



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in a company's material ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency on climate risk</p> <p><input checked="" type="checkbox"/> To engage internal ESG decision-makers</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in a company's material ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency on climate risk</p> <p><input checked="" type="checkbox"/> To engage internal ESG decision-makers</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p>	
Collaborative engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in a company's material ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency on climate risk</p> <p><input checked="" type="checkbox"/> To engage internal ESG decision-makers</p> <p><input type="checkbox"/> Other: specify</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 a company's material ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency on climate risk</p> <p><input checked="" type="checkbox"/> To engage internal ESG decision-makers</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via service providers</p>		

RI TRANSPARENCY REPORT

2019

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 2019 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 TG		✓	-							
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	Fixed income AUM breakdown	✓	Public							✓
OO 08	Segregated mandates or pooled funds	✓	Public							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	✓	Public							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	✓	Public							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	✓	Public							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	✓	Public							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	✓	Public							✓
OO PR 02	Breakdown of property assets by management	✓	Public							✓
OO PR 03	Largest property types	✓	Public							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Public							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Public							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Public							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Public	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		✓	Public							✓
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 14 CC		✓	Public							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Public							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	ESG incorporation strategies	✓	Public	✓						
SAM 02	Selection processes (LE and FI)	✓	Public	✓						
SAM 03	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	✓	Public		✓					
SAM 04	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 05	Monitoring processes (listed equity/fixed income)	✓	Public	✓						
SAM 06	Monitoring on active ownership (listed equity/fixed income)	✓	Public	✓						
SAM 07	Percentage of (proxy) votes	✓	Public		✓					
SAM 08	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓						
SAM 09	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓						✓
SAM End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Public	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 07	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 11	ESG issues in index construction	🔒	n/a	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 13	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI End	Module confirmation page	✓	-							

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	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Role in engagement process	✓	Public		✓		✓			
LEA 07	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 08	Tracking number of engagements	✓	Public		✓					
LEA 09	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 10	Engagement methods	✓	Public		✓					
LEA 11	Examples of ESG engagements	✓	Public		✓					
LEA 12	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 13	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 14	Securities lending programme	✓	Public		✓					
LEA 15	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 16	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 17	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 18	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 19	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 20	Shareholder resolutions	✓	Public		✓					
LEA 21	Examples of (proxy) voting activities	✓	Public		✓					
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Public	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Examples of ESG factors in screening process	✓	Public	✓						
FI 06	Screening - ensuring criteria are met	✓	Public	✓						
FI 07	Thematic investing - overview	✓	Public	✓						
FI 08	Thematic investing - themed bond processes	✓	Public	✓						
FI 09	Thematic investing - assessing impact	✓	Public	✓						
FI 10	Integration overview	✓	Public	✓						
FI 11	Integration - ESG information in investment processes	✓	Public	✓						
FI 12	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 13	ESG incorporation in passive funds	✓	Public	✓						
FI 14	Engagement overview and coverage	✓	Public		✓					
FI 15	Engagement method	✓	Public	✓	✓					
FI 16	Engagement policy disclosure	✓	Public	✓	✓					
FI 17	Financial/ESG performance	✓	Public							✓
FI 18	Examples - ESG incorporation or engagement	✓	Public	✓	✓					
FI End	Module confirmation page	✓	-							

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

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year's PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year's PRI data	✓	Public							✓
CM1 05	External assurance	✓	Public							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

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

Public

Gateway/Peering

General

OO 01.1

Select the type that best describes your organisation or the services you provide.

- 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
- Endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Family office
- Other, specify

OO 01.3

Additional information. [Optional]

Zurich is a leading multi-line insurer that serves its customers in global and local markets. With about 54,000 employees, we provide a wide range of property and casualty and life insurance products and services. We serve individuals, small businesses, and mid-sized and large companies, including multinational corporations, in more than 210 countries and territories.

OO 02

Mandatory

Public

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

610

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** **Public** **Descriptive** **General**

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** **Public** **Gateway/Peering** **General**

OO 04.1 Indicate the year end date for your reporting year.

31/12/2018

OO 04.2 Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		195	472	046	698
Currency	USD				
Assets in USD		195	472	046	698

Not applicable as we are in the fund-raising process

OO 04.5 Additional information. [Optional]

Starting in 2017, Assets under management comprise the investment portfolio calculated on a market basis (previously on a book value basis), and differs from the total Group investments reported in the consolidated financial statements, which is calculated on an accounting basis and doesn't include cash and cash equivalents.

OO 06 **Mandatory** **Public** **Descriptive** **General**

OO 06.1 Select how you would like to disclose your asset class mix.

- as percentage breakdown
- as broad ranges

	Internally managed (%)	Externally managed (%)
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Listed equity	<10%	<10%
Fixed income	10-50%	>50%
Private equity	0	<10%
Property	<10%	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	<10%
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0
Money market instruments	0	0
Other (1), specify	<10%	<10%
Other (2), specify	<10%	<10%

'Other (1)' specified

Mortgages

'Other (2)' specified

Loans

OO 06.2

Publish asset class mix as per attached image [Optional].

OO 06.3

Indicate whether your organisation has any off-balance sheet assets [Optional].

Yes

No

OO 06.5 Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

OO 06.6 Provide contextual information on your AUM asset class split. [Optional]

Private equity and hedge funds: Zurich invests in private equity predominantly through a 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 environmental, social and governance or 'ESG' integration - see OO 11.4 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 selected number of instances, real estate portfolios are managed by external asset managers. In such cases, the same processes apply as described in SAM 02.5.

OO 07	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO 07.1 Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.

Internally managed	SSA	65
	Corporate (financial)	10
	Corporate (non-financial)	25
	Securitised	0
	Total	100%
	Externally managed	SSA
Corporate (financial)	15	
Corporate (non-financial)	35	
Securitised	10	
Total	100%	

OO 08	Mandatory to Report Voluntary to Disclose	Public	Peering	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

OO 08.1	Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds or investments.
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Asset class breakdown	Segregated mandate(s)	Pooled fund(s) or pooled investment(s)	Total of the asset class (each row adds up to 100%)
[a] Listed equity	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	100%
[b] Fixed income - SSA	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	100%
[c] Fixed income – Corporate (financial)	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	100%
[d] Fixed income – Corporate (non-financial)	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	100%
[e] Fixed income – Securitised	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	100%
[f] Private equity	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
[j] Hedge funds	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
[p] Other (1), specify	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %	100%

[q] Other (2), specify	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	100%
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OO 08.2 Additional information. [Optional]

The information provided above is based on assumptions and expert judgment. Data about the split between segregated mandates and pooled funds is not systematically collected for all asset classes listed above. Zurich invests in private equity and hedge funds predominantly through a selection of third-party fund managers, whereas segregated mandates dominate in almost all other asset classes.

OO 09 **Mandatory** **Public** **Peering** **General**

OO 09.1 Indicate the breakdown of your organisation's AUM by market.

Developed Markets

93.3

Emerging Markets

5.8

Frontier Markets

0.2

Other Markets

0.7

Total 100%

100%

Asset class implementation gateway indicators

OO 10 **Mandatory** **Public** **Gateway** **General**

OO 10.1 Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- We cast our (proxy) votes directly or via dedicated voting providers
- We require our external managers to vote on our behalf.
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

Fixed income SSA – engagement

- We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with SSA bond issuers on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

Fixed income Corporate (financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (non-financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Fixed income Corporate (securitised) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

Securitized assets are not in scope for our ESG integration policy (see OO 11.4), which forms the basis of our active ownership strategy.

OO 11

Mandatory

Public

Gateway

General

OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Listed equity

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - SSA

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Property

- We address ESG incorporation.
- We do not do ESG incorporation.

Cash

- We address ESG incorporation.
- We do not do ESG incorporation.

Other (1)

- We address ESG incorporation.
- We do not do ESG incorporation.

Other (2)

- We address ESG incorporation.
- We do not do ESG incorporation.

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

Mortgages

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

Loans

OO 11.2

Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Listed equity	<p data-bbox="563 342 1474 423">Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="563 439 1289 465"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="563 481 1326 508"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="563 524 1305 551"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="563 566 940 593"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - SSA	<p data-bbox="563 660 1474 741">Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="563 757 1289 784"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="563 799 1326 826"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="563 842 1305 869"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="563 884 940 911"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - corporate (financial)	<p data-bbox="563 978 1474 1059">Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="563 1075 1289 1102"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="563 1117 1326 1144"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="563 1160 1305 1187"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="563 1202 940 1229"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - corporate (non-financial)	<p data-bbox="563 1296 1474 1377">Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="563 1393 1289 1420"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="563 1435 1326 1462"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="563 1478 1305 1505"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="563 1520 940 1547"><input type="checkbox"/> We do not do ESG incorporation</p>
Fixed income - securitised	<p data-bbox="563 1615 1474 1695">Fixed income - securitised - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p data-bbox="563 1711 1289 1738"><input type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p data-bbox="563 1753 1326 1780"><input type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p data-bbox="563 1796 1305 1823"><input type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p data-bbox="563 1839 940 1865"><input checked="" type="checkbox"/> We do not do ESG incorporation</p>
Private equity	

	<p>Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input type="checkbox"/> We do not do ESG incorporation</p>
Hedge funds	<p>Hedge funds - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input type="checkbox"/> We invest only in pooled funds and external manager appointment is not applicable</p> <p><input type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input checked="" type="checkbox"/> We do not do ESG incorporation</p>
Other (1)	<p>Other (1) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input checked="" type="checkbox"/> We do not do ESG incorporation</p>
Other (2)	<p>Other (2) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <p><input type="checkbox"/> We incorporate ESG into our external manager selection process</p> <p><input type="checkbox"/> We incorporate ESG into our external manager appointment process</p> <p><input type="checkbox"/> We invest only in pooled funds and external manager appointment is not applicable</p> <p><input type="checkbox"/> We incorporate ESG into our external manager monitoring process</p> <p><input checked="" type="checkbox"/> We do not do ESG incorporation</p>

OO 11.3b | If your organisation does not integrate ESG factors into investment decisions on your externally managed assets, explain why not.

See OO 11.4

OO 11.4 | Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

The following asset classes are currently excluded from ESG integration:

- Sovereign, supranational and agency (SSA) securities: 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 SG 13.3 for further details). Zurich does not manage any multi-currency sovereign bond, or SSA portfolios, which would allow ESG factors to influence issuer selection. However, municipal credit is in scope for ESG integration and SSA securities are in scope for our impact investing strategy.

- Asset-backed securities: Zurich has found no evidence that ESG factors are a relevant factor in risk and return for this asset class. However, covered bonds are in scope for our impact investing strategy.
- 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.
- Money market funds and cash, as well as mortgages and certain legacy investments (no further investment decision to be made).
- For index or quantitative ('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.

Zurich strives to fully reflect the four basic requirements for successful ESG integration (see SG 01.5 for a description of how Zurich looks at ESG integration) in its asset manager life cycle process for all in-scope assets.

Manager selection

A set of responsible investment questions is included the request for information (RFI) and request for proposal (RFP) questionnaires, and is included in evaluations with an explicit weighting. The manager selection and responsible investment teams work together to determine the appropriate weight on a case-by-case basis and in evaluating the responses.

Manager appointment

Zurich expects its asset managers to reflect the four basic requirements of ESG integration in their investment approach. To formally express these expectations, Zurich has started to include appropriate language in investment management agreements (IMA).

Manager review

Zurich uses various elements to formally integrate responsible investment practices into the monitoring process of external asset managers.

Find a more detailed description of the approach mentioned above in SAM 02.5. Note that different processes are followed for private equity, described in SAM 02, SAM 04 and SAM 05.

OO 12	Mandatory	Public	Gateway	General
OO 12.1	Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.			
	Core modules			
	<input checked="" type="checkbox"/> Organisational Overview <input checked="" type="checkbox"/> Strategy and Governance			
	RI implementation directly or via service providers			
	Direct - Listed Equity incorporation			
	<input checked="" type="checkbox"/> Listed Equity incorporation			

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

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 - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Private Equity

Closing module

- Closing module

Peering questions

OO LE 01	Mandatory	Public	Gateway	General
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OO LE 01.1	Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.
------------	---

Update: this indicator has changed from "*Mandatory to report, voluntary to disclose*" to "*Mandatory*". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

Percentage of internally managed listed equities

Strategies	Percentage of internally managed listed equities
Passive	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Active - quantitative (quant)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Active - fundamental and active - other	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Total 100%	

OO FI 01	Mandatory	Public	Gateway	General
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Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

OO FI 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies
------------	---

Type	Passive	Active - quantitative	Active - fundamental & others	Total internally managed fixed income security
SSA	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%
Corporate (financial)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%
Corporate (non-financial)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	100%

OO FI 01.2 Additional information. [Optional]

Note that SSA securities generally do not fall within the scope of Zurich's ESG integration approach (see OO 11.4 for rationale and details). Stated SSA numbers include municipal securities, to which the Group's ESG integration approach applies. Other references made to SSA securities in this section refer to Zurich's dedicated green bond mandate (see also SG 18.2).

OO FI 03	Mandatory	Public	Descriptive	General
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Update: this indicator has changed from "*Mandatory to report, voluntary to disclose*" to "*Mandatory*". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

OO FI 03.1 Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.

SSA	Developed markets	94
	Emerging markets	06
	Total	100%

OO FI 03.2 Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.

Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
Corporate (financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	100%
Corporate (non-financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	100%

OO FI 03.3 Additional information. [Optional]

Note that supranational and sovereign securities generally do not fall within the scope of Zurich's ESG integration approach (see OO 11.4 for rationale and details). Stated SSA numbers include municipal securities, to which the Group's ESG integration approach applies.

If you are invested in private debt and reporting on ratings is not relevant for you, please indicate below

OO FI 03.2 is not applicable as our internally managed fixed income assets are invested only in private debt.

OO SAM 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO SAM 01.1 Provide a breakdown of your externally managed listed equities and fixed income by passive, active quant and, active fundamental and other active strategies.

Listed equity (LE)	<table border="1"> <tr> <td data-bbox="571 226 683 293">33</td> <td data-bbox="683 226 1469 293">Passive</td> </tr> <tr> <td data-bbox="571 371 683 439">34</td> <td data-bbox="683 371 1469 439">Active - quantitative (quant)</td> </tr> <tr> <td data-bbox="571 517 683 584">33</td> <td data-bbox="683 517 1469 584">Active - fundamental and active - other</td> </tr> <tr> <td data-bbox="571 640 683 696">100%</td> <td></td> </tr> </table>	33	Passive	34	Active - quantitative (quant)	33	Active - fundamental and active - other	100%	
33	Passive								
34	Active - quantitative (quant)								
33	Active - fundamental and active - other								
100%									
Fixed income - SSA	<table border="1"> <tr> <td data-bbox="571 732 683 799">36</td> <td data-bbox="683 732 1469 799">Passive</td> </tr> <tr> <td data-bbox="571 878 683 945">0</td> <td data-bbox="683 878 1469 945">Active - quantitative (quant)</td> </tr> <tr> <td data-bbox="571 1023 683 1090">64</td> <td data-bbox="683 1023 1469 1090">Active - fundamental and active - other</td> </tr> <tr> <td data-bbox="571 1146 683 1202">100%</td> <td></td> </tr> </table>	36	Passive	0	Active - quantitative (quant)	64	Active - fundamental and active - other	100%	
36	Passive								
0	Active - quantitative (quant)								
64	Active - fundamental and active - other								
100%									
Fixed income - Corporate (financial)	<table border="1"> <tr> <td data-bbox="571 1238 683 1305">4</td> <td data-bbox="683 1238 1469 1305">Passive</td> </tr> <tr> <td data-bbox="571 1384 683 1451">0</td> <td data-bbox="683 1384 1469 1451">Active - quantitative (quant)</td> </tr> <tr> <td data-bbox="571 1529 683 1597">96</td> <td data-bbox="683 1529 1469 1597">Active - fundamental and active - other</td> </tr> <tr> <td data-bbox="571 1653 683 1709">100%</td> <td></td> </tr> </table>	4	Passive	0	Active - quantitative (quant)	96	Active - fundamental and active - other	100%	
4	Passive								
0	Active - quantitative (quant)								
96	Active - fundamental and active - other								
100%									
Fixed income - Corporate (non-financial)	<table border="1"> <tr> <td data-bbox="571 1744 683 1812">2</td> <td data-bbox="683 1744 1469 1812">Passive</td> </tr> <tr> <td data-bbox="571 1890 683 1957">0</td> <td data-bbox="683 1890 1469 1957">Active - quantitative (quant)</td> </tr> </table>	2	Passive	0	Active - quantitative (quant)				
2	Passive								
0	Active - quantitative (quant)								

	<div style="background-color: #0070C0; color: white; padding: 2px;">Active - fundamental and active - other</div> <p>98 100%</p>
Fixed income - Securitised	<div style="background-color: #0070C0; color: white; padding: 2px;">Passive</div> <p>20</p> <div style="background-color: #0070C0; color: white; padding: 2px;">Active - quantitative (quant)</div> <p>0</p> <div style="background-color: #0070C0; color: white; padding: 2px;">Active - fundamental and active - other</div> <p>80 100%</p>

OO PR 01	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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OO PR 01.1	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
- N/A, we manage properties, new constructions and/or refurbishments on behalf of our clients, but do not hold equity in property on their behalf

OO PR 01.2	Provide a breakdown of your organisations allocation to Real Estate Investment Trusts (REITs) or similar
-------------------	--

- >50%
- 10 – 50%
- <10%
- 0%

OO PR
01.3

Additional information. [Optional]

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 total portfolio consists of over 550 properties around the globe, valued at roughly USD 14.6 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 16 percent of the entire 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 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 mainly refers to direct real estate exposure held for investment. It does include some of our own-use real estate, but does not include some indirect exposure.

OO PR 02

Mandatory to Report Voluntary to Disclose

Public

Gateway

General

OO PR
02.1

Provide a breakdown of your organisation's property assets based on who manages the assets.

Property assets managed by	Breakdown of your property assets (by number)
Managed directly by your organisation	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Managed via third-party property managers appointed by you	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed by other investors or their property managers	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Managed by tenant(s) with operational control	<input type="radio"/> > 50% <input type="radio"/> 10-50% <input checked="" type="radio"/> < 10% <input type="radio"/> 0%
Total 100%	

OO 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

Zurich Insurance Group

Reported Information

Public version

Strategy and Governance

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.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Other, specify (1) Investment philosophy <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Zurich's responsible investment strategy comprises three elements, which are integrated into the overall investment approach:

1. ESG integration
2. Impact investing
3. Advancing together

See SG 01.5 below for a more detailed description of these key elements.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Responsible investment means different things to different people. A clear understanding of Zurich's sustainability approach is the starting point for defining our approach to responsible investment. At Zurich, sustainability is about how we conduct our business and is an integral part of the Group's strategy. It is about sustainable value creation, as set out in our code of conduct:

- Creating value for customers, shareholders, employees and society
- Proactively addressing 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 sustainability approach focuses on our role in society, investing our Group assets responsibly and working with our corporate customers to help them understand and manage their sustainability 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 to fund efforts to address 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 where applicable 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 in local operations; 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.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
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SG 01.6 CC	Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.
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Every business and asset will be affected by climate change and the collective action taken to mitigate or adapt to it. This will be the case even if society successfully transitions toward a low-carbon economy, and, as envisaged by the Paris Accord succeeds in keeping future global temperature increases in this century 'well below' two degrees Celsius. The impacts of climate change run through all the elements of our responsible investment strategy, and can mainly be viewed in the categories of 'transition risk' and 'physical risk'. In 2017, Zurich's Macroeconomic and Market Strategy team developed a climate change scorecard to monitor the probabilities of transition and physical risks, which is updated annually.

