




LEA 02	Mandatory	Page 123
<b>Type of engagement</b>	<b>Reason for interaction</b>	
Individual/ internal staff engagements	<ul style="list-style-type: none"> <li>To support investment decisions on ESG issues</li> <li>To influence corporate strategy on ESG issues</li> <li>To ensure transparency on ESG issues</li> <li>Other: specify</li> </ul>	
Collaborative engagements	<ul style="list-style-type: none"> <li>To support investment decisions on ESG issues</li> <li>To influence corporate strategy on ESG issues</li> <li>To ensure transparency on ESG issues</li> <li>Other: specify</li> </ul>	
Service provider engagements	<ul style="list-style-type: none"> <li>To support investment decisions on ESG issues</li> <li>To influence corporate strategy on ESG issues</li> <li>To ensure transparency on ESG issues</li> <li>Other: specify</li> </ul>	

# RI TRANSPARENCY REPORT 2018

## Zurich Insurance Group

OO 01	Mandatory	Gateway/Peering	General
OO 01.1	Select the type that best describes your organisation or the services you provide.		
	<input type="radio"/> Non-corporate pension or superannuation or retirement or provident fund or plan <input type="radio"/> Corporate pension or superannuation or retirement or provident fund or plan <input checked="" type="radio"/> Insurance company <input type="radio"/> Foundation <input type="radio"/> Endowment <input type="radio"/> Development finance institution <input type="radio"/> Reserve - sovereign or government controlled fund <input type="radio"/> Family office <input type="radio"/> 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 53,000 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	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).		
	<input type="radio"/> 1 <input type="radio"/> 2-5 <input type="radio"/> 6-10 <input checked="" type="radio"/> >10		
OO 02.3	Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).		
	550		
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, and is estimated based on headcount figures.		

OO 03	Mandatory	Descriptive	General
OO 03.1	Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.		
	<input type="radio"/> Yes <input checked="" type="radio"/> No		

OO 04	Mandatory	Gateway/Peering	General
OO 04.1	Indicate the year end date for your reporting year.		
	31/12/2017		
OO 04.2	Indicate your total AUM at the end of your reporting year, Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.		
	Total AUM 207,261,428,528 USD 207,261,428,528 USD		
OO 04.5	Additional information. [Optional]		
	Starting in 2017, Asset under management comprises 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 05	Mandatory to Report, Voluntary to Disclose	Gateway	General												
OO 05.1	Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes:														
	<table border="1"> <thead> <tr> <th></th> <th>Internally managed (%)</th> <th>Externally managed (%)</th> </tr> </thead> <tbody> <tr> <td>Listed equity</td> <td>&lt;10%</td> <td>&lt;10%</td> </tr> <tr> <td>Fixed income</td> <td>10-50%</td> <td>10-50%</td> </tr> <tr> <td>Private equity</td> <td>0</td> <td>&lt;10%</td> </tr> </tbody> </table>				Internally managed (%)	Externally managed (%)	Listed equity	<10%	<10%	Fixed income	10-50%	10-50%	Private equity	0	<10%
	Internally managed (%)	Externally managed (%)													
Listed equity	<10%	<10%													
Fixed income	10-50%	10-50%													
Private equity	0	<10%													

Property	<10%	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	<10%
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0
Other (1), specify	<10%	<10%
Other (2), specify	<10%	<10%

If you respond 'Other (1)', specify for Internally Managed

Mortgages

If you respond 'Other (2)', specify for Internally Managed

Loans

If you respond 'Other (1)', specify for Externally Managed

Mortgages

If you respond 'Other (2)', specify for Externally Managed

Loans

OO 05.2 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 Mandatory Descriptive General

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

- as percentage breakdown
- as broad ranges

'Other (1)' specified

Mortgages

'Other (2)' specified

Loans

OO 06.3 Provide contextual information on your AUM asset class split. [Optional]

Private equity and hedge funds: Zurich invests in private equity predominantly through the selection of third-party private equity fund managers. Zurich manages only a relatively small amount of direct private equity investments made either through co-investments (in-scope for 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 Gateway General

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	75	SSA
	10	Corporate (financial)
	15	Corporate (non-financial)
	0	Securitised

Externally managed	35	SSA
	20	Corporate (financial)
	30	Corporate (non-financial)
	15	Securitised

OO 08	Mandatory to Report, Voluntary to Disclose	Peering	General
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OO 08.1 Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.

Asset class breakdown	Segregated mandate(s)	Pooled fund(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%																
[o] 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%																
[p] Other (2), specify	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%	100%																

**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 the selection of third-party fund managers, whereas segregated mandates dominate in all other asset classes.

**OO 09** Mandatory to Report, Voluntary to Disclose Peering General

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

Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
Total100%	

**OO 10** Mandatory 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 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 (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 foundation for our active ownership strategy.

**OO 11** Mandatory 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.

	<b>Fixed income - SSA</b>
<input checked="" type="checkbox"/>	We address ESG incorporation.
<input type="checkbox"/>	We do not do ESG incorporation.
	<b>Fixed income - corporate (financial)</b>
<input checked="" type="checkbox"/>	We address ESG incorporation.
<input type="checkbox"/>	We do not do ESG incorporation.
	<b>Fixed income - corporate (non-financial)</b>
<input checked="" type="checkbox"/>	We address ESG incorporation.
<input type="checkbox"/>	We do not do ESG incorporation.
	<b>Property</b>
<input checked="" type="checkbox"/>	We address ESG incorporation.
<input type="checkbox"/>	We do not do ESG incorporation.
	<b>Cash</b>
<input type="checkbox"/>	We address ESG incorporation.
<input checked="" type="checkbox"/>	We do not do ESG incorporation.
	<b>Other (1)</b>
<input type="checkbox"/>	We address ESG incorporation.
<input checked="" type="checkbox"/>	We do not do ESG incorporation.
	<b>Other (2)</b>
<input type="checkbox"/>	We address ESG incorporation.
<input checked="" type="checkbox"/>	We do not do ESG incorporation.
	<b>'Other (1)' [as defined in OO 05]</b>
	Mortgages
	<b>'Other (2)' [as defined in OO 05]</b>
	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	<table border="1"> <tr> <td></td> <td><b>Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>We incorporate ESG into our external manager selection process</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>We incorporate ESG into our external manager appointment process</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>We incorporate ESG into our external manager monitoring process</td> </tr> <tr> <td><input type="checkbox"/></td> <td>We do not do ESG incorporation</td> </tr> </table>		<b>Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b>	<input checked="" type="checkbox"/>	We incorporate ESG into our external manager selection process	<input checked="" type="checkbox"/>	We incorporate ESG into our external manager appointment process	<input checked="" type="checkbox"/>	We incorporate ESG into our external manager monitoring process	<input type="checkbox"/>	We do not do ESG incorporation
	<b>Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b>										
<input checked="" type="checkbox"/>	We incorporate ESG into our external manager selection process										
<input checked="" type="checkbox"/>	We incorporate ESG into our external manager appointment process										
<input checked="" type="checkbox"/>	We incorporate ESG into our external manager monitoring process										
<input type="checkbox"/>	We do not do ESG incorporation										
Fixed income - SSA	<table border="1"> <tr> <td></td> <td><b>Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>We incorporate ESG into our external manager selection process</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>We incorporate ESG into our external manager appointment process</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>We incorporate ESG into our external manager monitoring process</td> </tr> <tr> <td><input type="checkbox"/></td> <td>We do not do ESG incorporation</td> </tr> </table>		<b>Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b>	<input checked="" type="checkbox"/>	We incorporate ESG into our external manager selection process	<input checked="" type="checkbox"/>	We incorporate ESG into our external manager appointment process	<input checked="" type="checkbox"/>	We incorporate ESG into our external manager monitoring process	<input type="checkbox"/>	We do not do ESG incorporation
	<b>Fixed income - SSA - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b>										
<input checked="" type="checkbox"/>	We incorporate ESG into our external manager selection process										
<input checked="" type="checkbox"/>	We incorporate ESG into our external manager appointment process										
<input checked="" type="checkbox"/>	We incorporate ESG into our external manager monitoring process										
<input type="checkbox"/>	We do not do ESG incorporation										
Fixed income - corporate (financial)	<table border="1"> <tr> <td></td> <td><b>Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>We incorporate ESG into our external manager selection process</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>We incorporate ESG into our external manager appointment process</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>We incorporate ESG into our external manager monitoring process</td> </tr> <tr> <td><input type="checkbox"/></td> <td>We do not do ESG incorporation</td> </tr> </table>		<b>Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b>	<input checked="" type="checkbox"/>	We incorporate ESG into our external manager selection process	<input checked="" type="checkbox"/>	We incorporate ESG into our external manager appointment process	<input checked="" type="checkbox"/>	We incorporate ESG into our external manager monitoring process	<input type="checkbox"/>	We do not do ESG incorporation
	<b>Fixed income - corporate (financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b>										
<input checked="" type="checkbox"/>	We incorporate ESG into our external manager selection process										
<input checked="" type="checkbox"/>	We incorporate ESG into our external manager appointment process										
<input checked="" type="checkbox"/>	We incorporate ESG into our external manager monitoring process										
<input type="checkbox"/>	We do not do ESG incorporation										

Fixed income - corporate (non-financial)	<p><b>Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></p> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Fixed income - securitised	<p><b>Fixed income - securitised - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></p> <input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input checked="" type="checkbox"/> We do not do ESG incorporation
Private equity	<p><b>Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></p> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Hedge funds	<p><b>Hedge funds - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></p> <input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input checked="" type="checkbox"/> We do not do ESG incorporation
Other (1)	<p><b>Other (1) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></p> <input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input checked="" type="checkbox"/> We do not do ESG incorporation
Other (2)	<p><b>Other (2) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</b></p> <input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input checked="" type="checkbox"/> We do not do ESG incorporation

**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 that 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.
- 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.

**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 the following 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 descriptions of the approach mentioned above in SAM 02.5. Note that separate processes are followed for private equity, described in SAM 02, SAM 04 and SAM 05.

