEA 05	Process for identifying and prioritising engagement activities	🔒	n/a		✓					
LEA 06	Objectives for engagement activities	🔒	n/a		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	🔒	n/a	✓	✓					
LEA 10	Tracking number of engagements	🔒	n/a		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	🔒	n/a		✓					
LEA 12	Engagements on E, S and/or G issues	🔒	n/a		✓					
LEA 13	Companies changing practices / behaviour following engagement	🔒	n/a		✓					
LEA 14	Examples of ESG engagements	🔒	n/a		✓					
LEA 15	Disclosure of approach to ESG engagements	🔒	n/a		✓				✓	
LEA 16	Description of approach to (proxy) voting	🔒	n/a		✓					
LEA 17	Typical approach to (proxy) voting decisions	🔒	n/a		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	🔒	n/a		✓					
LEA 20	Securities lending programme	🔒	n/a		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	🔒	n/a		✓					
LEA 22	Percentage of (proxy) votes cast	🔒	n/a		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	🔒	n/a		✓					
LEA 24	Shareholder resolutions	🔒	n/a		✓					
LEA 25	Examples of (proxy) voting activities	🔒	n/a		✓					
LEA 26	Disclosing voting activities	🔒	n/a		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
FI 02	Breakdown of investments by credit quality	✓	Public							✓
FI 03	Description of ESG incorporation	✓	Public	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Public	✓						
FI 06	Types of screening applied	✓	Public	✓						
FI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
FI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	✓	Public	✓						
FI 11	Review of ESG issues while researching companies/sectors	✓	Public	✓						
FI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	🔒	n/a	✓						
FI 14	ESG issues in index construction	✓	Public	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Public	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓					✓
FI 19	Engagement with corporate issuers	✓	Public		✓					
FI 20	Engagement with government issuers	🔒	n/a		✓					

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Breakdown of investments by equity and debt	✓	Public							✓
PR 02	Breakdown of assets by management	✓	Private							✓
PR 03	Largest property types	✓	Public							✓
PR 04	Description of approach to RI	✓	Public	✓						✓
PR 05	Responsible Property Investment (RPI) policy	✓	Public	✓						✓
PR 06	Fund placement documents and RI	🔒	n/a	✓			✓			✓
PR 07	Formal commitments to RI	🔒	n/a				✓			
PR 08	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 09	ESG advice and research when selecting investments	✓	Public	✓			✓			
PR 10	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
PR 11	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PR 12	ESG issues impact in selection process	✓	Public	✓						
PR 13	ESG issues in selection, appointment and monitoring of third-party property managers	✓	Public				✓			
PR 14	ESG issues in post-investment activities	✓	Public		✓					
PR 15	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 16	Certification schemes, ratings and benchmarks	✓	Public		✓					
PR 17	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 18	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 19	Proportion of green leases or MOUs referencing ESG issues	✓	Public		✓					
PR 20	Proportion of assets engaged with on community issues	🔒	n/a		✓					
PR 21	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PR 22	Examples of ESG issues that affected your property investments	✓	Private	✓		✓				
PR 23	Disclosure of ESG information to public and clients/beneficiaries	✓	Public							✓

Zurich Insurance Group

Reported Information

Public version

Organisational Overview

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1

Select the category which best represents your primary activity.

- Non-corporate pension or superannuation or retirement or provident fund or plan
- Corporate pension or superannuation or retirement or provident fund or plan
- Insurance company
- Foundation or endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Other, specify

OO 01.2

Additional information. [Optional]

Zurich is a leading multi-line insurer that serves its customers in global and local markets. With more than 55,000 employees, it provides a wide range of general insurance and life insurance products and services. Zurich's customers include individuals, small businesses, and mid-sized and large companies, including multinational corporations, in more than 170 countries.

OO 02

Mandatory

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Switzerland

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

350

OO 02.4

Additional information. [Optional]

FTE figure comprises Zurich's Investment Management organization, i.e., all staff with line reporting into the Group Chief Investment Officer.

OO 03	Mandatory	Descriptive	General
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OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04	Mandatory	Gateway/Peering	General
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OO 04.1 Indicate the year end date for your reporting year.

31/12/2014

OO 04.2 Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		204	860	246	368
Currency	USD				
Assets in USD		204	860	246	368

OO 04.5 Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06	Mandatory	Descriptive	General
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OO 06.1 To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	1	5
Fixed income – corporate	4	26
Fixed income – government	16	19
Fixed income – other	0	9
Private debt	0	1

Private equity	0	1
Property	5	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	1
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	3	0
Other (1), specify	4	0
Other (2), specify	2	3

'Other (1)' specified

Mortgages

'Other (2)' specified

Loans

- Publish our asset class mix as broad ranges
- Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 06.2

Additional information. [Optional]

- Fixed income - government: Zurich manages supranational, government and government-guaranteed entities as a joint fixed income class. Supranational agencies such as the World Bank will hence be included in FI - government, not FI - other.
- Fixed income - other: includes mainly collateralized mortgage obligations (CMO) and asset-backed securities (ABS)
- Private equity and hedge funds: Zurich invests in private equity predominantly through the selection of third-party private equity fund managers. Zurich manages only a relatively small amount of direct private equity investments made either through co-investments (in-scope for ESG integration - see OA 01.03 for further details) or as part of 'legacy' portfolios (out-of-scope for ESG integration). The same strategy applies for hedge funds.
- Real estate: in a small number of instances, real estate portfolios are managed by external asset managers. In such cases, the same processes apply as described in SAM 03.2.

OO 07.1	Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.
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	% of externally managed assets
Segregated mandate(s)	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Pooled fund(s)	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
<i>Total externally managed assets</i>	<i>100%</i>

OO 07.2	Indicate the proportion of your externally managed assets in fund-of-funds.
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	% of externally managed assets
Fund-of-funds	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

OO 08.1	Indicate the breakdown of your organisation's AUM by market.
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Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

OO 08.2

Additional information. [Optional]

The Dow Jones Indexes Country Classification System was applied to determine the breakdown. (http://www.djindexes.com/mdsidx/downloads/brochure_info/Dow_Jones_Indexes_Country_Classification_System.pdf)

OO 09

Voluntary

Descriptive

General

OO 09.1

Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.

At Zurich, Investment Management is responsible for managing the Group's own assets - or the investment of premiums received from writing insurance business. Zurich does not generally provide any asset management services to unaffiliated parties. All answers to this questionnaire relate primarily to the management of own assets. In a few instances, in-house asset management teams manage specific funds that form part of insurance products offered directly to clients. While those investments are small relative to own assets, the same responsible investment approach and processes apply to these funds. Zurich also offers its customers so-called unit-linked products, where customers are responsible for choosing investment strategies from a range of externally-provided investment solutions. At this stage, unit-linked assets are not within the scope of Zurich's responsible investment approach.

Investment Management has defined a clear and systematic approach to investing, supported by both industry and academic studies. Applying this approach globally to all investment activities is of great value to Zurich. Not only does the approach provide consistency and discipline, it also helps safeguard against investment decisions becoming pro-cyclical, that is, taking on additional investment risk during 'good times' and being forced to reduce risk by selling investments at the worst possible moment during times of stress.

The starting point in determining the investment strategy in insurance investment management is asset-liability management (ALM). This first step establishes a portfolio of investments that closely replicates the insurance liabilities, and consists primarily of duration-matched government bonds. Such a minimum-risk portfolio will ensure that market values of assets and liabilities move in line with fluctuations in interest rates. The optimal mix of asset classes is then determined, one that offers the highest long-term expected investment return given Zurich's liabilities, regulatory framework and allocated capital. To make this asset allocation, Investment Management distills all investable asset classes into a set of six easily-understandable and transparent risk factors. These comprise interest rate risk, credit risk, liquidity risk, equity and commodity risk, and inflation risk. Investment Management then works to determine the best combination of risk factors to maximize the risk-adjusted return for a given amount of capital.

Insurance investment management is relatively complex. To effectively manage investment risks relative to insurance liabilities, Zurich has a very strong focus on ALM and is required, often also by the regulator, to hold certain assets. For instance, Zurich will have to hold sovereign bonds to back certain local currency liabilities. In addition, requirements to balance investment income and total return, tax considerations and other constraints exist and vary widely across local jurisdictions. Zurich holds investments in over 500 different portfolios, on over 200 different balance sheets in over 40 jurisdictions, managed by over 30 different external, as well as internal asset managers. This complexity makes it hard to apply uniform processes and approaches in every case, meaning some exceptions must be made.

In answering this questionnaire, Zurich has refrained from commenting on every possible exception, and the answers provided apply to a majority of the assets in question. Nonetheless, Zurich is confident that the reporting framework, and the answers provided herein, capture Zurich's implementation of the principles to a large extent.

More information on Zurich's overall investment approach can be found in our publication 'Investment Management: a creator of value in an insurance company' online at:

www.zurich.com/_/media/dbe/corporate/docs/whitepapers/investment-management-value-creation-2014.pdf?la=en

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
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OO 10.1 Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We incorporate ESG issues into investment decisions on our internally managed assets
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- None of the above

OO 10.2 Indicate if your combined internally and externally managed listed equities are 10% or more of your total AUM.

- Yes, our total listed equities are 10% or more of our total AUM
- No, our total listed equities are less than 10% of our total AUM

OO 11	Mandatory	Gateway	General
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OO 11.1 Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Property
- Cash
- Other (1)
- Other (2)
- None of the above

'Other (1)' [as defined in OO 05]

Mortgages

'Other (2)' [as defined in OO 05]

Loans

OO 11.2

Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Fixed Income – other
- Private debt
- Private equity
- Hedge funds
- Other (2)
- None of the above

'Other (2)' [as defined in OO 05]

Loans

OO 11.3

Additional information. [Optional]

For the current implementation phase of Zurich's responsible investment approach, we are considering the following asset classes in-scope (see also OA 03.2 for further details and rationale):

- Active non-quantitative ('quant') equity
- Active credit (financial credit; non-financial credit; municipal debt; direct lending)
- Private equity
- Real estate (direct investments)

Note that the same responsible investment processes apply to all actively-managed credit mandates that will be included in 'fixed income - corporate.'

The following asset classes are considered to be out-of-scope:

- Sovereign bonds (See also OO 09.1 for further details)
- Passive or quant investment strategies for equity and credit (in-scope for active ownership only. See OA 3.2 for further details)
- Asset backed securities and covered bonds
- Money market funds and cash
- Real estate funds
- Mortgages
- Hedge funds
- Certain legacy investments (no further investment decision to be made)

OO 12

Mandatory

Gateway

General

OO 12.1

The modules and sections that you will be required to complete are listed below.

This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements

Direct - Fixed Income

- Fixed Income - Corporate

Direct - Other asset classes with dedicated modules

- Property

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

- Listed Equities
- Fixed Income - Corporate
- Private Debt
- Private Equity

Closing module

- Closing module

Zurich Insurance Group

Reported Information

Public version

Overarching Approach

PRI disclaimer

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1	Indicate if you have a responsible investment policy.
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- Yes
- No

OA 01.2	Indicate if you have other guidance documents or more specific policies related to responsible investment.
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- Yes
- No

OA 01.3	Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]
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Responsible investment means different things to different people. A clear understanding of Zurich's corporate responsibility is the starting point for defining our approach to responsible investment. At Zurich, corporate responsibility is about how we conduct our business and is an integral part of the Group's strategy. It is about sustainable value creation, one of our core values, as set out in the Zurich Basics, our code of conduct:

- Creating value for customers, shareholders, employees and society
- Proactively addressing environmental, social and governance (ESG) issues
- Focusing on long-term success over short-term gains

We aim to create sustainable value by focusing on what we do best and making use of our core skills in insurance, risk management and investment. Our corporate responsibility focuses on enhancing community flood resilience, investing our Group assets responsibly and working with our corporate customers to help them understand and manage their corporate responsibility risks. Responsible investment is thus about managing the overall portfolio of assets to create sustainable value or, in other words, to do well and do good. 'Well' means generating superior risk-adjusted returns for the direct benefit of Zurich's policyholders and shareholders, and 'good' means generating positive impact for the benefit of society and the communities in which we live and work.

Responsible investment forms a key element of Zurich's investment philosophy and comprises three elements:

1. ESG integration: Proactively integrating ESG factors into the investment process - across asset classes, and alongside traditional financial metrics and state-of-the-art risk management practices - supports us in 'doing well' and in achieving our mission to generate superior risk-adjusted long-term financial returns.

Successful ESG integration is based on:

- adequate training to help investment decision makers understand the relevance of ESG factors
- access to data, research and analysis pertaining to ESG issues to inform investment decision making
- formal integration of ESG factors into the security and asset selection process
- active ownership practices

2. Impact investing: Through impact investing, Zurich can help fund solutions to some of the pressing social or environmental issues of our time. Zurich is directly exposed to challenges such as climate change, resource depletion, and more. We have a direct interest in sustainable global economic growth and supporting communities in becoming more resilient to environmental and social challenges. Impact investments can help address these issues through their targeted, positive impact, and also offer a financial return commensurate with risks.

3. Advancing together: We believe that responsible investment will only truly have an impact if financial market participants are advancing together, making responsible investment mainstream. Only by acting collectively can ESG risk be priced efficiently, offer the right incentives to those seeking to raise capital in the market, and allow impact investments to provide capital on the scale needed to tackle the pressing social and environmental issues

of our time. Supporting collaborative initiatives and working together with other industry participants to advance responsible investment practices thus forms an integral part of our approach.

Navigating the complexity of insurance investment management and practicing responsible investment at the same time can only be achieved by fully integrating these responsible investment practices into the overall investment approach and making them part and parcel of everyday investment decision-making. Strategies and policies alone are not sufficient. Responsible investment must become part of the organization's DNA - its culture. This will take time, leadership and 'learning by doing'. To accelerate and support this process, we are providing incentives to investment professionals to practice responsible investing by reflecting responsible investment in individual objectives across the Investment Management organization; we have incorporated responsible investment into Zurich's technical competency framework used to determine job profiles and training requirements; we have established a global group of 'responsible investment champions' representing individual teams; and we have built a small but dedicated responsible investment team that acts as a catalyst and engages with the rest of the organization on an ongoing basis.