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
-----------------------	--

Yes

**SG 01.8
CC**

Indicate the associated timescales linked to these risks and opportunities.

Overall risks scenarios were considered over both a short (3 - 5 year) and long (5 - 10 year) timeframe.

No

**SG 01.9
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

**SG 01.10
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

Zurich has defined a clear strategy to reflect climate change in its investment approach and we are committed to action in seven areas:

1. Establishing scenarios: it is hard to take action without context. Zurich's Market Strategy and Macroeconomics team has defined high-level scenarios and is monitoring developments with the help of a scorecard that is updated regularly. The analysis is available online.
2. Strengthening ESG integration: given its complexity and long-term nature, climate change represents a particular challenge for ESG integration. Additional data and tools are required to raise awareness among investment professionals and to support integration in investment strategies.
3. Benchmarking: ESG integration practices might fail to effectively capture all climate change-related risks and opportunities. We are testing in selected asset classes the use of bespoke benchmarks that incorporate a climate risk assessment and will evaluate the application of such benchmarks for new and existing portfolios on a case-by-case basis.
4. Financing the transition to a low-carbon economy: as part of our ongoing commitment to impact investing and our target to help avoid emission of five million tons of CO2 per year, we will evaluate green investments across different asset classes on an ongoing basis.
5. Driving change through advocacy: public and private sectors need to take decisive action. Zurich has defined clear positions on topics such as transparent risk disclosure, carbon pricing, etc.
6. Engaging with others: as part of engaging with the companies in which we invest, climate change is reflected on the agenda and considered in voting practices.
7. Making selective exclusions: recognizing the particularly harmful impact of coal on climate Zurich has developed a Group approach on selectively excluding companies from its underwriting and investing activities that get significant revenues from mining thermal coal or using it to generate electricity .

Further information on Zurich's adaptation of the FSB TCFD's recommendations can be found here:
<https://www.zurich.com/en/corporate-responsibility/climate-change/tcfd>

No

**SG 1.12
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

SG 02

Mandatory

Public

Core Assessed

PRI 6

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach

URL/Attachment

- URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

- Attachment (will be made public)

- Asset class-specific RI guidelines

URL/Attachment

- URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

- Attachment (will be made public)

- Screening / exclusions policy

URL/Attachment

- URL

URL

{hyperlink:https://www.zurich.com/en/corporate-responsibility/responsible-investment/esg-integration}

Attachment (will be made public)

Engagement policy

URL/Attachment

URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

Attachment (will be made public)

(Proxy) voting policy

URL/Attachment

URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/zurich-proxy-voting-policy-and-guidelines.pdf?la=en&hash=96EC9253F41007590058B3DB1F21966B49A5D9A1}

Attachment (will be made public)

Other, specify (1)

Other, specify (1) description

Investment philosophy

URL/Attachment

URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/zurich-responsible-investment-position-statement-2017.pdf?la=en&hash=E728621509466695895975895FD0C0E035ACF3D4}

Attachment (will be made public)

We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

Attachment

Time horizon of your investment

URL/Attachment

URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

Attachment

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

Attachment

Climate change

URL/Attachment

URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

Attachment

We do not publicly disclose any investment policy components

SG 02.3 Additional information [Optional].

Additional policies and guidance documents making reference to responsible investment that are publicly available:

Responsible investment position statement: https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/zurich-responsible-investment-position-statment-2017.pdf?la=en&hash=E728621509466695895975895FD0C0E035ACF3D4

Code of conduct: www.zurich.com/en/about-us/corporate-governance/code-of-conduct

Zurich's TCFD reporting: <https://www.zurich.com/en/corporate-responsibility/climate-change/tcfd>

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

SG 03.2

Describe your policy on managing potential conflicts of interest in the investment process.

A number of policies and procedures are in place at Zurich to manage conflicts of interest. While no separate document exists focused exclusively on conflicts of interests in the broader investment process, potential conflicts of interest are effectively managed as follows:

- Investment and insurance underwriting decisions separated through dedicated lines of responsibility and clear accountability of Group and local chief investment officers
- Clear investment policies and guidelines and an overview of the decision-making process through Asset-Liability Management Investment Committees (ALMICs)
- Policies on gifts and entertainment
- Clear guidelines on ethical behavior through a code of conduct
- Clear reference in proxy voting policy and guidelines, so that proxy voting is executed with an investment view only, and without consideration of a potential insurance client status of investee companies.

No

SG 04	Voluntary	Public	Descriptive	General
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SG 04.1	Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.
----------------	---

Yes

No

SG 04.2	Describe your process on managing incidents
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Zurich monitors the ESG performance of its portfolios that are in scope for ESG integration (see OO 11.4 for details), producing internal reports that highlight controversial business practices and rating downgrades as identified by a third-party data provider. For internally managed assets, these reports are distributed to local ALM investment committees (ALMIC). For externally managed assets, ESG performance is discussed at least annually as part of quarterly performance review meetings and asset managers may provide their own reporting on portfolios' ESG performance. While there is a process in place to monitor ESG performance of portfolios, not all incidents that lead to rating downgrades or are flagged due to controversial business practices are systematically assessed; relevant discussions typically focus on illustrative examples and/or the most material incidents.

Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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SG 05.1

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 05.2

Additional information. [Optional]

See SG 07.2 for additional information on the objective-setting process.

SG 06

Voluntary

Public

Descriptive

General

SG 06.1

List the main responsible investment objectives that your organisation set for the reporting year.

Responsible investment processes

- Provide training on ESG incorporation

Key performance indicator

Completion rate for basic and advanced responsible investment training.

Progress achieved

Portfolio management teams and other individuals relevant to the process are required to complete advanced responsible investment training. Basic responsible investment training is required for investment management staff globally. Zurich monitors, but does not currently disclose the completion rate.

- Provide training on ESG engagement
- Improved communication of ESG activities within the organisation

Key performance indicator

Zurich does not track this activity with a quantitative KPI.

Progress achieved

A priority for 2018 was to establish the relationships and networks necessary to further drive internal communication of the responsible investment progress and proof points through local communication teams.

- Improved engagement to encourage change with regards to management of ESG issues

Key performance indicator

Zurich does not track this activity with a quantitative KPI.

Progress achieved

A priority for 2018 was to drive a top-down engagement campaign, which Zurich did in connection to divesting from companies that generated more than half of their revenues from mining thermal coal or had more than 50% of coal in their power generation mix.

- Improved ESG incorporation into investment decision making processes

Key performance indicator

A number of KPIs measure the progress in implementing ESG for both in-house and external portfolio management, as disclosed below:

Progress achieved

Progress made:

Assets in scope for ESG integration

- Managed by staff having received ESG training (% of in-scope): 96%
- Managed by staff with direct access to ESG data (% of in-scope): 99%
- ESG represented in the investment process (% of in-scope): 89%
- ESG represented in issuer engagement (% of in-scope): 93%

- Other, specify (1)

Execution of impact investing strategies for green bonds and private equity.

Key performance indicator

Total amount of impact investments (USD millions)

Progress achieved

Impact investments as of December 31, 2018:

- Green, social and sustainability bonds: USD 3.1 billion
- Impact infrastructure debt: USD 540 million
- Impact private equity (commitments): USD 145 million

- Other, specify (2)

other description (2)

Further roll-out of proxy voting to additional in-house teams

Progress achieved

This goal was achieved.

- Other, specify (3)

other description (3)

Progress on climate change strategy

Progress achieved

Various projects were conducted to achieve progress on Zurich's climate change strategy for responsible investment (as outlined in SG 01.6 CC).

- None of the above

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics

Key performance indicator

% of AuM in scope for ESG integration, where a systematic process to integrate ESG factors is in place

Progress achieved

ESG represented in the investment process (% of in-scope): 89%

- Improve ESG ratings of portfolio
- Setting carbon reduction targets for portfolio

Key performance indicator

Kg of CO2 emitted and kWh used per sqm, respectively, for Swiss real estate portfolio

Progress achieved

- CO2: 28 kg/sqm (2017), -14% vs. 2010
- Energy consumption: 114 kWh/sqm (2017), -10% vs. 2010

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

	Other activities
--	------------------

- Joining and/or participation in RI initiatives

	Key performance indicator
--	---------------------------

Advancing together is an elementary part of Zurich's responsible investment strategy (see SG 01.4 and SG 01.5).

	Progress achieved
--	-------------------

In 2018 we actively participated in 11 industry groups.

- Encouraging others to join a RI initiative
- Documentation of best practice case studies
- Using case studies to demonstrate engagement and ESG incorporation to clients
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

SG 06.2	Additional information.
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Currently, reduction targets for CO2 emissions and energy consumption only apply to real estate investments in Switzerland (44 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 corporate real estate (whether owned or leased) is reported separately in the environmental performance section of Zurich's sustainability highlights report.

Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
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SG 07.1	Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.
----------------	---

Roles

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), 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 Group 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
 - Investor relations
 - Other role, specify (1)
 - Other role, specify (2)
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment

SG 07.2	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
----------------	---

- The Head of Responsible Investment, reporting directly to the Group 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 can be assigned to relevant individuals across investment management, including department heads reporting directly to the Group CIO, and then cascaded where applicable to the regional and local investment teams, including, local CIOs, portfolio managers, analysts and others.

SG 07.3	Indicate the number of dedicated responsible investment staff your organisation has.
----------------	--

Number

2

SG 07.4	Additional information. [Optional]
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Accountabilities at the level of the Zurich Group

- The 'Governance, Nominations and Sustainability Committee' of the Zurich Board of Directors reviews and approves Zurich's approach to sustainability, including responsible investment as an element of that strategy. In addition, the Board of Directors formally oversees the execution of the Group's overall strategy, of which sustainability forms an integral part.
- Zurich's responsible investment approach is an integral element of the Group's sustainability strategy and the Executive Committee (ExCo) is accountable for the execution of the sustainability strategy. A cross-functional Group-level body - the Sustainability Leaders Council - ensures that Zurich achieves its sustainability objectives. The Council comprises senior executives from across the business and is chaired by the Group Head of Public Affairs and Sustainability. The Head of Responsible Investment represents investment management in the Council.
- The Group Chief Investment Officer (CIO), a member of the ExCo, is responsible for the execution of the responsible investment strategy.

I confirm I have read and understood the Accountability tab for SG 07

I confirm I have read and understood the Accountability tab for SG 07

SG 07 CC	Voluntary	Public	Descriptive	General
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SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
-----------------------	---

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

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

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or head of department

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6 CC	For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
-----------------------	--

Accountabilities at the level of the Zurich Insurance Group

While climate change is not singled out as a separate item in Zurich's Organizational Rules, clear roles and responsibilities, both at the level of the Zurich Board of Directors and Zurich management, ensure effective oversight and action with respect to climate change-related risks.

The 'Governance, Nominations and Sustainability Committee' of the Zurich Board of Directors reviews and approves the sustainability strategy and objectives, including climate change as a focus topic for the Group, as well as responsible investment as an element of that strategy. In addition, the Board of Directors formally oversees the execution of the Group's overall strategy, of which corporate responsibility forms an integral part.

SG 07.7 CC	For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.
-----------------------	--

Relevant key accountabilities of Executive Management include:

- The Group Chief Risk Officer (CRO) is responsible for the Group's sustainable business framework with responsibility for overseeing its implementation and integrating sustainability risk into the overall risk management framework. Climate change is a central pillar of the Group's sustainable business framework.
- The Group CRO sponsors an annual Climate Risk assessment during which climate related risks are assessed and appropriate mitigating actions defined. The Group CRO is also responsible for Zurich's annual Task force on Climate Change-related Financial Disclosure (TCFD) disclosure.
- The Group Chief Investment Officer is responsible for execution of Zurich's responsible investment approach and climate change investment strategy. The Head of Macroeconomics annually assesses high-level climate change scenario narratives.
- Responsibility for reviewing relevant external trends and driving Zurich's retail underwriting strategy rests with Chief Underwriting Officers at country level to ensure strategy is reflective of local need, while this responsibility is centrally managed for Commercial Insurance.

SG 07.8 CC	Explain how the organisation engages external investment managers on the TCFD recommendations and its implementation.
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- Incorporation of TCFD in Annual Report
- Incorporation of TCFD in regular client reporting
- Request that investment managers complete PRI Climate indicators
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner guide

SG 08	Voluntary	Public	Additional Assessed	General
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SG 08.1	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
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SG 08.1b RI in personal development and/or training plan

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

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

SG 08.1a RI in objectives, appraisal and/or reward

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

SG 08.1b RI in personal development and/or training plan

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

Other C-level staff or head of department

Group CIO direct reports

SG 08.1a RI in objectives, appraisal and/or reward

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

SG 08.1b RI in personal development and/or training plan

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

Portfolio managers

SG 08.1a RI in objectives, appraisal and/or reward

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

SG 08.1b RI in personal development and/or training plan

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

Investment analysts

SG 08.1a RI in objectives, appraisal and/or reward

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

SG 08.1b RI in personal development and/or training plan

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

Dedicated responsible investment staff

SG 08.1a RI in objectives, appraisal and/or reward

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

SG 08.1b RI in personal development and/or training plan

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

SG 08.3

Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.

Responsible investment objectives are cascaded from the Group CIO downwards. All objectives related to responsible investment are assessed as part of Zurich's performance management process and affect variable pay through overall performance ratings. All relevant positions are formally assigned a responsible investment competency, through Zurich's talent management program, and responsible investment is formally reflected in the individual 'training plan.'

SG 08.4

Describe the level of experience board members/trustees/chief-level staff have with incorporating ESG factors into investment decision-making processes.

The Group CIO meets monthly with the Head of Responsible Investment to discuss responsible investment practices and is involved in additional strategic discussions on priority issues as relates to responsible investment. He has built a significant level of expertise during his tenure at Zurich. As a member of Zurich's Investment Management Executive Team since 2010, he was involved in responsible investment activities in his previous roles

as Head of Strategy Implementation and Head of Alternative Investments. In that role he was responsible for Zurich's allocation to impact private equity investments and also indirectly oversaw Zurich's sustainability approach for real estate investments. He receives regular invitations to speak about responsible investment at relevant conferences or other industry events.

Promoting responsible investment

SG 09

Mandatory

Public

Core Assessed

PRI 4,5

SG 09.1

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.

Select all that apply

Principles for Responsible Investment

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

Basic

Moderate

Advanced

Asian Corporate Governance Association

Australian Council of Superannuation Investors

AFIC – La Commission ESG

BVCA – Responsible Investment Advisory Board

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 occasionally participates in some of CDP's conference/webinar offerings. In 2018 Zurich achieved a score of B (management level). Read our 2018 submission here: <https://www.zurich.com/en/sustainability/our-strategic-priorities/external-commitments>. In 2018 Zurich also became a formal investor signatory to CDP.

- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)

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 an active member of the Global Impact Investing Network's (GIIN) Investors' Council.

- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles

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 a member of the Green Bond Principles Executive Committee, Co-Chair of the initiative and active participant of various working groups.

More details about the Green Bond Principles can be found at: www.icmagroup.org/Regulatory-Policy-and-Market-Practice/green-bonds

- 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)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance

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 became a signatory to the PSI in 2017.

- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify Forum per la Finanza Sostenibile (FFS)

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 actively supports FFS workshops and initiatives.

More information about the work of FFS can be found here: www.finanzasostenibile.it

- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- 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 12 institutional investors convened 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
 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>

- Other collaborative organisation/initiative, specify

SG 09.2	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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Indicate approximately what percentage (+/- 5%) of your externally managed assets under management are managed by PRI signatories.

%

95

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

SG 10.2 Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

Engaged in peer-to-peer learning on a variety of responsible investment topics.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Provided financial support for academic or industry research on responsible investment

Description

Zurich is a founding member of the Investment Leaders Group (ILG), a group of 12 institutional investors convened 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: <https://www.cisl.cam.ac.uk/business-action/sustainable-finance/investment-leaders-group>

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Provided input and/or collaborated with academia on RI related work

Description

Zurich is a founding member of the Investment Leaders Group (ILG), a group of 12 institutional investors convened 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: <https://www.cisl.cam.ac.uk/business-action/sustainable-finance/investment-leaders-group>

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description

Transparency and high quality data is a necessary condition for ESG integration. Accordingly, Zurich advocates for transparency and better ESG data, for example by publically supporting the TCFD recommendations.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Spoke publicly at events and conferences to promote responsible investment

Description

In 2018, Zurich investment professionals spoke at 42 conferences or other industry events about responsible investment topics, such as ESG integration, impact investments, or green bonds.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Wrote and published in-house research papers on responsible investment

Description

Zurich's macroeconomics and market strategy team dedicated a topical insight issue to climate change risk scenarios. The paper can be downloaded here:

<https://www.zurich.com/en/knowledge/articles/2017/11/me-topic-navigating-climate-change>

The updated version can be found here:

<https://www.zurich.com/en/corporate/knowledge/articles/2018/09/me-topic-target-for-global-warming-is-melting>

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Encouraged the adoption of the PRI

Description

Zurich has a standard question related to PRI membership in all RFIs and RFPs (see SAM 02.5) and encourages the mainstreaming of both ESG integration and impact investing in public statements.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Description

Zurich frequently responds to RI related market consultations

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Wrote and published articles on responsible investment in the media

Description

Zurich has frequently published topical comments on responsible investment and provides both background context and interviews for relevant media outlets.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

A member of PRI advisory committees/ working groups, specify

On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

Description

Green Bond Principles (GBP)

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Other, specify

No

SG 10.3

Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]

Actively promoting and advancing responsible investment practices is an integral part of Zurich's overall responsible investment approach, and is critical in achieving responsible investment's ultimate goal: to create social and environmental value along with financial returns.

As part of our activities to promote responsible investment, Zurich speakers have participated in over 42 events and webinars, and Zurich contributed to, or authored, a similar number of articles through various media outlets globally over the course of 2018.

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: for example, those related to how non-financial factors affect 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 works with other industry participants to advance responsible investment practices. In addition to being a signatory of the Principles for Responsible Investment (PRI), Zurich supports a number of collaborative initiatives and works closely with many others in the field to advance responsible investment practices and identify new solutions.