OO 12	Mandatory	Gateway	General
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**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	
<input checked="" type="checkbox"/>	Engagements
<input checked="" type="checkbox"/>	(Proxy) voting
Direct - Fixed Income	
<input checked="" type="checkbox"/>	Fixed income - SSA
<input checked="" type="checkbox"/>	Fixed income - Corporate (financial)
<input checked="" type="checkbox"/>	Fixed income - Corporate (non-financial)
Direct - Other asset classes with dedicated modules	
<input checked="" type="checkbox"/>	Property
RI implementation via external managers	
Indirect - Selection, Appointment and Monitoring of External Managers	
<input checked="" type="checkbox"/>	Listed Equities
<input checked="" type="checkbox"/>	Fixed income - SSA
<input checked="" type="checkbox"/>	Fixed income - Corporate (financial)
<input checked="" type="checkbox"/>	Fixed income - Corporate (non-financial)
<input checked="" type="checkbox"/>	Private Equity
Closing module	
<input checked="" type="checkbox"/>	Closing module

OO LE 01	Mandatory to Report, Voluntary to Disclose	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.

0	Passive
0	Active - quantitative (quant)
100	Active - fundamental and active - other

OO FI 01	Mandatory to Report, Voluntary to Disclose	Gateway	General
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**OO FI 01.1** Provide a breakdown of your internally managed fixed income securities by active and passive strategies

SSA	16	Passive
	0	Active - quantitative (quant)
	84	Active - fundamental and active - other



Corporate (financial)	8	Passive
	0	Active - quantitative (quant)
	92	Active - fundamental and active - other
Corporate (non-financial)	14	Passive
	0	Active - quantitative (quant)
	86	Active - fundamental and active - other

OO FI 03 Mandatory to Report, Voluntary to Disclose Descriptive General

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

SSA	91	Developed markets
	09	Emerging markets

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.

OO SAM 01 Mandatory to Report, Voluntary to Disclose Gateway General

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)	34	Passive
	34	Active - quantitative (quant)
	32	Active - fundamental and active - other
Fixed income - SSA	39	Passive
	0	Active - quantitative (quant)
	61	Active - fundamental and active - other
Fixed income - Corporate (financial)	2	Passive
	0	Active - quantitative (quant)
	98	Active - fundamental and active - other
Fixed income - Corporate (non-financial)	1	Passive
	0	Active - quantitative (quant)
	99	Active - fundamental and active - other

Fixed income - Securitised	26	Passive
	0	Active - quantitative (quant)
	74	Active - fundamental and active - other

OO PR 01	Mandatory to Report, Voluntary to Disclose	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 investment portfolio consists of over 600 properties around the globe, valued at roughly USD 14 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 14 percent of the direct real estate exposure.

The portfolio and asset management for Zurich's global real estate portfolio is conducted locally, predominantly through in-house asset management teams. Only a 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	Gateway	General
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**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	Voluntary	Descriptive	General
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**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

**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.

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 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="checkbox"/> Applicable policies cover all AUM <input type="checkbox"/> Applicable policies cover a majority of AUM <input type="checkbox"/> 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 and related issues

**SG 01.3a CC** Describe how your products or investment strategy might be affected by the transition to a lower-carbon economy.

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.

**SG 01.3b CC** Describe how climate-related risks and opportunities are factored into your investment strategies or products.

We factor climate-related risks and strategies into our investment strategies or products.

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: 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. Strengthen 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. Benchmarks: 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. Finance the transition to a low-carbon economy: as part of our ongoing commitment to impact investing and our target to help avoid the emission of five million tons of CO2 per year, we will evaluate green investments across different asset classes on an ongoing basis.
5. Drive 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. Engagement: as part of engaging with the companies in which we invest, climate change should be reflected on the agenda and considered in voting practices.
7. Selective exclusions: recognizing the particularly harmful impact of coal on climate Zurich has developed a Group approach on selectively excluding companies related to the mining of or electricity generation from thermal coal from its underwriting and investing activities.

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/tcf>

We do not factor climate-related risks and strategies into our investment strategies or products.

Other RI considerations, specify (1)

Other RI considerations, specify (2)

**SG 01.4** Describe your organisation's investment principles and overall investment strategy, 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 corporate responsibility is the starting point for defining our approach to responsible investment. At Zurich, corporate responsibility is about how we conduct our business and is an integral part of the Group's strategy. It is about sustainable value creation, one of our core values, as set out in 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 corporate responsibility focuses on enhancing community flood resilience, investing our Group assets responsibly and working with our corporate customers to help them understand and manage their corporate responsibility risks. Responsible investment is thus about managing the overall portfolio of assets to create sustainable value or, in other words, to do well and do good. 'Well' means generating superior risk-adjusted returns for the direct benefit of Zurich's policyholders and shareholders, and 'good' means generating positive impact for the benefit of society and the communities in which we live and work.

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

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

Successful ESG integration is based on:

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

2. Impact investing: Through impact investing, Zurich can help 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

**SG 02** Mandatory Core Assessed PRI 6

**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
<input checked="" type="checkbox"/> URL <a href="https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205">https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205</a>
<input type="checkbox"/> Attachment (will be made public)

Asset class-specific RI guidelines

URL/Attachment
<input checked="" type="checkbox"/> URL <a href="https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205">https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205</a>
<input type="checkbox"/> Attachment (will be made public)

Screening / exclusions policy

URL/Attachment	
<input checked="" type="checkbox"/>	URL <a href="https://www.zurich.com/en/corporate-responsibility/responsible-investment/esg-integration">https://www.zurich.com/en/corporate-responsibility/responsible-investment/esg-integration</a>
<input type="checkbox"/>	Attachment (will be made public)
<input checked="" type="checkbox"/> Engagement policy	
URL/Attachment	
<input checked="" type="checkbox"/>	URL <a href="https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205">https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205</a>
<input type="checkbox"/>	Attachment (will be made public)
<input checked="" type="checkbox"/> (Proxy) voting policy	
URL/Attachment	
<input checked="" type="checkbox"/>	URL <a href="https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/zurich-proxy-voting-policy-and-guidelines.pdf?la=en&amp;hash=96EC9253F41007590058B3DB1F21966B49A5D9A1">https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/zurich-proxy-voting-policy-and-guidelines.pdf?la=en&amp;hash=96EC9253F41007590058B3DB1F21966B49A5D9A1</a>
<input type="checkbox"/>	Attachment (will be made public)
<input checked="" type="checkbox"/> Other, specify (1)	
Other, specify (1) description	
Investment philosophy	
URL/Attachment	
<input checked="" type="checkbox"/>	URL <a href="https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/zurich-responsible-investment-position-statement-2017.pdf?la=en&amp;hash=E728621509466695895975895FD0C0E035ACF3D4">https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/zurich-responsible-investment-position-statement-2017.pdf?la=en&amp;hash=E728621509466695895975895FD0C0E035ACF3D4</a>
<input type="checkbox"/>	Attachment (will be made public)
<input type="checkbox"/> 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.

<input checked="" type="checkbox"/> Your organisation's definition of ESG and/or responsible investment and it's relation to investments	
URL/Attachment	
<input checked="" type="checkbox"/>	URL <a href="https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205">https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205</a>
<input type="checkbox"/>	Attachment
<input checked="" type="checkbox"/> Your investment objectives that take ESG factors/real economy influence into account	
URL/Attachment	
<input checked="" type="checkbox"/>	URL <a href="https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205">https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205</a>
<input type="checkbox"/>	Attachment
<input checked="" type="checkbox"/> Time horizon of your investment	
URL/Attachment	
<input checked="" type="checkbox"/>	URL <a href="https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205">https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205</a>
<input type="checkbox"/>	Attachment
<input checked="" type="checkbox"/> Governance structure of organisational ESG responsibilities	
URL/Attachment	
<input checked="" type="checkbox"/>	URL <a href="https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205">https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205</a>
<input type="checkbox"/>	Attachment
<input checked="" type="checkbox"/> ESG incorporation approaches	

URL/Attachment	
<input checked="" type="checkbox"/> URL	<a href="https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205">https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205</a>
<input type="checkbox"/> Attachment	
<input checked="" type="checkbox"/> Active ownership approaches	
URL/Attachment	
<input checked="" type="checkbox"/> URL	<a href="https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205">https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205</a>
<input type="checkbox"/> Attachment	
<input checked="" type="checkbox"/> Climate change and related issues	
URL/Attachment	
<input checked="" type="checkbox"/> URL	<a href="https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205">https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205</a>
<input type="checkbox"/> Attachment	
<input type="checkbox"/> We do not publicly disclose any investment policy components	

SG 02.3	Indicate if your organisation's investment principles, and overall investment strategy is publicly available
<input checked="" type="radio"/> Yes	<a href="https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205">https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205</a>
<input type="radio"/> No	

SG 02.4	Additional information [Optional].
Additional policies and guidance documents making reference to responsible investment that are publicly available:	
<ul style="list-style-type: none"> <li>Responsible investment position statement: <a href="https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/zurich-responsible-investment-position-statement-2017.pdf?la=en&amp;hash=E728621509466695895975895FD0C0E035ACF3D4">https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/zurich-responsible-investment-position-statement-2017.pdf?la=en&amp;hash=E728621509466695895975895FD0C0E035ACF3D4</a></li> <li>Code of conduct: <a href="http://www.zurich.com/en/about-us/corporate-governance/code-of-conduct">www.zurich.com/en/about-us/corporate-governance/code-of-conduct</a></li> <li>Zurich's TCFD reporting: <a href="https://www.zurich.com/en/corporate-responsibility/climate-change/tcfd">https://www.zurich.com/en/corporate-responsibility/climate-change/tcfd</a></li> </ul>	

SG 03	Mandatory	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.
<input checked="" type="radio"/> 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:	
<ul style="list-style-type: none"> <li>Investment and insurance underwriting decisions separated through dedicated line of responsibility and clear accountability of Group and local chief investment officers</li> <li>Clear investment policies and guidelines and overview of decision-making process through Asset-Liability Management Investment Committees (ALMICs)</li> <li>Policies on gifts and entertainment</li> <li>Clear guidelines on ethical behavior through code of conduct</li> <li>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.</li> </ul>	
<input type="radio"/> No	

SG 04	Voluntary	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.
<input checked="" type="radio"/> Yes	
<input type="radio"/> No	
SG 04.2	Describe your process on managing incidents
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 the asset manager 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.	