OA 02	Mandatory	Core Assessed	PRI 6
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OA 02.1	Indicate if your responsible investment policy is publicly available.
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Yes

OA 02.2	Provide a URL to your responsible investment policy.
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	URL
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<https://www.zurich.com/ /media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-december-2014.pdf?la=en>

No

OA 02.3	Indicate if your other policies or guidance documents related to responsible investment are publicly available.
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Yes

Yes, all

Yes, some

OA 02.4	List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.
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Policy or document name	URL
Responsible investment position statement	https://www.zurich.com/ /media/dbe/corporate/docs/corporate-responsibility/zurich-responsible-investment-position-statement-2014.pdf?la=en
Insurance investment management white paper	https://www.zurich.com/ /media/dbe/corporate/docs/whitepapers/investment-management-value-creation-2014.pdf?la=en
Zurich Basics (Code of Conduct)	https://www.zurich.com/en/about-us/strategy/code-of-conduct

No

OA 02.5	Additional information. [Optional]
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Policy documents containing explicit reference to responsible investment practices, which are not available publicly:

- Corporate responsibility in business transactions (includes Group-wide exclusion policy for controversial issues)
- Asset manager life cycle process
- Private equity investment process manual

OA 03	Mandatory	Core Assessed	PRI 1,2
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OA 03.1	Indicate the components/types and coverage of your responsible investment policy and guidance documents.
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Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Engagement/active ownership policy <input type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 03.2	Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]
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The following asset classes are currently excluded from ESG integration:

- Sovereign bonds: disciplined asset/liability management (ALM) practices and, in some cases, insurance regulation require Zurich to hold substantial amounts of minimum-risk assets denominated in local currency to back local liabilities. (See OA 13.1 for further details.) Zurich does not manage any multi-currency sovereign bond portfolios that would allow ESG factors to influence issuer selection.
- Asset-backed securities: Zurich has found no evidence that ESG factors are a relevant factor in risk and return for this asset class.
- Hedge funds: Zurich believes that the bulk of hedge fund strategies do not lend themselves to ESG integration practices. However, there is a very well-established process in place to evaluate governance at the fund manager level.

For index or quant mandates, active ownership practices are the only applicable element of ESG integration. Where ownership of voting rights lies with a fund vehicle over which Zurich has no control, active proxy voting is not applicable.

OA 04	Mandatory	Core Assessed	General
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OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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- Yes
 No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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OA 05.1	Indicate if your organisation sets objectives for its responsible investment activities.
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- Yes

OA 05.2	Indicate how frequently your organisation sets or revises objectives for responsible investment.
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- At least once per year
 Less than once per year

OA 05.3

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
- Biannually
- Annually
- Every two years or less
- It is not reviewed
- No

OA 05.4

Additional information. [Optional]

See OA 07 for additional information on the objective-setting process.

OA 06

Voluntary

Descriptive

General

OA 06.1

List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

- Add responsible investment objective 1

Objective 1	Continue execution of green bonds investment strategy and broaden impact investing approach to other asset classes
Key performance indicators	Total amount of impact investments (USD millions)
Describe the progress achieved	- Green bonds: USD 589m - Socially-themed use-of-proceeds bonds: USD 33m - Impact private equity commitments: USD 45m (Exposures as of December 31, 2014.)

- Add responsible investment objective 2

Objective 2	Reduce CO2 emissions and energy consumption of the real estate portfolio by 20 percent by 2020 vs. 2010 baseline
Key performance indicators	kg of CO2 emitted and kWh used per sqm, respectively
Describe the progress achieved	Co2: 30 kg/sqm (2013) = (-6% vs. 2010) Energy consumption: 121 kWh/sqm 121 (2013) = (-4% vs. 2010)

- Add responsible investment objective 3

Objective 3	ESG integration complete for all in-scope securities portfolios managed in-house (see OA 03.2 for details on scope)
Key performance indicators	Percentage of portfolios complying with core requirements
Describe the progress achieved	Good progress was made in ESG integration for in-house portfolio management, but Zurich does not currently disclose the detailed KPI metric

OA 06.2

List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress.

Add responsible investment objective 1 for the next reporting year

Objective 1 for the next reporting year	Continue execution of green bonds investment strategy and broaden impact investing approach to other asset classes
Key performance indicators	Total amount of impact investments (USD millions)

Add responsible investment objective 2 for the next reporting year

Objective 2 for the next reporting year	Reduce CO2 emissions and energy consumption of the real estate portfolio by 20% by 2020 vs. 2010 baseline
Key performance indicators	Tons of CO2 emissions and kwh per sqm

Add responsible investment objective 3 for the next reporting year

Objective 3 for the next reporting year	ESG integration complete for all in-scope securities portfolios managed in-house (see OA 03.2 for details on scope)
Key performance indicators	Percentage of portfolios complying with core requirements

OA 06.3

Additional information.

Currently, reduction targets for CO2 emissions and energy consumption only apply to real estate investments in Switzerland (57 percent of global direct real estate investment value). Most buildings in the real estate investment portfolio are not used by Zurich. The environmental footprint of Zurich's own-use real estate is reported separately in the environmental performance section of Zurich's annual report.

Governance and human resources

OA 07	Voluntary	Descriptive	General
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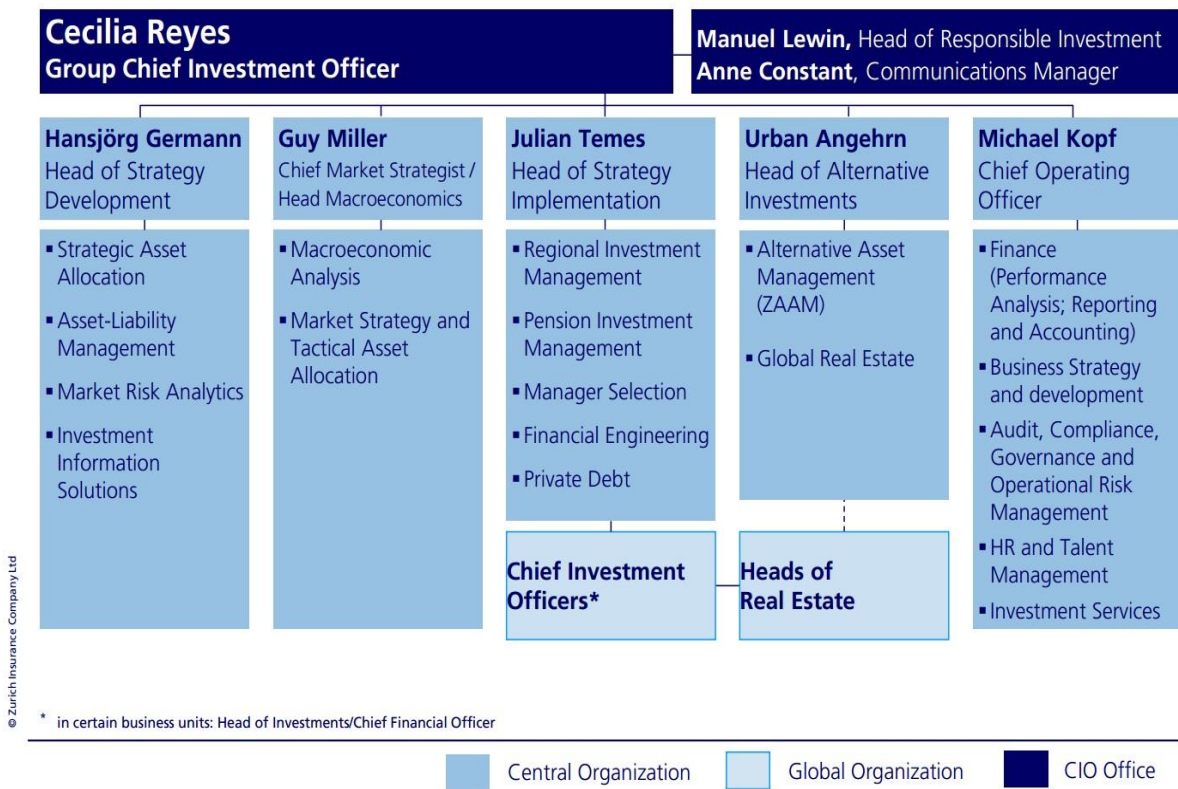
Group-level

- Zurich's corporate responsibility (CR) strategy includes responsible investment as one of its areas of focus. The Group Executive Committee (GEC) is accountable for the CR strategy and its execution. The CR strategy forms an integral part of the Group's strategy, over which the Zurich Board has formal oversight and which is reviewed by the Board annually. In addition, the Governance and Nomination Committee of the Board reviews CR reporting and progress. A cross-functional Group-level body - the CR Working Group - is responsible for setting the Group's CR strategy, priorities and objectives for approval by the GEC and monitors progress of the implementation of Zurich's overall CR strategy. The Working Group is chaired by a member of the GEC and reviews progress against defined objectives on a quarterly basis. The Head of Responsible Investment represents Investment Management in the Working Group.
- The Group Chief Investment Officer (CIO), a member of the Group Executive Committee, is responsible for the execution of the responsible investment strategy. Responsible investment is reflected in a set of individual objectives for the CIO.

Investment Management

- The Head of Responsible Investment, reporting directly to the CIO, is responsible for overseeing the execution of the responsible investment strategy and supporting the Investment Management organization in implementing responsible investment practices.
- As part of a standard annual individual objective-setting process, responsible investment objectives are assigned to individuals across Investment Management, including all department heads reporting directly to the CIO.

I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)



To upload the image click the Save button below

OA 08	Mandatory	Gateway/Core Assessed	General
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OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
 - All CIO direct reports**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
- Other role, specify

OA 08.2	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
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	Number
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2

OA 08.3	Additional information. [Optional]
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- Zurich's Board of Directors: formally oversees execution of the Group's strategy. Corporate responsibility forms an integral part of that strategy, and progress on corporate responsibility focus areas, including responsible investment, is regularly reported to the Board of Directors.
- Chief Investment Officer: responsible investment reflected in individual objectives
- Direct reports to the CIO: responsible investment reflected in individual objectives
- Portfolio managers and analysts: responsible Investment reflected in individual objectives

OA 09	Voluntary	Additional Assessed	General
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OA 09.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
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Board members/Board of trustees

- Responsible investment included in personal development and/or training plan
- None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Other C-level staff or head of department

All CIO direct reports

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Portfolio managers

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Investment analysts

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Dedicated responsible investment staff

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

OA 09.3	Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.
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All objectives related to responsible investment are assessed as part of Zurich's performance management process and affect variable pay through overall performance ratings.

Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5
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OA 10.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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Select all that apply

- Principles for Responsible Investment

	Your organisation's role in the initiative during the reporting period (see definitions)
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- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

- Member of the Environmental and Social Themed Investing (E&S) Steering Committee and contributor to the E&S activities at PRI in Person
 - Hosted PRI network event in Zurich
 - Contributed to the PRI Fixed Income Investor Guide
 - Participated in local network events in Germany and Brazil
-
- Asian Corporate Governance Association
 - Association for Sustainable & Responsible Investment in Asia
 - Australian Council of Superannuation Investors
 - CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

- Zurich reports annually through the CDP Climate Change questionnaire and participates in some of CDP's conference/webinar offerings.
- CDP Forests
 - CDP Water
 - CFA Institute Centre for Financial Market Integrity
 - Council of Institutional Investors (CII)
 - Eumedion
 - Extractive Industries Transparency Initiative (EITI)
 - Global Investors Governance Network (GIGN)
 - Global Real Estate Sustainability Benchmark (GRESB)
 - Institutional Investors Group on Climate Change (IIGCC)
 - Interfaith Center on Corporate Responsibility (ICCR)
 - International Corporate Governance Network (ICGN)
 - Investor Group on Climate Change, Australia/New Zealand (IGCC)
 - Investor Network on Climate Risk (INCR)/CERES

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

While Zurich is not a member of Ceres or the Investor Network on Climate Risk (INCR), it is an active member of INCR's green bonds working group.

- Local Authority Pension Fund Forum
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Zurich is participating in the United Nations Environment Programme's (UNEP) 'Inquiry into the Design of a Sustainable Financial System' as a representative of the Swiss Federal Office for the Environment's 'Swiss Team' initiative.

- United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Zurich is committed to the United Nations Global Compact's principles, enacts these principles within its sphere of influence, and regularly communicates on our progress.

- Other collaborative organisation/initiative, specify

Investment Leaders Group

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Zurich is a founding member of the Investment Leaders Group (ILG), a group of 11 institutional investors participating in a three-year project led by the University of Cambridge's Institute for Sustainability Leadership to research and encourage responsible investing.

More information about the ILG's work can be found at:

www.cisl.cam.ac.uk/business-action/sustainable-finance/investment-leaders-group

- Other collaborative organisation/initiative, specify

Green Bond Principles

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Zurich is a member of the Green Bonds Principles Executive Committee and an active participant of the drafting working group.

More details about the Green Bonds Principles can be found at:

www.icmagroup.org/Regulatory-Policy-and-Market-Practice/green-bonds/

- Other collaborative organisation/initiative, specify

WEF Mainstreaming Impact Investing Initiative

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
 Moderate
 Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Zurich is a Steering Committee member to the World Economic Forum's 'Mainstreaming Impact Investing' initiative and was featured as a case study in the initiative's latest report, 'Charting the Course: How Mainstream Investors can Design Visionary and Pragmatic Impact Investing Strategies'.

More information about the initiative's work can be found at:

www.weforum.org/projects/mainstreaming-sustainable-and-impact-investing

- Other collaborative organisation/initiative, specify

EMPEA Impact Investing Council

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Zurich is an active member of the Emerging Market Private Equity Association's (EMPEA) Impact Investing Council.