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

SG 11

Voluntary

Public

Additional Assessed

PRI 4,5,6

SG 11.1

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

Yes

If yes

- Yes, individually
- Yes, in collaboration with others

SG 11.2

Select the methods you have used.

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

SG 11.3

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

{[hyperlink:https://www.zurich.com/en/sustainability/climate-change/tcfd](https://www.zurich.com/en/sustainability/climate-change/tcfd)}

provide URL

{[hyperlink:https://theinvestoragenda.org/areas-of-impact/policy-advocacy/](https://theinvestoragenda.org/areas-of-impact/policy-advocacy/)}

No

No

SG 11.4

Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.

In 2018, Zurich's responsible investment policy advocacy efforts were focused mainly on topics related to disclosure and transparency, climate change and sustainable financial markets. These efforts included providing detailed input into various relevant consultations by the High Level Expert Group on Sustainable Finance, and later to the Technical Expert Group of the European Commission. Zurich also interacted directly with relevant policymakers in both group and bilateral settings. These efforts included advocating for a sustainable financial market in Switzerland, as well as calling for governments to achieve the Paris Agreement's goals, accelerate private sector investment to support the transition to a low-carbon approach, and establish a viable, economic carbon price.

Outsourcing to fiduciary managers and investment consultants

SG 12

Mandatory

Public

Core Assessed

PRI 4

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1

Indicate whether your organisation uses investment consultants.

Yes, we use investment consultants

No, we do not use investment consultants.

ESG issues in asset allocation

SG 13

Mandatory

Public

Descriptive

PRI 1

SG 13.1

Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

Yes, to assess future ESG factors

Yes, to assess future climate-related risks and opportunities

	Describe
--	----------

In 2017, Zurich's Macroeconomic and Market Strategy team developed a climate change scorecard to monitor the probabilities of transition and physical risks, which is updated annually. The latest topical paper based on the assessment can be found here: <https://www.zurich.com/en/corporate/knowledge/articles/2018/09/me-topic-target-for-global-warming-is-melting>

No, not to assess future ESG/climate-related issues

SG 13.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
----------------	---

	We do the following
--	---------------------

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13.3	Additional information. [OPTIONAL]
----------------	------------------------------------

At Zurich, Group Investment Management applies a systematic and structured investment process, focusing on the value drivers that matter most. 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 capital markets.

Group Investment Management needs to determine the optimal mix of asset classes that offer the highest long-term expected investment return given Zurich's liabilities, regulatory framework and allocated capital. To make this allocation, Group Investment Management distills all investable asset classes into a set of five transparent 'risk factors.' These 'risk factors' comprise interest rate risk, credit risk, liquidity risk, equity and commodity risk, as well as inflation risk.

Zurich's precise definition of its Group Strategic Asset Allocation ensures consistency of investment and risk assumptions throughout the Group and streamlines communication between neutral portfolio committees and the SAA committee. The neutral portfolios define the geographical and/or sectorial asset allocation for equity, credit and real estate.

SG 13 CC	Voluntary	Public	Descriptive	General
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SG 13.4 CC	Describe how the organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, the results and any future plans.
-------------------	--

Initial assessment

Describe

In 2017, Zurich's Macroeconomic and Market Strategy team developed a climate-change scorecard to monitor the probabilities of transition and physical risks, which is updated annually. The 2018 scorecard worsened and shows that the probability of failing to transition to a low-carbon economy is higher than succeeding, creating a higher probability for long-term physical climate change risks. Zurich has subsequently done further analysis of mid (3-5-year) and long-term (5-10-year) effects under high transition risk and high physical risk scenarios, which have informed further action points for 2019. In 2018 Zurich also co-authored a CRO Forum report, which investigated the effects of climate change on the insurance industry under various scenarios (<https://www.thecroforum.org/2019/01/24/crof-eri-2019-the-heat-is-on-insurability-and-resilience-in-a-changing-climate/>).

- Incorporation into investment analysis
- Inform active ownership

Describe

Given the scenario analysis described above, Zurich has applied learnings to the 2018 active ownership strategy:

- proxy voting and engagement: focusing on transparency in regard to climate change strategies, target-setting and TCFD reporting
- advocacy: advocating for the transition to a low-carbon economy and for the introduction of an economically viable carbon price

Other

SG 13.5 CC Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

SG 13.6 CC Indicate whether the organisation has evaluated the impacts of climate-related risk, beyond the investment time-horizon, on the organisations investment strategy.

- Yes
- No

Please explain the rationale

As an insurance company, Zurich tends to hold and plan for long-term liabilities. Climate change analysis is undertaken in line with these liability profiles.

**SG 13.7
CC**

Indicate whether a range of climate scenarios is used.

- Yes, including analysis based on a 2°C or lower scenario
- Yes, not including analysis based on a 2°C or lower scenario
- No, a range is not used

**SG 13.8
CC**

Indicate the climate scenarios the organisation uses.

Provider	Scenario used	
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input type="checkbox"/> BNEF reference scenario	
IPCC	<input checked="" type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input checked="" type="checkbox"/> RPC 4.5	
IPCC	<input type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #cccccc; padding: 2px;">Other (1) please specify:</div> IEA 'Bridge scenario'
Other	<input checked="" type="checkbox"/> Other (2)	<div style="background-color: #cccccc; padding: 2px;">Other (2) please specify:</div> IEA 'Paris Agreement Scenario'
Other	<input type="checkbox"/> Other (3)	

SG 14.1	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.
----------------	--

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity
----------------	--

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

	Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.
--	--

	trillions	billions	millions	thousands	hundreds
Total AUM		3	096	076	652
Currency	USD				
Assets in USD		3	096	076	652

	Specify the framework or taxonomy used.
--	---

Green bonds, green infrastructure private debt, green impact private equity funds

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

	other description
--	-------------------

In 2018, Zurich conducted various projects addressing climate risk following a comprehensive analysis of climate change-related risks and opportunities conducted in 2015.

- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14.5

Additional information [Optional]

Zurich believes that ESG issues, including climate change, demographic trends, resource scarcity and technology developments, are best captured through ESG integration at the security and asset selection levels. Through our ESG integration process (see LEI 01.2 or FI 01.2 for details on Zurich's ESG integration approach), we expect internal and external asset managers to better capture the risks and opportunities associated with a broad range of ESG issues, including the ones outlined here.

As relates to SG 14.2 and SG 14.3 above: Zurich targets low-carbon or climate-resilient investments through its impact investing strategies (See SG15.4 for more details on Zurich's impact investing approach), applies carbon footprinting and emission reduction targets to its Swiss real estate portfolio and has implemented a thermal coal screen in 2018.

SG 14 CC

Voluntary

Public

General

**SG 14.6
CC**

Please provide further details on these key metric(s) used to assess climate related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	The Swiss real estate team follows a carbon reduction strategy with a target of reducing carbon emissions of the portfolio by 20% by 2020 and by 80% by 2050 against a 2010 baseline	Co2/sqm	We are applying a measuring methodology developed with an external consultant
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	The Swiss real estate team follows a carbon reduction strategy with a target of reducing carbon emissions of the portfolio by 20% by 2020 and by 80% by 2050 against a 2010 baseline	Co2/sqm	We are applying a measuring methodology developed with an external consultant
Exposure to carbon-related assets	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Zurich has divested from and will no longer invest in assets that generate more than 50% of revenues from mining thermal coal or have more than 50% of coal in the generation mix	% of Revenue from thermal coal; % of GwH produced from coal	Based on company self-reported data, sourced via a third party provider

SG 14.7 CC	Describe in further detail the key targets.
-----------------------	---

Targettype	Time Frame	Description	Attachments
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			

SG 14.8 CC	Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.
-----------------------	---

☉ Process for climate-related risks is integrated into overall risk management

Please describe

Climate change is managed as part of Zurich's risk management approach. Transition and physical climate change risks have been identified as relevant risks, and been assessed through the Group's total risk profiling methodology. Action plans have been derived for various regions of operation, among them investment management.

Zurich has defined a clear strategy to reflect climate change in its investment approach and we are committed to action in seven areas:

1. Scenarios
2. Strengthening ESG integration
3. Benchmarks
4. Financing the transition to a low-carbon economy
5. Driving change through advocacy
6. Engagement
7. Selective exclusions

Process for climate-related risks is not integrated into our overall risk management

SG 14.9 CC	Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.
-----------------------	--

Yes

Please describe

As part of engaging with the companies in which we invest, material climate change risks are reflected on the agenda and considered in voting practices. TCFD is promoted as a tool to communicate these material risks.

No, we do not engage

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
----------------	---

Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
----------------	--

	%
--	---

1.9

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
----------------	--

Area

- Energy efficiency / Clean technology

Asset class invested

- Listed equity
- Fixed income - SSA

% of AUM

2.0

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Hedge funds
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Through green bonds. See SG 15.3 for additional explanations.

- Renewable energy
- Green buildings

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property

% of AUM

21.9

- Hedge funds
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Through direct real estate investments and through green bonds. See SG 15.3 for additional explanations.

Sustainable forestry

Asset class invested

- Listed equity
- Fixed income - SSA

% of AUM

2.0

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Hedge funds
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Through green bonds. See SG 15.3 for additional explanations.

Sustainable agriculture

Asset class invested

- Listed equity
- Fixed income - SSA

% of AUM

2.0

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Hedge funds
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Through green bonds. See SG 15.3 for additional explanations.

Microfinance

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity

% of AUM

4.4

- Property
- Hedge funds
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Through impact private equity funds. See SG 15.3 for additional explanations.

SME financing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity

% of AUM

4.4

- Property
- Hedge funds
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Through impact private equity funds. See SG 15.3 for additional explanations.

- Social enterprise / community investing
- Affordable housing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)

% of AUM

0.45

- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Hedge funds
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Through use-of-proceeds social bonds. See SG 15.3 for additional explanations.

Education

Asset class invested

- Listed equity
- Fixed income - SSA

% of AUM

1.8

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Hedge funds
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Through use-of-proceeds social bonds. See SG 15.3 for additional explanations.

Global health

Water

Asset class invested

- Listed equity
- Fixed income - SSA

% of AUM

2.0

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity

% of AUM

4.4

- Property
- Hedge funds
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Through impact private equity funds and green bonds. See SG 15.3 for additional explanations.

Please see SG 18.2 for more details on Zurich's impact investment approach. While Zurich's themed investments address most options provided in SG 15, the way in which its exposures to themed investments are monitored makes it difficult to provide breakdowns based on the categories provided here. In answering SG 15, a theme was selected if the area is addressed through our impact investments. But percentages were calculated based on the complete 'themed' allocation for a given asset class. For example, green bonds in SSA, financial and non-financial fixed income fund clean technologies. We estimate that biggest concentration of projects is in the SSA category. The percentage provided reflects green SSA securities relative to total SSA exposure.

- Other area, specify
- No

Innovation

SG 18	Voluntary	Public	Descriptive	General
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SG 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
----------------	--

- Yes

SG 18.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
----------------	---

Zurich believes that numerous impact investment opportunities exist across various asset classes. We have committed ourselves to evaluating impact investment opportunities and, over time, to building 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.

Nonetheless, we believe that impact investing will be sustainable as an investment 'style' only 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, 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 and implementability/adaption: Does Zurich, or an institutional-quality external asset manager, have the capability and expertise to manage the asset and adapt it to local requirements?

- 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.

In 2017 Zurich committed to impact investment targets that do not only target exposure but - as first private sector investor - also impact metrics:

- Investing up to USD 5 billion across the entire portfolio, helping to
- avoid 5 million tons of CO2 on an annual basis and
- benefit 5 million people every year

Over the course of 2018, Zurich made good progress in building a portfolio of impact investments totaling USD 3.8 billion:

- Green bonds: By the end of 2018, USD 2.7 billion had been invested in green bonds.
- Social and sustainability bonds: By the end of 2018, USD 425 million had been invested in social and sustainability bonds of various issuers.
- Impact private equity: By end of 2018, Zurich had committed USD 145 million to impact investing opportunities in private equity.
- Impact Infrastructure debt: By the end of 2018, USD 540 million had been invested in impact infrastructure debt.
- Real estate: Zurich continues to make investments aimed at reducing energy use and carbon emissions of its real estate portfolio.

In addition, Zurich worked on developing methodology to aggregate the impact indicators of CO2 avoided and people benefited across asset classes on portfolio level. These numbers will be piloted in 2019.

No

Communication

SG 19	Mandatory	Public	Core Assessed	PRI 2, 6
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SG 19.1

Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Caution! The order in which asset classes are presented below has been updated in the online tool to match the Reporting Framework overview.

If you are transferring data from an offline document, please check your response carefully.

Selection, Appointment and Monitoring

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	
<input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes	
<input type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf	
<input type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership	
<input type="checkbox"/> Other	
Frequency	
<input type="checkbox"/> Quarterly or more frequently	
<input type="checkbox"/> Biannually	
<input checked="" type="checkbox"/> Annually	
<input type="checkbox"/> Less frequently than annually	
<input type="checkbox"/> Ad-hoc/when requested	
URL	
{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}	

Listed equity - Incorporation

Do you disclose?

- We do not proactively disclose it to the public and/or clients/beneficiaries
- We disclose to clients/beneficiaries only.
- We disclose it publicly

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	<input type="radio"/> Broad approach to ESG incorporation <input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used
Frequency	<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
URL	{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

Listed equity - Engagement

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	<input checked="" type="checkbox"/> Details on the overall engagement strategy <input type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input type="checkbox"/> Number of engagements undertaken <input type="checkbox"/> Breakdown of engagements by type/topic <input type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input checked="" type="checkbox"/> Examples of engagement cases <input type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information
Frequency	<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
URL	{hyperlink: https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966 }

Listed equity – (Proxy) Voting

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	
<input type="radio"/> Disclose all voting decisions <input checked="" type="radio"/> Disclose some voting decisions <input type="radio"/> Only disclose abstentions and votes against management	
Frequency	
<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested	
URL	
{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/zurich-proxy-voting-policy-and-guidelines.pdf?la=en&hash=96EC9253F41007590058B3DB1F21966B49A5D9A1}	

Fixed income

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
	<p>Disclosure to public and URL</p> <p><input type="radio"/> Broad approach to RI incorporation</p> <p><input checked="" type="radio"/> Detailed explanation of RI incorporation strategy used</p>
	<p>Frequency</p> <p><input type="checkbox"/> Quarterly</p> <p><input type="checkbox"/> Biannually</p> <p><input checked="" type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad hoc/when requested</p>
	<p>URL</p> <p>{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}</p>

Property

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	<input type="checkbox"/> ESG information on how you select property investments <input type="checkbox"/> ESG information on how you monitor and manage property investments <input checked="" type="checkbox"/> Information on your property investments' ESG performance <input type="checkbox"/> Other
Frequency	<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
URL	<pre>{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}</pre>
URL	<pre>{hyperlink:https://www.zurich.com/en/corporate-responsibility/measuring-our-progress}</pre>

SG 19.2	Additional information [Optional]
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Most of the information above is also disclosed annually and publically in this PRI Transparency Report, which we publish annually on our website, in addition to the PRI database.

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.

Listed Equity and Fixed Income Strategies

SAM 01

Mandatory

Public

Gateway

PRI 1

SAM 01.1

Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed income assets:

Active investment strategies

Active investment strategies	Listed Equity	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)
Screening	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Thematic	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Integration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Passive investment strategies

Passive investment strategies	Listed Equity	FI - SSA	FI -Corporate (financial)	FI -Corporate (non-financial)
Screening	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

SAM 01.2

Additional information. [Optional]

In this module FI SSA refers to two different approaches: municipal credit, which is in scope for ESG integration and/or sovereign, supranational and agency credit, which is only in scope for impact investments (thematic investment), for example, in the form of our green bond mandate (see OO 11.4 for a detailed description of assets in scope for ESG integration).

Given that the vast majority of Zurich's assets are managed actively (see OO SAM 01.1 for details), we have so far considered passively-managed funds to be out-of-scope of our responsible investment approach, with the exception of equity mandates and funds, where Zurich has control of voting rights; in these cases, proxy voting policies are reviewed and voting records monitored (see OO 11.4 for a description of assets in scope for ESG integration). In addition, Zurich's exclusion screens also apply to passively managed equity and credit portfolios, which technically allow for the exclusion of single stocks/bonds.

Selection

SAM 02

Mandatory

Public

Core Assessed

PRI 1

SAM 02.1

Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	Private equity		
Your organisation's investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
ESG incorporation requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
ESG reporting requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
No RI information covered in the selection documentation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		

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

In addition to the options listed, Zurich pays specific attention to ESG training as well as ESG data made available to investment staff. See SAM 3.1 and SAM 02.5 for the full list of ESG questions assessed as part of the RFI and RFP process.

SAM 02.2

Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach

Strategy

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	Private equity		
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Assess the quality of investment policy and its reference to ESG	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Assess the investment approach and how ESG objectives are implemented in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Review the manager's firm-level vs. product-level approach to RI	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Assess the ESG definitions to be used	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

ESG people/oversight

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	Private equity		
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Review the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Review how is ESG implementation enforced /ensured	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Review the manager's RI-promotion efforts and engagement with the industry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

Process/portfolio construction/investment valuation

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	Private equity		
Review the process for ensuring the quality of the ESG data used	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Review and agree the use of ESG data in the investment decision making process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Review and agree the impact of ESG analysis on investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Review and agree manager's ESG risk framework	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Review how ESG materiality is evaluated by the manager	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Review process for defining and communicating on ESG incidents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Review and agree ESG reporting frequency and detail	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

SAM 02.3

Indicate the selection process and its ESG/RI components

- Review ESG/RI responses to RfP, RfI, DDQ etc.
- Review responses to PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)
- Review publicly available information on ESG/RI
- Review assurance process on ESG/RI data and processes
- Review PRI Transparency Reports
- Request and discuss PRI Assessment Reports
- Meetings with the potential shortlisted managers covering ESG/RI themes
- Site visits to potential managers offices
- Other, specify

SAM 02.4

When selecting external managers does your organisation set any of the following:

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	Private equity		
ESG performance development targets	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
ESG score	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
ESG weight	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Real world economy targets	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Other RI considerations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

SAM 02.5

Describe how the ESG information reviewed and discussed affects the selection decision making process.[OPTIONAL]

Zurich strives to fully reflect the four basic requirements for successful ESG integration (see SG 01.5 for a description of how Zurich looks at ESG integration) in its asset-manager life-cycle process for all in-scope assets (see OO 11.4 for a description of assets in scope for ESG integration). All reporting regarding SSA refers to Zurich's approach to municipal and sub-sovereign mandates, which are in scope for ESG integration, as well as an existing dedicated SSA green-bond mandate managed by an external asset manager.