SG 05	Mandatory	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.
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- 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	Descriptive	General
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**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 selected other individuals 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 2017 was to establish the relationships and networks necessary to further drive internal communication of responsible investment progress and proof points through local communication teams.

- Improved engagement to encourage change with regards to management of ESG issues
- 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): 82%
- Managed by staff with direct access to ESG data (% of in-scope): 98%
- ESG represented in the investment process (% of in-scope): 84%
- ESG represented in issuer engagement (% of in-scope): 81%

- 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, 2017:

- Green bonds: USD 2.4 billion
- Other use-of-proceed bonds: USD 303 million
- Impact private equity (commitments): USD 116 million

- Other, specify (2)

**other description (2)**

Successfully pilot first proxy voting season for largest in house equity management team and prepare for further roll out.

**Progress achieved**

This goal was achieved.

- Other, specify (3)

**other description (3)**



Progress on climate change strategy	
	Progress achieved
Various projects were conducted to progress Zurich's climate change strategy for responsible investment (as outlined in SG 01.3a CC and SG 01.3b CC)	
ESG characteristics of investments	
<input type="checkbox"/> Over or underweight companies based on ESG characteristics <input type="checkbox"/> Improve ESG ratings of portfolio <input checked="" type="checkbox"/> 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
<ul style="list-style-type: none"> <li>• CO2: 30 kg/sqm (2016), -11% vs. 2010</li> <li>• Energy consumption: 121 kWh/sqm (2016), -8% vs. 2010</li> </ul>	
<input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify (2) <input type="checkbox"/> Other, specify (3)	
Other activities	
<input checked="" type="checkbox"/> 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 2017 we actively participated in 5 industry groups.	
<input type="checkbox"/> Encouraging others to join a RI initiative <input type="checkbox"/> Documentation of best practice case studies <input type="checkbox"/> Using case studies to demonstrate engagement and ESG incorporation to clients <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify (2) <input type="checkbox"/> Other, specify (3)	

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 (49 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 CR highlights report.

SG 07	Mandatory	Core Assessed	General
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SG 07.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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Roles present in your organisation	
<input checked="" type="checkbox"/>	Board members or trustees
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment
<input checked="" type="checkbox"/>	Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment
<input checked="" type="checkbox"/>	Other Chief-level staff or head of department, specify
	All Group CIO direct reports
<input type="checkbox"/>	Oversight/accountability for responsible investment
<input checked="" type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment
<input checked="" type="checkbox"/>	Portfolio managers
<input type="checkbox"/>	Oversight/accountability for responsible investment
<input checked="" type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment

- ESG portfolio manager
- Investment analysts
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)
- Other role, specify (2)

**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 are assigned to relevant individuals across investment management, including all 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.

2

**SG 07.4** Additional information. [Optional]

Accountabilities at the level of the Zurich Group

- The 'Governance, Nominations and Corporate Responsibility Committee' of the Zurich Board of Directors reviews and approves the corporate responsibility (CR) strategy and objectives, 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 corporate responsibility forms an integral part.
- Zurich's responsible investment approach is an integral element of the Group's CR strategy and the Executive Committee (ExCo) is accountable for the execution of the CR strategy. A cross-functional Group-level body – the CR Working Group – is responsible for setting the Group's CR strategy, priorities and objectives for approval by the ExCo and monitors progress of the implementation of Zurich's overall CR strategy. The Working Group is chaired by a member of the ExCo/management and reviews progress against defined objectives on a quarterly basis. The Head of Responsible Investment represents investment management in the Working Group.
- The Group Chief Investment Officer (CIO), a member of the ExCo, is responsible for the execution of the responsible investment strategy.

SG 07 CC	Voluntary	Descriptive	General
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**SG 07.1 CC** Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for climate-related issues.

Roles present in your organisation

- 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), 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, specify
  - Chief Market Strategist/Macroeconomist
    - 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

- ESG portfolio manager
- 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
- Investor relations
- Other role, specify (1)
- Other role, specify (2)

**SG 07.1a CC** For the board level roles or for which you have climate-related issues oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Accountabilities at the level of the Zurich 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 Corporate Responsibility Committee' of the Zurich Board of Directors reviews and approves the corporate responsibility (CR) 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.
- Zurich's responsible investment approach is an integral element of the Group's CR strategy and the Executive Committee (ExCo) is accountable for the execution of the CR strategy. A cross-functional Group-level body – the CR Working Group – is responsible for setting the Group's CR strategy, priorities and objectives for approval by the ExCo and monitors progress of the implementation of Zurich's overall CR strategy. The Working Group is chaired by a member of the ExCo and reviews progress against defined objectives on a quarterly basis. The Head of Responsible Investment represents investment management in the Working Group.
- The Group Chief Investment Officer (CIO), a member of the ExCo, is responsible for the execution of the responsible investment approach and climate change investment strategy. The Chief Market Strategist & Head of Macro Economics annually assesses high-level climate change scenario narratives.

<b>SG 08</b>	<b>Voluntary</b>	<b>Additional Assessed</b>	<b>General</b>
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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.

**Board members/Board of trustees**

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

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

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

**Other C-level staff or head of department**

All Group CIO direct reports

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

**Portfolio managers**

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

**Investment analysts**

- Responsible investment KPIs and/or goals included in objectives

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

**Dedicated responsible investment staff**

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

**SG 08.3** Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.

All objectives related to responsible investment are assessed as part of Zurich's performance management process and affect variable pay through overall performance ratings.

**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.

**SG 09** **Mandatory** **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.

- Principles for Responsible Investment

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

- 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

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 2017 Zurich achieved a score of A- (Leadership level). Read our 2017 submission here: <https://www.zurich.com/en/corporate-responsibility/our-cr-strategy/external-commitments>

- 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
- EVCA – 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)  
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)**

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, co-chairing one of them  
 More details about the Green Bonds Principles can be found at: [www.icmagroup.org/Regulatory-Policy-and-Market-Practice/green-bonds](http://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

**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)**

Moderate

**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](http://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

**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)**

Advanced

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

Zurich is a founding member of the Investment Leaders Group (ILG), a group of 11 institutional investors 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](http://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)**

Moderate

**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	Descriptive	PRI 1
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Indicate approximately what percentage (+/- 5%) of your externally managed assets are managed by PRI signatories.

## 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
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> 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 11 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: <a href="https://www.cisl.cam.ac.uk/business-action/sustainable-finance/investment-leaders-group">https://www.cisl.cam.ac.uk/business-action/sustainable-finance/investment-leaders-group</a>

Frequency of contribution
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input checked="" type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> 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 11 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: <a href="https://www.cisl.cam.ac.uk/business-action/sustainable-finance/investment-leaders-group">https://www.cisl.cam.ac.uk/business-action/sustainable-finance/investment-leaders-group</a>

Frequency of contribution
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> 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
<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other

- Spoke publicly at events and conferences to promote responsible investment

Description
In 2017, Zurich investment professionals spoke at 28 conferences or other industry events about responsible investment topics, such as ESG integration, impact investments, or green bonds.
Frequency of contribution
<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc <input type="checkbox"/> Other
<input checked="" type="checkbox"/> 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: <a href="https://www.zurich.com/en/knowledge/articles/2017/11/me-topic-navigating-climate-change">https://www.zurich.com/en/knowledge/articles/2017/11/me-topic-navigating-climate-change</a>
Frequency of contribution
<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input checked="" type="checkbox"/> Ad hoc <input type="checkbox"/> Other
<input checked="" type="checkbox"/> 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
<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input checked="" type="checkbox"/> Ad hoc <input type="checkbox"/> Other
<input checked="" type="checkbox"/> Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
Description
Zurich frequently answers RI related market consultations
Frequency of contribution
<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input checked="" type="checkbox"/> Ad hoc <input type="checkbox"/> Other
<input checked="" type="checkbox"/> Wrote and published articles on responsible investment in the media
Description
Zurich has frequently published topical comments on responsible investment (for example two articles for the EUROFI magazine in 2017) and provides both background context and interviews for relevant media outlets.
Frequency of contribution
<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input checked="" type="checkbox"/> Ad hoc <input type="checkbox"/> Other
<input type="checkbox"/> A member of PRI advisory committees/ working groups, specify
<input checked="" type="checkbox"/> On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

Description
Green Bond Principles (GBP)
Frequency of contribution
<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc <input type="checkbox"/> Other <input type="checkbox"/> Other, specify
<input type="radio"/> 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]	
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Working actively to promote and advance responsible investment practices is an integral part of Zurich's overall responsible investment approach, and critical in achieving responsible investment's ultimate goal: to create social and environmental value along with financial returns. More details can be found below.

As part of our activities to promote responsible investment, Zurich speakers have participated in over 28 events and webinars, and Zurich contributed to, or authored, a similar number of articles through various media outlets globally, over the course of 2017.

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 looks to work with other industry participants to advance responsible investment practices. In addition to being a signatory of the Principles of Responsible Investment (PRI), Zurich supports a number of collaborative initiatives and works closely 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](http://www.zurich.com/en/corporate-responsibility/responsible-investment/advancing-together) to learn more about our engagement.

SG 11	Voluntary	Additional Assessed	PRI 4,5,6
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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.	
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- Yes
- Yes, individually
  - Yes, in collaboration with others

SG 11.2	Select the methods you have used.
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- 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.
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- Yes, publicly available
- <https://www.fsb-tcfd.org/tcfd-supporters-march-2018/>
- No
- No

SG 11.4	Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.
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In 2017, Zurich's responsible investment policy advocacy efforts were focused mainly on topics related to disclosure and transparency, as well as the green bond market. These efforts included providing detailed input into various relevant consultations by the High Level Expert Group on Sustainable Finance, the European Commission as well as direct interaction with relevant policy makers in both group and bilateral settings. Zurich also publicly supported the TCFD recommendations.

