Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector

How does Zurich Eurolife S.A. comply?

Last review: November 2024

Background and purpose of the regulation

Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SRDR) was published in the EU Official Journal on 9th Dec 2019.

The SRDR is the European regulation that lays down harmonized rules for financial market participants (e.g., insurers providing savings insurance products) and financial advisers (e.g., an insurance intermediary providing insurance advice with regard to savings insurance products) on transparency with regard to

(a) the integration of sustainability risks (meaning an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment) and the consideration of adverse sustainability impacts in their investment decisions-making processes; and

(b) the provision of sustainability-related information with respect to financial products.

Sustainable investment, as defined by SRDR, means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

The SRDR requires financial market participants and financial advisers to (a) make disclosures on their websites and, where relevant, (b) include information in their pre-contractual product descriptions for relevant financial products.

The SRDR applies directly in all Member States from 10th March 2021 (with some extended effective dates for certain provisions).

Questions and answers

Q: What products are in scope of this regulation?

A: From the universe of products offered by Zurich Eurolife S.A. (Zurich), only the existing group savings policies are affected by this regulation. These policies are resulting from the transfer of the group savings portfolio from La Mondiale Europartner S.A. (La Mondiale) to Zurich as well as from sales of the International Pension Plan product up to the year 2020 when Zurich ceased commercialisation of this product. Zurich's risk products (such as TEAM or Zurich International Group Risk Solutions) are not falling within the scope of this regulation.

Q: Will the underlying investments of existing group savings policies differ following the implementation of the regulation on 10th March 2021 from those defined and/or selected previously (guaranteed fund, investment profiles or self-selected funds)?

A: The investments of the existing plans remain unaffected by the implementation of the regulation. The regulation does not mandate any change in investments for the group savings policies (either transferred from the La Mondiale or sold directly by Zurich).

The group savings policies administered by Zurich are based on assets either transferred from La Mondiale and/or assets selected by the customers from a list of eligible investments linked to their product. Zurich does not provide any advice to customers on the choice of assets.

Q: Does the implementation of the regulation have any effects on the costs related to the product (e.g. as a result of additional due diligence processes applied by Zurich)?

A: The regulation does not mandate any changes in investments for the group savings policies. As a result, there are no specific additional costs arising and to be charged to the customers. The existing fee structures remain in place.

Q: How do we implement integration of sustainability risks in the investment decision process?

A: Zurich has engaged Russell Investment France SAS ("Russell") as its investment advisor regarding the group savings policies. For the part of the portfolio where Russell is acting as the investment advisor, Russell considers certain sustainability risks in reviewing performance of investments. For more details, please refer to https://russellinvestments.com/us/corporate-responsibility.

The part of the portfolio where Russell is not acting as the investment advisor consists (i) of funds that have been integrated into specific group savings policies on specific customers' request and (ii) of a guaranteed fund transferred in the framework of the portfolio transfer from La Mondiale.

Zurich's group savings products are not designed to actively promote environmental or social characteristics, or a combination of those characteristics. Zurich's group savings products are note designed to have sustainable investment as their objective.

Q: Do we consider principal adverse impacts of investment decisions on sustainability factors?

A: For details on how we deal with Principle Adverse Impacts please *click here*.

Q: Are the existing remuneration policies of Zurich Eurolife S.A. consistent with the integration of sustainability risks?

A: The remuneration policy implemented by Zurich is consistent with the integration of sustainability risks including to regularly evaluate whether the remuneration architecture does not encourage any inappropriate risk taking.

Zurich Eurolife S.A. is a life insurance company incorporated under the laws of Luxembourg and registered with the Luxembourg register of commerce and companies under no. B51753.
Registered office: Building Elise, 21 rue Léon Laval, L-3372 Leudelange, Luxembourg.
Telephone +352 26 642 1 Fax +352 26 642 650 Email lux.info@zurich.com Website www.zurich.lu.

VAT no. LU 1660 2944.

Zurich Eurolife S.A. is subject to the applicable Luxembourg legislation and falls under the supervision of the Luxembourg insurance regulator, the Commissariat aux Assurances (11, rue Robert Stumper, L-2557 Luxembourg, Luxembourg).

SRDR (11.24)

ZURICH®