More information about the initiative's work can be found at:
<http://empea.org/about/leadership-governance/councils/impact-investing-council>

OA 10.2 Additional information. [Optional]

Responsible investment as a holistic concept is still relatively new, and many responsible investment practices have not yet found their way into mainstream investment processes. The ultimate objective of responsible investment - to create social and environmental value alongside financial returns - can only be achieved if the various responsible investment practices become truly embedded in mainstream investment management.

Only by acting collectively, and through a collective understanding of how ESG factors affect risk and opportunity, will market mechanisms lead to efficient pricing of these ESG factors. And only that pricing signal will provide a strong enough incentive to all those seeking to raise capital in the market to deal with ESG issues effectively and strategically.

Acting collectively, impact investments will provide capital on the scale needed to tackle the pressing social and environmental issues of our time. Close collaboration is needed to bring investors, public actors, and NGOs together to design the financial market instruments that will allow investors to maximize their positive impact.

Many aspects are still poorly understood that relate to how non-financial factors impact assets' performance and how, in turn, our actions affect non-financial value generation. By working together we will find answers to those important questions.

That is why Zurich looks to work with other industry participants to advance responsible investment practices. In addition to being a signatory of the Principles of Responsible Investment (PRI), Zurich supports a number of collaborative initiatives and works closely together with many others in the field to help advance responsible investment practices and identify new solutions.

Visit www.zurich.com/en/corporate-responsibility/responsible-investment to learn more about our engagement.

OA 11	Mandatory	Core Assessed	PRI 4
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OA 11.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

Together with Population Services International (PSI), a large global health organization, Zurich is promoting innovative financing approaches for Non-Government Organizations (NGOs)

No

OA 11.3

Additional information. [Optional]

Working actively to promote and advance responsible investment practices is an integral part of Zurich's overall responsible investment approach, and critical to achieve responsible investment's ultimate goal: to create social and environmental value along with financial returns. More details can be found in OA 10.2.

As part of our activities to promote responsible investment, Zurich speakers have participated in over 15 events and webinars, and Zurich contributed, or authored, the same number of articles through various media outlets globally, over the course of 2014.

Two of Zurich's largest in-house asset management units also initiated a dialogue with their brokers, asking them to include ESG considerations in their research.

OA 12

Voluntary

Additional Assessed

PRI 4,5,6

OA 12.1

Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

- Yes
 - Yes, individually
 - Yes, in collaboration with others

OA 12.2

Select the methods you have used.

- Endorsed written submissions to governments, regulators or standard-setters developed by others
- Drafted your own written submissions to governments, regulators or standard-setters
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

OA 12.3

Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

- Yes, publicly available

provide URL

<http://www.unpri.org/viewer/?file=wp-content/uploads/IOSCO-Investor-Statement-Final-7-21-14-S.pdf>

provide URL

<http://www.climatebonds.net/get-involved/investor-statement>

No

No

ESG issues in asset allocation

OA 13	Voluntary	Descriptive	PRI 1
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OA 13.1	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.
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Yes

No

OA 13.3	Additional information.
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Investment Management has defined a clear and systematic approach to investing, supported by both industry and academic studies. Applying this approach globally to all investment activities is of great value to Zurich. Not only does the approach provide consistency and discipline, it also helps safeguard against investment decisions becoming pro-cyclical, that is, taking on additional investment risk during 'good times' and being forced to reduce risk by selling investments at the worst possible moment during times of stress.

The starting point in determining the investment strategy in insurance investment management is asset-liability management (ALM). This first step establishes a portfolio of investments that closely replicates the insurance liabilities, and consists primarily of duration-matched government bonds. Such a minimum-risk portfolio will ensure that market values of assets and liabilities move in line with fluctuations in interest rates.

The optimal mix of asset classes - or in other words the strategic asset allocation - is then determined, one that offers the highest long-term expected investment return given Zurich's liabilities, regulatory framework and allocated capital. To make this asset allocation, Investment Management distills all investable asset classes into a set of six easily-understandable and transparent risk factors. These comprise interest rate risk, credit risk, liquidity risk, equity and commodity risk, and inflation risk. Investment Management then works to determine the best combination of risk factors to maximize the risk-adjusted return for a given amount of capital.

So far, Zurich has found no evidence that ESG issues are associated with a systematic market risk factor that could be reflected in our ALM-based strategic asset allocation process. Consequently, Zurich believes that ESG issues are best reflected at the level of individual security or asset selection.

OA 14	Voluntary	Descriptive	PRI 1
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OA 14.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

OA 14.2 Indicate the percentage of your total AUM invested in environmental and social themed areas.

% of total AUM

0.33

OA 14.3 Please specify which thematic area(s) you invest in and provide a brief description.

Area

- Clean technology (including renewable energy)
- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

Impact investing

Asset class invested

- Listed equity
- Fixed income - corporate
- Private debt
- Private equity
- Property

Brief description of investment

Impact investing forms a key element of Zurich's responsible investment approach. (Please see OA 14.4 for more details on how we define impact investing and our impact investing approach.) Over the course of 2014, Zurich has made good progress in building a portfolio of impact investments, which address many of the topics mentioned above:

- **Green bonds:** In 2014, Zurich announced its commitment to invest up to USD 2bn in green bonds. By the end of 2014, USD 589mn had been invested in green bonds of various issuers.
- **Socially-themed use-of-proceeds bonds:** By the end of 2014, USD 33mn had been invested in socially-themed use-of-proceeds bonds of various issuers.
- **Impact private equity:** By end of 2014, Zurich had committed USD 45mn to impact investing opportunities in private equity.
- **Real estate:** Zurich continues to make investments aimed at reducing energy use and carbon emissions of its real estate portfolio.

Zurich's impact objectives: mitigating environmental risks and increasing community resilience

The basic role of insurance in society is, by pooling risks, to help protect individuals or organizations from the uncertainties of life and the vagaries of our world. Providing insurance protection to individuals frees them from social constraints. Without insurance, individuals remain dependent on the support of the family or community, or risk poverty and destitution. And even in cases where family or community support is available, many shocks will continue to significantly affect the welfare of the poorest. As a global insurance group, serving millions of customers in over 170 countries and with a rapidly growing footprint in many emerging regions of the world, Zurich and its customers are directly or indirectly exposed to many environmental and social challenges. Not all of these can be mitigated completely by insurance solutions alone.

Through our impact investments we target positive outcomes in two main ways:

- Mitigating environmental risks by supporting a low-carbon economy and encouraging environmentally- friendly technologies
- Increasing community resilience by helping to build 'community capital' and addressing the needs of populations that lack traditional means to achieve such goals (the 'underserved populations')

At the same time, we also acknowledge that the impact-investment market is still at an early stage of development. The universe of impact investment is limited, albeit growing rapidly, and institutional investor commitment is crucial for the market's further development. It is also one of our explicit objectives to support the 'mainstreaming' of impact investing through collaborative engagement and investments. To support market development and achieve scale and portfolio diversification, we may also support investments targeting impacts beyond those already mentioned.

Mitigating environmental risks: There is strong evidence that climate change is happening, that it is influenced by human action and that it is leading to changes in extreme weather and climate events. Zurich recognizes the risk that environmental issues such as climate change pose to its stakeholders and its business performance. Zurich's mission is to help its customers understand and protect themselves from risks, such as the risks associated with climate change. Mitigating climate change, and environmental protection more generally, is integral to sustainable value creation for both Zurich and society.

As a signatory to the United Nations Global Compact, Zurich is committed to promoting greater environmental responsibility (UN Global Compact Principle 8) and to encouraging the development and 'diffusion' of environmentally-friendly ('green') technologies (UN Global Compact Principle 9). This includes achieving universal access to modern energy services, improving energy efficiency, and increasing the share of energy generated from renewable resources.

Zurich will consider impact investments that help increase energy efficiency, generate renewable energy or mitigate climate change and/or protect the environment in other ways.

Increasing community resilience: In addition to the pooling of risk, insurance can also help make communities and society more resilient to unforeseen shocks, for instance by sharing expertise on how to mitigate risks. Zurich's efforts to help communities reduce the impact of floods as part of our flood resilience program are an example of how we use our expertise to increase the resiliency of communities.

However, resilience should not be viewed too narrowly. A holistic approach is required - one that takes into account communities' needs. In a white paper on flood resilience we state that "to be effective, resilience activities should encourage efforts to maintain and raise the standard of living of those affected by [disaster]." An effective way to supplement more narrow measures of resilience is to look at community capital, or 'the five Cs': physical capital (infrastructure, equipment; etc.); financial capital; human capital (education, health, etc.); social capital (social relationships and networks, etc.); and natural capital. Sustainable economic growth and well-being go hand-in-hand with risk preparedness.

Zurich will consider impact investments that help to build community capital and make goods and services more accessible to populations that are not adequately served by traditional investment means.

○ No

Increasingly, entrepreneurs, governments, non-governmental organizations (NGOs) and others are turning to capital markets to search for - and fund - solutions to many of the pressing social or environmental issues of our time. Impact investments address these issues through the targeted, positive impact they have on society or the environment, while offering a financial return.

Impact investing is one of the ways in which Zurich applies its core skills to create sustainable value for our stakeholders by addressing environmental and social challenges in a direct and targeted way. Whereas ESG integration is the primary tool to capture the economic value associated with ESG factors and enhance long-term, risk-adjusted returns, impact investing is about identifying, and allocating capital to, investment opportunities that generate tangible positive impact for a given level of return and risk.

At Zurich, we define impact investing as investment opportunities that allow us to intentionally target a specific social or environmental impact; that allow for the measurement of the impact achieved; and that are profitable, that is, generate a financial return commensurate with risk.

1. Intentionality - impact is more than a by-product

Most investments have some positive impact; supporting job creation, making better and cheaper products and services available, etc. What sets impact investments apart is that they are carried out with a specific outcome in mind. The impact is not a side-effect; it becomes part of the investment objective. 'Intentionality' can be established through allocations to impact investments as part of a dedicated mandate (in which impact objectives are stipulated in portfolio guidelines, the investment management agreement, or in a 'side letter' agreement), or by reflecting impact criteria in the process to select investments for an existing portfolio.

Zurich defines the appropriate approach in the context of a specific asset class and investment structure.

2. Measurability - understanding what impact achieves

When impact is part of the investment objective, it should be measured just like other investment objectives, such as risk, return or investment income. Zurich acknowledges that impact is not easy to measure. Data may not be readily available, data quality may be poor, and randomized control groups may be required to establish outcomes with scientific rigor. In most cases, the cost to get proper measurement of the outcomes will be prohibitive. As a result, Zurich is taking a pragmatic approach with respect to impact measurement, assessing approaches on a case-by-case basis.

However, Zurich will always require that reasonable attempts are made to measure impact quantitatively. Measurement may be limited to specific indicators that do not cover the full breadth of impact objectives; it may be supplemented by case studies; it may evolve, or it even may not be in place in the beginning if there is a solid commitment to establish it over time. However, Zurich will not regard any investment as an impact investment if no attempt is made to measure impact.

Standards around impact measurement, such as the Global Impact Investing Network's (GIIN) Impact Reporting and Investment Standards (IRIS), are starting to emerge, complementing approaches established and applied by development finance institutions. Zurich encourages the use of these standards. As data quality improves over time and impact measurement gets more widely adopted, Zurich expects that capital can be allocated more efficiently to where impact is generated most effectively.

3. Profitability - generating impact alongside return

Impact investing is distinct from grant-making philanthropy. While grant-making accepts financial 'losses', in impact investing, capital is paid back to the investor. However, there is no general rule regarding the return that an impact investment must generate. It may or may not be market-rate. The return may or may not be market-rate. It could be zero, or very low, but it might also be comparable to the return on a non-impact investment of similar risk.

As institutional investors with a fiduciary responsibility to optimize economic returns for diverse groups of beneficiaries, we must be comfortable that the return of an impact investment does, in fact, adequately compensate for the underlying market risks. We acknowledge that many pressing social and environmental issues cannot be solved in purely commercial settings, and that the role of grant funding and other sources of concessionary capital is hugely important. Venture philanthropists may be willing to forgo any return, seeking only the repayment of principal. Mission-driven investors, high-net-worth individuals, foundations or endowments may accept a below-market return. However, given the massive scale of solutions required to solve issues such as climate change, resource scarcity, global education, global health and many other challenges, Zurich feels it is equally crucial that impact investments attract institutional investors with a fiduciary responsibility to optimize economic returns - even if this requires the use of public or philanthropic capital to de-risk investments. Only institutional investors command a pool of capital large enough to tackle many of the issues at hand.

While impact investing has come into its own in recent years and enjoyed rising popularity, both as a term and an investment style, for many decades it has been practiced under different names. Currently no generally-accepted

definition for impact investment exists. However, there is a consensus emerging around some of its key characteristics, and Zurich's definition of impact investing is very much aligned with this consensus.

Our impact investing approach

Zurich believes that numerous impact investment opportunities exist across various asset classes. We have committed ourselves to continuously evaluate impact investment opportunities and, over time, build a portfolio of impact investments. In identifying potential impact investments, we will assess whether the investment meets our definition of impact investing (intentionality - measurability - profitability), supports our impact objectives (mitigating environmental risks and increasing community resilience) and/or, contributes to development of the impact investing market.

However, we also believe that impact investing will only be sustainable as an investment 'style' if it can be integrated into our overall approach to investment management. Opportunistic investments can supplement the portfolio occasionally. But in general, we want impact investments to be an integral part of the portfolio, not just one-offs. Consequently, in addition to the criteria already described here, we will also assess impact investment opportunities along the following lines:

- Risk and return profile: Is the risk/ return profile in line with Zurich's risk-factor based approach to ALM and strategic asset allocation?
- Scale: Is the universe of assets for a given type of impact investment large enough to define a meaningful allocation, build a diversified portfolio, and re-invest capital over time?
- Structure: Does Zurich, or an institutional-quality external asset manager, have the capability and expertise to manage the asset?
- ESG risks: As with any other investment, we will assess ESG risks associated with the underlying asset as part of a holistic asset selection process. Note that we do not equate ESG performance with impact.

As a final point, regulation and other constraints that are relevant to an insurance company also need to be weighed.