SG 12	Mandatory	Core Assessed	PRI 4
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SG 12.1	Indicate whether your organisation uses investment consultants.	
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- Yes, we use investment consultants
- No, we do not use investment consultants.

SG 13	Mandatory	Descriptive	PRI 1
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SG 13.1	Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.
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- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities

Is this scenario analysis based on a 2°C or lower scenario?
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- Yes
- No

- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

SG SG 13.1a CC	Please describe the resilience of your organisation's strategy, considering different future climate scenarios.
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Strategy affected	Changes to strategy	Description of scenario and time-horizon	How analysis has been used

SG 13.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
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We do the following
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- 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]
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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 distils all investable asset classes into a set of five transparent 'risk factors'. These 'risk factors' comprise of interest rate risk, credit risk, liquidity risk, equity and commodity risk, as well as inflation risk.

The definition of a 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 14	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1
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SG 14.1	Describe the process used to identify short, medium and long-term risks and opportunities that could have a material impact on your organisation and its activities.
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Since ESG factors have an impact on the risk and return of assets, including ESG in the asset management process should heighten asset managers' awareness of the risks and opportunities associated with these factors when making decisions on the securities or assets they select. As an integral part of managing assets for Zurich, all our 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 sometimes complex, and vary from sector to sector.
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.
4. Active ownership
 

Asset managers are required to actively execute proxy votes based on best-practice policies addressing ESG issues.

SG 14.1 CC	Describe the processes used to determine which climate-related short, medium and long-term risks and opportunities could have a material impact on your organisation and its activities.
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It is hard to take action without context. Zurich's Market Strategy and Macroeconomics team has defined high-level climate change scenarios in 2017 and is monitoring developments with the help of a scorecard that is updated regularly.

**SG 14.2** Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.

- Changing demographics
- Climate change and related issues

**SG 14.2a cc** Please describe how you define "short", "medium" and "long term", and describe your material climate-related issues over these time horizons.

	Definition	Description of material climate-related issues
Short term	<1 year	Mainly transition risk. Work on in-depth analysis is ongoing. Zurich has participated in various pilot projects to identify transition risks, such as portfolio carbon footprinting or 2 degrees Celsius compatibility analysis.
Medium term	1-5 years	Various degrees of transition and physical risks. Work on in-depth analysis is ongoing.
Long term	>5 years	Mainly physical risks. Work on in-depth analysis is ongoing, as there are currently no standard approaches to assess risk exposure for these types of risks for investment portfolios.

**SG 14.3** 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
- 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 2017, 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 14.4** Indicate which of the following tools you use to manage emissions risks and opportunities

- Scenario analysis
  - Disclosure on emissions risk to clients/trustees/management/beneficiaries
  - Climate-related targets
  - Encourage internal and/or external portfolio managers to monitor emissions risk
  - 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
- Resource scarcity
  - Technology developments
  - Other, specify(1)
  - Other, specify(2)
  - None of the above

**SG 14.4a 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	Metric Trend	Limitations / Weaknesses
<b>Carbon footprint (scope 1 and 2)</b>	Swiss Real Estate Portfolio (49% of global real estate portfolio)	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	Kg CO <sub>2</sub> e/m <sup>2</sup>	We are applying a measuring methodology developed with an external consultant	Emissions in 2016 were 11% down from 2010	

**SG 14.6** 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 0.3 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) and applies carbon footprinting and emission reduction targets to its Swiss real estate portfolio.

**SG 14.7 CC** Describe your risk management processes for identifying, assessing, and managing climate-related risks.

Our process for climate-related risks is integrated into overall risk management

Please describe  
See SG 14.8 CC

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

**SG 14.8 CC** Describe your processes for prioritising climate-related risks.

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

**SG 14.9 CC** Do you conduct engagement activity with investee companies to encourage better disclosure and practices around climate-related risks?

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.

No, we do not engage

**SG 14.10 CC** Describe how you use data from climate-related disclosures.

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.

In addition, material climate-related data, risks and opportunities are systematically assessed and rated by our ESG research provider. These ratings and research reports are considered in security selection.

**SG 15** Mandatory to Report, Voluntary to Disclose Descriptive PRI 1

**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.

1.4%

**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

Clean technology (including renewable energy)

Asset class invested

- Listed equity
- Fixed income - SSA  
1.5% of AUM
- 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.

Green buildings

Asset class invested
<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"/> Fixed income - Securitised
<input type="checkbox"/> Private equity
<input checked="" type="checkbox"/> Property
24.4% of AUM
<input type="checkbox"/> Hedge funds
<input type="checkbox"/> Cash
<input type="checkbox"/> Other (1)
<input type="checkbox"/> 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
<input type="checkbox"/> Listed equity
<input checked="" type="checkbox"/> Fixed income - SSA
1.5% of AUM
<input type="checkbox"/> Fixed income - Corporate (financial)
<input type="checkbox"/> Fixed income - Corporate (non-financial)
<input type="checkbox"/> Fixed income - Securitised
<input type="checkbox"/> Private equity
<input type="checkbox"/> Property
<input type="checkbox"/> Hedge funds
<input type="checkbox"/> Cash
<input type="checkbox"/> Other (1)
<input type="checkbox"/> Other (2)

**Brief description and measures of investment**

Through green bonds. See SG 15.3 for additional explanations.

Sustainable agriculture

Asset class invested
<input type="checkbox"/> Listed equity
<input checked="" type="checkbox"/> Fixed income - SSA
1.5% of AUM
<input type="checkbox"/> Fixed income - Corporate (financial)
<input type="checkbox"/> Fixed income - Corporate (non-financial)
<input type="checkbox"/> Fixed income - Securitised
<input type="checkbox"/> Private equity
<input type="checkbox"/> Property
<input type="checkbox"/> Hedge funds
<input type="checkbox"/> Cash
<input type="checkbox"/> Other (1)
<input type="checkbox"/> Other (2)

**Brief description and measures of investment**

Through green bonds. See SG 15.3 for additional explanations.

Microfinance

Asset class invested
<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)

- Fixed income - Securitised
- Private equity
  - 3.3% of AUM
- 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
  - 3.3% of AUM
- 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)
  - 0.36% of AUM
- 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
  - 1.5% of AUM
- 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  
1.5% of AUM
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity  
3.3% of AUM
- 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

SG 18	Voluntary	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.

Over the course of 2017, Zurich made good progress in building a portfolio of impact investments:

- Green bonds: In 2014, Zurich announced its commitment to invest up to USD 2 billion in green bonds. By the end of 2017, USD 2.4 billion had been invested in green bonds, exceeding our impact target.
- Socially-themed use-of-proceeds bonds: By the end of 2017, USD 303 million had been invested in socially-themed use-of-proceeds bonds of various issuers.
- Impact private equity: By end of 2017, Zurich had committed USD 116 million to impact investing opportunities in private equity.
- Real estate: Zurich continues to make investments aimed at reducing energy use and carbon emissions of its real estate portfolio.

New impact investment targets: In 2017 Zurich committed to new impact investment targets:

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

No

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

The basic role of insurance in society is, by pooling risks, to help protect individuals or organizations from the uncertainties of life and the vagaries of our world. Providing insurance protection to individuals frees them from social constraints. Without insurance, individuals remain dependent on the support of the family or community, or risk poverty and destitution. And even in cases where family or community support is available, many shocks will continue to significantly affect the welfare of the poorest. As a global insurance group, serving millions of customers in over 210 countries and territories, and with a rapidly growing footprint in many emerging regions of the world, Zurich and its customers are directly or indirectly exposed to many environmental and social challenges. Not all of these can be mitigated completely by insurance solutions alone.

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

Mitigating environmental risks by supporting a low-carbon economy and encouraging environmentally- friendly technologies

Increasing community resilience by helping to build 'community capital' and addressing the needs of populations that lack traditional means to achieve such goals (the 'underserved populations')

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

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

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

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

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

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

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

SG 19.1	Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.
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Fixed income
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Do you disclose?
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- 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
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- Yes
- No

Disclosure to public and URL
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Disclosure to public and URL
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- Broad approach to RI incorporation
- Detailed explanation of RI incorporation strategy used

Less frequently than annually

[https://www.zurich.com/\\_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205](https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205)

Listed equity - Engagement
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Do you disclose?
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- 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	
<input checked="" type="checkbox"/> Yes	
<input type="checkbox"/> No	

<b>Disclosure to public and URL</b>	
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 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	
Less frequently than annually	
<a href="https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205">https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205</a>	

**Listed equity – (Proxy) Voting**

Do you disclose?	
<input type="checkbox"/> We do not disclose to either clients/beneficiaries or the public.	
<input type="checkbox"/> We disclose to clients/beneficiaries only.	
<input checked="" type="checkbox"/> We disclose to the public	
The information disclosed to clients/beneficiaries is the same	
<input checked="" type="checkbox"/> Yes	
<input type="checkbox"/> No	

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	
<input type="checkbox"/> Explain all voting decisions	
<input type="checkbox"/> Explain some voting decisions	
<input type="checkbox"/> Only explain abstentions and votes against management	
<input checked="" type="checkbox"/> No explanations provided	
Annually	
<a href="https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/zurich-proxy-voting-policy-and-guidelines.pdf?la=en&amp;hash=96EC9253F41007590058B3DB1F21966B49A5D9A1">https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/zurich-proxy-voting-policy-and-guidelines.pdf?la=en&amp;hash=96EC9253F41007590058B3DB1F21966B49A5D9A1</a>	

**Listed equity - Incorporation**

Do you disclose?	
<input type="checkbox"/> We do not proactively disclose it to the public and/or clients/beneficiaries	
<input type="checkbox"/> We disclose to clients/beneficiaries only.	
<input checked="" type="checkbox"/> We disclose it publicly	
The information disclosed to clients/beneficiaries is the same	
<input checked="" type="checkbox"/> Yes	
<input type="checkbox"/> No	

<b>Disclosure to public and URL</b>	
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Disclosure to public and URL	
<input checked="" type="checkbox"/>	Broad approach to ESG incorporation
<input type="checkbox"/>	Detailed explanation of ESG incorporation strategy used
Less frequently than annually	
<a href="https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205">https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205</a>	

## Property

Do you disclose?	
<input type="checkbox"/>	We do not disclose to either clients/beneficiaries or the public.
<input type="checkbox"/>	We disclose to clients/beneficiaries only.
<input checked="" type="checkbox"/>	We disclose to the public
The information disclosed to clients/beneficiaries is the same	
<input checked="" type="checkbox"/>	Yes
<input type="checkbox"/>	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
Annually	
<a href="https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205">https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205</a> <a href="https://www.zurich.com/en/corporate-responsibility/measuring-our-progress">https://www.zurich.com/en/corporate-responsibility/measuring-our-progress</a>	

## Selection, Appointment and Monitoring

Do you disclose?	
<input type="checkbox"/>	We do not disclose to either clients/beneficiaries or the public.
<input type="checkbox"/>	We disclose to clients/beneficiaries only.
<input checked="" type="checkbox"/>	We disclose to the public
The information disclosed to clients/beneficiaries is the same	
<input checked="" type="checkbox"/>	Yes
<input type="checkbox"/>	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
Less frequently than annually	
<a href="https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205">https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205</a>	

## SG 19.2 Additional information [Optional]

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.