Manager selection

A set of responsible investment questions is included in the request for information (RFI) and request for proposal (RFP) questionnaires, and is included in evaluations with an explicit weighting:

- Please describe your overall philosophy regarding, and approach to, responsible investment, including how you think environmental, social, and governance (ESG) factors impact risk-adjusted performance. Address how long-term views are generally incorporated into the investment process.
- Are you a signatory of the Principles for Responsible Investment (PRI)? If not, please explain your decision
- Please describe how you integrate environmental, social and governance (ESG) factors into your investment process, particularly with respect to security/asset selection and risk management. Using a specific example of an ESG-related risk or opportunity, describe how the process in place has influenced the decision-making. Your answer should also address: 1) Who is primarily responsible for the analysis of ESG factors? 2) What resources (research, analytical tools, etc.) are available to portfolio managers and analysts to assess ESG factors? 3) If you have a

dedicated ESG team, a description of how portfolio managers and equity/credit analysts integrate the input of the ESG team in their work; elaborate on the communication flow (meetings, research reports, etc.).

- If available, please provide a copy of your position statement. If a signatory of the Principles for Responsible Investment, please provide a brief description of how principles two to six are addressed by your organization.
- As part of your risk management or related processes, do you systematically assess the impact of ESG factors on the financial performance and do you capture exposure to any specific ESG-related risk factors as part of your portfolio-level risk analytics? If yes, do you prepare regular reports on ESG risk factor exposures?
- Please describe your proxy voting process and provide your proxy voting policy as attachment. If you do not actively vote all proxies and/or do not incorporate environmental and social issues in your policy, please explain why.
- Do you discuss specific ESG issues as part of systematic direct engagement with investee company management? If yes, please describe the process and provide three examples. If no, please explain why not.
- Please describe any relevant ESG-related training that portfolio managers and equity/credit analysts receive. If you have a dedicated ESG team, please outline the organization of the team and detail the experience and education of the team members. Use the attached Excel sheet.
- If applicable, please indicate your willingness to share the following materials with clients: selected sections from the PRI questionnaire as prepared for annual PRI reporting, as well as the PRI's analysis of relative performance; portfolio-level report(s) on ESG factor exposure.

The manager selection and responsible investment teams work together to determine the appropriate weight on a case-by-case basis and in evaluating the responses.

Manager appointment

See detailed descriptions in SAM 04.

Manager review

See detailed descriptions in SAM 05.

Note that the process for private equity (PE) fund manager selection is different from the process just described for other asset classes and is performed by a dedicated PE team. 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.

SAM 03	Mandatory	Public	Additional Assessed	PRI 2
SAM 03.1	Indicate how your organisation typically evaluates the manager's active ownership practices in the majority of the manager selection process.			
	Engagement			

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)
Review the manager's engagement policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the manager's engagement process (with examples and outcomes)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Ensure whether engagement outcomes feed back into the investment decision-making process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other engagement issues in your selection process specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(Proxy) voting

	LE
Review the manager's voting policy	<input checked="" type="checkbox"/>
Review the manager's ability to align voting activities with clients' specific voting policies	<input checked="" type="checkbox"/>
Review the manager's process for informing clients about voting decisions	<input type="checkbox"/>
Ensure whether voting outcomes feed back into the investment decision-making process	<input type="checkbox"/>
Review the number of votes cast as a percentage of ballots/AGMs or holdings and available rationale	<input checked="" type="checkbox"/>
Other active ownership voting issues in your selection process; specify	<input type="checkbox"/>

SAM 03.2

Describe how you assess if the manager's engagement approach is effective.

- Impact on investment decisions
- Financial impact on target company or asset class
- Impact on ESG profile of company or the portfolio
- Evidence of changes in corporate practices(i.e. ESG policies and implementation activities)
- Other, specify
- None of the above

SAM 03.3

Describe how you assess if the manager's voting approach is effective/appropriate

- Impact on investment decisions
- Impact on ESG profile of company or the portfolio
- Evidence of changes in corporate practices(i.e. ESG policies and implementation activities)
- Other, specify
- None of the above

Appointment**SAM 04****Mandatory****Public****Core Assessed****PRI 1****SAM 04.1**

Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment and/or commitment process

- Sets standard benchmarks or ESG benchmarks
- Defines ESG objectives and/ or ESG related exclusions/restrictions
- Sets incentives and controls linked to the ESG objectives
- Requires reporting on ESG objectives
- Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards
- Other, specify (1)
- Other, specify (2)
- None of the above

SAM 04.2

Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers' appointment.

Asset class

- Listed equity (LE)

Benchmark

- Standard benchmark
- ESG benchmark, specify

ESG Objectives

- ESG related strategy, specify
- ESG related investment restrictions, specify
See LEI 04.2
- ESG integration, specify
See SAM 04.4
- Engagement, specify
See SAM 04.4

Voting, specify

See SAM 04.4

Promoting responsible investment

ESG specific improvements

ESG guidelines/regulation, principles/standards, specify

Other, specify

Incentives and controls

We do not set incentives and controls

Reporting requirements

Monthly

Quarterly

Bi-annually

Annually

Ad-hoc/when requested

Fixed income - SSA (SSA)

Benchmark

Standard benchmark, specify

U.S. Treasury benchmark

ESG benchmark, specify

ESG Objectives

ESG related strategy, specify

ESG related investment restrictions, specify

ESG integration, specify

For municipal mandates, our ESG integration requirements apply, see SAM 04.4

Engagement, specify

Voting, specify

Promoting responsible investment

ESG specific improvements

ESG guidelines/regulation, principles/standards, specify

Other, specify

This section relates to our dedicated green bond mandate, which involves clear provisions to invest in green bonds that satisfy specific requirements

Incentives and controls

We do not set incentives and controls

Reporting requirements

- Ad-hoc/when requested
 - Annually
 - Bi-annually
 - Quarterly
 - Monthly
- Fixed income - Corporate (financial)

Benchmark

- Standard benchmark, specify
- Benchmarks are determined in the context of a specific portfolio and Zurich uses a variety of benchmarks and benchmark families depending on geographic scope, investment strategy, and investment objectives.**
- ESG benchmark, specify

ESG Objectives

- Other, specify
- We instruct all our fixed income portfolio managers to take into account impact considerations and invest in green, social or sustainability bonds where appropriate.**
- ESG related strategy, specify
- ESG related investment restrictions, specify
- ESG integration, specify
- See SAM 04.4**
- Engagement, specify
- See SAM 04.4**
- Voting, specify
- Promoting responsible investment
- ESG specific improvements
- ESG guidelines/regulation, principles/standards, specify
- Other, specify

Incentives and controls

- We do not set incentives and controls

Reporting requirements

- Ad-hoc/when requested
 - Annually
 - Bi-annually
 - Quarterly
 - Monthly
- Fixed income - Corporate (non-financial)

Benchmark

- Standard benchmark, specify

Benchmarks are determined in the context of a specific portfolio and Zurich uses a variety of benchmarks and benchmark families depending on geographic scope, investment strategy, and investment objectives.

- ESG benchmark, specify

ESG Objectives

- Other, specify
- ESG related strategy, specify
- ESG related investment restrictions, specify
- ESG integration, specify

See SAM 04.4

- Engagement, specify

See SAM 04.4

- Voting, specify
- Promoting responsible investment
- ESG specific improvements
- ESG guidelines/regulation, principles/standards, specify
- Other, specify

We instruct all our fixed income portfolio managers to take into account impact considerations and invest in green, social or sustainability bonds where appropriate

Incentives and controls

- We do not set incentives and controls

Reporting requirements

- Ad-hoc/when requested
- Annually
- Bi-annually
- Quarterly
- Monthly
- Private equity

Benchmark

- Standard benchmark, specify

Benchmarks are determined in the context of a specific portfolio and Zurich uses a variety of benchmarks and benchmark families depending on geographic scope, investment strategy, and investment objectives.

- ESG benchmark, specify

ESG Objectives

- ESG related strategy, specify
- ESG related investment restrictions, specify
- ESG integration, specify
 - See SAM 04.4
- Engagement, specify
- Voting, specify
- Promoting responsible investment
- ESG specific improvements
- ESG guidelines/regulation, principles/standards, specify
- Other, specify

Incentives and controls

- We do not set incentives and controls

Reporting requirements

- Ad-hoc/when requested
- Annually
- Bi-annually
- Quarterly
- Monthly

SAM 04.3

Indicate which of these actions your organisation might take if any of the requirements are not met

- Discuss requirements not met and set project plan to rectify
- Place investment manager on a “watch list”
- Track and investigate reason for non-compliance
- Re-negotiate fees
- Failing all actions, terminate contract with the manager
- Other, specify
- No actions are taken if any of the ESG requirements are not met

SAM 04.4

Provide additional information relevant to your organisation's appointment processes of external managers. [OPTIONAL]

We believe that proactively integrating ESG factors into the investment process helps our asset managers to generate superior risk-adjusted long-term financial returns. Rather than using ESG benchmarks that prescribe a specific application of ESG factors, we prefer to work with our asset managers to use their own ESG integration techniques in an attempt to outperform market benchmarks.

See SAM 02.5 for detailed process on how ESG is integrated into manager selection, appointment and monitoring. Note that the process for private equity (PE) fund manager selection is different from the process described in SAM 02.5 for other asset classes and is performed by a dedicated PE team. Zurich expects its asset managers to reflect the four basic requirements of ESG integration in their investment approach to formally express these expectations. In 2015, Zurich began to include specific requirements with respect to ESG in side letters to its partnership agreements. The following wording serves as an internal template and is adapted on a case-by-case basis to take into account the individual nature of each investment. The language used does not represent a recommendation to

any third party to use this or similar wording in IMAs:

For equities/fixed income in scope:

"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 client, 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 the client in connection therewith. In addition, the investment manager shall at least annually make available to the client 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."

Equity mandates also include provisions that require the asset manager to exercise voting rights on Zurich's behalf.

For private equity:

1. Responsible Investing Statement of Policy: The General Partner acknowledges that it has read the 'Responsible Investing Statement of Policy' of Zurich Insurance Group ('Zurich'), which is attached to this letter as Annex I. Zurich acknowledges that the General Partner's acknowledgement does not impose any obligations on behalf of the General Partner.

Annex I - Statement of Policy The Investor's ultimate parent entity, Zurich Insurance Group Ltd ('Zurich'), strives to manage its assets as a responsible investor and believes that responsible investing requires recognizing certain principles associated with environmental, social, and governance ('ESG') issues. Zurich believes that these principles are embodied in the United Nations Principles for Responsible Investing ('UNPRI'), to which Zurich is a signatory. Zurich believes that these initiatives will ultimately benefit our investors through the creation or manufacture of services or products in ways that minimize environmental impact, the promotion of reasonable treatment for all stakeholders, and ensuring appropriate governance. Zurich also believes that embracing ESG matters enhances the reputation of private equity, which will benefit the industry and our investors. Consequently, it is Zurich's policy to apply the UNPRI to its own investment practices, and Zurich will encourage those with whom it invests to adopt them as well. As a limited partner in private equity funds, Zurich or its affiliates must delegate the responsibility for selection and management of individual investments to the general partners of the funds. Zurich recognizes that the UNPRI are voluntary and do not preclude investment nor require divestment; however, it is Zurich's policy to engage its managers on these issues during due diligence and through subsequent monitoring. Zurich will periodically report on its efforts to gauge the effectiveness of its own efforts and those of its managers with the UNPRI.

2. ESG Dialogue: The General Partner hereby agrees to use commercially reasonable efforts to discuss environmental, social, and governance ('ESG') issues, risks and opportunities identified by the General Partner as material or otherwise deemed relevant by the General Partner at the level of the Partnership's portfolio companies on a periodic basis upon the request of the Investor.

3. ESG in the Investment Process: The General Partner shall use commercially reasonable efforts to assess relevant risks and opportunities prior to making investments for the Partnership and shall ensure that its investment process, systems and staff support the identification of ESG factors that may be material to any investment or otherwise deemed relevant by the General Partner.

Monitoring

SAM 05.1	When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates
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	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	Private equity		
ESG objectives linked to investment strategy (with examples)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Compliance with investment restrictions and any controversial investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
ESG portfolio characteristics	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
How ESG materiality has been evaluated by the manager in the monitored period	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Information on any ESG incidents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Metrics on the real economy influence of the investments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
PRI Transparency Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
PRI Assessment Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
RI-promotion and engagement with the industry to enhance RI implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Changes to the oversight and responsibilities of ESG implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Other general RI considerations in investment management agreements; specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

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

See SAM 05.3 for details on how Zurich monitors and reviews ESG integration practices of its asset managers.

SAM 05.2

When monitoring external managers, does your organisation set any of the following to measure compliance/progress

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	Private equity		
ESG score	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
ESG weight	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
ESG performance minimum threshold	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Real world economy targets	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Other RI considerations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

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

See SAM 05.3 for details on how Zurich monitors and reviews ESG integration practices of its asset managers.

SAM 05.3

Provide additional information relevant to your organisation's monitoring processes of external managers. [OPTIONAL]

Manager review

Zurich uses the following elements 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
- Discussion of ESG risks and opportunities at a portfolio level as part of formal performance review meetings
- Discussion of ESG performance as part of Asset-Liability Management Investment Committee (ALMIC) meetings
- Discussion of responsible investment practices at formal senior-level relationship meetings
- Integration of responsible investment practices into Zurich's proprietary asset manager evaluation system

Note that impact ('real world economy') targets are only monitored for Zurich's dedicated allocations to impact investments as highlighted in SG 18. Reporting regarding SSA refers to Zurich's existing dedicated SSA green bond mandate managed by an external asset manager, as well as municipal credit mandates. (See OO11.4 for a description of the scope for ESG integration.)

SAM 06

Mandatory

Public

Additional Assessed

PRI 1

SAM 06.1

When monitoring managers, indicate which of the following active ownership information your organisation typically reviews and evaluates from the investment manager in meetings/calls

Engagement

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	
Report on engagements undertaken (summary with metrics, themes, issues, sectors or similar)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Report on engagement ESG impacts (outcomes, progress made against objectives and examples)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Information on any escalation strategy taken after initial unsuccessful dialogue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Alignment with any eventual engagement programme done internally	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Information on the engagement activities' impact on investment decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other RI considerations relating to engagement in investment management agreements; specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

(Proxy) voting

	LE
Report on voting undertaken (with outcomes and examples)	<input checked="" type="checkbox"/>
Report on voting decisions taken	<input checked="" type="checkbox"/>
Adherence with the agreed upon voting policy	<input type="checkbox"/>
Other RI considerations relating to (proxy) voting in investment management agreements; specify	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

SAM 07

Mandatory

Public

Core Assessed

PRI 2

SAM 07.1

For the listed equities for which you have given your external managers a (proxy) voting mandate, indicate the approximate percentage (+/- 5%) of votes that were cast during the reporting year.

Votes cast (to the nearest 5%)

%

55

Specify the basis on which this percentage is calculated.

- Of the total number of ballot items on which they could have issued instructions
- Of the total number of company meetings at which they could have voted
- Of the total value of your listed equity holdings on which they could have voted
- We do not collect this information.

SAM 07.2

For the listed equities for which you have given your external managers a mandate to engage on your behalf, indicate the approximate percentage (+/- 5%) of companies that were engaged with during the reporting year.

Proportion (to the nearest 5%)

95

SAM 07.3

Additional information [OPTIONAL]

Note that we measure 'votes cast' based on end-of-year AuM. Accordingly, the 45 percent not voted includes assets not voted due to legal restrictions, cost/benefit considerations, stages of proxy voting roll-out of an asset manager or portfolio turn-over.

Note that the 95 percent reported for engagement is based on AuM managed by external asset managers who apply an active engagement approach.

Outputs and outcomes

SAM 08

Mandatory to Report Voluntary to Disclose

Public

Descriptive

PRI 1

SAM 08.1

Describe how you ensure that best RI practice is applied to managing your assets

Encourage improved RI practices with existing investment managers

Measures

See SAM 05 for details on how Zurich monitors and reviews ESG integration practices of its asset managers. As part of this process, we work together very closely with our asset managers to improve responsible investment practices.

Move assets over to investment managers with better RI practices

Other, specify

See SAM 05 for details on how Zurich monitors and reviews ESG integration practices of its asset managers. As part of this process, we work together very closely with our asset managers to improve responsible investment practices.

Measures

See SAM 05 for details on how Zurich monitors and reviews ESG integration practices of its asset managers. As part of this process, we work together very closely with our asset managers to improve responsible investment practices.

None of the above

SAM 09	Mandatory	Public	Additional Assessed	PRI 1,6
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SAM 09.1	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	Manager Selection of GBP denominated Credit Mandate
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 – SSA <input type="checkbox"/> Fixed income – corporate (financial) <input checked="" type="checkbox"/> Fixed income – corporate (non financial) <input type="checkbox"/> Private equity
Scope and process	Zurich conducted a manager search during 2018 for a European credit mandate.
Outcomes	Zurich selected an asset manager with an established ESG reporting framework for this asset class, included relevant ESG language in the IMA and onboarded the new asset manager into the review process.

Add Example 2

Topic or issue	Investment Management Agreements
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Fixed income – corporate (non financial) <input type="checkbox"/> Private equity
Scope and process	Zurich is updating IMAs with existing asset manager to include ESG language.
Outcomes	In 2018, further IMAs were updated, covering 87% of in-scope assets. (See OO 11.4 for a description of the scope for ESG integration.)

Add Example 3

Topic or issue	Performance review of a credit portfolio (US credit)
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 – SSA <input type="checkbox"/> Fixed income – corporate (financial) <input checked="" type="checkbox"/> Fixed income – corporate (non financial) <input type="checkbox"/> Private equity
Scope and process	ESG performance of a portfolio of U.S. corporate credit securities was discussed with the asset manager. The asset manager identified a number of ESG risks in the portfolio, which were discussed. The manager reported on progress made with regard to using and understanding third-party ESG data. The manager spent time disaggregating and analyzing procured ESG data, and developed a proprietary method to re-assemble the data with new materiality weights. This version is now used for ESG integration. The manager also ramped up efforts on engagements, which is done in tandem with the manager's equity team. Specific examples of engagement with U.S. energy companies were discussed. The manager engaged with a broad sample of companies to urge them to adopt an approach favoring a low-carbon transition with a preference for renewable sources.
Outcomes	The manager's scores for meeting our minimum standards on ESG integration were upgraded this year as a result.

- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- We are not able to provide examples

SAM 09.2	Additional information.
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In 2018, Zurich formally reviewed ESG performance of externally managed securities portfolios in 31 performance review meetings, covering 94 percent of in-scope assets.

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.

ESG incorporation in actively managed listed equities

Implementation processes

LEI 01	Mandatory	Public	Gateway	PRI 1
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LEI 01.1

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 (+/- 5%)

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	%
	7

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

Percentage of active listed equity to which the strategy is applied	%
	93

- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined
- We do not apply incorporation strategies

Total actively managed listed equities

100%

LEI 01.2

Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.

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

Zurich believes that 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 SG 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 SG 18.2.

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) curricula.

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 required 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.