Assurance of responses

OA 19	Voluntary	Additional Assessed	General
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OA 19.1	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.
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Yes

OA 19.2	Indicate who has reviewed, validated and/or assured your reported information.
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- Reviewed by Board, CEO, CIO or Investment Committee
- Validated by internal audit or compliance function
- Assured by an external independent provider, specify name

PricewaterhouseCoopers - refers to responsible investment key performance indicators also published in our annual report and on zurich.com

OA 19.3	Describe the steps you have taken to review, validate and/or assure the content of your reported information.
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The key performance indicators shown in OA 06 were independently verified by PwC.

All information provided in this questionnaire was reviewed by a team member not originally responsible for answering a specific question, who independently validated the content.

In addition, all data reported in this questionnaire was validated by Investment Management's Finance team.

The complete report was reviewed by Group Legal and Compliance and signed off by the Group CIO.

No

Zurich Insurance Group

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

SAM 01	Voluntary	Descriptive	PRI 1-6
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SAM 01.1	Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.
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SAM 02	Mandatory	Core Assessed	PRI 4
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SAM 02.1	Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers.
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Yes

No

SAM 03	Mandatory	Gateway	General
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SAM 03.1	Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring
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Select all that apply

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Listed equity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - corporate	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Private equity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Private debt	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

SAM 03.2	Additional information. [Optional]
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(a) Selection: Responsible investment factors have been fully integrated into the manager selection process, which is applied consistently for all manager searches. (See SAM 01.1 for details.)

(b) Appointment: Responsible investment language has been systematically integrated into newly-negotiated Investment Management Agreements in 2014. (See SAM 01.1 for details.) Inclusion of responsible investment language into investment management agreements that had been in place prior to 2014 will be achieved over the coming years.

(c) Monitoring: Different elements of reflecting responsible investment in asset manager monitoring were at different stages of implementation in 2014. (See SAM 01.1 for details.)

Note that separate processes are followed for private equity, described in SAM 10 and SAM 12.

Listed equity (LE), fixed income corporate (FIC) and fixed income government (FIG)

Overview

SAM 04

Mandatory to Report Voluntary to Disclose

Gateway/Peering

General

SAM 04.1

Provide a breakdown of your externally managed listed equities, corporate fixed income and government fixed income by passive, active quant, active fundamental and other active strategies.

Listed equity (LE)

Type of strategy	As % of externally managed listed equity
Passive	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
Active - quantitative (quant)	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
Active - fundamental and other active	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%

Fixed income - corporate (FIC)

Type of strategy	As % of externally managed corporate fixed income
Passive	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Active - quantitative (quant)	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Active - fundamental and other active	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%

SAM 05	Mandatory	Gateway	PRI 1,2
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SAM 05.1 Indicate which of the following ESG incorporation strategies you encourage or require your external manager(s) to implement on your behalf:

Active investment strategies

Active investment strategies	LE	FIC	
Screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	
Integration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

Passive investment strategies

Passive investment strategies	LE	FIC	
Screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	
Integration	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

SAM 05.2 Indicate if - on your externally managed assets - you engage directly, via service providers, or via your external manager.

	LE	FIC
We engage directly or via service providers on our externally managed assets	<input type="checkbox"/>	<input type="checkbox"/>
We require our external managers to engage on our behalf	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

SAM 05.3 Indicate if - on your externally managed listed equities - you cast your (proxy) votes directly, via service providers, or via your external manager.

	LE
We cast our (proxy) votes directly or via service providers on our externally managed assets	<input type="checkbox"/>
We require our external managers to cast our (proxy) votes on our behalf	<input type="checkbox"/>
None of the above	<input checked="" type="checkbox"/>

SAM 05.4 Additional information. [Optional]

As signatory to the UN Global Compact, Zurich has a policy to neither insure nor invest in producers of UN-sanctioned banned weapons (cluster bombs and anti-personnel land mines). A watch list comprised of those companies is frequently circulated to internal and external asset managers, and compliance with guidelines and restrictions is monitored on a regular basis. Beyond this list, Zurich does not expect its external asset managers to apply negative ESG screens, but to fully integrate ESG factors into the investment decision-making process (see section OA 03 for details).

Proxy voting for listed equities is delegated to external managers as specified in the Investment Management Agreements (IMA), but active execution is not yet a formal requirement: Over 95 percent of Zurich's externally managed equities in scope for voting are covered by an active proxy voting policy. However, not all votes are executed due to geographic restrictions in policies, technical restrictions related to portfolio structures, etc. In 2014, our external asset managers reported that they executed proxy votes in line with their policy for portfolios accumulating up to 60 percent of externally-managed equities in-scope for ESG integration (see OA 3.2 for

further details). Zurich will continue to work with external asset managers to formalize proxy voting and reporting requirements.

Selection

SAM 06	Mandatory	Core Assessed	PRI 1-6
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SAM 06.1	Indicate whether your organisation, and/or your investment consultant, in the manager selection process for listed assets, typically do any of the following:
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	General
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	LE	FIC	
Review the manager's responsible investment policies	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Discuss managers' governance and management of responsible investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Meet staff with responsible investment responsibilities to assess their skills and competence	<input type="checkbox"/>	<input type="checkbox"/>	
Discuss minimum responsible investment expectations that managers must meet	<input type="checkbox"/>	<input type="checkbox"/>	
Discuss the role managers have played in collaborative initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review the manager's responsible investment reporting to clients and/or the public, including PRI reporting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Discuss the type of ESG reporting you expect	<input type="checkbox"/>	<input type="checkbox"/>	
Assign specific weighting to ESG factors in your manager evaluation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other general aspects in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

	ESG incorporation
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	LE	FIC	
Evaluate the quality and coverage of ESG research used by managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Assess how the manager incentivises brokers to provide ESG research	<input type="checkbox"/>	n/a	
Assess managers' ESG incorporation strategies and ability to identify and manage ESG issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Discuss with managers how ESG issues have impacted specific investment decisions and, where relevant, stock or portfolio performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Evaluate index providers' ESG incorporation when designing the index	<input type="checkbox"/>	<input type="checkbox"/>	
Other ESG incorporation issues in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

Engagements

	LE	FIC	
Discuss the managers' engagement processes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Discuss the role managers have played in influencing companies' ESG practices and performance	<input type="checkbox"/>	<input type="checkbox"/>	
Discuss how information gained through engagement is incorporated into investment decision-making	<input type="checkbox"/>	<input type="checkbox"/>	
Other engagement issues in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

SAM 06.2

Provide additional information relevant to your organisation's selection approach for listed assets. [Optional]

Refer to section SAM 01.1 for a complete overview of questions included in the RFP process.

Appointment

SAM 07

Voluntary

Additional Assessed

PRI 4

SAM 07.1 When appointing managers, indicate which of the following responsible investment considerations your organisation typically includes in investment management agreements/contracts for your listed assets:

General

	LE	FIC	
Acting in accordance with your organisation's overall investment beliefs or policy on responsible investment and ESG issues	<input type="checkbox"/>	<input type="checkbox"/>	
Other general RI considerations in investment management agreements, specify	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

ESG incorporation

	LE	FIC	
Specific requirements relating to the incorporation of ESG issues into investment decision-making	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other RI considerations relating to ESG incorporation in investment management agreements, specify	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

Engagement

	LE	FIC
Specific requirements relating to engagement	<input type="checkbox"/>	<input type="checkbox"/>
Other RI considerations relating to engagement in investment management agreements, specify	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

Reporting

	LE	FIC	
Reporting on the agreed responsible investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Reporting on the ESG characteristics of the portfolio	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Reporting on the impact of ESG issues on financial performance	<input type="checkbox"/>	<input type="checkbox"/>	
Other RI considerations relating to reporting in investment management agreements, specify	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

SAM 07.2

Provide additional information relevant to your organisation's manager appointment process and considerations included in contractual agreements for listed assets.

Responsible investment language has been systematically integrated into newly-negotiated Investment Management Agreements (IMA) in 2014. For investment management agreements in place prior to 2014, responsible investment language will be incorporated over the coming years. The language shown below serves as an internal template for Zurich's IMAs with external asset managers. Language is adapted on a case-by-case basis to take into account the individual nature of each investment mandate. The language used does not represent a recommendation to any third party to use this or similar wording in IMAs:

In pursuing the investment objectives set forth in the Investment Guidelines, the Investment Manager will have a process for assessing and monitoring current or potential investments in relation to relevant long-term factors such as environmental, social and corporate governance issues (the 'ESG Factors'). The Investment Manager will ensure that its staff receives adequate training, access to relevant data and information, and applies due care and diligence to applying this process, including considering the extent to which the ESG Factors generate investment risks or opportunities. The Investment Manager seeks to act in the best long-term interests of the client by taking ESG Factors (identified as relevant) into account when making investment decisions. All else equal, the Investment Manager will prefer securities which, in the Investment Manager's assessment, show superior environmental, social, and governance practices.

Upon the reasonable request of , the Investment Manager will attend meetings, presentations and, if necessary, discussions with third parties relating to the Accounts, and will provide any information reasonably requested by in connection therewith. In addition, the Investment Manager shall at least annually make available to a written position statement describing the Investment Manager's approach to include the ESG Factors in their investment decisions and, upon reasonable request, the Investment Manager shall discuss any achievements in implementing those practices.

The Investment Manager will discuss, upon reasonable request, exposures to material environmental, social, and governance risk factors, and a watch list of Accounts investments exposed, as identified by the Investment Manager, to particularly controversial ESG issues, with an explanation of how the Investment Manager has sought to identify, monitor and manage such exposures, including any action taken to directly engage with the management of investee companies.

The Investment Manager will discuss, to the extent the Investment Manager engages directly with the management of investee companies as part of its regular investment process, ESG factors identified as relevant.

Monitoring

SAM 08

Mandatory

Core Assessed

PRI 1

SAM 08.1

Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following:

General

	LE	FIC	
Include responsible investment as a standard agenda item at performance review meetings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Highlight examples of good responsible investment practice by other managers	<input type="checkbox"/>	<input type="checkbox"/>	
Review the manager's responsible investment reporting, for example PRI-generated responsible investment reports	<input type="checkbox"/>	<input type="checkbox"/>	
Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors	<input type="checkbox"/>	<input type="checkbox"/>	
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input type="checkbox"/>	<input type="checkbox"/>	
Request information on whether your manager's approach to ESG issues has impacted financial performance	<input type="checkbox"/>	<input type="checkbox"/>	
Request information on whether your manager's approach to ESG issues has impacted risk or volatility	<input type="checkbox"/>	<input type="checkbox"/>	
Request information on whether your manager's approach to ESG issues has impacted ESG performance	<input type="checkbox"/>	<input type="checkbox"/>	
Other general aspects of your monitoring, specify	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

ESG incorporation

	LE	FIC	
Request information on ESG incorporation in specific investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other ways you monitor ESG incorporation, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

Engagements

	LE	FIC
Review the ESG information relevant to the engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss the number of engagements and their comprehensiveness	<input type="checkbox"/>	<input type="checkbox"/>
Discuss the type of role played (i.e. leading or supporting)	<input type="checkbox"/>	<input type="checkbox"/>
Review the progress of ongoing engagements and/or outcomes of completed engagements	<input type="checkbox"/>	<input type="checkbox"/>
Other ways you monitor engagement activities, specify	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

If you select any 'Other' option(s), specify

Zurich requires all of its asset managers to complete a responsible investment questionnaire annually. The questionnaire focusses on ESG integration practices applied to the management of specific Zurich portfolios and reflects the elements that Zurich deems crucial for successful ESG integration (see also OA 01.3 for details):

- adequate training to help investment decision makers understand the relevance of ESG factors: description of any responsible investment training received by relevant portfolio managers of analysts.
- access to data, research and analysis pertaining to ESG issues to inform investment decision-making: description of sources and access by relevant portfolio managers of analysts.
- formal integration of ESG factors into the security and asset selection process: description of process and examples.
- active ownership practices: description of process and examples.

SAM 08.2

Provide additional information relevant to your organisation's dialogue and monitoring of external managers. [Optional]

Zurich uses the following elements, which had been at different stages of implementation in 2014, to formally integrate responsible investment practices into the monitoring process:

- Use of a detailed questionnaire to capture responsible investment practices applied specifically to Zurich portfolios (fully implemented)
- Discussion of ESG risks and opportunities at a portfolio level as part of formal performance review meetings (piloted in 2014)
- Discussion of responsible investment practices at formal senior-level relationship meetings (fully implemented)
- Integration of responsible investment practices into Zurich's proprietary asset manager evaluation system (not yet implemented)

Private equity (PE), property (PR) and infrastructure (INF) - non-listed assets

Selection

SAM 10	Mandatory	Core Assessed	PRI 1-6
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SAM 10.1 Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following:

General

	PE		
Review the manager's/general partner's responsible investment policy	<input checked="" type="checkbox"/>		
Discuss the manager's governance and management of responsible investment	<input checked="" type="checkbox"/>		
Meet staff with responsible investment responsibilities to assess their skills and competence	<input checked="" type="checkbox"/>		
Discuss minimum responsible investment expectations that managers must meet	<input type="checkbox"/>		
Discuss the role managers have played in collaborative initiatives	<input type="checkbox"/>		
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	<input checked="" type="checkbox"/>		
Assess the external manager's reporting and how it will help you to monitor that it is acting consistent with the agreed-upon ESG-related policies and practices during the life of the fund	<input checked="" type="checkbox"/>		
Review the manager's responsible investment disclosure, including PRI reporting	<input checked="" type="checkbox"/>		
Assign specific weighting to ESG factors in your manager evaluation	<input type="checkbox"/>		
Other general aspects in your selection process, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

Investment selection (pre-investment) of underlying holding

	PE		
Assess the manager's policies, processes and systems for identifying ESG-related value drivers and managing material ESG-related risks pre-investment	<input checked="" type="checkbox"/>		
Other pre-investment aspects reviewed in your selection process, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

Investment monitoring (post-investment) of underlying holding

	PE		
Understand if and how the manager influences and supports its portfolio companies'/assets' management of ESG-related risks and pursuit of ESG-related opportunities	<input checked="" type="checkbox"/>		
Discuss examples of how managers have previously identified and addressed ESG issues in their portfolios on an ongoing basis	<input checked="" type="checkbox"/>		
Assess the manager's/general partner's approach to managing and disclosing material incidents at the manager / General Partner and underlying holdings	<input checked="" type="checkbox"/>		
Other post-investment aspects reviewed in your selection process, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

SAM 10.2

Provide additional information relevant to your organisation's selection approach for non-listed assets. [Optional]

Private equity (PE) fund manager selection is performed by a dedicated PE team and responsible investment practices are formally defined in the private equity investment process manual at the following process stages:

- Investment due diligence
- Investment vetting and approval
- Execution and funding
- Risk management and reporting

A set of pre-defined questions is used as part of the due diligence process to guide the assessment of responsible investment practices at the fund manager:

- How does the General Partner (GP) address ESG issues when analyzing investment opportunities?
- How are ESG issues included in the investment decision process?
- Is there a dedicated team focused on ESG issues?
- Does the GP provide ongoing ESG training for the relevant staff?
- Is environmental and social impact measured?
- Monitoring: How are ESG issues monitored at the portfolio company level? Is there a framework in place?
- Has the GP developed an internal ESG policy?