**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 type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" 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).

**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
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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG reporting requirements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
No RI information covered in the RFPs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 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 checked="" 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 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 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 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	Additional Assessed	PRI 2
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**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 that 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"/>
None of the above	<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 voting policy - LE
Review the manager's ability to align voting activities with clients' specific voting policies	<input checked="" type="checkbox"/> Review the manager's ability to align voting activities with clients' specific voting policies - LE
Review the manager's process for informing clients about voting decisions	<input type="checkbox"/> Review the manager's process for informing clients about voting decisions - LE
Ensure that voting outcomes feed back into the investment decision-making process	<input type="checkbox"/> Ensure that voting outcomes feed back into the investment decision-making process - LE
Review the number of votes cast as a percentage of ballots/AGMs or holdings and available rationale	<input checked="" type="checkbox"/> Review the number of votes cast as a percentage of ballots/AGMs or holdings and available rationale - LE
Other active ownership voting issues in your selection process; specify	<input type="checkbox"/> Other active ownership voting issues in your selection process; specify - LE
None of the above	<input type="checkbox"/> None of the above - LE

**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

**SAM 04**

**Mandatory**

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
- 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
- None of the above
- None of the above, we invest only in pooled funds and have a thorough selection process

**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
- ESG integration, specify  
See SAM 04.5
- Engagement, specify  
See SAM 04.5
- Voting, specify  
See SAM 04.5
- Promoting responsible investment
- ESG specific improvements
- 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
- Engagement, specify
- Voting, specify
- Promoting responsible investment
- ESG specific improvements
- 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
- ESG related strategy, specify
- ESG related investment restrictions, specify
- ESG integration, specify  
See SAM 04.5
- Engagement, specify  
See SAM 04.5
- Voting, specify
- Promoting responsible investment
- ESG specific improvements

#### 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 04.5

- Engagement, specify  
See SAM 04.5
- Voting, specify
- Promoting responsible investment
- ESG specific improvements

#### 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 04.5
- Engagement, specify
- Voting, specify
- Promoting responsible investment
- ESG specific improvements

#### Incentives and controls

- We do not set incentives and controls

#### Reporting requirements

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

#### SAM 04.4

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 04.5

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 pre-determine 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 ('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.

SAM 05	Mandatory	Core Assessed	PRI 1
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**SAM 05.1** When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates

	LE	FI - SSA	FI - Corporate (financial)	FI - Corporate (non-financial)	Private equity
ESG objectives linked to investment strategy	<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"/>
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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 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. All reporting regarding SSA refers to Zurich's existing dedicated SSA green bond mandate managed by an external asset manager. (See 0011.4 for a description of the scope for ESG integration.)

**SAM 06** Mandatory 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 undertaken (with outcomes and examples) - LE
Report on voting decisions taken	<input checked="" type="checkbox"/> Report on voting decisions taken - LE
Adherence with the agreed upon voting policy	<input type="checkbox"/> Adherence with the agreed upon voting policy - LE
Other RI considerations relating to (proxy) voting in investment management agreements; specify	<input type="checkbox"/> Other RI considerations relating to (proxy) voting in investment management agreements; specify - LE
None of the above	<input type="checkbox"/> None of the above - LE

**SAM 07** Mandatory 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%)  
60%

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.

90Proportion (to the nearest 5%)

**SAM 07.3** Additional information [OPTIONAL]

• Note that we measure 'votes cast' based on end-of-year AuM. Accordingly, the 40 percent 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. • Note that the 90 percent reported for engagement is based on AuM managed by external asset managers who apply an active engagement approach.

**SAM 08** Mandatory to Report, Voluntary to Disclose 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	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.

- Add Example 1

Topic or issue	Manager search for European credit mandate
Conducted by	Internal staff
Asset class	Fixed income – securitised
Scope and process	Zurich conducted a manager search throughout 16/17 for a specialized securitized mandated.
Outcomes	Zurich selected an asset manager with an established ESG reporting framework for this asset class.

- Add Example 2

Topic or issue	Investment Management Agreements
Conducted by	Internal staff
Asset class	All asset classes
Scope and process	Zurich is updating IMAs with existing asset manager to include ESG language.
Outcomes	In 2017, 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 an equity portfolio (European equities)
Conducted by	Internal staff
Asset class	Listed Equity
Scope and process	ESG performance of a portfolio of European equity securities was discussed with the asset manager.
Outcomes	The asset manager identified a number of ESG risks in the portfolio. No portfolio companies were rated worst-in-class or had red-flagged ESG controversies. For an issuer from the financial sector, ESG issues started to slightly improve leading to an increased weight of the issuer. An issuer in the leisure sector with governance issues and customer complaints was being monitored.

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

**SAM 09.2** Additional information.

In 2017, Zurich formally reviewed ESG performance of externally managed securities portfolios in 29 performance review meetings, covering over 92 percent of in-scope assets.

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%)

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

Percentage of active listed equity to which the strategy is applied	9%
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- 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	91%
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- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined
- We do not apply incorporation strategies

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. 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.
- 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]

[addition to LEI 01.2]

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.

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.

LEI 02	Voluntary	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.

- Raw ESG company data
  - ESG research provider
  - Sell-side
  - In-house – specialised ESG analyst or team
  - In-house – analyst or portfolio manager
- Company-related analysis or ratings
  - ESG research provider
  - Sell-side
  - In-house – specialised ESG analyst or team
  - In-house – analyst or portfolio manager
- Sector-related analysis or ratings
  - 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
  - ESG research provider
  - Sell-side
  - In-house – specialised ESG analyst or team
  - In-house – analyst or portfolio manager
- ESG issue-specific analysis or ratings
  - ESG research provider
  - Sell-side
  - In-house – specialised ESG analyst or team
  - In-house – analyst or portfolio manager
- Other, specify

LEI 02.2	Provide a brief description of the ESG information used, highlighting any different sources of information across your ESG incorporation strategies.
<p>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.</p> <p>Zurich's corporate responsibility team provides Group Investment Management with a list of entities for exclusion from direct investment (primarily those associated with banned cluster munitions and anti-personnel landmines, as well as thermal coal (see LEI 04.2)), based on information provided by a third-party research provider and the outcome of Zurich's approach to managing corporate responsibility risks in business transactions that involve corporate customers (see LEI 01.2 and LEI 04.2 for additional details).</p>	
LEI 02.3	Indicate if you incentivise brokers to provide ESG research.
<input checked="" type="checkbox"/> Yes	
LEI 02.4	Describe how you incentivise brokers.
<p>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.</p>	
<input type="checkbox"/> No	

LEI 03	Voluntary	Additional Assessed	PRI 1
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.		
<input checked="" type="checkbox"/> Engagement <ul style="list-style-type: none"> <li><input type="checkbox"/> We have a systematic process to ensure the information is made available.</li> <li><input type="checkbox"/> We occasionally make this information available.</li> <li><input checked="" type="checkbox"/> We do not make this information available.</li> </ul>			
<input checked="" type="checkbox"/> (Proxy) voting <ul style="list-style-type: none"> <li><input type="checkbox"/> We have a systematic process to ensure the information is made available.</li> <li><input type="checkbox"/> We occasionally make this information available.</li> <li><input checked="" type="checkbox"/> We do not make this information available.</li> </ul>			

LEI 04	Mandatory	Descriptive	PRI 1		
LEI 04.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.				
<input checked="" type="checkbox"/> Negative/exclusionary screening <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Product</li> <li><input checked="" type="checkbox"/> Activity</li> <li><input checked="" type="checkbox"/> Sector</li> <li><input type="checkbox"/> Country/geographic region</li> <li><input checked="" type="checkbox"/> Environmental and social practices and performance</li> <li><input checked="" type="checkbox"/> Corporate governance</li> </ul>					
<table border="1"> <thead> <tr> <th>Description</th> </tr> </thead> <tbody> <tr> <td>The screen applied currently comprises producers of UN-sanctioned weapons (banned cluster munitions and anti-personal landmines), as well as any companies Zurich may choose to disengage with, based on the process described in LEI 04.2.</td> </tr> </tbody> </table>				Description	The screen applied currently comprises producers of UN-sanctioned weapons (banned cluster munitions and anti-personal landmines), as well as any companies Zurich may choose to disengage with, based on the process described in LEI 04.2.
Description					
The screen applied currently comprises producers of UN-sanctioned weapons (banned cluster munitions and anti-personal landmines), as well as any companies Zurich may choose to disengage with, based on the process described in LEI 04.2.					
<input type="checkbox"/> Positive/best-in-class screening <input type="checkbox"/> Norms-based screening					