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 some 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. But while some best practices may not be applicable under all circumstances, minimum standards related to the four basic requirements of ESG integration (described in this text) apply across 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.[1]
- Integration of ESG factors into industry sector analysis.
- ESG analytics at a portfolio level.

4. Active ownership minimum standard

- Execute votes for public equity holdings in line with Zurich's proxy voting policy.
- Review of ESG research before interacting with investee company management (through existing channels such as investor meetings or calls, etc.) and discussion of relevant ESG issues.
- Use of PRI clearinghouse platform for engagement activities.
- Discuss active ownership examples and progress in annual meetings between local teams and central Responsible Investment team

[further points on best practice see LEI 01.3]

[1] Only a few Zurich teams conduct bottom-up research in-house.

LEI 01.3	If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]
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[addition to LEI 01.2]

Best practice

- Pro-active and targeted outreach to brokers, ESG data providers, industry bodies, investee companies with material ESG issues, as well as industry or regulatory bodies in support of identified responsible investment matters.
- Initiating or joining engagements on identified priority topics with external asset managers or peers.
- Actively taking on and championing an engagement topic through the PRI clearinghouse platform or other adequate channels.

Screening applies to all direct equity investments. Refer to OO 11.4 for a description of the type of equity mandates in scope of ESG integration, and to LEI 04 for details on the screening process.

LEI 02	Voluntary	Public	Additional Assessed	PRI 1
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LEI 02.1	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

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
- Screened stock list

Indicate who provides this information

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

LEI 02.2	Indicate if you incentivise brokers to provide ESG research.
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- Yes

LEI 02.3	Describe how you incentivise brokers.
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Since 2014, Zurich has conducted three campaigns involving dozens of brokers, asking them to integrate ESG into their analysis and research products. Since then, the teams have kept up discussion with brokers on ESG integration.

No

LEI 03	Voluntary	Public	Additional Assessed	PRI 1
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LEI 03.1	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.

(Proxy) voting

- 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 03.2	Additional information. [Optional]
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As part of Zurich's engagement approach, teams now reflect ESG issues in their interaction with investee companies. In such cases, engagement is driven by the portfolio managers and/or analysts directly, with the objective to generate insight as part of the investment process. In 2018, Zurich also drove a coordinated top-down engagement campaign in connection with its thermal coal divestment. Insights gathered through this process were shared with portfolio managers. Zurich's in-house portfolio managers all have access to the proxy voting platform of their relevant universe.

(A) Implementation: Screening

LEI 04	Mandatory	Public	Descriptive	PRI 1
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LEI 04.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.
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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 that we apply currently comprises producers of UN-sanctioned weapons (banned cluster munitions and anti-personal landmines), companies that derive more than half of revenues from thermal coal mining or use more than half of coal in their power generation mix as well as any companies Zurich may choose to disengage with, based on the process described in LEI 04.2.

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

LEI 04.2	Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.
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Zurich's insurance businesses 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 sustainability risks and promote best practices in managing ESG risks. A referral desk is in place to assess sensitive or complex sustainability risks and provide direction on appropriate mitigation actions. The outcome of the risk assessment and risk mitigation efforts is tracked and analyzed and management receives information on the results and effectiveness of managing sustainability risks in business transactions. Zurich's approach to integrate sustainability 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 and thermal coal), 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 in underwriting and investment activities.

If a decision is made to exclude, exclusion screens are prepared by Zurich's sustainability team, based on Zurich's code of conduct and the Group's commitment to the UN Global Compact, and are the result of a structured process to manage sustainability risks in business transactions. Currently, the screen consists mainly of weapons banned by the UN (cluster munitions and anti-personnel landmines) and companies that derive more than half of revenues from thermal coal mining or use more than half of coal in their generation mix. A list of these companies is provided quarterly by various third-party research providers. If a company is identified that is a Zurich customer, Zurich will conduct a sustainability 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 05	Mandatory	Public	Core Assessed	PRI 1
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LEI 05.1

Indicate which processes your organisation uses to ensure screening is based on 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
- 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
- Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- Trading platforms blocking / restricting flagged securities on the black list
- 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
- Review and evaluation of external research providers
- Other, specify
- None of the above

LEI 05.2

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.

- <10%
- 10-50%
- 51-90%
- >90%

LEI 05.3

Indicate how frequently third party ESG ratings are updated for screening purposes.

- Quarterly or more frequently
- Bi-annually
- Annually
- Less frequently than annually

LEI 05.4

Indicate how frequently you review internal research that builds your ESG screens.

- Quarterly or more frequently
- Bi-annually
- Annually
- Less frequently than annually

LEI 05.5

Additional information. [Optional]

Please refer to the process described in LEI 04.2 for details.

LEI 06**Voluntary****Public****Additional Assessed****PRI 1**

LEI 06.1 Indicate which processes your organisation uses to ensure fund criteria are not breached.

- Systematic checks are performed to ensure that stocks meet the funds' screening criteria.
- 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
- Periodic auditing/checking of the organisations RI funds by external party
- Other, specify
- None of the above

LEI 06.2 If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.




In cases where guidelines are breached, the local, regional and/or central investment teams will discuss the breach with the asset manager, determine adequate remediation on a case-by-case basis (including the reversal of transactions or granting of waivers), and inform the investment committee of the breach and action taken.

LEI 06.3 Additional information.[Optional]

External and internal asset managers receive a quarterly '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 04.2. Occasional checks made of the blacklisted names against Group holdings are performed in line with a process used to manage other types of guideline breaches.

(C) Implementation: Integration of ESG factors

LEI 08	Mandatory	Public	Core Assessed	PRI 1
LEI 08.1	Indicate the ESG factors you systematically research as part of your investment analysis and the proportion of actively managed listed equity portfolios that is impacted by this analysis.			

ESG issues	Proportion impacted by analysis
Environmental	 <p>Environmental</p> <p> <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90% </p>
Social	 <p>Social</p> <p> <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> 51-90% <input type="radio"/> >90% </p>
Corporate Governance	 <p>Corporate Governance</p> <p> <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90% </p>

LEI 08.2 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 01.3 for details about the minimum standards for ESG integration in the security selection process. Currently, all of Zurich's major in-house teams systematically apply the ESG integration process as described in LEI 01.2 and LEI 01.3, which includes a review of potential ESG issues.

LEI 09	Mandatory	Public	Core Assessed	PRI 1
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LEI 09.1

Indicate which processes your organisation uses to ensure 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
- Third-party ESG ratings are updated regularly.
- A periodic review of the internal research is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Analysis of the impact of ESG factors on investment risk and return performance
- Other, specify
- None of the above

LEI 09.2

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- <10%
- 10-50%
- 51-90%
- >90%

LEI 09.3

Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

LEI 09.5

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 09.6

Additional information.[Optional]

Zurich sources third-party ESG data and research, which is available to all portfolio managers and other relevant staff within Group Investment Management directly on the provider's platform. Portfolio managers and analysts are encouraged to complement this information with ESG research provided by brokers and other sources. Zurich does not generally conduct in-house equity research. In addition, ESG ratings and other key ESG information are integrated into Group Investment Management's global investment data warehouse (GIDW).

LEI 10

Mandatory to Report Voluntary to Disclose

Public

Core Assessed

PRI 1

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEI 10.1

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

Economic analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Industry analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Quality of management

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Analysis of company strategy

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Portfolio weighting

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Sensitivity and/or scenario analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Fair value/fundamental analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

Other, specify

LEI 10.2

Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis and/or portfolio construction.

- Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
- Adjustments to valuation-model variables (discount rates, terminal value, perpetuity growth rates)
- Valuation multiples
- Other adjustments; specify

The portfolio manager will make a subjective adjustment

LEI 10.3

Describe how you integrate ESG information into portfolio weighting.

Approaches applied by selected teams include:

- Assessment of weighted ESG ratings relative to benchmark
- Use of ESG rating to screen investment universe
- Taking larger active positions if ESG factors reduce risk

LEI 10.4	Describe the methods you have used to adjust the income forecast / valuation tool
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The portfolio manager will make a subjective adjustment.

LEI 10.5	Describe how you apply sensitivity and/or scenario analysis to security valuations.
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Approaches applied by selected teams include testing different levels of variables in their models to compare a company against its sector peers.

LEI 10.6	Additional information. [OPTIONAL]
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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 01.2 & LEI 01.3 for details about minimum standards for ESG integration applied across teams.

Outputs and outcomes

LEI 12	Voluntary	Public	Descriptive	PRI 1
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LEI 12.1	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 factors

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
- Engagement / Voting
- Other, specify
Position sizing
- None of the above

LEI 12.2	Additional information.[Optional]
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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 12.1, options were selected if applied systematically at least by one team.

See LEI 01.2 & LEI 01.3 for details about minimum standards for ESG integration applied across teams.

LEI 13	Voluntary	Public	Descriptive	PRI 1
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LEI 13.1	Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.
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ESG factor 1

	ESG factor and explanation
<p>The portfolio manager concluded after a financial analysis that Company Z is an attractive opportunity from a fundamental point of view. But the presence of its founder on its board was a clear risk of Governance, as acquisition the company has done in the past proved to be beneficial to the founder.</p>	
	ESG incorporation strategy applied
<p>Integration</p> <p><input type="checkbox"/> Screening</p> <p><input checked="" type="checkbox"/> Integration</p>	
	Impact on investment decision or performance
<p>The portfolio manager waited until the founder sold all his shares and broke all his ties with the company prior to investing.</p>	

ESG factor 2

ESG factor and explanation
The portfolio manager reviewed a holding in a car listings company. There were two key concerns - potential disruption to the business model from social media platforms becoming involved in the business and the potential for fewer car owners in a world where autonomous vehicles and car sharing are becoming more common.
ESG incorporation strategy applied
Integration <input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration
Impact on investment decision or performance
The portfolio manager decided to divest the holdings in the company's stock.

- ESG factor 3
- ESG factor 4
- ESG factor 5

LEI 13.2	Additional information.[Optional]
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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.

The examples provided in LEI 13.1 apply to specific portfolios managed by different teams and reflect different investment approaches.

See LEI 01.2 & LEI 03.2 for details about minimum standards for ESG integration applied across teams.

Zurich Insurance Group

Reported Information

Public version

Direct - Listed Equity Active Ownership

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

LEA 01

Mandatory

Public

Core Assessed

PRI 2

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 01.1

Indicate whether your organisation has an active ownership policy.

Yes

LEA 01.2

Attach or provide a URL to your active ownership policy.

Attachment provided:

URL provided:

URL

{hyperlink:<https://www.zurich.com/en/sustainability/responsible-investment>}

LEA 01.3

Indicate what your active engagement policy covers:

General approach to active ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach

Engagement

- ESG issues
- Prioritisation of engagement
- Method of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other specify;
- (Proxy) voting approach

Voting

- ESG issues
 - Prioritisation and scope of voting activities
 - Methods of voting
 - Transparency of voting activities
 - Regional voting practice approaches
 - Filing or co-filing resolutions
 - Company dialogue pre/post-vote
 - Decision-making processes
 - Securities lending processes
 - Other specify;
 - Other
 - None of the above
- No

LEA 01.4 Do you outsource any of your active ownership activities to service providers?

- Yes

LEA 01.5

Where active ownership activities are conducted by service providers, indicate whether your active ownership policy covers any of the following.

- Outline of service providers role in implementing organisation's active ownership policy
 - Description of considerations included in service provider selection and agreements
 - Identification of key ESG frameworks service providers must follow
 - Outline of information sharing requirements of service providers
 - Description of service provider monitoring processes
 - Other, specify
- Reporting**
- None of the above
- No

LEA 01.6 Additional information [optional]

The following minimum requirements and best practice have been agreed with regard to proxy voting and engagement:

Active ownership minimum standard

- Execute votes for public equity holdings in line with Zurich's proxy voting policy
- Reviewing ESG research before interacting with investee company management (through existing channels such as investor meetings or calls, etc.) and discussion of relevant ESG issues besides other material issues.
- Use of PRI clearinghouse platform for engagement activities on priority topics.
- Discuss active ownership examples and progress in annual meetings between local teams and Zurich's Group Responsible Investment team.

Best practice

- Pro-actively establishing and maintaining dialogue with brokers, ESG data providers, industry bodies, investee companies with material ESG issues, or regulatory bodies to support responsible investment matters Zurich has identified.
- Initiating or joining engagements with external asset managers or peers on identified priority topics.
- Actively taking on and championing topics for engagement through the PRI clearinghouse platform or other suitable channels.

Engagement

LEA 02	Mandatory	Public	Core Assessed	PRI 1,2,3
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LEA 02.1 Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via service providers

LEA 02.4 Additional information. [Optional]

See SG 09 for the list of industry networks / organisation we are engaged with.

LEA 03	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 03.1

Indicate whether your organisation has a formal process for identifying and prioritising engagements.

Yes

LEA 03.2

Indicate the criteria used to identify and prioritise engagements for each type of engagement.

Type of engagement	Criteria used to identify/prioritise engagements
Individual / Internal engagements	<div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 10px;">Internal / Individual engagements</div> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Geography / market of the companies <input checked="" type="checkbox"/> Materiality of the ESG factors <input checked="" type="checkbox"/> Exposure (size of holdings) <input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Client request <input checked="" type="checkbox"/> Breaches of international norms <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not outline engagement criteria for our individual engagements.
Collaborative engagements	<div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 10px;">Collaborative engagements</div> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Potential to enhance knowledge of ESG issues from other investors <input checked="" type="checkbox"/> Ability to have greater impact on ESG issues <input checked="" type="checkbox"/> Ability to add value to the collaboration <input checked="" type="checkbox"/> Geography/market of the companies targeted by the collaboration <input checked="" type="checkbox"/> Materiality of ESG factors addressed by the collaboration <input type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration <input type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Alleviate the resource burden of engagement <input type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not outline engagement criteria for our collaborative engagements.

No

LEA 03.3 Additional information. [Optional]

We apply both a top-down and bottom-up approach to identify engagement topics. Top-down decisions are based on strategic considerations and driven by Group functions, whereas bottom-up decisions are based on a portfolio level and are driven by investment decision-makers, such as portfolio managers.

Top down:

- Topics of greatest priority are aligned with Zurich Insurance Group's business strategy, sustainability strategy, responsible investment strategy and existing external commitments (such as the UN Global Compact, The Investor Agenda, and others), or local stewardship codes, to which Zurich voluntarily adheres.

Bottom-up

- Financially material long-term ESG trends.
- Financially most-material ESG factors in terms of geography/industry sector/company in the portfolio manager's universe.

LEA 04	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 04.1 Indicate whether you define specific objectives for your organisation's engagement activities.

Individual / Internal engagements	<input type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input checked="" type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by internal staff.
Collaborative engagements	<input type="radio"/> All engagement activities <input checked="" type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out through collaboration

LEA 04.2 Additional information. [Optional]

Top down engagement activities in 2018 focused on growing the green bond market, supporting the transition to a low-carbon economy and asking for the implementation of the Paris Agreement, as well as the establishment of an economically viable carbon price. A priority for 2018 was to drive a top-down engagement campaign, which Zurich did in connection with divesting from companies that generated more than 50 percent of their revenues from mining thermal coal or had more than 50 percent of coal in their power generation mix.

All in-house teams conducted bottom-up engagement activities, which are monitored through an annual internal questionnaire including a follow-up discussion.

LEA 05	Mandatory	Public	Core Assessed	PRI 2
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LEA 05.1

Indicate if you monitor and/or review engagement outcomes.

Individual / Internal engagements	<input type="radio"/> Yes, in all cases <input checked="" type="radio"/> Yes, in majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes carried out by our internal staff.
Collaborative engagements	<input type="radio"/> Yes, in all cases <input checked="" type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes via collaborative engagement activities.

LEA 05.2

Indicate if you do any of the following to monitor and review the progress of engagement activities.

Individual / Internal staff engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input type="checkbox"/> Revisit and, if necessary, revise objectives on continuous basis <input checked="" type="checkbox"/> Other; specify Annual in-house questionnaire
Collaborative engagements	<input type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on continuous basis <input type="checkbox"/> Other; specify

LEA 06

Mandatory

Public

Additional Assessed

PRI 2,4

LEA 06.1

Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.

- Yes
- No

LEA 07

Voluntary

Public

Additional Assessed

PRI 1,2

LEA 07.1

Indicate whether insights gained from your organisation's engagements are shared with investment decision-makers.

Type of engagement	Insights shared
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 07.2 Indicate the practices used to ensure information and insights collected through engagements are shared with investment decision-makers.

- Involving investment decision-makers when developing engagement programme
- Holding investment team meetings and/or presentations
- Using IT platforms/systems that enable data sharing
- Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels
- Other; specify
- None

LEA 07.3 Indicate whether insights gained from your organisation’s engagements are shared with your clients/beneficiaries.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input checked="" type="radio"/> No
Collaborative engagements	<input type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input checked="" type="radio"/> No

LEA 07.4 Additional information. [Optional]

Based on our active ownership approach, one of the four pillars of the ESG integration, we have organized a network of responsible investment champions. Among others, the responsible investment champions share relevant research, news or other information related to responsible investment practices with their teams and form part of a global network of over 25 responsible investment champions who exchange views and their experiences in regular conference calls. We actively discuss progress on our engagement topics with peers or via collaborative networks.

LEA 08	Mandatory	Public	Gateway	PRI 2
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LEA 08.1 Indicate if you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Collaborative engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track

Outputs and outcomes

LEA 09	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
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LEA 09.1

Indicate the proportion of companies from your listed equities portfolio with which your organisation engaged with during the reporting year.

	We did not complete any engagements in the reporting year.	Number of companies engaged (avoid double counting, see explanatory notes)	Proportion of companies engaged with, out of total listed equities portfolio
Individual / Internal staff engagements	<input type="checkbox"/>	300	25
Collaborative engagements	<input type="checkbox"/>	0	0

LEA 09.2

Indicate the proportion breakdown of engagements conducted within the reporting year by the number of interactions (including interactions made on your behalf)

No. of interactions with a company	% of engagements
One interaction	<input type="radio"/> >76% <input type="radio"/> 51-75% <input checked="" type="radio"/> 11-50% <input type="radio"/> 1-10% <input type="radio"/> None
2 to 3 interactions	<input type="radio"/> >76% <input checked="" type="radio"/> 51-75% <input type="radio"/> 11-50% <input type="radio"/> 1-10% <input type="radio"/> None
More than 3 interactions	<input type="radio"/> >76% <input type="radio"/> 51-75% <input type="radio"/> 11-50% <input checked="" type="radio"/> 1-10% <input type="radio"/> None
Total	100%

LEA 09.5

Additional information. [Optional]

In 2018 we did not collaboratively engage in public equity-related forums, however, we remained very active in the Green Bond Principles and exchanged our views actively with various issuers.

LEA 10

Voluntary

Public

Additional Assessed

PRI 2

LEA 10.1

Indicate which of the following your engagement involved.