- Are data on ESG issues systematically collected by the GP?
- Provide specific examples on how ESG issues were addressed.
- Reporting to Limited Partners (LP): Is there a formal ESG reporting process in place? How often are LPs updated? What data is disclosed?
- Is the GP a signatory of the Principles of Responsible Investing (PRI)?

Following the standard private equity investment process, responsible investment practices are then evaluated by the private equity team and reviewed by the investment committee as a dedicated item.

Monitoring

SAM 12

Mandatory

Core Assessed

PRI 1-6

SAM 12.1

Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager, typically do any of the following:

General

	PE		
Include responsible investment as a standard agenda item at performance review meetings	<input checked="" type="checkbox"/>		
Highlight examples of good responsible investment practice by other managers	<input type="checkbox"/>		
Review manager's responsible investment reporting, for example PRI-generated responsible investment reports	<input type="checkbox"/>		
Encourage your managers to consider joining responsible investment initiatives or organisations or participate in collaborative projects with other investors	<input type="checkbox"/>		
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input type="checkbox"/>		
Request information on whether your manager's approach to ESG issues has impacted financial performance	<input type="checkbox"/>		
Request information on whether your manager's approach to ESG issues has impacted ESG performance	<input type="checkbox"/>		
Other general aspects of your monitoring, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

Investment selection (pre-investment) of underlying holding

	PE		
Discuss how the analysis of ESG issues affected investment decisions during the reporting period	<input checked="" type="checkbox"/>		
Other ways ESG issues are incorporated in the pre-investment process, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

Investment monitoring (post-investment) of underlying holding

	PE		
Request reports on the ESG characteristics of the manager's underlying holdings and discuss related developments that may impact holdings in the fund	<input type="checkbox"/>		
Request examples of ESG issues identified within the portfolio and action taken in response	<input type="checkbox"/>		
Request details of how ESG factors were considered when preparing to exit from investments	<input type="checkbox"/>		
Other ways ESG issues are monitored in the post-investment process, specify	<input type="checkbox"/>		
None of the above	<input checked="" type="checkbox"/>		

SAM 12.2

Provide additional information relevant to your organisation's dialogue and monitoring of external managers. [Optional]

Zurich has started to more systematically engage existing fund managers in structured discussions about ESG issues and expects to further formalize the review process over the course of 2015.

Outputs and outcomes

SAM 14

Mandatory to Report Voluntary to Disclose

Descriptive

PRI 1-6

SAM 14.1

Indicate approximately what percentage (+/- 10%) of your externally managed assets are managed by PRI signatories.

%

SAM 15	Voluntary	Descriptive	PRI 2
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SAM 15.1	Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.
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Add Example 1

Topic or issue	Securities mandate search (Latin America)
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input checked="" type="checkbox"/> Fixed income – corporate bonds <input type="checkbox"/> Private equity <input type="checkbox"/> Private debt
Scope and process	In 2014, Zurich conducted an RFP for a fixed income mandate in a Latin American country. The ESG assessment revealed a very wide dispersion in responsible investment practices applied by the different managers.
Outcomes	While assigning an explicit 5% weight to the ESG section in the asset manager evaluation, the asset manager selected by Zurich based on the overall score and assessment was not the manager with the highest ESG integration score.

Add Example 2

Topic or issue	Investment Management Agreement for existing private debt mandate (US)
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate bonds <input type="checkbox"/> Private equity <input checked="" type="checkbox"/> Private debt
Scope and process	Zurich proposed the introduction of responsible investment language (see SAM 07.2 for further details) into the Investment Management Agreement (IMA) for an existing private debt mandate.
Outcomes	Discussions with the asset manager revealed that existing processes were not yet reflecting ESG integration sufficiently formally. Zurich and the asset manager agreed to review the introduction of additional language into the IMA once the manager completes ongoing work on an ESG policy.

Add Example 3

Topic or issue	Performance review of a fixed income portfolio (Switzerland)
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input checked="" type="checkbox"/> Fixed income – corporate bonds <input type="checkbox"/> Private equity <input type="checkbox"/> Private debt
Scope and process	Zurich included ESG integration as an agenda item for a fixed income portfolio performance review. Zurich prepared an overview of ESG rating and controversy exposures in the portfolio as a basis for discussion.
Outcomes	Discussions with the asset manager revealed that existing processes did not yet reflect sufficiently ESG integration. It was agreed to work together to improve upon ESG integration practices.

Add Example 4

Add Example 5

Communication

SAM 16

Mandatory

Core Assessed

PRI 6

SAM 16.1

Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.

Yes, we disclose information publicly

provide URL

<https://www.zurich.com/ /media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-december-2014.pdf?la=en>

SAM 16.2

Indicate if the level of information you disclose to the public is the same as that disclosed to clients and/or beneficiaries.

Yes

SAM 16.3

Indicate what type of information your organisation proactively discloses to the public and clients and/or beneficiaries about your indirect investments.

- How responsible investment considerations are included in manager selection, appointment and monitoring processes
- Details of the responsible investment activities carried out by managers on your behalf
- E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership
- Other, specify

No

Yes, we disclose information to clients/beneficiaries only

We do not proactively disclose information to the public and/or clients/beneficiaries

Zurich Insurance Group

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

LEI 01	Mandatory to Report Voluntary to Disclose	Gateway/Peering	PRI 1
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LEI 01.1	Provide a breakdown of your internally managed listed equities by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.
----------	---

Strategies

Passive

	% of internally managed listed equities
--	---

<10%

Report on your strategies that represent <10% of listed equities

Yes

No

10-50%

>50%

Active – quantitative (quant)

Active – fundamental and other active strategies

	% of internally managed listed equities
--	---

<10%

10-50%

>50%

LEI 02	Voluntary	Descriptive	PRI 1
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LEI 02.1	Provide a brief overview of how you incorporate ESG issues into listed equity investments.
----------	--

ESG factors do have an impact on the risks and opportunities associated with the assets in which we invest. As a consequence, we believe that proactively including ESG factors in the investment process - across asset classes, and alongside traditional financial metrics and state-of-the-art risk management practices - will support us in our mission to achieve superior risk-adjusted long-term financial returns.

As described in OA 13.3, the starting point in determining Zurich's investment strategy is an integrated process used to define the strategic asset allocation according to ALM principles. This allocation is the result of a disciplined process that distills all investable asset classes into a set of six easily-understandable and transparent systematic market risk factors: risk factors that cannot be diversified and exposure to which the market can thus be expected to reward with a risk premium. We have so far found no evidence that ESG issues, such as climate change, are associated with a systematic market-risk factor and premium that could be reflected in the ALM and strategic asset allocation processes. Based on this, Zurich believes that ESG issues are best reflected at the level of selection of individual securities or assets. This approach is different from 'thematic' allocations, for instance, to so-called impact investments, within a certain asset class - i.e., for a given risk-return profile. Our approach to allocate to thematic investments through impact investing is described in OA 14.

Since ESG factors have an impact on the risk and return associated with underlying assets, including ESG in the asset management process should heighten asset managers' awareness of the risks and opportunities associated

with these factors when making security or asset selection decisions. It should also encourage conscious choices around exposures to ESG-related issues. As an integral part of managing assets for Zurich, all its asset managers must include the following four basic requirements in their investment approach:

1. Training

A large number of ESG factors can potentially affect risk and return. The channels through which they affect risk and return are at times complex, and vary from sector to sector. It is important that portfolio managers receive adequate and regular training to help them understand the economic importance of ESG, especially as ESG has only recently - and partially - been included in business school, finance or chartered financial analyst (CFA) curriculums.

2. Access to information

To reflect ESG issues in investment decisions, portfolio managers need access to relevant information in the form of ESG analysis, ratings, and data. This can be supplied by specialized external providers, dedicated in-house teams, or broker research.

3. Investment process

A clear understanding is needed about the process by which ESG considerations are reflected in decisions to buy/sell, or overweight/underweight a certain security or asset. This process should be documented and consistently applied.

4. Active ownership

Asset managers are expected to actively execute proxy votes based on best-practice policies addressing ESG issues, and to integrate relevant ESG issues in discussions with investee companies, either as part of regular company meetings, or through separate channels.

In addition, Zurich's General Insurance and Global Life business segments have processes in place to systematically identify, assess and mitigate potential ESG issues and the related reputational risks inherent in certain business transactions involving large projects and corporate customers. Zurich's approach focuses on working with its corporate customers and brokers to better manage corporate responsibility risks and promote best practices in managing ESG risks. Zurich's approach to integrate corporate responsibility risks and the UN Global Compact in underwriting may result in decisions to abstain from certain transactions. In some cases (primarily related to banned cluster munitions and anti-personnel land mines) the approach may result in a decision to stop doing business with a company, including any forms of direct investment. In Zurich's view it is very important to apply any 'exclusion' or 'negative screening' consistently across the Group, including underwriting and investment activities.

ESG incorporation in actively managed listed equities

Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
LEI 03.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.		

ESG incorporation strategy (select all that apply)

Screening alone (i.e. not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	
	20

- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	
	80

- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

	Total actively managed listed equities
--	--

100%

LEI 03.2 Describe your primary reasons for choosing a particular ESG incorporation strategy.

Please refer to LEI 02.1 for a detailed description of Zurich's ESG integration approach and the rationale for the chosen approach. Primary reasons are:

- Integration strategies: expected to yield superior risk-adjusted returns over the long-term
- Screening: consistent Group-wide process to manage specific controversial issues

Screening applies to all direct equity investments. Refer to OA 03.2 for a description of the type of equity mandates in scope of ESG integration.

LEI 04	Voluntary	Additional Assessed	PRI 1
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LEI 04.1	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.
-----------------	---

Type of ESG information

- Raw ESG company data

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Company-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Sector-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Country-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Screened stock list
- ESG issue-specific analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Other, specify
Screening list

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager

LEI 04.2	Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.
-----------------	---

Zurich provides in-house asset management teams access to ESG data and research provided by MSCI. Zurich also encourages portfolio managers and analysts to monitor a variety of ESG information sources and use any available ESG research provided by brokers.

Zurich's corporate responsibility team provides Investment Management with a list of entities for exclusion from direct investment (primarily banned cluster munitions and anti-personnel landmines), based on information provided by a third-party research provider and the outcome of Zurich's approach to manage corporate responsibility risks in business transactions involving corporate customers (see LEI 02.1 and LEI 06.2 for additional details).

LEI 04.3	Indicate if you incentivise brokers to provide ESG research.
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Yes

LEI 04.4	Describe how you incentivise brokers.
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In 2014, Zurich conducted two campaigns addressed to several dozen brokers asking for integration of ESG into their analysis and research products.

No

LEI 05	Voluntary	Additional Assessed	PRI 1
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LEI 05.1	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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Engagement

- We have a systematic process to ensure the information is made available.
- We occasionally make this information available.
- We do not make this information available.

LEI 05.2	Additional information. [Optional]
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Zurich does not currently apply a systematic engagement approach across internal asset management teams. However, some teams have started to reflect ESG issues in their interaction with investee companies. In those cases, engagement is driven by the portfolio managers and/or analysts directly, with the objective to generate insight as part of the investment process.

(A) Implementation: Screening

LEI 06	Mandatory	Descriptive	PRI 1
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LEI 06.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.
-----------------	--

Type of screening

Negative/exclusionary screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

	Description
--	-------------

The screen applied currently comprises producers of UN-sanctioned weapons (banned cluster munitions and anti-personal landmines), as well as any companies Zurich may choose to disengage with, based on the process described in LEI 02.1.

- Positive/best-in-class screening
- Norms-based screening

LEI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
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Exclusion screens are prepared by Zurich's corporate responsibility team, based on Zurich's code of conduct (Zurich Basics) and the Group's commitment to the UN Global compact, and are the result of a structured process to manage corporate responsibility risks in business transactions. Currently, the screen consists of UN-sanctioned weapons (banned cluster munitions and anti-personal landmines). A list of producers of banned weapons is provided quarterly by a third-party research provider. Should a company identified be an existing Zurich customer, Zurich will conduct a corporate responsibility assessment and start an engagement process with the customer. During the engagement process, Zurich will not enter into any new business or new direct investments. If, after a period of one year, the engagement has not delivered any positive results, Zurich will stop entering into any new business with the company in question and will also divest from direct investments. The list of companies is circulated quarterly to all internal and external asset managers.

LEI 07	Mandatory	Core Assessed	PRI 1
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LEI 07.1	Indicate which processes your organisation uses to ensure that screening is based on robust analysis.
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- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

LEI 07.2	Additional information. [Optional]
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Please refer to process described in LEI 02 and LEI 06.