LEI 04.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
<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 corporate responsibility risks and promote best practices in managing ESG risks. A corporate responsibility decision team is in place to assess sensitive or complex corporate responsibility 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 corporate responsibility risks in business transactions. Zurich's approach to integrate corporate responsibility risks and the UN Global Compact in underwriting may result in decisions to abstain from certain transactions. In some cases (primarily related to banned cluster munitions, and anti-personnel land mines), the approach may result in a decision to stop doing business with a company, including any forms of direct investment. In Zurich's view it is very important to apply any 'exclusion' or 'negative screening' consistently across the Group, including underwriting and investment activities.</p> <p>If a decision is made to exclude, exclusion screens are prepared by Zurich's corporate responsibility 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 corporate responsibility risks in business transactions. Currently, the screen consists mainly of weapons banned by the UN (cluster munitions and anti-personnel landmines). A list of producers of banned weapons is provided quarterly by a third-party research provider. Should a company identified be an existing Zurich customer, Zurich will conduct a corporate responsibility assessment and start an engagement process with the customer. During the engagement process, Zurich will not enter into any new business or new direct investments. If, after a period of one year, the engagement has not delivered any positive results, Zurich will stop entering into any new business with the company in question and will also divest from direct investments. The list of companies is circulated quarterly to all internal and external asset managers.</p> <p>In November 2017, Zurich announced to divest from equity holdings in companies that derive more than half of their revenues from mining thermal coal, or utility companies that generate more than half of their energy from coal. It will not invest in new debt issued by such companies and will run off existing holdings. The policy will be implemented over the course of 2018 for investments.</p>	

LEI 05	Mandatory	Core Assessed	PRI 1
LEI 05.1	Indicate which processes your organisation uses to ensure screening is based on robust analysis.		
	<input checked="" type="checkbox"/> Comprehensive ESG research is undertaken or sourced to determine companies' activities and products. <input checked="" type="checkbox"/> Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies. <input checked="" type="checkbox"/> A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions <input type="checkbox"/> A periodic review of the quality of the research undertaken or provided is carried out <input type="checkbox"/> Review and evaluation of external research providers <input type="checkbox"/> Other, specify <input type="checkbox"/> 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.		
	<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%		
LEI 05.3	Indicate how frequently third party ESG ratings are updated for screening purposes.		
	<input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Bi-annually <input type="radio"/> Annually <input type="radio"/> 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	Additional Assessed	PRI 1
LEI 06.1	Indicate which processes your organisation uses to ensure fund criteria are not breached		
	<input checked="" type="checkbox"/> Systematic checks are performed to ensure that stocks meet the funds' screening criteria. <input type="checkbox"/> Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria. <input type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit function <input type="checkbox"/> Periodic auditing/checking of the organisations RI funds by external party <input type="checkbox"/> Other, specify <input type="checkbox"/> 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 investment team 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 monthly 'restricted' list containing information on companies nearing or breaching counterparty credit risk limits on a Group level as well as blacklisted names from the process explained in LEI 04.2. Occasional checks of the blacklisted names against Group holdings are performed in line with a process used to manage other types of guideline breaches.		

LEI 08	Mandatory	Core Assessed	PRI 1					
LEI 08.1	Indicate which 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.							
	<table border="1"> <thead> <tr> <th>ESG issues</th> <th>Proportion impacted by analysis</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Environmental</td> <td>Environmental</td> </tr> <tr> <td> <input type="radio"/> &lt;10%  <input type="radio"/> 10-50%  <input checked="" type="radio"/> 51-90%  <input type="radio"/> &gt;90%                 </td> </tr> </tbody> </table>			ESG issues	Proportion impacted by analysis	Environmental	Environmental	<input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90%
ESG issues	Proportion impacted by analysis							
Environmental	Environmental							
	<input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90%							

Social	Social	
	<input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> 51-90% <input type="radio"/> >90%	
Corporate Governance	Corporate Governance	
	<input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90%	

**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 01.3, which includes review of potential ESG issues.

LEI 09	Voluntary	Additional 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

**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%

- 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.

**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

- 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
- Other, specify
- None of the above

**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	Core Assessed	PRI 1
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**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%

- 11-50%
- 51-90%
- 90%

Industry analysis

Proportion of actively managed listed equity exposed to investment analysis
<input type="radio"/> <10% <input checked="" type="radio"/> 11-50% <input type="radio"/> 51-90% <input type="radio"/> 90%

Quality of management

Proportion of actively managed listed equity exposed to investment analysis
<input type="radio"/> <10% <input type="radio"/> 11-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> 90%

Analysis of company strategy

Proportion of actively managed listed equity exposed to investment analysis
<input type="radio"/> <10% <input type="radio"/> 11-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> 90%

Portfolio weighting

Proportion of actively managed listed equity exposed to investment analysis
<input type="radio"/> <10% <input type="radio"/> 11-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> 90%

LEI 10.2a	Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis and/or portfolio construction.
-----------	--

<input type="checkbox"/> Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows) <input checked="" type="checkbox"/> Adjustments to valuation tools (discount rates, terminal value) <input checked="" type="checkbox"/> Other adjustments to fair value projections, 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: <ul style="list-style-type: none"> <li>• Assessment of weighted ESG ratings relative to benchmark</li> <li>• Use of ESG rating to screen investment universe</li> </ul>
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LEI 10.4a	Describe the methods you have used to adjust the income forecast / valuation tool
-----------	---

The portfolio manager will make a subjective adjustment
---

Fair value/fundamental analysis

Proportion of actively managed listed equity exposed to investment analysis
<input type="radio"/> <10% <input type="radio"/> 11-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> 90%

LEI 10.2b	Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis and/or portfolio construction.
-----------	--

<input type="checkbox"/> Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows) <input checked="" type="checkbox"/> Adjustments to valuation tools (discount rates, terminal value) <input checked="" type="checkbox"/> Other adjustments to fair value projections, specify The portfolio manager will make a subjective adjustment
--

LEI 10.4b	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.
--



Other, specify

**LEI 10.5** Additional information.

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

In answering this indicator, "10-50%" was selected if a respective process is applied occasionally by at least one team. "51-90%" was selected if a respective process is applied systematically by a majority of teams. ">90%" was chosen if a respective process is applied systematically by all teams.

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

**LEI 12** Voluntary Descriptive PRI 1

**LEI 12.1** Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.

- Screening
- Integration of ESG issues

Select which of these effects followed your ESG integration:

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

**LEI 12.2** 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 (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 01.3 for details about minimum standards for ESG integration applied across teams.

**LEI 13** Voluntary Additional Assessed PRI 1

**LEI 13.1** Indicate whether your organisation measures how your approach to responsible investment in Listed Equity has affected your portfolio's financial and/or ESG performance.

- We measure whether our approach to ESG issues impacts funds' reputation
- We measure whether our approach to ESG issues impacts funds' financial performance: return
- We measure whether our approach to ESG issues impacts funds' financial performance: risk
- We measure whether our approach to ESG issues impacts funds' ESG performance

Describe the impact on:	Describe the impact	Which strategies were analysed?
Funds' ESG performance	<input type="radio"/> Positive <input type="radio"/> Negative <input checked="" type="radio"/> No impact	<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration

None of the above

**LEI 13.2** Describe how you are able to determine these outcomes.

By comparing the average weighted ESG rating of the portfolio with that of the benchmark.

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

In answering LEI 13.1, options were selected if applied systematically at least by one team.

**LEI 14** Voluntary Descriptive PRI 1

**LEI 14.1** Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.

- ESG issue 1

ESG issue and explanation
Holding in a Chinese internet company with poor ESG rating due to weak voting and legal structure
Integration

Impact on investment decision or performance
Portfolio manager assesses the weak voting and legal structures as problematic, but sufficiently balanced by a very strong business model and investment case. The manager also assumes that the valuation would probably be higher in the event of a better ESG score and will keep monitoring the risk-return balance of this stock closely in the months ahead.

ESG issue 2

ESG issue and explanation
Environmental and Health issue to the infectious virus in a fish farm. The current fish stock has been liquidated
Integration
Impact on investment decision or performance
Portfolio manager decided to divest, as the economical impact could be meaningful.

ESG issue 3

ESG issue and explanation
ESG profile outperforming market momentum of a health care company
Integration
Impact on investment decision or performance
Portfolio manager decided to maintain a significant position in an innovative global healthcare company in spite of strong recent performance and relatively high valuations, which would provide an opportunity to realise gains. From a sustainability perspective the manager remains convinced that the company's strong ESG rating as well as global demographic and health trends merit to hold on to the position with a long-term view.

ESG issue 4

ESG issue 5

LEA 01.1	Indicate whether your organisation has a formal engagement policy.
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Yes

LEA 01.2	Attach or provide a URL to your engagement policy.
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Attachment provided:

URL provided:

[https://www.zurich.com/\\_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205](https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205)

LEA 01.3	Indicate what your engagement policy covers:
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- Conflicts of interest
- Insider information
- Alignment with national stewardship code requirements
- Due diligence and monitoring process
- Prioritisation of engagements
- Transparency of engagement activities
- Environmental factors
- Social factors
- Governance factors
- Other, describe
- None of the above

LEA 01.4	Provide a brief overview of your organization's approach to engagement
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Active ownership is one of the four core requirements, and hence an important enabler for our ESG integration strategy. In 2016, Zurich established an Engagement policy. Engagement can be understood within the context of two complementary approaches:

1. the direct dialogue with investee companies, geared towards gathering information and influencing their behavior as part of our "ESG integration" strategy element.
2. engagement as in collaborating with the broader market environment in regard to ESG issues, as part of our 'advancing together' strategy element.

Responsible investment has to be reflected in top-down strategy and processes but, equally importantly, bottom-up engagement is required for responsible investment practices to become part and parcel of everyday investment decision-making.

No

LEA 01.6	Additional information [optional]
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The following minimum requirements and best practice has been agreed in regard to engagement:

Active ownership  
Minimum standard

- 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.