- Letters and emails to companies
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Meetings and/or calls with board/senior management
- Meetings and/or calls with the CSR, IR or other management
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Visits to operations
- Visits to the supplier(s) from the 'company's supply chain
- Participation in roadshows
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Other

LEA 10.2

Additional information. [Optional]

Based on our engagement policy, whenever a company initiates dialogue through investor calls, roadshows, or meetings, investment professionals at Zurich are required to a) review ESG performance and controversial business practices and bring up material ESG topics in the discussion and b) cite the importance of sustainability, and hence company transparency, in their sustainability strategy and material ESG factors. One of our emerging market teams proactively sends ESG questionnaires to companies not yet publicly reporting on ESG issues. In 2018, we launched a formal letter campaign to thermal coal companies we divested from, letting them know we divested in order to engage them in a dialogue.

LEA 11

Voluntary

Public

Descriptive

PRI 2

LEA 11.1

Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.

- Add Example 1

ESG Topic	<p>Climate Change, Plastics</p> <input type="checkbox"/> Executive Remuneration <input checked="" type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Other governance <input checked="" type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	<p>We explored sustainability issues related to plastic packaging amid increasing concerns about packaging waste. We also sought to gather more information on this topic.</p>
Scope and Process	<p>Call with a leading global packaging company</p>
Outcomes	<input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input checked="" type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 2

ESG Topic	<p>Climate Change</p> <input type="checkbox"/> Executive Remuneration <input checked="" type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	Gain additional information about ESG factors
Scope and Process	<p>We have investments in a company with a large portion of its activity directly or indirectly related to energy efficiency and energy transition. The company has an internal diversity promotion policy, a structure through which employers offer some of their time to charities, and it is working on reducing its carbon footprint significantly by gradually converting its vehicle fleet to electrical cars. The company is working on a specific brochure to explain all the ESG policies in more detail.</p>
Outcomes	<input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input checked="" type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting

	<input type="checkbox"/> Other
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Add Example 3

ESG Topic	<p>Climate Change</p> <input type="checkbox"/> Executive Remuneration <input checked="" type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	Encouraging a faster transition to a low-carbon economy
Scope and Process	Encouraging a faster transition to a low-carbon economy; letting coal companies know about our position to engage them in dialogue; In 2018, we launched a formal letter campaign to coal companies we divested from, letting them know we divested in order to engage them in a dialogue.
Outcomes	<input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input checked="" type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other

Add Example 4

- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

(Proxy) voting and shareholder resolutions

LEA 12	Mandatory	Public	Descriptive	PRI 2
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LEA 12.1 Indicate how you typically make your (proxy) voting decisions.

Approach

- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service provider(s) who make voting recommendations and/or provide research that we use to guide our voting decisions.

Based on

- the service provider voting policy we sign off on
- our own voting policy
- our clients' requests or policies
- other, explain
- We hire service provider(s) who make voting decisions on our behalf, except for some pre-defined scenarios where we review and make voting decisions.
- We hire service provider(s) who make voting decisions on our behalf.

LEA 12.2 Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made.

Zurich's voting guidelines are adapted from Glass Lewis' continental European policy, and amended with a number of proprietary voting principles.

Voting ballots are pre-filled by our service provider, based on Zurich's proprietary policy. In addition, each portfolio manager will set up email alerts in connection to his/her universe, in order to be alerted of upcoming voting deadlines, as well as any topics deemed material by the portfolio manager. Portfolio managers have the right and opportunity to deviate from the pre-filled recommendation, provided they explain their rationale and make sure they discuss their decision with in-house portfolio managers in other countries covering the same stock. A detailed process description can be found in Zurich's proxy voting policy and guidelines.

LEA 12.3 Additional information.[Optional]

See full proxy voting policy and procedures under:

https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/zurich-proxy-voting-policy-and-guidelines.pdf?la=en&hash=96EC9253F41007590058B3DB1F21966B49A5D9A1

LEA 14	Voluntary	Public	Additional Assessed	PRI 2
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LEA 14.1	Indicate if your organisation has a securities lending programme.
-----------------	---

Yes

LEA 14.3	Indicate how voting is addressed in your securities lending programme.
-----------------	--

- We recall all securities for voting on all ballot items
- We maintain some holdings, so we can vote at any time
- We systematically recall some securities so that we can vote on their ballot items (e.g., in line with specific criteria)
- We recall some securities so that we can vote on their ballot items on an ad hoc basis
- We empower our securities lending agent to decide when to recall securities for voting purposes
- We do not recall our shares for voting purposes
- Other specify;

No

LEA 15	Mandatory	Public	Descriptive	PRI 2
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LEA 15.1	Indicate the proportion of votes where you or the service providers acting on your behalf have raised concerns with companies ahead of voting.
-----------------	--

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- Neither we nor our service provider(s) raise concerns with companies ahead of voting

LEA 16	Mandatory	Public	Core Assessed	PRI 2
---------------	------------------	---------------	----------------------	--------------

LEA 16.1	Indicate the proportion of votes participated in within the reporting year in which, you and/or the service provider(s) acting on your behalf, have communicated to companies the rationale for abstaining or voting against management recommendations.
-----------------	--

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

LEA 16.2

Indicate the reasons your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.

- Votes for selected markets
- Votes for selected sectors
- Votes relating to certain ESG issues
- Votes on companies exposed to controversy on specific ESG issues
- Votes for significant shareholdings
- On request by clients
- Other

Explain

When contacted by investee companies

LEA 16.3

In cases where your organisation does communicate the rationale for the abstention or the vote against management recommendations, indicate whether this rationale is made public.

- Yes
- No

LEA 17**Mandatory****Public****Core Assessed****PRI 2****LEA 17.1**

For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information

Votes cast (to the nearest 1%)

%

30

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

LEA 17.2 Explain your reason(s) for not voting on certain holdings

- Shares were blocked
- Notice, ballots or materials not received in time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- Client request
- Other

Personal attendance required; progress of roll-out or proxy voting access to in-house managers; post-proxy voting season portfolio turn-over

LEA 17.3 Additional information. [Optional]

Proxy voting for in-house managed equity was fully rolled out for one country in 2018. Additional two countries came on board during 2018. Roll out to further countries is ongoing.



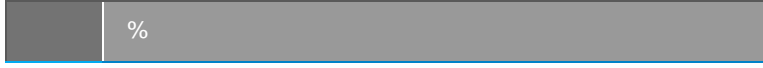
Note that we measure 'votes cast' based on end-of-year AuM. Accordingly, the share of votes not voted include assets not voted due to legal restrictions, cost/benefit considerations, stages of proxy voting roll-out of an asset manager or portfolio turn-over.

LEA 18	Voluntary	Public	Additional Assessed	PRI 2
---------------	------------------	---------------	----------------------------	--------------

LEA 18.1 Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

- Yes, we track this information

LEA 18.2 Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	 90.6
Against (opposing) management recommendations	 9
Abstentions	 0.4

100%

No, we do not track this information

LEA 18.3 In cases where your organisation voted against management recommendations, indicate the percentage of companies you have engaged.

LEA 19	Mandatory	Public	Core Assessed	PRI 2
---------------	------------------	---------------	----------------------	--------------

LEA 19.1 Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.

- Yes
 No

LEA 20	Voluntary	Public	Descriptive	PRI 2
---------------	------------------	---------------	--------------------	--------------

LEA 20.1 Indicate if your organisation directly or through a service provider filed or co-filed any ESG shareholder resolutions during the reporting year.

- Yes
 No

LEA 20.6 Describe whether your organisation reviews ESG shareholder resolutions filed by other investors.

All environmentally and socially themed shareholder resolutions are automatically referred to Zurich's Responsible Investment team for manual vote. The RI team can amend votes on ESG-related shareholder resolutions in collaboration with the PMs using the same overwriting process as described in LEA 12.2.

LEA 21	Voluntary	Public	Descriptive	PRI 2
---------------	------------------	---------------	--------------------	--------------

LEA 21.1

Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.

Add Example 1

ESG Topic	<p>Climate Change, Pollution, Sustainability reporting</p> <input type="checkbox"/> Executive Remuneration <input checked="" type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input checked="" type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input checked="" type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input type="checkbox"/> Political spending / lobbying <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>In 2018, we saw an increase in number of shareholder proposals asking for further greenhouse gas emissions/ climate risk reporting and targets. Given the risks posed by climate change to investment portfolios, transparency on the climate change related strategies of especially emission intensive companies is vital for investment decision-making.</p>
Scope and Process	<p>All environmentally and socially themed shareholder resolutions are automatically referred to Zurich's Responsible Investment team for manual vote. The RI team can amend votes on ESG-related shareholder resolutions in collaboration with the PMs using the same overwriting process as described in LEA 12.2. In 2018 we supported a variety of reasonable shareholder proposals asking for increased transparency on climate change risks and strategies. For example one such a shareholder proposal was asking a company to issue a report describing how it could adapt its business model to align with a decarbonizing economy. Zurich has voted in favour of the proposal as the company operates in a GHG exposed sector; we believe it is key to set GHG reduction targets to make a difference.</p>
Outcomes	<input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment <input type="checkbox"/> Failed/no outcome

<input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input checked="" type="checkbox"/> Voting <input type="checkbox"/> Other
--

Add Example 2

ESG Topic	<p>Political spending / lobbying</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive Remuneration <input type="checkbox"/> Climate Change <input type="checkbox"/> Human rights <input type="checkbox"/> Company leadership issues <input type="checkbox"/> Pollution <input type="checkbox"/> General ESG <input type="checkbox"/> Diversity <input type="checkbox"/> Shareholder rights <input type="checkbox"/> Health and Safety <input type="checkbox"/> Sustainability reporting <input type="checkbox"/> Water risks <input type="checkbox"/> Labour practices and supply chain management <input type="checkbox"/> Anti-bribery and corruption <input type="checkbox"/> Deforestation <input type="checkbox"/> Aggressive tax planning <input type="checkbox"/> Cyber security <input checked="" type="checkbox"/> Political spending / lobbying <input type="checkbox"/> Other governance <input type="checkbox"/> Plastics <input type="checkbox"/> Other
Conducted by	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	<p>Aligned with Glass Lewis, Zurich believes that a thoughtful disclosure and oversight policy regarding a company's political contributions, developed and overseen by the board, is an important component of corporate accountability. In our view, a rigorous oversight process can minimize a company's exposure to legal, reputational, and financial risk by ensuring that donations are made in accordance with federal and state law, and that these donations are consistent with both a company's stated values and the long-term interests of the company and should therefore be publicly disclosed.</p>
Scope and Process	<p>All environmentally and socially themed shareholder resolutions are automatically referred to Zurich's Responsible Investment team for manual vote. The RI team can amend votes on ESG-related shareholder resolutions in collaboration with the PMs using the same overwriting process as described in LEA 12.2.</p> <p>Due to a high volume of lobbying disclosure related shareholder proposals, the RI team defined minimum requirements on lobbying / political spending activities disclosure and voted accordingly.</p>
Outcomes	<ul style="list-style-type: none"> <input type="checkbox"/> Company changed practice <input type="checkbox"/> Company committed to change <input type="checkbox"/> Disclosure / report published <input type="checkbox"/> Divestment

<input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input checked="" type="checkbox"/> Voting <input type="checkbox"/> Other
--

- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

Zurich Insurance Group

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

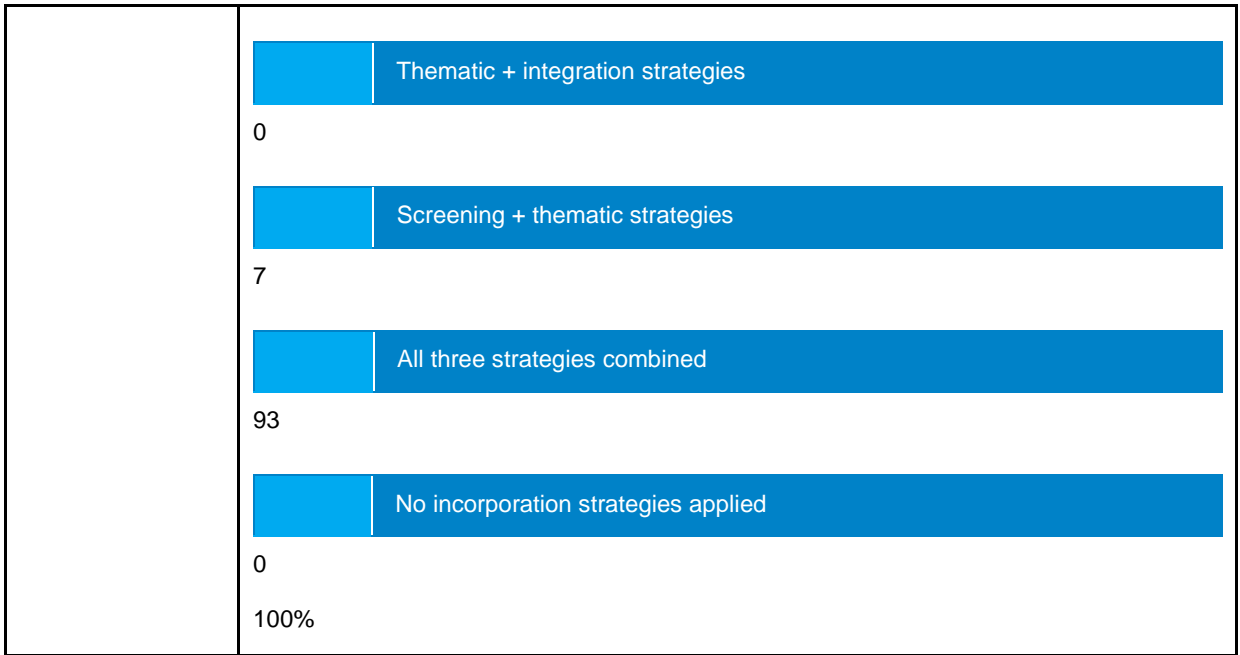
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ESG incorporation in actively managed fixed income

Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

SSA	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>92</td> </tr> <tr> <td>Integration alone</td> <td>0</td> </tr> <tr> <td>Screening + integration strategies</td> <td>0</td> </tr> <tr> <td>Thematic + integration strategies</td> <td>8</td> </tr> <tr> <td>Screening + thematic strategies</td> <td>0</td> </tr> <tr> <td>All three strategies combined</td> <td>0</td> </tr> <tr> <td>No incorporation strategies applied</td> <td>0</td> </tr> <tr> <td>Total (any strategy)</td> <td>100%</td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	0	Thematic alone	92	Integration alone	0	Screening + integration strategies	0	Thematic + integration strategies	8	Screening + thematic strategies	0	All three strategies combined	0	No incorporation strategies applied	0	Total (any strategy)	100%
Strategy	Percentage																				
Screening alone	0																				
Thematic alone	92																				
Integration alone	0																				
Screening + integration strategies	0																				
Thematic + integration strategies	8																				
Screening + thematic strategies	0																				
All three strategies combined	0																				
No incorporation strategies applied	0																				
Total (any strategy)	100%																				
Corporate (financial)	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>0</td> </tr> <tr> <td>Screening + integration strategies</td> <td>0</td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	0	Thematic alone	0	Integration alone	0	Screening + integration strategies	0										
Strategy	Percentage																				
Screening alone	0																				
Thematic alone	0																				
Integration alone	0																				
Screening + integration strategies	0																				



Corporate (non-financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	0
	Thematic + integration strategies	0
	Screening + thematic strategies	12
	All three strategies combined	88
	No incorporation strategies applied	0
	100%	

FI 01.2 Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

Please refer to the additional information provided in FI 01.3 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: Note that ESG integration only applies to the municipal securities part of the SSA allocation (see OO 11.4 for a description of ESG integration scope).
- Screening: consistent Group-wide process to manage specific controversial issues (see LEI 04.2).
- Thematic: refers to Zurich's impact investing strategy (see SG 18.2 for details). We have a global approach for managing use-of-proceeds impact instruments such as green, social and sustainability bonds across all credit types. In 2018, we had investments in supranational, sovereign, municipal, agency, financial and non-financial corporate credit green, social or sustainability bonds.

Screening applies only to corporate bond investments. Refer to OO 11.4 for a description of the type of fixed income mandates in scope of ESG integration.

FI 01.3	Additional information [Optional].
---------	------------------------------------

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 SG 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 SG 18.2.

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 of 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 required 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.

Screening applies to all direct fixed income investments. Refer to OO 11.4 for a description of the type of fixed income mandates in scope of ESG integration, and to FI 04 for details on the screening process

FI 02	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 1
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FI 02.1	Indicate which ESG factors you systematically research as part of your analysis on issuers.
---------	---

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)
Environmental data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Social data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governance data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

FI 02.2 Indicate what format your ESG information comes in and where you typically source it

- Raw ESG company data

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- ESG factor specific analysis

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- Issuer-level ESG analysis

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- Sector-level ESG analysis

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- Country-level ESG analysis

FI 02.3	Provide a brief description of the ESG information used, highlighting any differences in 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. (See FI 10.1 for further details on the ESG integration process.)

FI 02.4	Additional information. [Optional]
----------------	------------------------------------

Note that SSA securities generally do not fall within the scope of Zurich's ESG integration approach (see OO 11.4 for rationale and details). Stated SSA numbers include municipal securities, to which the Group's ESG integration approach applies. Other references made to SSA securities in this section refer to Zurich's impact investing approach (see also SG 18.2).

FI 03	Mandatory	Public	Additional Assessed	PRI 1
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FI 03.1	Indicate how you ensure that your ESG research process is robust:
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- Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- Other, specify
- None of the above

FI 03.2 Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is displayed on front office research platforms
- ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

(A) Implementation: Screening

FI 04	Mandatory	Public	Gateway	PRI 1
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FI 04.1 Indicate the type of screening you conduct.

Select all that apply

	Corporate (financial)	Corporate (non-financial)	
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Positive/best-in-class screening	<input type="checkbox"/>	<input type="checkbox"/>	
Norms-based screening	<input type="checkbox"/>	<input type="checkbox"/>	

FI 04.2 Describe your approach to screening for internally managed active fixed income

Zurich's insurance businesses 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 sustainability risks and promote best practices in managing ESG risks. A referral desk is in place to assess sensitive or complex sustainability risks and provide direction on appropriate mitigation actions. The outcome of the risk assessment and risk mitigation efforts is tracked and analyzed and management receives information on the results and effectiveness of managing sustainability risks in business transactions. Zurich's approach to integrate sustainability 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 and thermal coal), 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.