LEI 08	Voluntary	Additional Assessed	PRI 1
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LEI 08.1	Indicate which processes your organisation uses to ensure that fund criteria are not breached
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- Checks are performed to ensure that stocks meet the funds' screening criteria. These checks are:
 - Systematic
 - Occasional
- Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- Audits of fund holdings are undertaken regularly by internal audit function
- Other, specify
- None of the above

LEI 08.3	Additional information.
-----------------	-------------------------

External and internal asset managers receive a monthly restricted list, containing information on companies nearing or breaching counterparty credit risk limits on a Group level as well as blacklisted names from the process explained in LEI 02 and LEI 06. Occasional checks of the blacklisted names against Group holdings are performed in line with a systematic process managing other types of guideline breaches.

(C) Implementation: Integration of ESG issues			
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LEI 10	Voluntary	Descriptive	PRI 1
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Please see LEI 02 for a description of the overarching ESG integration approach applied across internally and externally managed assets.

The way in which different in-house asset management teams manage equity or fixed income portfolios can vary significantly depending on the structure and profile of local insurance liabilities (for example, the mix of general and life insurance business, and the specific type of insurance product offered); the size of the portfolio and portfolio management team; local regulatory requirements; local market structure; etc. In a few instances in-house asset management teams also manage specific funds that form part of insurance products offered directly to clients. As a result, the approach to ESG integration will also vary between teams and it is the responsibility of the local chief investment officer to define the optimal approach together with the team. However, while some best practices may not be applicable under all circumstances, minimum standards related to the four basic requirements of ESG integration (see LEI 02 for details) have been established in 2014 and apply across all teams. By the end of 2014 the implementation of minimum standards has progressed substantially, but has not been completed by all teams.

1. Training

Minimum standard:

- Responsible investment competency assigned to asset management team
- Training modules covering assigned competency levels completed successfully

Best practice:

- Additional relevant training through seminars, webinars, etc.
- Review of selected academic research; responsible investment publications; etc.

2. Access to information

Minimum standard:

- Access to MSCI ESG manager platform for all portfolio managers and investment analysts

Best practice:

- Use of ESG data from other data providers, such as Bloomberg, etc.
- Use of ESG research and analysis provided by brokers
- Encouraging brokers to reflect ESG issues in research and analysis

3. Investment process

Minimum standard

- Review of ESG research before making security selection decisions
- Other things being equal, preference for issuers with superior ESG performance
- Integration of ESG risk exposure and exposure to controversial business practices in reporting to the local ALM investment committee (ALMIC)
- Discussion of ESG risks and opportunities at investment team meetings

Best practice

- Integration of ESG factors into bottom-up equity or credit investment research*
- Integration of ESG factors into industry sector analysis*
- ESG analytics at a portfolio level

(*Only few Zurich teams conduct bottom-up research in-house.)

4. Active ownership

Minimum standard

- Review of ESG research before interacting with investee company management (investor meetings or calls, etc.) and discussion of relevant ESG issues
- Use of PRI clearinghouse platform in engagement activities (not yet implemented)

LEI 11	Mandatory	Core Assessed	PRI 1
--------	-----------	---------------	-------

LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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ESG issues	Coverage/extent of review on these issues
Environmental	<input type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

LEI 11.2	Additional information. [Optional]
-----------------	------------------------------------

Zurich does not generally conduct in-house equity research and interprets this question as relating to the overall analysis process, including the review of external research, leading up to security selection decisions. Please refer to LEI 10.1 for details about the minimum standards for ESG integration in the security selection process. Currently many, but not yet all, teams apply Zurich's systematic ESG integration process as laid out in LEI 10.1.

LEI 12	Voluntary	Additional Assessed	PRI 1
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LEI 12.1	Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.
-----------------	---

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Company information and/or ratings on ESG are updated regularly
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

LEI 12.2

Describe how ESG information is held and used by your portfolio managers.

- ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

LEI 12.3

Additional information.

Zurich sources third-party ESG data and research, which is available to all portfolio managers and other relevant staff within Investment Management directly on the provider's platform. Portfolio managers and analysts are encouraged to complement this information with ESG research provided by brokers. In addition, ESG ratings and other key ESG information are integrated into Investment Management's global investment data warehouse (GIDW).

LEI 13**Mandatory to Report Voluntary to Disclose****Core Assessed****PRI 1****LEI 13.1**

Indicate into which aspects of investment analysis you integrate ESG information.

- (Macro) economic analysis
 - Systematically
 - Occasionally
- Industry analysis
 - Systematically
 - Occasionally
- Analysis of company strategy and quality of management
 - Systematically
 - Occasionally
- Idea generation
 - Systematically
 - Occasionally
- Portfolio construction
 - Systematically
 - Occasionally
- Fair value/fundamental analysis
 - Systematically
 - Occasionally

LEI 13.2	Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis.
-----------------	--

- Adjustments to income forecasts (sales, earnings, cash flows)
- Adjustments to valuation tools (discount rates, return forecasts, growth rates)
- Other adjustments to fair value projections, specify

Assessments of the the investment's embedded ESG risk compared to what is already discounted in the stock price and integrating ESG scores into analysis.

- Other, specify

LEI 13.3	Additional information.
-----------------	-------------------------

The way in which different in-house asset management teams manage equity or fixed income portfolios can vary significantly depending on the structure and profile of local insurance liabilities (for example, the mix of general and life insurance business, and the specific type of insurance product offered); the size of the portfolio and portfolio management team; local regulatory requirements; local market structure; etc. As a result, the approach to ESG integration will also vary between teams and it is the responsibility of the local chief investment officer to define the optimal approach together with the team.

In answering LEI 13.1, 'occasionally' was selected if a respective process is applied by at least one team. 'systematically' was selected if a respective process is applied by a majority of teams.

See LEI 10.1 for details about minimum standards for ESG integration applied across teams.

ESG incorporation in passively managed listed equities

LEI 14	Mandatory to Report Voluntary to Disclose	Descriptive	PRI 1
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LEI 14.1	Indicate if you manage passive listed equity funds that incorporate ESG issues in the index construction methodology.
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- Yes
- No

Outputs and outcomes

LEI 15	Voluntary	Descriptive	PRI 1
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LEI 15.1	Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.
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- Screening
- Integration of ESG issues

Select which of these effects followed your ESG integration:

- Reduce or prioritise the investment universe
- Overweight/underweight at sector level
- Overweight/underweight at stock level
- Buy/sell decisions
- Other, specify
- None of the above

LEI 16	Voluntary	Additional Assessed	PRI 1
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LEI 16.1

Indicate whether your organisation measures how your approach to ESG issues in Listed Equity investments has affected financial and/or ESG performance.

- We measure whether our approach to ESG issues impacts funds' financial performance
- We measure whether our approach to ESG issues impacts funds' risk or volatility
- We measure whether our approach to ESG issues impacts funds' ESG performance
- None of the above

LEI 17	Voluntary	Descriptive	PRI 1
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LEI 17.1

Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.

- ESG issue 1

ESG issue and explanation
Governance and environmental issues
ESG incorporation strategy applied
<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies
Impact on investment decision or performance
Reduced exposure to industrial conglomerate due to perceived governance risk (low governance score) and recent divestments by the company in the clean technology sector, particularly renewable energy generation.

- ESG issue 2

ESG issue and explanation
Governance issues in the tobacco industry
ESG incorporation strategy applied
<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies
Impact on investment decision or performance
Due to perceived high regulatory and legal risk in the tobacco industry, tobacco companies were excluded from the investment universe

ESG issue 3

ESG issue and explanation
Governance and protection of shareholder rights
ESG incorporation strategy applied
<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies
Impact on investment decision or performance
In light of valuations, where an internet retailer was concerned, serious governance concerns (lack of protection of shareholder rights and voting powers; lack of independence of the board) were seen as uncompensated risks and Zurich chose not to invest in the company.

ESG issue 4

ESG issue and explanation
Environmental performance as indicator for strong fundamentals
ESG incorporation strategy applied
<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies
Impact on investment decision or performance
Particularly strong environmental performance of a financial services company contributed to a fundamental 'buy' view held on the stock.

ESG issue 5

LEI 17.2	Additional information.
-----------------	-------------------------

The examples provided in LEI 17.1 are the result of the specific process applied by specific teams, and reflect actions taken in the context of a specific portfolio.

The way in which different in-house asset management teams manage equity or fixed income portfolios can vary significantly depending on the structure and profile of local insurance liabilities (for example, the mix of general and life insurance business, and the specific type of insurance product offered); the size of the portfolio and portfolio management team; local regulatory requirements; local market structure; etc. As a result, the approach to ESG integration will also vary between teams and it is the responsibility of the local chief investment officer to define the optimal approach together with the team.

See LEI 10.1 for details about minimum standards for ESG integration applied across teams.

Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6
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LEI 18.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.
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We disclose it publicly

Provide URL

https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-december-2014.pdf?la=en

LEI 18.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

LEI 18.3

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

LEI 18.4

Indicate how frequently you typically report this information.

- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify

Document describing methodology is updated as needed

- No
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries

Zurich Insurance Group

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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Engagement

Overview

LEA 01	Voluntary	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

LEA 01.1 Provide a brief overview of your organisation's approach to engagement.

Zurich views engagement with investee companies as an element of its overall ESG integration approach. See LEI 02.1 / FI 03.1 and LEI 10.1 / FI 10.1 for further details.

A systematic engagement approach is currently being developed. However, some of Zurich's in-house asset management teams have already started to reflect ESG issues in their interaction with investee companies, including bond issuers. In those cases, engagement is directly driven by the portfolio managers and/or analysts with the objective of generating insight as part of the investment process. In addition, a number of Zurich's external asset managers apply systematic engagement approaches. Zurich encourages its asset managers actively to engage (see SAM 01.1 for details) and systematically collects information from its internal and external asset managers on engagement activities with portfolio companies.

LEA 02	Mandatory	Gateway	PRI 1,2,3
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LEA 02.1 Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

Zurich Insurance Group

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

FI 01	Mandatory to Report Voluntary to Disclose	Gateway/Peering	PRI 1
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FI 01.1	Provide a breakdown of your internally managed fixed income investments by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your fixed income investments, indicate if you would still like to report your activities.
---------	--

	Fixed income – corporate
--	--------------------------

Strategies

Passive

	Percentage of internally managed fixed income - corporate
--	---

- <10%
- 10-50%
- >50%

Active – quantitative (quant)

Active - fundamental and other active strategies

	Percentage of internally managed fixed income - corporate
--	---

- <10%
- 10-50%
- >50%

FI 02	Mandatory to Report Voluntary to Disclose	Peering	General
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FI 02.1	Provide a breakdown of your internally managed fixed income investments by credit quality.
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Credit quality	Fixed Income - Corporate
Investment grade	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
High yield	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Distressed	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%

FI 02.2

Provide a breakdown of your fixed income investments between primary and secondary market.

Market	Fixed Income - Corporate
Primary market (new issues)	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
Secondary market	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%

FI 02.3

Additional information. [Optional]

Data reported in FI 02.2 are based on number of trades during the calendar year tkane from a sample of in-house teams managing corporate fixed income securities.

ESG incorporation in actively managed fixed income

FI 03

Voluntary

Descriptive

PRI 1

FI 03.1

Provide a brief overview of how you incorporate ESG issues in fixed income investments.

ESG factors do have an impact on the risks and opportunities associated with the assets in which we invest. As a consequence, we believe that proactively including ESG factors in the investment process - across asset classes, and alongside traditional financial metrics and state-of-the-art risk management practices - will support us in our mission to achieve superior risk-adjusted long-term financial returns.

As described in OA 13.3, the starting point in determining Zurich's investment strategy is an integrated process used to define the strategic asset allocation according to ALM principles. This allocation is the result of a disciplined process that distills all investable asset classes into a set of six easily-understandable and transparent systematic market risk factors: risk factors that cannot be diversified and exposure to which the market can thus be expected to reward with a risk premium. We have so far found no evidence that ESG issues, such as climate change, are associated with a systematic market-risk factor and premium that could be reflected in the ALM and strategic asset allocation processes. Based on this, Zurich believes that ESG issues are best reflected at the level of selection of individual securities or assets. This approach is different from 'thematic' allocations, for instance, to so-called impact investments, within a certain asset class - i.e., for a given risk-return profile. Our approach to allocate to thematic investments through impact investing is described in OA 14.

Since ESG factors have an impact on the risk and return associated with underlying assets, including ESG in the asset management process should heighten asset managers' awareness of the risks and opportunities associated with these factors when making security or asset selection decisions. It should also encourage conscious choices around exposures to ESG-related issues. As an integral part of managing assets for Zurich, all its asset managers must include the following four basic requirements in their investment approach:

1. Training

A large number of ESG factors can potentially affect risk and return. The channels through which they affect risk and return are at times complex, and vary from sector to sector. It is important that portfolio managers receive adequate and regular training to help them understand the economic importance of ESG, especially as ESG has only recently - and partially - been included in business school, finance or chartered financial analyst (CFA) curriculums.

2. Access to information

To reflect ESG issues in investment decisions, portfolio managers need access to relevant information in the form of ESG analysis, ratings, and data. This can be supplied by specialized external providers, dedicated in-house teams, or broker research.

3. Investment process

A clear understanding is needed about the process by which ESG considerations are reflected in decisions to buy/sell, or overweight/underweight a certain security or asset. This process should be documented and consistently applied.

4. Active ownership

Asset managers are expected to actively execute proxy votes based on best-practice policies addressing ESG issues, and to integrate relevant ESG issues in discussions with investee companies, either as part of regular company meetings, or through separate channels.

In addition, Zurich's General Insurance and Global Life business segments have processes in place to systematically identify, assess and mitigate potential ESG issues and the related reputational risks inherent in certain business transactions involving large projects and corporate customers. Zurich's approach focuses on working with its corporate customers and brokers to better manage corporate responsibility risks and promote best practices in managing ESG risks. Zurich's approach to integrate corporate responsibility risks and the UN Global Compact in underwriting may result in decisions to abstain from certain transactions. In some cases (primarily related to banned cluster munitions and anti-personnel land mines) the approach may result in a decision to stop doing business with a company, including any forms of direct investment. In Zurich's view it is very important to apply any 'exclusion' or 'negative screening' consistently across the Group, including underwriting and investment activities.