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 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.

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 creating larger impact investing markets as well as promoting best practice in impact reporting.

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 type="checkbox"/> Other, specify <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"/> Other, specify supporting the creation of markets (i.e. green bonds) <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"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> <p style="background-color: #0070C0; color: white; padding: 2px;">Please specify why your organisation does not engage via service providers.</p> <p>Currently all engagement activities are performed with the help of our in-house and external asset managers as well as Zurich's Responsible Investment Team.</p> </div>

**LEA 02.2** Additional information. [Optional]

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

**LEA 03** Mandatory Core Assessed PRI 2

**LEA 03.1** Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

Yes

**LEA 03.2** Describe the criteria used to identify and prioritise engagement activities carried out by internal staff.

- Geography / market of the companies
- Materiality of ESG factors
- Systemic risks to global portfolios
- Exposure (holdings)
- In response to ESG impacts that have already occurred.
- As a response to divestment pressure
- Consultation with clients/beneficiaries
- Consultation with other stakeholders (i.e. NGOs, trade unions etc.)
- As a follow-up from a voting decision
- Client request
- Other, describe

No

**LEA 03.3** Additional information. [Optional]

We apply both a top-down and bottom-up approach to identify engagement topics.

Top down:

- Choose priority topics aligned to group strategy, sustainability strategy, responsible investment strategy as well as existing external commitments (such as the UN Global Compact)

Bottom-up

- Financially material long term ESG trends
- Financially most material issues per industry sector/company

**LEA 04** Mandatory Core Assessed PRI 2

**LEA 04.1** Indicate if you define specific objectives for your engagement activities.

Yes

We do not define specific objectives for engagement activities carried out by internal staff.

**LEA 04.2** Indicate if you monitor the actions that companies take during and following your engagements activities carried out by internal staff.

Yes

- Yes, in all cases
- Yes, in the majority of cases
- Yes, in the minority of cases

We do not monitor the actions that companies take following engagement activities carried out by internal staff.

**LEA 04.3** Indicate if you do any of the following to monitor and evaluate the progress of your engagement activities carried out by internal staff.

- Define timelines for your objectives
- Tracking and/or monitoring progress against defined objectives

- Tracking and or monitoring progress of actions taken when original objectives are not met
- Revisit and, if necessary, revise objectives on continuous basis
- Other, please specify

other description
Annual in-house questionnaire

- We do not monitor and evaluate progress of engagement activities carried out by internal staff

LEA 04.4	Additional information. [Optional]
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Top down engagement activities in 2017 focused on growing the green bond market. 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	Core Assessed	PRI 2
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LEA 05.1	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements
----------	--

- Yes

LEA 05.2	Describe the criteria used to identify and prioritise collaborative engagements.
----------	--

- Potential to learn from other investors
- Ability to add value to the collaboration
- Geography / market of the companies targeted by the collaboration
- Materiality of ESG factors addressed by the collaboration
- Systemic risks to global portfolios addressed by the collaboration
- Exposure (holdings) to companies targeted by the collaboration
- In reaction to ESG impacts addressed by the collaboration that have already occurred.
- As a response to divestment pressure
- As a follow-up from a voting decision
- Consultation with clients/beneficiaries
- Consultation with other stakeholders (i.e. NGOs, trade unions etc.)
- Other, describe

- No

LEA 05.3	Additional information [Optional]
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Zurich's main collaborative engagement in 2017 was as part of the Green Bond Principle's Executive Committee with an aim to grow the green bond market and improve best practice in impact reporting.

LEA 06	Mandatory	Core Assessed	PRI 2
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LEA 06.1	Indicate if you define specific objectives for your engagement activities carried out collaboratively.
----------	--

- Yes
  - Yes, for all engagement activities
  - Yes, for the majority of engagement activities
  - Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out collaboratively.

LEA 06.2	Indicate if you monitor the actions companies take during and following your collaborative engagements.
----------	---

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out collaboratively

LEA 06.3	Indicate if you do any of the following to monitor and evaluate the progress of your collaborative engagement activities.
----------	---

- Define timelines for your objectives
- Tracking and/or monitoring progress against defined objectives
- Tracking and or monitoring progress of actions taken when original objectives are not met
- Revisit and, if necessary, revise objectives on continuous basis
- Other, please specify
- We do not monitor and evaluate progress of engagement activities carried out by internal staff

LEA 09	Voluntary	Additional Assessed	PRI 1,2
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LEA 09.1	Indicate if insights gained from your engagements are shared with your internal or external investment managers.
----------	--

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

**LEA 09.2** 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 discuss actively with peers or via collaborative networks. Some meetings are regularly scheduled (e.g., quarterly industry calls), others are ad hoc.

**LEA 10** Mandatory Gateway PRI 2

**LEA 10.1** Indicate if you track the number of your engagement activities.

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

**LEA 11** Mandatory to Report, Voluntary to Disclose Core Assessed PRI 2

**LEA 11.1** Indicate the amount of your listed equities portfolio with which your organisation engaged during the reporting year.

	Number of companies engaged (avoid double counting, see explanatory notes)	Proportion (to the nearest 5%)	Specify the basis on which this percentage is calculated
Individual / Internal staff engagements	315	25Proportion (to the nearest 5%)	<input checked="" type="checkbox"/> of the total number of companies you hold <input type="checkbox"/> of the total value of your listed equity holdings
Collaborative engagements	0	0Proportion (to the nearest 5%)	<input type="checkbox"/> of the total number of companies you hold <input checked="" type="checkbox"/> of the total value of your listed equity holdings

**LEA 11.2** Indicate the proportion of engagements that involved multiple, substantive and detailed discussions or interactions with a company during the reporting year relating to ESG issue.

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input type="checkbox"/> > 50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input checked="" type="checkbox"/> None
Collaborative engagements	<input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input checked="" type="checkbox"/> None

**LEA 11.3** Indicate the percentage of your collaborative engagements for which you were a leading organisation during the reporting year.

Type of engagement	% Leading role
Collaborative engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> None

**LEA 11.5** Additional information. [Optional]

In 2017 we did not collaboratively engage in equity-based engagements, however, we remained very active in the Green Bond Principles and exchanged ideas and opinions with various issuers.

**LEA 12** Voluntary Additional Assessed PRI 2

**LEA 12.1** Indicate which of the following your engagement involved.

- Letters and emails to companies
  - In some cases
  - In majority cases
  - In all cases
- Meetings and/or calls with the appropriate team
  - In some cases
  - In majority cases
  - In all cases
- Visits to operations
- Participation in roadshows
  - In some cases
  - In majority cases
  - In all cases
- Other, specify

**LEA 12.2** 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) to bring up importance of sustainability and hence company transparency on 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.

**LEA 13** Voluntary Descriptive PRI 2

**LEA 13.1** Indicate whether you track the number of cases during the reporting year in which a company changed its practices, or made a formal commitment to do so, following your organisation's and/or your service provider's engagement activities.

- Yes
- No

**LEA 13.3** Additional information [Optional].

While we do not systematically record the cases where our engagement influences a company's behavior, we discuss cases in quarterly champion calls or in internal annual review meetings.

**LEA 14** Voluntary Additional Assessed PRI 2

**LEA 14.1** Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.

Add Example 1

ESG factors	Environment
ESG issue	CO2 emissions of an airport operator
Conducted by	Individual / Internal
Objectives	Impact of potential carbon pricing on the operation of the company.
Scope and Process	Investment professional discussed the matter on a call to understand the company's long-term strategic position.
Outcomes	We were reassured with the company's long-term approach and strategy.

Add Example 2

ESG factors	Environment
-------------	-------------

ESG issue	Stranded assets
Conducted by	Individual / Internal
Objectives	Assessment of risk of stranded assets for a fossil fuel company.
Scope and Process	Investment professional discussed the strategy of an oil & gas company and the danger of stranded assets given mid-term developments for climate change mitigation.
Outcomes	Encouraged company to proceed with the oil to gas switch strategy in fuel mix produced and discouraged company to further invest into oil related assets.

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

LEA 15	Mandatory	Core Assessed	PRI 1,2,3
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**LEA 15.1** Indicate whether your organisation has a formal voting policy.

Yes

**LEA 15.2** Indicate what your voting policy covers:

- Conflicts of interest
- Share blocking
- Securities lending process
- Prioritisation of voting activities
- Decision making processes
- Environmental factors
- Social factors
- Governance factors
- Filing/co-filing resolutions
- Extraordinary meetings
- Regional voting practices
- Transparency of proxy voting activities
- Company dialogue pre/post vote
- Other, describe
- None of the above

**LEA 15.3** Attach or provide a URL to your voting policy. [Optional]

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

**LEA 15.4** Provide a brief overview of your organization's approach to (proxy) voting.

Zurich believes that exercising voting rights, whenever possible without incurring undue costs, is in its best economic interest and aligned with its desire to safeguard investments, which are made with the aim of achieving sustainable financial success and based on prudent, responsible business behavior, including Zurich's code of conduct or equivalent. In companies in which Zurich holds shares, the votes must be exercised in accordance with the principles detailed in the proxy voting policy linked above.

No

LEA 16	Mandatory	Descriptive	PRI 2
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**LEA 16.1** 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) that make voting recommendations or provide research that we use to inform our voting decisions.

**Based on**

- the service provider voting policy signed off by us
- our own voting policy
- our clients' requests or policy
- other, explain



- We hire service provider(s) that make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) that make voting decisions on our behalf.

**LEA 16.2** 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 (if applicable).

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 16.3** Additional information.[Optional]

See full proxy voting policy and procedure under: [https://www.zurich.com/\\_/media/dbe/corporate/docs/corporate-responsibility/zurich-proxy-voting-policy-and-guidelines.pdf?la=en&hash=96EC9253F41007590058B3DB1F21966B49A5D9A1](https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/zurich-proxy-voting-policy-and-guidelines.pdf?la=en&hash=96EC9253F41007590058B3DB1F21966B49A5D9A1)

**LEA 18** Voluntary Descriptive PRI 2

**LEA 18.1** Describe your involvement in any projects to improve the voting trail and/or to obtain vote confirmation .

Our third-party service provider offers reporting to analyze our voting behavior and confirms our participation.