[further information see FI 04.3]

FI 04.3	Additional information. [Optional]
----------------	------------------------------------

[follow on from FI 04.2]

If a decision is made to exclude, exclusion screens are prepared by Zurich's sustainability team, based on Zurich's code of conduct and the Group's commitment to the UN Global Compact, and are the result of a structured process to manage sustainability risks in business transactions. Currently, the screen consists mainly of weapons banned by the UN (cluster munitions and anti-personnel landmines) and companies that derive more than half of revenues from thermal coal mining or use more than half of coal in their generation mix. A list of these companies is provided quarterly by various third-party research providers. Should a company identified be an existing Zurich customer, Zurich will conduct a sustainability 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 05	Voluntary	Public	Additional Assessed	PRI 1
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FI 05.1	Provide examples of how ESG factors are included in your screening criteria.
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Example 1

Type of fixed income
<input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)
ESG factors
<input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input type="checkbox"/> Governance
Screening
<input checked="" type="checkbox"/> Negative/ exclusionary
Description of how ESG factors are used as the screening criteria
<p>Zurich applies a banned-weapons (cluster munitions and anti-personal landmines) screen to its investment universe. See FI 04 and FI 05 for details.</p>

Example 2

Type of fixed income
<input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)
ESG factors
<input checked="" type="checkbox"/> Environmental <input type="checkbox"/> Social <input type="checkbox"/> Governance
Screening
<input checked="" type="checkbox"/> Negative/ exclusionary
Description of how ESG factors are used as the screening criteria
<p>Zurich applies a screen for companies that generate more than half of their revenues from mining thermal coal or use more than half of coal in their power generation mix. Zurich will not invest in new debt of these companies and will run off existing holdings.</p>

Example 3

Type of fixed income
<input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)
ESG factors
<input type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
Screening
<input checked="" type="checkbox"/> Negative/ exclusionary
Description of how ESG factors are used as the screening criteria
<p>Zurich's insurance businesses 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 sustainability risks and promote best practices in managing ESG risks. A referral desk is in place to assess sensitive or complex sustainability risks and provide direction on appropriate mitigation actions. The outcome of the risk assessment and risk mitigation efforts is tracked and analyzed and management receives information on the results and effectiveness of managing sustainability risks in business transactions. Zurich's approach to integrate sustainability risks and the UN Global Compact in underwriting may result in decisions to abstain from certain transactions. In some cases, the approach may result in a decision to stop doing business with a company, including any forms of direct investment. See FI 04 and FI 05 for details.</p>

- Example 4
- Example 5

FI 06	Mandatory	Public	Core Assessed	PRI 1
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FI 06.1	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.
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Type of screening	Checks
Negative/exclusionary screening?	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

FI 06.2	Additional information. [Optional]
---------	------------------------------------

External and internal asset managers receive a quarterly 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 FI 04. Occasional checks of the blacklisted names against Group holdings are performed in line with a process used to manage other types of guideline breaches.

(B) Implementation: Thematic

FI 07	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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FI 07.1	Indicate what proportion of your thematic investments are:
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- Green/SDG bonds linked to environmental goals



74

- Social/SDG bonds linked to social goals



5

- Sustainability/SDG bonds (combination of green and social linked to multiple SDG categories)



6

- Other



Impact infrastructure debt



15

FI 07.2	Describe your organisation's approach to thematic fixed income investing
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Zurich has committed to invest up to USD 5 billion in impact investments after having reached its commitment to invest up to USD 2 billion in green bonds in 2017. As of December 31, 2018, Zurich had invested USD 2.7 billion in green bonds as well as USD 425 million in social and sustainable (green and social mixed use) bonds and USD 540 million in green and social infrastructure debt (see also SG 18.2).

In our view, the unique characteristic of green, social and sustainable bonds is the pre-defined use of proceeds according to criteria to which issuers commit, clearly linking the investment to specific projects that allow the bond issuer to report a result or impact. The market for green bonds in particular has been developing rapidly since broadening from the traditional issuer base of supranational institutions in 2014. Green bonds can take many

forms: standard recourse-to-the-issuer debt obligations, revenue bonds, asset-backed securities, project bonds, etc., and are issued by supranational institutions, state agencies, corporates, and municipalities. Through its commitment to this market, Zurich is seeking to capture opportunities across the universe of green, social and sustainable bonds.

To capture the breadth of credit instruments and issuers represented in the green, social and sustainability bond market, Zurich has defined two separate but complementary approaches for investing in use-of-proceed bonds.

1. Dedicated green bond mandate for supranational green bonds issued in U.S. dollars:

Assets with minimum credit risk, such as those issued (or explicitly guaranteed) by national governments or supranational institutions, form a very significant part of Zurich's asset allocation. In line with our established approach to define portfolios along credit sector- and currency lines, Zurich has carved-out a dedicated green bond mandate to invest in U.S. dollar- denominated green bonds by such issuers on its North-American balance sheet. This mandate is managed by an external asset manager, BlackRock, according to portfolio guidelines, and will be funded with up to USD 1 billion.

2. Integrating green, social and sustainability bonds in existing fixed-income portfolios:

Beyond the dedicated mandate just described, Zurich has chosen to capture other credit sectors, issuers and currencies through a different approach. Rather than creating multiple green bond portfolios reflecting different credit sectors and currencies, or cross-currency, cross-credit- sector portfolios that would not fit Zurich's established approach to credit investing, an internal green bond expert was appointed to coordinate and facilitate green, social and sustainability bond investments across Zurich's many existing balance sheets, portfolios and asset managers. In this way, Zurich has already invested over USD 1.74 billion in green and 425 million in social and sustainability bonds.

In 2018, Zurich broadened its impact fixed income strategy to private debt, defining criteria for what constitutes green or social infrastructure for which impact reporting is available. As of December 31, 2018, Zurich's impact infrastructure portfolio comprised of USD 540 million in assets.

FI 08	Mandatory	Public	Core Assessed	PRI 1
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FI 08.1	Indicate whether you encourage transparency and disclosure relating to the issuance of themed bonds as per the Green Bonds Principles, Social Bond Principles, or Sustainability Bond Guidelines..
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- We require that themed bond proceeds are only allocated to environmentally or socially beneficial projects
- We require the issuer (or 3rd party assurer) to demonstrate a process which determines the eligibility of projects to which themed bond proceeds are allocated
- We require issuers to demonstrate a systematic and transparent process of disbursing themed bond proceeds to eligible projects until all funds are allocated
- We require issuers to report at least once per year on the projects to which proceeds have been allocated including a description of those projects
- Other, specify
We strongly encourage issuers to not only report on disbursements but also impact of the projects financed through green, social or sustainability bonds.
- None of the above

FI 08.2	Describe the actions you take when issuers do not disburse bond proceeds as described in the offering documents.
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Zurich monitors all available reporting and actively engages with the issuers of green, social and sustainability bonds held in the portfolio. Zurich regularly engages with relevant issuers and held discussions directly with many issuers represented in our portfolio, focusing on use of proceeds, impact reporting and other aspects of their impact bonds. So far, Zurich has not come across an issuer disbursing proceeds in a way that was not aligned with stated intentions. However, in 2018 we saw few instances where a self-designated green, social or sustainability bond failed to meet Zurich's criteria to be counted as an 'impact investment,' as opposed to a 'conventional bond.' We communicated the fact the bond failed to meet the criteria to the issuers and their structuring banks.

FI 09	Mandatory	Public	Additional Assessed	PRI 1
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FI 09.1	Indicate how you assess the environmental or social impact of your thematic investments.
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- We require issuers to report at least once per year on specific environmental or social impacts resulting from our themed investments
- We ensure independent audits are conducted on the environmental or social impact of our investments
- We have a proprietary system to measure environmental and social impact
- We measure the impact of our themed bond investments on specific ESG factors such as carbon emissions or human rights
- Other, specify
- None of the above

FI 09.2	Additional information. [Optional]
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During 2018, Zurich worked on developing a methodology to aggregate the impact indicators of CO2 avoided and people benefited across asset classes on portfolio level. These numbers will be piloted in 2019. See FI 08.2 for further details on impact reporting for green bonds.

(C) Implementation: Integration

FI 10	Mandatory	Public	Descriptive	PRI 1
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FI 10.1	Describe your approach to integrating ESG into traditional financial analysis.
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Zurich believes that ESG factors 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 SG 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 SG 18.2.

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 required 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.

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 property and casualty 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 (described in this text) apply across 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.[1]
- Integration of ESG factors into industry sector analysis.
- ESG analytics at a portfolio level.

4. Active ownership Minimum standard

- Execute votes for public equity holdings in line with Zurich's proxy voting policy.
- Reviewing ESG research before interacting with investee company management (through existing channels such as investor meetings or calls, etc.) and discussion of relevant ESG issues besides other material issues.
- Use of PRI clearinghouse platform for engagement activities on priority topics.
- Discuss active ownership examples and progress in annual meetings between local teams and Zurich's Group Responsible Investment team.

Best practice

- Execute votes for public equity holdings in line with Zurich's proxy voting policy.
- Pro-active and targeted outreach to brokers, ESG data providers, industry bodies, investee companies with material ESG issues, as well as industry or regulatory bodies in support of identified responsible investment matters.
- Initiating or joining engagements with external asset managers or peers on identified priority topics.
- Actively taking on and championing an engagement topic through the PRI clearinghouse platform or other adequate channels.

[1] Only few Zurich teams conduct bottom-up research in-house

FI 10.2	Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.
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SSA

The approach described above in FI 10.1 applies uniformly to municipal securities, as part of SSA.

Corporate (financial)

The approach described above in FI 10.1 applies uniformly to financial and non-financial corporate bonds.

Corporate (non-financial)

The approach described above in FI 10.1 applies uniformly to financial and non-financial corporate bonds.

FI 11	Mandatory	Public	Core Assessed	PRI 1
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FI 11.1	Indicate how ESG information is typically used as part of your investment process.
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Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is used to adjust the internal credit assessments of issuers.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is used to adjust forecasted financials and future cash flow estimates.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis impacts the ranking of an issuer relative to a chosen peer group.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis is integrated into portfolio weighting decisions.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 11.2

Additional information [OPTIONAL]

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 (e.g., the mix of property and casualty 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 FI 11.1, options were selected if applied systematically by at least one team.

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

FI 12.1	Indicate the extent to which ESG issues are reviewed in your integration process.
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	Environment	Social	Governance
SSA	<div style="background-color: #0072bc; color: white; padding: 2px;">Environmental</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div style="background-color: #0072bc; color: white; padding: 2px;">Social</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div style="background-color: #0072bc; color: white; padding: 2px;">Governance</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (financial)	<div style="background-color: #0072bc; color: white; padding: 2px;">Environmental</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div style="background-color: #0072bc; color: white; padding: 2px;">Social</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div style="background-color: #0072bc; color: white; padding: 2px;">Governance</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<div style="background-color: #0072bc; color: white; padding: 2px;">Environmental</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div style="background-color: #0072bc; color: white; padding: 2px;">Social</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<div style="background-color: #0072bc; color: white; padding: 2px;">Governance</div> <input checked="" type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

FI 12.2	Please provide more detail on how you review E, S and/or G factors in your integration process.
----------------	---

	SSA
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Please see FI 10.1 for a description of Zurich's ESG integration process.

	Corporate (financial)
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Please see FI 10.1 for a description of Zurich's ESG integration process.

	Corporate (non-financial)
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Please see FI 10.1 for a description of Zurich's ESG integration process.

FI 12.3	Additional information.[OPTIONAL]
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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 property and casualty and life insurance business, and the specific type of insurance products 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 FI 12.1 'Systematically' was selected, based on practices applied by the major teams managing fixed income assets.

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

ESG incorporation in passively managed fixed income

FI 13	Voluntary	Public	Descriptive	PRI 1
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FI 13.1	Describe your RI approach for passively managed fixed income assets.
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Passively-managed fixed income mandates are not currently in-scope for Zurich's responsible investment approach.

Fixed income - Engagement

FI 14	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
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FI 14.1	Indicate the proportion of your fixed income assets on which you engage. Please exclude any engagements carried out solely in your capacity as a shareholder.
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Category	Proportion of assets
SSA	<input type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input checked="" type="radio"/> More than 0%, less than 5%
	<div style="background-color: #0070C0; color: white; padding: 5px;"> FI 14.2 Indicate your motivations for conducting engagement (SSA fixed income assets). </div> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue
Corporate (financial)	<input type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input checked="" type="radio"/> More than 0%, less than 5%
	<div style="background-color: #0070C0; color: white; padding: 5px;"> FI 14.2 Indicate your motivations for conducting engagement (Corporate, Financial fixed income assets) </div> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue
Corporate (non-financial)	<input type="radio"/> >50% <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input checked="" type="radio"/> More than 0%, less than 5%
	<div style="background-color: #0070C0; color: white; padding: 5px;"> FI 14.2 Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets) </div> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue

FI 14.3	Additional information.[OPTIONAL]
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In 2017, Zurich implemented a strategy for engagement and all major teams began to discuss material ESG issues with issuers in a more systematic way as part of regular issuer interaction. In all these cases, engagement has been driven by the portfolio managers and/or analysts directly, with the objective of generating insights as part of the investment process and effecting change where appropriate. In 2018, Zurich subscribed to further collaborative engagement platforms beyond the PRI clearinghouse. Furthermore, a priority for 2018 was to drive a top-down engagement campaign, which Zurich did by divesting equity or by halting provision of debt to companies that generated more than half of their revenues from mining thermal coal or used coal as more than half of their power generation mix.

Zurich also engages extensively with green, social and sustainability bond issuers on impact topics. With the development of the impact measurement framework, we engaged with several issuers to gain an in-depth understanding of their impact reporting methodology, and to request additional information from them.

FI 15	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1,2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

FI 15.1	Indicate how you typically engage with issuers as a fixed income investor, or as both a fixed income and listed equity investor. (Please do not include engagements where you are both a bondholder and shareholder but engage as a listed equity investor only.)
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Select all that apply

Type of engagement	SSA	Corporate (financial)	Corporate (non-financial)
Individual/Internal staff engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Collaborative engagements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Service provider engagements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.2	Indicate how your organisation prioritises engagements with issuers.
----------------	--

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	
Size of holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Credit quality of the issuer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Duration of holdings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Quality of transparency on ESG	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Specific markets and/or sectors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Specific ESG themes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Issuers in the lowest ranks of ESG benchmarks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Issuers in the highest ranks of ESG benchmarks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Specific issues considered priorities for the investor based on input from clients and beneficiaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

If 'other' has been selected, please give a description

Note that supranational and sovereign securities generally do not fall within the scope of Zurich's ESG integration approach (see OO 11.4 for rationale and details). Stated SSA numbers include municipal securities, to which the Group's ESG integration approach applies. Although supranational and sovereign fixed income is formally out-of-scope for our ESG integration approach, we do engage systematically with a number of supranational, municipal and agency issuers of green bonds, which form part of our impact investing universe.

FI 15.3

Indicate when your organisation conducts engagements with issuers.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)
We engage pre-investment.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage post-investment.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage proactively in anticipation of specific ESG risks and/or opportunities.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
We engage in reaction to ESG issues that have already affected the issuer.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage prior to ESG-related divestments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, describe	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If 'other' has been selected, please give a description

Note that supranational and sovereign securities generally do not fall within the scope of Zurich's ESG integration approach (see OO 11.4 for rationale and details). Stated SSA numbers include municipal securities, to which the Group's ESG integration approach applies. Although supranational and sovereign fixed income is formally out-of-scope for our ESG integration approach, we do engage systematically with a number of supranational, municipal and agency issuers of green bonds, which form part of our impact investing universe.

FI 15.4

Indicate what your organisation conducts engagements with issuers on.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)
We engage on ESG risks and opportunities affecting a specific bond issuer or its issuer.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage on ESG risks and opportunities affecting the entire industry or region that the issuer belongs to.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
We engage on specific ESG themes across issuers and industries (e.g., human rights).	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, describe	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

If 'other' has been selected, please give a description

Note that supranational and sovereign securities generally do not fall within the scope of Zurich's ESG integration approach (see OO 11.4 for rationale and details). Stated SSA numbers include municipal securities, to which the Group's ESG integration approach applies. Although supranational and sovereign fixed income is formally out-of-scope for our ESG integration approach, we do engage systematically with a number of supranational, municipal and agency issuers of green bonds, which form part of our impact investing universe.

FI 15.5

Indicate how your organisation ensures that information and insights collected through engagement can feed into the investment decision-making process.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	
Ensuring regular cross-team meetings and presentations.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Sharing engagement data across platforms that is accessible to ESG and investment teams.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Encouraging ESG and investment teams to join engagement meetings and roadshows.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Delegating some engagement dialogue to portfolio managers/credit analysts.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Involving portfolio managers when defining an engagement programme and developing engagement decisions.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Establishing mechanisms to rebalance portfolio holdings based on levels of interaction and outcomes of engagements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Considering active ownership as a mechanism to assess potential future investments.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
We do not ensure that information and insights collected through engagement can feed into the investment decision-making process.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FI 15.6	Additional information.[OPTIONAL]
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In 2017, Zurich implemented a strategy for engagement and all major teams began to discuss material ESG issues with issuers in a more systematic way as part of regular issuer interaction. In all these cases, engagement is driven by the portfolio managers and/or analysts directly, with the objective of generating insights as part of the investment process and effecting change where appropriate. In 2018, Zurich subscribed to further collaborative engagement platforms beyond the PRI clearinghouse. Furthermore, a priority for 2018 was to drive a top-down engagement campaign, which Zurich did by divesting equity from or halting provision of providing debt to companies that generated more than half of their revenues from mining thermal coal or used coal as more than half of their power generation mix

Zurich also engages extensively with green, social and sustainability bond issuers about impact topics. With the development of the impact measurement framework we engaged with several issuers to understand their impact reporting methodology in depth and asked for additional information.

FI 16	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1,2
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FI 16.1	Indicate if your publicly available policy documents explicitly refer to fixed income engagement separately from engagements in relation to other asset classes.
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Yes

FI 16.2	Please attach or provide a URL to your fixed income engagement policy document. [Optional]
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URL

{[hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966](https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966)}

No

FI 16.3	Additional information [OPTIONAL]
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Zurich's overall engagement policy and minimum standards apply to both fixed income and equity. However, Zurich describes a dedicated engagement approach valid for fixed income impact investments in its white paper 'Responsible Investment at Zurich - What we want to achieve, and how we do it.'

Zurich is a member of the executive committee that governs the Green Bond Principles. It is also a member of formal and informal working groups that play an active role in helping to develop the green bond market. Its activities reflect Zurich's particular interest in engaging other market participants in active dialogue on topics related to impact reporting.

Outputs and outcomes

FI 17	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	General
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FI 17.1	Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or performance.
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Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	
We measure whether incorporating ESG impacts portfolio risk.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
We measure whether incorporating ESG impacts portfolio returns.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
We measure the ESG performance/profile of portfolios (relative to the benchmark).	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FI 17.2

Describe how your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance. [OPTIONAL]

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 FI 17.1, options were selected if applied systematically at least by one team. See FI 10.1 for details about minimum standards for ESG integration applied across teams.

FI 18

Voluntary

Public

Descriptive

PRI 1,2

FI 18.1

Provide examples of how your incorporation of ESG analysis and/or your engagement of issuers has affected your fixed income investment outcomes during the reporting year.