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
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FI 04.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.
----------------	--

ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	<div style="background-color: #0072bc; height: 20px; width: 100%; position: relative;"> % </div> <p>10</p>
---	--

- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening + Integration strategies

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	<div style="background-color: #0072bc; height: 20px; width: 100%; position: relative;"> % </div> <p>90</p>
---	--

- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

	Total actively managed fixed income - corporate
--	---

100%

FI 04.2	Describe your primary reasons for choosing a particular incorporation strategy.
----------------	---

Please refer to FI 03.1 for a detailed description of Zurich's ESG integration approach and the rationale for the chosen approach. Primary reasons are:

- Integration strategies: expected to yield superior risk-adjusted returns over the long-term
- Screening: consistent Group-wide process to manage specific controversial issues

Screening applies to all direct corporate bond investments. Refer to OA 03.2 for a description of the type of fixed income mandates in scope of ESG integration.

FI 05	Voluntary	Additional Assessed	PRI 1
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FI 05.1	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.
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Type of ESG information

- Raw ESG company data

Describe who provides this information.

ESG research provider

- Issuer-related analysis or ratings

Describe who provides this information.

ESG research provider

- Sector-related analysis or ratings

Describe who provides this information.

ESG research provider

- Country-related analysis or ratings

Describe who provides this information.

ESG research provider

- Screened bond list

- ESG issue-specific analysis or ratings

Describe who provides this information.

ESG research provider

- Other, specify

Screening list

Describe who provides this information.

Zurich's corporate responsibility team provides Investment Management with a list of entities for exclusion from direct investment (primarily banned cluster munitions and anti-personnel landmines), based on information provided by a third-party research provider and the outcome of Zurich's approach to manage corporate responsibility risks in business transactions involving corporate customers (see FI 03.1 and FI 06.2 for additional details).

FI 05.2

Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.

Zurich provides in-house asset management teams access to ESG data and research provided by MSCI. Zurich also encourages portfolio managers and analysts to monitor a variety of ESG information sources and use any available ESG research provided by brokers.

(A) Implementation: Screening

FI 06

Mandatory

Descriptive

PRI 1

FI 06.1

Indicate and describe the type of screening you apply to your internally managed active corporate fixed income investments.

Type of screening

- Negative/exclusionary screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description

The screen applied currently comprises producers of UN-sanctioned weapons (banned cluster munitions and anti-personal landmines), as well as any companies Zurich may choose to disengage with, based on the process described in FI 03.1.

- Positive/best-in-class screening
- Norms-based screening

FI 06.2

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

Exclusion screens are prepared by Zurich's corporate responsibility team, based on Zurich's code of conduct (Zurich Basics) and the Group's commitment to the UN Global compact, and are the result of a structured process to manage corporate responsibility risks in business transactions. Currently, the screen consists of UN-sanctioned weapons (banned cluster munitions and anti-personal landmines). A list of producers of banned weapons is provided quarterly by a third-party research provider. Should a company identified be an existing Zurich customer, Zurich will conduct a corporate responsibility assessment and start an engagement process with the customer. During the engagement process, Zurich will not enter into any new business or new direct investments. If, after a period of one year, the engagement has not delivered any positive results, Zurich will stop entering into any new business with the company in question and will also divest from direct investments. The list of companies is circulated quarterly to all internal and external asset managers.

FI 07	Mandatory	Core Assessed	PRI 1
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FI 07.1 Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis.

- Comprehensive research is undertaken or sourced to determine issuers' ESG performance
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify issuers to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct ESG research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

FI 07.2 Additional information. [Optional]

Please refer to process described in FI 03 and FI 06.

FI 08	Voluntary	Additional Assessed	PRI 1
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FI 08.1 Indicate which processes your organisation uses to ensure that fund criteria are not breached in corporate fixed income investments.

- Checks are performed to ensure that issuers meet the funds' screening criteria. These checks are:
 - Systematic
 - Occasional
- Automated IT systems prevent investment managers from investing in excluded bonds or those that do not meet positive screening criteria
- Audits of fund holdings are undertaken regularly by internal audit function
- Other, specify
- None of the above

FI 08.3 Additional information.

External and internal asset managers receive a monthly restricted list containing information on companies nearing or breaching counterparty credit risk limits on a Group level as well as blacklisted names from the process explained in LEI 02 and LEI 06. Occasional checks of the blacklisted names against Group holdings are performed in line with a systematic process managing other types of guideline breaches.

(C) Implementation: Integration of ESG factors

FI 10	Voluntary	Descriptive	PRI 1
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Please see FI 03 for a description of the overarching ESG integration approach applied across internally and externally managed assets.

The way in which different in-house asset management teams manage equity or fixed income portfolios can vary significantly depending on the structure and profile of local insurance liabilities (for example, the mix of general and life insurance business, and the specific type of insurance product offered); the size of the portfolio and portfolio management team; local regulatory requirements; local market structure; etc. In a few instances in-house asset management teams also manage specific funds that form part of insurance products offered directly to clients. As a result, the approach to ESG integration will also vary between teams and it is the responsibility of the local chief investment officer to define the optimal approach together with the team. However, while some best practices may not be applicable under all circumstances, minimum standards related to the four basic requirements of ESG integration (see LEI 02 for details) have been established in 2014 and apply across all teams. By the end of 2014 the implementation of minimum standards has progressed substantially, but has not been completed by all teams.

1. Training

Minimum standard:

- Responsible investment competency assigned to asset management team
- Training modules covering assigned competency levels completed successfully

Best practice:

- Additional relevant training through seminars, webinars, etc.
- Review of selected academic research; responsible investment publications; etc.

2. Access to information

Minimum standard:

- Access to MSCI ESG manager platform for all portfolio managers and investment analysts

Best practice:

- Use of ESG data from other data providers, such as Bloomberg, etc.
- Use of ESG research and analysis provided by brokers
- Encouraging brokers to reflect ESG issues in research and analysis

3. Investment process

Minimum standard

- Review of ESG research before making security selection decisions
- Other things being equal, preference for issuers with superior ESG performance
- Integration of ESG risk exposure and exposure to controversial business practices in reporting to the local ALM investment committee (ALMIC)
- Discussion of ESG risks and opportunities at investment team meetings

Best practice

- Integration of ESG factors into bottom-up equity or credit investment research*
- Integration of ESG factors into industry sector analysis*
- ESG analytics at a portfolio level

(*Only few Zurich teams conduct bottom-up research in-house.)

4. Active ownership

Minimum standard

- Review of ESG research before interacting with investee company management (investor meetings or calls, etc.) and discussion of relevant ESG issues
- Use of PRI clearinghouse platform in engagement activities (not yet implemented)

FI 11	Mandatory	Core Assessed	PRI 1
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FI 11.1 Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	<input type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input checked="" type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 11.2 Additional information. [Optional]

Only one of Zurich's teams conducts in-house credit research. Starting in 2014, this team has included a dedicated ESG section in the research notes. With respect to all other teams, Zurich interprets this question as relating to the overall analysis process, including the review of external research, leading up to security selection decisions. Please refer to FI 10.1 for details about the minimum standards for ESG integration in the security selection process. Currently many, but not yet all, teams apply Zurich's systematic ESG integration process as laid out in FI 10.1 in practice.

FI 12	Voluntary	Descriptive	PRI 1
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FI 12.1	Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.
----------------	---

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Company information and/or ratings on ESG are updated regularly
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

FI 12.2	Describe how ESG information is held and used by your portfolio managers.
----------------	---

- ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

FI 12.3	Additional information.
----------------	-------------------------

Zurich sources third-party ESG data and research, which is available to all portfolio managers and other relevant staff within Investment Management directly on the provider's platform. Portfolio managers and analysts are encouraged to complement this information with ESG research provided by brokers. In addition, ESG ratings and other key ESG information are integrated into Investment Management's global investment data warehouse (GIDW). Only one of Zurich's teams conducts in-house credit research. Starting in 2014, this team has included a dedicated ESG section in the research notes.

ESG incorporation in passively managed fixed income

FI 14	Mandatory to Report Voluntary to Disclose	Gateway	PRI 1
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FI 14.1	Indicate if you manage passive fixed income funds that incorporate ESG issues in the index construction methodology.
----------------	--

Fixed Income - Corporate

- Yes
- No

Outputs and outcomes

FI 15	Voluntary	Descriptive	PRI 1
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FI 15.1	Indicate how your ESG incorporation strategies have influenced the composition of your fixed income portfolio(s) or investment universe.
----------------	--

Fixed Income - Corporate

- Narrow down or prioritise the investment universe
- Buy / sell / weight decisions
- Other, specify

FI 16	Voluntary	Descriptive	PRI 1
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FI 16.1	Indicate whether your organisation measures how your approach to ESG issues in Fixed Income investments has affected financial and/or ESG performance.
----------------	--

- We measure whether our approach to ESG issues impacts funds' financial performance
- We measure whether our approach to ESG issues impacts funds' risk or volatility
- We measure whether our approach to ESG issues impacts funds' ESG performance
- None of the above

FI 17	Voluntary	Descriptive	PRI 1
--------------	------------------	--------------------	--------------

FI 17.1	Provide examples of ESG issues that affected your fixed income investment view and/or performance during the reporting year.
----------------	--

- ESG issue 1

Fixed Income - Corporate and/or Government		
<input checked="" type="checkbox"/> Corporate		
<table border="1"> <tr> <td style="background-color: #cccccc;">ESG issue and explanation</td> </tr> <tr> <td>Overall ESG performance</td> </tr> </table>	ESG issue and explanation	Overall ESG performance
ESG issue and explanation		
Overall ESG performance		
<table border="1"> <tr> <td style="background-color: #cccccc;">ESG incorporation strategy applied</td> </tr> <tr> <td> <input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies </td> </tr> </table>	ESG incorporation strategy applied	<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies
ESG incorporation strategy applied		
<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies		
<table border="1"> <tr> <td style="background-color: #cccccc;">Impact on investment view or performance</td> </tr> <tr> <td>Chose issuer with superior overall ESG performance to implement an increase in exposure to the utilities sector</td> </tr> </table>	Impact on investment view or performance	Chose issuer with superior overall ESG performance to implement an increase in exposure to the utilities sector
Impact on investment view or performance		
Chose issuer with superior overall ESG performance to implement an increase in exposure to the utilities sector		

ESG issue 2

Fixed Income - Corporate and/or Government		
<input checked="" type="checkbox"/> Corporate		
<table border="1"> <tr> <td style="background-color: #cccccc;">ESG issue and explanation</td> </tr> <tr> <td>Governance: corruption</td> </tr> </table>	ESG issue and explanation	Governance: corruption
ESG issue and explanation		
Governance: corruption		
<table border="1"> <tr> <td style="background-color: #cccccc;">ESG incorporation strategy applied</td> </tr> <tr> <td> <input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies </td> </tr> </table>	ESG incorporation strategy applied	<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies
ESG incorporation strategy applied		
<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies		
<table border="1"> <tr> <td style="background-color: #cccccc;">Impact on investment view or performance</td> </tr> <tr> <td>Downgraded financial issuer to 'hold' as a result of concerns about corruption and political campaign contributions</td> </tr> </table>	Impact on investment view or performance	Downgraded financial issuer to 'hold' as a result of concerns about corruption and political campaign contributions
Impact on investment view or performance		
Downgraded financial issuer to 'hold' as a result of concerns about corruption and political campaign contributions		

ESG issue 3

Fixed Income - Corporate and/or Government
<input checked="" type="checkbox"/> Corporate
ESG issue and explanation
Governance: corruption
ESG incorporation strategy applied
<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies
Impact on investment view or performance
Sold position in bond of energy company as a result of the company's involvement in a corruption scandal

ESG issue 4

ESG issue 5

Communication

FI 18	Mandatory	Core Assessed	PRI 2,6
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FI 18.1 Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.

We disclose it publicly

Provide URL

https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-december-2014.pdf?la=en

FI 18.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

FI 18.3 Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

Broad approach to ESG incorporation

Detailed explanation of ESG incorporation strategy used

FI 18.4

Indicate how frequently you typically report this information.

- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify

Document describing methodology is updated as needed

- No
- We disclose it to clients/beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries

Engagement in fixed income investments**Fixed Income - Corporate**

FI 19	Voluntary	Descriptive	PRI 2
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FI 19.1

Indicate if you engage with corporate issuers.

- Yes

FI 19.2

Describe your organisation's approach to engagement in corporate fixed income.

Zurich does not currently apply a systematic engagement approach across internal asset management teams. However, some teams have started to reflect ESG issues in their interaction with investee companies, including bond issuers. In those cases, engagement is driven directly by the portfolio managers and/or analysts with the objective to generate insight as part of the investment process.

- No

Zurich Insurance Group

Reported Information

Public version

Direct - Property

PRI disclaimer

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Overview

PR 01	Mandatory to Report Voluntary to Disclose	Gateway/Peering	General
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PR 01.1	Provide a breakdown of your organisation's internally managed property investments by equity and debt.
---------	--

Property investments instruments

Equity investments

Property investment instruments	Percentage of your internally managed property investments (in terms of AUM)
Equity investments	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10%

PR 01.2	Indicate the level of ownership you typically hold in your property investments.
---------	--

- a majority stake (>50%)
- a 50% stake
- a significant minority stake (between 10-50%)
- a limited minority stake (<10%)
- a mix of ownership stakes

Debt investments

Total 100%

N/A, we manage properties, new constructions and/or refurbishments on behalf of our clients, but do not hold equity or debt in property on their behalf

PR 01.3	Additional information. [Optional]
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Zurich is a core real estate investor with the objective of achieving long-term, stable cash flows. The global real estate strategy focuses on direct, unlevered, full ownership investments in the most liquid parts of the market. Zurich's real estate investment portfolio consists of over 500 properties around the globe, valued at over USD 10 billion. The majority of these properties are located in Europe, with large portfolios in Switzerland, Germany, Austria and Spain. The largest portfolio outside Europe is in the U.S., with roughly 10 percent of the direct real estate exposure.