Example 1

Type of fixed income
<input checked="" type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input type="checkbox"/> Corporate (non-financial)
ESG issue and explanation
The inclusion of ESG disclosures in the issue documents added to the portfolio manager's appetite to re-invest in a private placement of a callable bond
RI strategy applied
<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Engagement <input type="checkbox"/> ESG incorporation in passively managed funds
Impact on investment decision or performance
Investment reaffirmed

Example 2

Type of fixed income
<input type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)
ESG issue and explanation
Divested from coal exposure
RI strategy applied
<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input type="checkbox"/> Integration <input checked="" type="checkbox"/> Engagement <input type="checkbox"/> ESG incorporation in passively managed funds
Impact on investment decision or performance
Zurich has divested from and will no longer invest in assets that generate more than 50% of revenues from mining thermal coal or use more than 50% of coal in the power generation mix. A dedicated engagement campaign was launched to accompany the divestment.

- Example 3
- Example 4
- Example 5

Zurich Insurance Group

Reported Information

Public version

Direct - Property

PRI disclaimer

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Overview

PR 01	Mandatory	Public	Core Assessed	PRI 1-6
-------	-----------	--------	---------------	---------

PR 01.1 Indicate if your organisation has a Responsible Property Investment (RPI) policy.

Yes

PR 01.2 Provide a URL or attach the document

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

Attach Document

No

PR 01.3 Provide a brief overview of your organisation's approach to responsible investment in property, and how you link responsible investment in property to your business strategy. [Optional]

Sustainability is captured as an explicit element in Zurich's real estate investment strategy. In 2016, Zurich integrated responsible investment practices into its global real estate investment guidelines. The guidelines define a global framework centered on sustainability scoring for all properties, supplemented by local best practices to reduce CO2 emissions, water consumption and waste, and to increase the share of labeled properties in the portfolio. The global framework is in the process of implementation, which is expected to be a multi-year process.

The largest portion of the portfolio of real estate assets is managed in Switzerland, representing 44 percent of Zurich's real estate exposure by value. For the remainder of this module, answers will reflect local best practices for Switzerland, based on the following elements:

- Sustainability strategy with a specific target to reduce energy consumption and CO2 emissions by 20 percent by 2020, and 80 percent by 2050.
- Sustainability targets are reflected in the operational optimization implementation plan, with a specific focus on energy efficiency and the use of renewable energy sources
- Sustainability best practices for all relevant ESG factors are reflected in project management guidelines to support decision-making at an asset-by-asset level

To achieve these objectives, Zurich introduced processes that reflect its focus on sustainability in real estate transactions, development and property management.

Pre-investment (selection)

PR 04	Mandatory	Public	Gateway/Core Assessed	PRI 1
-------	-----------	--------	-----------------------	-------

PR 04.1 Indicate if your organisation typically incorporates ESG issues when selecting property investments.

Yes

PR 04.2

Provide a description of your organisation's approach to incorporating ESG issues in property investment selection.

ESG factors are fully integrated into Zurich's real estate transaction management process. As part of the due diligence, Zurich performs an assessment if any potential investments are 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.

PR 04.3

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.

Environmental

Environmental example 1, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 2, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 3, select one

- Climate change adaptation
 - Contamination
 - Energy efficiency
 - Energy supply, Flooding, GHG emissions
 - Indoor environmental quality
 - Natural hazards
 - Resilience
 - Transportation
 - Water efficiency
 - Waste management
 - Water supply
 - Other
 - Other
 - Flooding
 - GHG emissions
- Social

Social example 1, select one

- Building safety and materials
- Health, safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 2, select one

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 3, select one

- Building safety and materials
 - Health, Safety and wellbeing
 - Socio-economic
 - Accessibility
 - Affordable Housing
 - Occupier Satisfaction
 - Other
 - Other
 - Other
- Governance

Governance example 1, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Governance example 2, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Governance example 3, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

No

PR 05	Voluntary	Public	Additional Assessed	PRI 1,3
-------	-----------	--------	---------------------	---------

PR 05.1	Indicate what type of ESG information your organisation typically considers during your property investment selection process.
----------------	--

- 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
 See PR 05.2
- We do not track this information

PR 05.2	Provide a brief description of how this ESG information was incorporated into your investment selection process.
----------------	--

ESG factors are fully integrated into Zurich's real estate transaction management process. Information related to ESG issues contained in external appraisals is taken into account and is supplemented with other information and own analysis. Specifically, as part of the due diligence process, 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.

PR 06	Mandatory	Public	Core Assessed	PRI 1
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PR 06.1	Indicate if ESG issues impacted your property investment selection process during the reporting year.
----------------	---

- 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
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

PR 06.2

Indicate how ESG issues impacted your property investment deal structuring processes during the reporting year.

- 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 deal structuring process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

PR 06.3

Additional information.

Please refer to PR 05.2 for details.

Selection, appointment and monitoring third-party property managers

PR 07

Mandatory

Public

Core Assessed

PRI 4

PR 07.1

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

- Yes

PR 07.2

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

Types of actions

- Request explanation of how ESG is effectively integrated, including inquiries about governance and processes
- Request track records and examples of how the manager implements ESG in their asset and property management
- Discuss property level out-performance opportunities through greater integration of ESG criteria
- Request explanation of engaging stakeholders on ESG issues
- Other, explain

Coverage

- >75% to 100%
- >50% to 75%
- <50%
- Contractual requirements when appointing property managers includes ESG issues

Types of actions

- Include clear and detailed expectations for incorporating ESG
- Require dedicated ESG procedures in all relevant asset and property management phases
- Clear ESG reporting requirements
- Clear ESG performance targets
- Other, explain

Coverage

- >75% to 100%
 - >50% to 75%
 - <50%
- Monitoring of property managers covers ESG responsibilities and implementation

Types of actions

- Performance against quantitative and material environmental / resource targets over specified timeframe.
- Performance against quantitative and material environmental / resource targets against relevant benchmarks
- Performance against quantitative and qualitative targets to address social impacts of the portfolio/investment,
- Other, explain

Coverage

- >75% to 100%
 - >50% to 75%
 - <50%
- No

PR 07.3

Provide a brief description of your organisations selection, appointment and monitoring of third party property managers and how they contribute to the management of ESG issues for your property investments.

On a global level, selection and monitoring starts with our asset manager selection. Every RFP run for asset manager selection includes a section dedicated to ESG management. Before assigning a mandate, we compare and score ESG practices and capabilities of the manager with regard to their ESG program, activities and how property managers are selected and monitored. When selecting a new property manager, or at renewal of their contract, ESG plays part in the evaluation matrix of the respective service-level agreement

With regards to the Swiss portfolios, over 90 percent of Zurich's investment properties in Switzerland are managed by the property management company Apleona, with which Zurich successfully implemented the carbon reduction program for all Swiss assets.

Zurich regularly discusses energy efficiency and other ESG factors with property managers and relies on property managers to collect data related to energy consumption.

Coverage based on number of assets.

Post-investment (monitoring and active ownership)

Overview

PR 08	Mandatory	Public	Gateway	PRI 2
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PR 08.1	Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.
---------	---

Yes

PR 08.2	Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.
---------	--

- We consider ESG issues in property monitoring and management
- We consider ESG issues in property developments and major renovations.
- 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

Also smaller repairs and maintenance work are always considered under their ESG relevance (e.g., replacement of windows, heating system, lighting system etc.)

PR 08.3	Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets.
---------	---

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 16 for examples.

Occupier engagement: Zurich's property managers make information leaflets on issues such as effective heating and venting practices, etc. available to all tenants.

Note: CO2 emission monitoring and objectives as stated above currently reflect local best practice in Switzerland, where Zurich holds 44 percent of real estate investments by value. Implementation of CO2 emission objectives in other countries has yet not started.

No

Property monitoring and management

PR 09	Mandatory	Public	Core Assessed	PRI 2,3
-------	-----------	--------	---------------	---------

PR 09.1 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.

- >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 09.2 Indicate which ESG targets your organisation and/or property managers typically set and monitor

- Environmental

Target/KPI	Progress Achieved
Energy consumption (20 percent reduction by 2020 vs 2010 baseline; 80 percent reduction by 2050)	-10%
CO2 emissions (20 percent reduction by 2020 vs 2010 baseline; 80 percent reduction by 2050)	-14%
	Water use reduction and waste water technologies

- Social
- Governance
- We do not set and/or monitor against targets

PR 09.3 Additional information. [Optional]

See PR 01.3 for further details.

Note: Answers in this section represent local best practice for Switzerland and refer to 2017.

PR 10 Voluntary Public Descriptive PRI 2

PR 10.1 Indicate whether your property assets are assessed against certification schemes, ratings and/or benchmarks

- Yes

PR 10.2 List the certification schemes, ratings and/or benchmarks your property assets are assessed against and what proportion of your property assets they apply to.

- Add certification scheme, rating and benchmark 1

Specify	Minergie, DGNB, LEED
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input type="radio"/> 10-50% of property assets <input checked="" type="radio"/> <10% of property assets (in terms of number of property assets)

Add certification scheme, rating and benchmark 2

Specify	CO2 emissions in Swiss RE
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input checked="" type="radio"/> 51-90% of property assets <input type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets (in terms of number of property assets)

Add certification scheme, rating and benchmark 3

No

PR 10.3 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 (CRESS)
- Other property reporting standards, specify
SIA 2040
- No property specific reporting standards are used

PR 10.4 Additional information.

Zurich does not set any minimum requirements or targets with respect to property certifications. The 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 ESG scoring, including energy consumption and CO2 emission levels in Switzerland.

Property developments and major renovations

PR 11	Mandatory	Public	Core Assessed	PRI 2
--------------	------------------	---------------	----------------------	--------------

PR 11.1	Indicate the proportion of active property developments and major renovations where ESG issues have been considered.
----------------	--

- >90% of active developments and major renovations
- 51-90% of active developments and major renovations
- 10-50% of active developments and major renovations
- <10% of active developments and major renovations
- N/A, no developments and major renovations of property assets are active

(by number of active property developments and refurbishments)

PR 11.2	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and major renovations.
----------------	---

- Environmental site selection requirements
- Environmental site development requirements
- Sustainable construction materials
- Water efficiency requirements
- Energy efficiency requirements
- Energy generation from on-site renewable sources
- Waste management plans at sites
- Health and safety management systems at sites
- Health and wellbeing of residents
- Construction contractors comply with sustainability guidelines
- Resilient building design and orientation
- Other, specify

PR 11.3	Additional information. [Optional]
----------------	------------------------------------

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 as 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.

Occupier engagement				
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PR 12	Mandatory	Public	Core Assessed	PRI 2
--------------	------------------	---------------	----------------------	--------------

PR 12.1	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.
----------------	---

- >90% of occupiers
- 50-90% of occupiers
- 10-50% of occupiers
- <10% of occupiers

(in terms of number of occupiers)

PR 12.2	Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.
----------------	---

- 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
- Health and wellbeing of residents
- Offer green leases
- Other, specify

PR 12.3	Additional information. [Optional]
----------------	------------------------------------

Zurich's property managers make information available to all new tenants in the form of leaflets, for example, on effective heating and ventilation practices, etc.

Note: Answers in this section represent local best practice for Switzerland, where 44 percent of Zurich's direct real estate investments by value are held.

PR 13	Voluntary	Public	Additional Assessed	PRI 2
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PR 13.1	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.
----------------	---

- >90% of leases or MoUs
- 50-90% 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)

Outputs and outcomes

PR 15	Voluntary	Public	Additional Assessed	PRI 1,2
-------	-----------	--------	---------------------	---------

PR 15.1	Indicate whether your organisation measures how your approach to responsible investment in property investments has affected financial and/or ESG performance.
---------	--

We measure whether our approach to ESG issues impacts funds' financial performance

PR 15.2a	Describe the impact on the following.
----------	---------------------------------------

Describe the impact on:	Impact
Funds' financial performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

We measure whether our approach to ESG issues impacts funds' ESG performance

PR 15.2b	Describe the impact on the following.
----------	---------------------------------------

Describe the impact on:	Impact
Funds' ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

None of the above

PR 15.3	Describe how you are able to determine these outcomes.
---------	--

Zurich aims to include savings from energy efficiency in investment decisions at the individual property level. However, data are not always sufficient to determine the underlying cost savings accruing to the tenant.

The Swiss real estate team 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. Zurich then works with a specialized external provider to evaluate this data and determine energy consumption and CO2 emission levels for the overall portfolio.

PR 16	Voluntary	Public	Descriptive	PRI 1,3
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PR 16.1	Provide examples of ESG issues that affected your property investments during the reporting year.
---------	---

Add Example 1

ESG issue	Energy consumption / CO2 emissions
Types of properties affected	Office building, Zurich, own-use asset, ongoing refurbishment
Impact (or potential impact) on investment	<ul style="list-style-type: none"> • 2000 Watt Society certification • LEED certification
Activities undertaken to influence the investment and the outcomes	<ul style="list-style-type: none"> • Ongoing refurbishmentOngoing refurbishment

Add Example 2

Add Example 3

Add Example 4

Add Example 5

Zurich Insurance Group

Reported Information

Public version

Confidence building measures

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Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
--------	-----------	--------	---------------------	---------

CM1 01.1 Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
 - Whole PRI Transparency Report has been internally verified
 - Selected data has been internally verified
- Other, specify
- None of the above

CM1 02	Mandatory	Public	Descriptive	General
--------	-----------	--------	-------------	---------

CM1 02.1 We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 02.2 Whole report was assured in last year's PRI Transparency Report

Who has conducted the assurance

Pricewaterhouse Coopers AG

Assurance standard used

- ISAE/ ASEA 3000
- ISAE 3402
- ISO standard
- AAF01/06
- AA1000AS
- IFC performance standards
- ASAE 3410 Assurance Engagements on Greenhouse Gas Statements.
- National standard
- Other

Level of assurance sought

- Limited or equivalent
- Reasonable or equivalent

Link to external assurance provider's report

{[hyperlink:https://www.zurich.com/en/corporate-responsibility/measuring-our-progress](https://www.zurich.com/en/corporate-responsibility/measuring-our-progress)}

CM1 02.2

Selected data was assured in last year's PRI Transparency Report

What data has been assured

- Financial and organisational data
- Data related to RI activities
- RI policies
- RI processes (e.g. engagement process)
- ESG operational data of the portfolio
- Other

Specify

All financial and organisational data published in Zurich's annual report or annual review, as well as all Responsible Investment KPIs published in Zurich's Sustainability Highlights report have been externally assured

Relevant modules

- Organisational Overview
- Strategy and Governance
- Indirect – Manager Selection, Appointment and Monitoring
- Direct - Listed Equity Incorporation
- Direct - Listed Equity Active Ownership
- Direct - Fixed Income
- Direct - Property

CM1 03	Mandatory	Public	Descriptive	General
--------	-----------	--------	-------------	---------

CM1 03.1	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:
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- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report

CM1 03.3	Provide a link to the public report (such as a sustainability report that you carry out third party assurance over and for which you have used extracts of in this year's PRI Transparency Report. Also include a link to the external assurance provider 's report.
----------	--

	Link to sustainability, RI, or integrated report [URL]
--	--

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/sustainability-highlights-2018.pdf}

	Link to external assurance provider's report [URL]
--	--

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/sustainability-highlights-2018.pdf}

- ESG audit of holdings
- Other, specify
- None of the above

CM1 04	Mandatory	Public	Descriptive	General
--------	-----------	--------	-------------	---------

CM1 04.1	Do you plan to conduct third party assurance of this year's PRI Transparency report?
----------	--

- Whole PRI Transparency Report will be assured
- Selected data will be assured

CM1 04.2b	Selected data will be assured
-----------	-------------------------------

What data will be assured

- Financial and organisational data
- Data related to RI activities
- RI policies
- RI processes (e.g. engagement process)
- ESG operational data of the portfolio
- Other

Specify

All financial and organisational data published in Zurich's annual report or annual review, as well as all Responsible Investment KPIs published in Zurich's Sustainability Highlights report have been externally assured

Relevant modules

- Organisational Overview
- Strategy and Governance
- Indirect – Manager Selection, Appointment and Monitoring
- Direct - Listed Equity Incorporation
- Direct - Listed Equity Active Ownership
- Direct - Fixed Income
- Direct - Property

We do not plan to assure this year's PRI Transparency report

CM1 04.2a

Provide details related to the assurance that will be conducted

Expected date the assurance will be complete

07/03/2018

Who will conduct the assurance

Pricewaterhouse Coopers AG

Assurance standard to be used

- ISAE/ ASEA 3000
- ISAE 3402
- ISO standard
- AAF01/06
- AA1000AS
- IFC performance standards
- ASAE 3410 Assurance Engagements on Greenhouse Gas Statements.
- National standard
- Other

Level of assurance sought

- Limited or equivalent
- Reasonable or equivalent

CM1 05	Mandatory	Public	Descriptive	General
--------	-----------	--------	-------------	---------

CM1 05.1 Provide details related to the third party assurance over selected responses from this year’s PRI Transparency Report and/or over data points from other sources that have subsequently been used in your PRI responses this year

What data has been assured

- Financial and organisational data
- Data related to RI activities
- RI Policies
- RI Processes (e.g. engagement process)
- ESG operational data of the portfolio
- Other

Specify

All financial and organisational data published in Zurich’s annual report or annual review, as well as all Responsible Investment KPIs published in Zurich’s Sustainability Highlights report have been externally assured

Relevant modules

- Organisational Overview
- Strategy and Governance
- Indirect – Manager Selection, Appointment and Monitoring
- Direct - Listed Equity Incorporation
- Direct - Listed Equity Active Ownership
- Direct - Fixed Income
- Direct - Property

Who has conducted the assurance

Pricewaterhouse Coopers AG

Assurance standard used

- ISAE/ ASEA 3000
- ISAE 3402
- ISO standard
- AAF01/06
- AA1000AS
- IFC performance standards
- ASAE 3410 Assurance Engagements on Greenhouse Gas Statements.
- National standard
- Other

Level of assurance sought

- Limited or equivalent
- Reasonable or equivalent

Please provide:

Link to external assurance provider's report [URL]

{[hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/sustainability-highlights-2018.pdf?la=en&hash=17B1D406E90BABF02224882A25123DA112857AE6](https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/sustainability-highlights-2018.pdf?la=en&hash=17B1D406E90BABF02224882A25123DA112857AE6)}

Link to original data source (if public) [URL]

{[hyperlink:https://www.zurich.com/en/sustainability/measuring-our-progress](https://www.zurich.com/en/sustainability/measuring-our-progress)}

CM1 07	Mandatory	Public	Descriptive	General
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CM1 07.1 Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

Who has conducted the verification

CEO or other Chief-Level staff

Sign-off or review of responses

Sign-off

Review of responses

The Board

Investment Committee

Compliance Function

RI/ESG Team

Investment Teams

Legal Department

Other (specify)

specify

Group Publishing Team