The portfolio and asset management for Zurich's global real estate portfolio is conducted locally, predominantly through in-house asset management teams. Only a very small proportion of real estate assets is managed by external asset managers. In contrast to asset management, property management is predominantly outsourced to local experts and clearly separated from asset and portfolio management.

Note that information provided as part of this module always refers to direct real estate exposure held for investment. It does not include some indirect exposure.

PR 03	Voluntary	Descriptive	General
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PR 03.1

Indicate up to three of your largest property types by AUM.

Types	Main property types (by AUM)
Largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input checked="" type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Second largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input checked="" type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Third largest property type	<input type="radio"/> Industrial <input checked="" type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify

PR 04

Voluntary

Descriptive

PRI 1-6

PR 04.1

Provide a brief overview of your organisation's approach to responsible investment in property where you have equity stakes.

As part of its overall real estate investment approach, Zurich views 'sustainability' as a key element of a 'core' real estate investment strategy. In line with this, Zurich has set a target to reduce energy consumption and CO2 emissions of the real estate portfolio by 20 percent by 2020, and 80 percent by 2050. To achieve these objectives, Zurich introduced processes that reflect its focus on sustainability in real estate transactions, development and property management.

Energy efficiency and the use of renewable energy sources, as well as other relevant ESG factors, are reflected on an asset-by-asset basis as part of transaction management (due diligence), asset management, as well as development and refurbishments. These aspects have also been integrated into the operational optimization plan as well as into project management guidelines.

This approach is currently limited to the Swiss real estate portfolio, representing 57 percent of Zurich's real estate investments by value. A global approach will be defined and rolled out over the coming years based on the experiences of the Swiss team.

PR 05	Mandatory	Core Assessed	PRI 1-6
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PR 05.1 Indicate if your organisation has a Responsible Property Investment (RPI) policy.

- Yes
- No

PR 05.3 Additional information. [Optional]

Zurich reflects responsible investment at various levels of the real estate investment approach:

1. 'Sustainability' is reflected as an element of the overall real estate investment strategy
2. Energy consumption and CO2 emission reduction targets are set at the portfolio level
3. Sustainability targets are reflected in the operational optimization implementation plan
4. Sustainability best practices are reflected in project management guidelines to support decision-making at an asset-by-asset level

At this stage, Zurich is not making these documents available publicly.

Note: this approach is currently limited to the Swiss real estate portfolio, representing 57 percent of Zurich's real estate investments by value.

Pre-investment (selection)

PR 08	Mandatory	Gateway	PRI 1
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PR 08.1 Indicate if your organisation typically incorporates ESG issues when selecting property investments.

- Yes

PR 08.2 Provide a description of your organisation's approach to incorporating ESG issues in property investment selection. [Optional]

ESG factors are fully integrated into Zurich's real estate transaction management process. As part of the due diligence, Zurich performs an assessment of any potential investments required to improve a property's energy consumption and CO2 emissions, as well as any other relevant ESG aspects. This assessment is then reflected in the investment decision.

- No

PR 08.3 Additional information. [Optional]

Note: this approach is currently limited to the Swiss real estate portfolio, representing 57 percent of Zurich's real estate investments by value.

PR 09	Voluntary	Descriptive	PRI 1,4
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PR 09.1	Indicate whether your organisation typically uses ESG advice and research sourced internally and/or externally when incorporating ESG issues into the property investment selection process.
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- Internal staff
 - Specify role
 - Real estate investment manager**
 - Specify role
 - Specify role
- External resources
- No use of internal or external advice on ESG issues

PR 09.2	Additional information.
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Zurich's real estate team generally has the relevant expertise to assess ESG issues in transaction management as described in PR 08.2. External resources are only used occasionally.

Note: this approach is currently limited to the Swiss real estate portfolio, representing 57 percent of Zurich's real estate investments by value.

PR 10	Mandatory	Core Assessed	PRI 1,3
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PR 10.1	Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process and list up to three examples per issue.
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ESG issues

- Environmental

	List up to three typical examples of environmental issues
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- Energy efficiency and CO2 emissions
- Building materials
- Water use reduction and waste water technologies

- Social

	List up to three typical examples of social issues
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Accessibility

- Governance

PR 10.2	Additional information. [Optional]
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Note: this approach is currently limited to the Swiss real estate portfolio, representing 57 percent of Zurich's real estate investments by value.

PR 11	Voluntary	Additional Assessed	PRI 1,3
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PR 11.1	Indicate what type of ESG information your organisation typically considers during your property investment selection process.
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- Raw data from the target property asset/company
- Appraisals/audits
- Benchmarks/ratings against similar property asset
- Country level data/benchmarks
- Data aligned with established property reporting standards, industry codes and certifications
- International initiatives, declarations or standards
- Data from engagements with stakeholders (e.g. tenants and local community surveys)
- Information from external advisers
- Other, specify
- We do not track this information

PR 11.2	Additional information.
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Information related to ESG issues contained in external appraisals is taken into account, but often insufficient and has to be supplemented with other information and own analysis as part of the process described in PR 08.2.

Note: this approach is currently limited to the Swiss real estate portfolio, representing 57 percent of Zurich's real estate investments by value.

PR 12	Voluntary	Additional Assessed	PRI 1
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PR 12.1	Indicate if ESG issues impacted your property investment selection process during the reporting year.
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- ESG issues helped identify risks and/or opportunities for value creation
- ESG issues led to the abandonment of potential investments
- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- We do not track this potential impact

PR 12.2	Additional information.
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Please refer to PR 08.2 for details.

Note: this approach is currently limited to the Swiss real estate portfolio, representing 57 percent of Zurich's real estate investments by value.

Selection, appointment and monitoring third-party property managers

PR 13	Mandatory	Core Assessed	PRI 4
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PR 13.1

Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.

Yes

PR 13.2

Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third party property managers.

- Selection process of property managers incorporated ESG issues
- Contractual requirements when appointing property managers includes ESG issues
- Monitoring of property managers covers ESG responsibilities and implementation
 - For all third party property managers
 - For a majority of property managers
 - For a minority of property managers

PR 13.3

Provide a brief description of your organisation's selection, appointment and monitoring of third party property managers. [Optional]

Zurich regularly discusses energy efficiency and other ESG factors with property managers. Zurich relies on property managers to collect data related to energy consumption and expects to formalize requirements over the course of the current reporting year.

PR 13.4

Describe how your third party property managers contribute to the management of ESG issues for your property investments. [Optional]

Over 90 percent of Zurich's investment properties in Switzerland are managed by Bilfinger. Details regarding Bilfinger's sustainability approach can be found here:

http://www.bilfinger.com/fileadmin/corporate_webseite/Verantwortung/nachhaltigkeit/nachhaltigkeitbericht_2012/Bilfinger_Sustainability-Abridged-Report_en.pdf

No

PR 13.5

Additional information. [Optional]

Note: this approach is currently limited to the Swiss real estate portfolio, representing 57 percent of Zurich's real estate investments by value.

Post-investment (monitoring and active ownership)

Overview

PR 14

Mandatory

Gateway

PRI 2

PR 14.1	Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.
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Yes

PR 14.2	Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.
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- We consider ESG issues in property monitoring and management
- We consider ESG issues in property developments and refurbishments
- We consider ESG issues in property occupier engagements
- We consider ESG issues in community engagements related to our properties
- We consider ESG issues in other post-investment activities, specify

PR 14.3	Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets. [Optional]
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Property monitoring and management: Zurich requires its property managers to perform energy accounting for its properties and monitors energy consumption data as well as CO2 emissions through an energy controlling system.

Property development and refurbishments: as part of the operational optimization plan measures are implemented to reduce energy consumption and CO2 emissions. The optimal mix of measures is determined on an asset-by-asset basis. See PR 22.1 for examples.

Occupier engagement: manuals are distributed to tenants of properties that meet the Minergie label standard.

No

PR 14.4	Additional information. [Optional]
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Note: this approach is currently limited to the Swiss real estate portfolio, representing 57 percent of Zurich's real estate investments by value.

Property monitoring and management

PR 15	Mandatory	Core Assessed	PRI 2,3
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PR 15.1	Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.
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- >90% of property assets
- 51-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number of property assets)

PR 15.2	Indicate ESG issues for which your organisation, and/or property managers, typically sets and monitors targets (KPIs or similar) and provide examples per issue.
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ESG issues

Environmental

	List up to three example targets per issue
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Energy consumption (20 percent reduction by 2020 vs 2010 baseline; 80 percent reduction by 2050)

CO2 emissions (20 percent reduction by 2020 vs 2010 baseline; 80 percent reduction by 2050)

Social

Governance

We do not set and/or monitor against targets

PR 15.3	Additional information. [Optional]
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See PR 04.1 for further details.

Note: ESG targets apply to, and are monitored for, the entire Swiss real estate portfolio, representing 57 percent of Zurich's real estate investments by value. ESG targets apply to 49.5 percent of global direct investment properties by number.

PR 16	Voluntary	Descriptive	PRI 2
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PR 16.1	Indicate whether your property assets are assessed against certification schemes, ratings and/or benchmarks
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Yes

No

PR 16.3	Additional information.
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Zurich does not set any minimum requirements or targets with respect to property certifications. Cost and benefit of certification are taken into account on an asset-by-asset basis, but the responsible investment approach in real estate investment focuses primarily on a property's contribution to the portfolio's overall energy consumption and CO2 emission levels.

Note: this approach is currently limited to the Swiss real estate portfolio, representing 57 percent of Zurich's real estate investments by value.

Property developments and refurbishments			
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PR 17	Mandatory	Core Assessed	PRI 2
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PR 17.1	Indicate the proportion of active property developments and refurbishments where ESG issues have been considered.
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- >90% of active developments and refurbishments
- 51-90% of active developments and refurbishments
- 10-50% of active developments and refurbishments
- <10% of active developments and refurbishments
- N/A, no developments and refurbishments of property assets are active

(by number of active property developments and refurbishments)

PR 17.2	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and refurbishments.
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- Minimum environmental site selection requirements
- Minimum environmental site development requirements
- Sustainable construction materials
- Minimum water efficiency requirements
- Minimum energy efficiency requirements
- Energy generation from on-site renewable sources
- Waste management plans at sites
- Health and safety management systems at sites
- Construction contractors comply with sustainability guidelines
- Other, specify

PR 17.3	Additional information. [Optional]
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For all property developments and refurbishments, Zurich's real estate investment managers will determine the optimal mix of measures to achieve energy consumption and CO2 emission targets, as well as other sustainability considerations in line with the operational optimization plan and sustainability best practices defined in project management guidelines. Measures taken will depend on a property's location, whether buildings remain fully or partially occupied during refurbishments, and other factors.

Note: this approach is currently limited to the Swiss real estate portfolio, representing 57 percent of Zurich's real estate investments by value.

Occupier engagement			
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PR 18	Mandatory	Core Assessed	PRI 2
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PR 18.1	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.
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- >90% of occupiers
- 51-90% of occupiers
- 10-50% of occupiers
- <10% of occupiers

(in terms of number of occupiers)

PR 18.2	Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.
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- Distribute a sustainability guide to occupiers
- Organise occupier events focused on increasing sustainability awareness
- Deliver training on energy and water efficiency
- Deliver training on waste minimisation
- Provide feedback on energy and water consumption and/or waste generation
- Provide feedback on waste generation
- Carry out occupier satisfaction surveys
- Other, specify

PR 18.3	Additional information. [Optional]
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Currently, manuals are only distributed to tenants of properties that meet the Minergie-label standard.

Note: this approach is currently limited to the Swiss real estate portfolio, representing 57 percent of Zurich's real estate investments by value.

PR 19	Voluntary	Additional Assessed	PRI 2
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PR 19.1	Indicate the proportion of all leases signed during the reporting year that used green leases or the proportion of Memoranda of Understandings (MoUs) with reference to ESG issues.
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- >90% of leases or MoUs
- 51-90% of leases or MoUs
- 10-50% of leases or MoUs
- <10% of leases or MoUs
- 0% of leases or MoUs
- N/A, no leases or MoUs were signed during the reporting year

(in terms of number of leases or MoUs)

Communication

PR 23	Mandatory	Core Assessed	PRI 6
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PR 23.1	Indicate if your organisation proactively discloses ESG information on your property investments.
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- Disclose publicly

provide URL

<http://www.zurich.com/internet/main/SiteCollectionDocuments/financial-reports/annual-report-2013-en.pdf>

provide URL

<http://www.zurich.com/aboutus/corporateresponsibility/responsibleinvestment/responsible-investment.htm>

PR 23.2

Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.

- Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (GRESS)
- Other property reporting standards, specify
SIA 2040
- No property specific reporting standards are used

PR 23.3

Indicate if the level of ESG information you provide to the public is the same as the level you provide to your clients/beneficiaries.

- Yes

PR 23.4

Indicate the type of ESG information that your organisation proactively discloses to the public and/or your clients/beneficiaries.

- ESG information on how you select property investments
- ESG information on how you monitor and manage property investments
- Information on your property investments' ESG performance
- Other, specify

PR 23.5

Indicate your organisation's typical frequency of disclosing ESG information to the public and/or your clients/beneficiaries.

- Quarterly or more frequently
- Semi annually
- Annually
- Every two years or less frequently
- Ad-hoc, specify

PR 23.6

Describe the ESG information and how your organisation proactively discloses it to the public and/or clients/beneficiaries. [Optional]

Zurich reports progress in reducing the greenhouse gas emissions of its real estate portfolio publicly as part of its annual report to shareholders, as well as on the zurich.com webpage.

- No
- Disclose to clients/beneficiaries only
- No proactive disclosure to the public or to clients/beneficiaries

The methodology used to calculate and report energy consumption and greenhouse gas emissions follows the energy efficiency program 'SIA 2040' drawn up by the Swiss Society of Engineers and Architects (SIA) and underwent external audit in 2014.

Note: this approach is currently limited to the Swiss real estate portfolio, representing 57 percent of Zurich's real estate investments by value.