**LEA 19** Voluntary Additional Assessed PRI 2

**LEA 19.1** Indicate if your organisation has a securities lending programme.

Yes

**LEA 19.3** Indicate how voting is addressed in your securities lending programme.

- We recall all securities for voting on all ballot items
- We systematically recall some securities to vote on their ballot items
- We recall some securities to 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.
- Others

No

**LEA 20** Mandatory Core Assessed PRI 2

**LEA 20.1** Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting

- Yes, in most cases
- Sometimes, in the following cases:
- Neither we nor our service provider raise concerns with companies ahead of voting

**LEA 20.2** Indicate whether you and/or the service provider(s) acting on your behalf, communicate the rationale to companies, when , you abstain or vote against management recommendations.

- Yes, in most cases
- Sometimes, in the following cases.
- 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 21** Mandatory Core Assessed PRI 2

**LEA 21.1** 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%)
10%

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

**LEA 21.2** Explain your reason(s) for not voting 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)
- On request by clients
- Other

Personal attendance required

We do not track or collect this information

**LEA 21.3** Additional information. [Optional]

Proxy voting for in-house managed equity was rolled out for one pilot country in 2017. Roll out to further countries is ongoing.

**LEA 22** Mandatory Additional Assessed PRI 2

**LEA 22.1** 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 22.2** 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	91%
Against (opposing) management recommendations	9%
Abstentions	0%

**LEA 22.3** Describe the actions you take in relation to voting against management recommendations.

No immediate actions are taken in relation to voting against management. Zurich currently does not link its engagement policy to votes, and our proxy voting adviser has an engagement 'suspension period' between receiving the ballots and instructing the vote.

No, we do not track this information

**LEA 23** Voluntary Descriptive PRI 2

**LEA 23.1** Indicate if your organisation directly or via a service provider filed or co-filed any ESG shareholder resolutions during the reporting year.

- Yes
- No

**LEA 23.6** 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 16.2.

**LEA 24** Voluntary Descriptive PRI 2

**LEA 24.2** Additional information. [Optional]

Proxy voting was rolled out for a first pilot country in 2017 in the middle of the calendar year. Votes were actively cast for all companies of which we hold equities that held their regular and extraordinary shareholders' meetings between mid-May and December, which – including portfolio turnover – amounted to 10 percent of the portfolio's end-of-year assets. Votes were cast on a number of regular items as well as E, S and G shareholder resolutions covering a variety of different topics.

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	0	Screening alone
	93	Thematic alone
	0	Integration alone
	0	Screening + integration strategies
	7	Thematic + integration strategies
	0	Screening + thematic strategies
	0	All three strategies combined
	0	No incorporation strategies applied
Corporate (financial)	0	Screening alone
	0	Thematic alone
	0	Integration alone
	0	Screening + integration strategies
	0	Thematic + integration strategies
	24	Screening + thematic strategies
	76	All three strategies combined
	0	No incorporation strategies applied
Corporate (non-financial)	0	Screening alone
	0	Thematic alone
	0	Integration alone
	0	Screening + integration strategies
	0	Thematic + integration strategies
	22	Screening + thematic strategies
	78	All three strategies combined
	0	No incorporation strategies applied

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 OO11.4 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 2017, 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 02	Mandatory to Report, Voluntary to Disclose	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.

	SSA	Corporate (financial)	Corporate (non-financial)
Environmental data	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Social data	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governance data	<input 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
  - 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
  - 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
  - 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
  - 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 11.1 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	Additional Assessed	PRI 1
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**FI 03.1** Indicate how you ensure that your ESG research process is robust:

- 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 of ESG research are undertaken in a systematic way
- ESG analysis is benchmarked for quality against other providers

- Other, specify
- None of the above

FI 03.2	Describe how your ESG information or analysis is shared among your investment team.
<input checked="" type="checkbox"/> ESG information is held within a centralised database and is accessible to all investment staff <input checked="" type="checkbox"/> ESG information is a standard item on all individual issuer summaries, 'tear sheets', 'dashboards' or similar documents <input checked="" type="checkbox"/> Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings <input checked="" type="checkbox"/> Records capture how ESG information and research was incorporated into investment decisions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above	

FI 04	Mandatory	Gateway	PRI 1
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FI 04.1	Indicate the type of screening you conduct.												
	<table border="1"> <thead> <tr> <th></th> <th style="background-color: #0070C0; color: white;">Corporate (financial)</th> <th style="background-color: #0070C0; color: white;">Corporate (non-financial)</th> </tr> </thead> <tbody> <tr> <td>Negative/exclusionary screening</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>Positive/best-in-class screening</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>Norms-based screening</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </tbody> </table>		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"/>
	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
<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 corporate responsibility risks and promote best practices in managing ESG risks. A corporate responsibility decision team is in place to assess sensitive or complex corporate responsibility 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 corporate responsibility risks in business transactions. Zurich's approach to integrate corporate responsibility risks and the UN Global Compact in underwriting may result in decisions to abstain from certain transactions. In some cases (primarily related to banned cluster munitions, and anti-personnel land mines), the approach may result in a decision to stop doing business with a company, including any forms of direct investment. In Zurich's view it is very important to apply any 'exclusion' or 'negative screening' consistently across the Group, including underwriting and investment activities.</p> <p>[further information see FI 04.3]</p>	

FI 04.3	Additional information. [Optional]
<p>[follow on from FI 04.2]</p> <p>If a decision is made to exclude, exclusion screens are prepared by Zurich's corporate responsibility 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 corporate responsibility risks in business transactions. Currently, the screen consists mainly of weapons banned by the UN (cluster munitions and anti-personnel landmines). A list of producers of banned weapons is provided quarterly by a third-party research provider. Should a company identified be an existing Zurich customer, Zurich will conduct a corporate responsibility assessment and start an engagement process with the customer. During the engagement process, Zurich will not enter into any new business or new direct investments. If, after a period of one year, the engagement has not delivered any positive results, Zurich will stop entering into any new business with the company in question and will also divest from direct investments. The list of companies is circulated quarterly to all internal and external asset managers.</p> <p>In November 2017, Zurich announced to stop insuring and accordingly also divest from equity holdings in companies that derive more than half of their revenues from mining thermal coal, or utility companies that generate more than half of their energy from coal. It will not invest in new debt issued by such companies and will run off existing holdings. For investments, the policy will be implemented over the course of 2018.</p>	

FI 05	Mandatory	Descriptive	PRI 1
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FI 05.1	Indicate why you conduct negative screening.				
	<table border="1"> <thead> <tr> <th style="background-color: #0070C0; color: white;">Corporate (fin)</th> </tr> </thead> <tbody> <tr> <td> <input type="checkbox"/> For legal reasons  <input checked="" type="checkbox"/> For non-legal reasons           </td> </tr> <tr> <th style="background-color: #0070C0; color: white;">Corporate (non-fin)</th> </tr> <tr> <td> <input type="checkbox"/> For legal reasons  <input checked="" type="checkbox"/> For non-legal reasons           </td> </tr> </tbody> </table>	Corporate (fin)	<input type="checkbox"/> For legal reasons <input checked="" type="checkbox"/> For non-legal reasons	Corporate (non-fin)	<input type="checkbox"/> For legal reasons <input checked="" type="checkbox"/> For non-legal reasons
Corporate (fin)					
<input type="checkbox"/> For legal reasons <input checked="" type="checkbox"/> For non-legal reasons					
Corporate (non-fin)					
<input type="checkbox"/> For legal reasons <input checked="" type="checkbox"/> For non-legal reasons					

FI 05.2	Describe your approach to ESG-based negative screening of issuers from your investable universe.
Refer to details of the process in FI 04.2.	

FI 06	Voluntary	Additional Assessed	PRI 1
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FI 06.1	Provide examples of how ESG factors are included in your screening criteria.		
<input checked="" type="checkbox"/> Example 1			
	<table border="1"> <thead> <tr> <th style="background-color: #A9A9A9;">Type of fixed income</th> </tr> </thead> <tbody> <tr> <td> <input checked="" type="checkbox"/> Corporate (financial)  <input type="checkbox"/> Corporate (non-financial)           </td> </tr> </tbody> </table>	Type of fixed income	<input checked="" type="checkbox"/> Corporate (financial) <input type="checkbox"/> Corporate (non-financial)
Type of fixed income			
<input checked="" type="checkbox"/> Corporate (financial) <input 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
Zurich applies a banned-weapons (cluster munitions and anti-personal landmines) screen to its investment universe. See FI 04 and FI 05 for details.

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
Zurich announced in November 2017 that it will divest from equity holdings in companies that derive more than half of their revenues from mining thermal coal, or utility companies that generate more than half of their energy from thermal coal. It will not invest in new debt issued by such companies and will run off existing holdings. The policy will be implemented over the course of 2018 for investments.

- Example 3
- Example 4
- Example 5

FI 07	Mandatory	Core Assessed	PRI 1
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**FI 07.1** Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.

Type of screening	Checks
<b>Negative/exclusionary screening?</b>	<input checked="" type="checkbox"/> Checks are 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 every 2 years. <input 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 regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

**FI 07.2** Additional information. [Optional]

External and internal asset managers receive a monthly restricted list containing information on companies nearing or breaching counterparty credit risk limits on a Group level as well as blacklisted names from the process explained in 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.

FI 08	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
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**FI 08.1** Indicate what proportion of your thematic investments are:

- Green funds  
88%
- Social funds  
5%
- Sustainability bonds (combination of green and social)  
7%

Other

**FI 08.2 Describe your organisation's approach to thematic fixed income investing**

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, 2017, Zurich had invested USD 2.4 billion in green bonds as well as USD 303 million in social and sustainable (green and social mixed use) bonds (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.

**Structure**

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 billion in green and 303 million in social and sustainability bonds.

FI 09	Mandatory	Core Assessed	PRI 1
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**FI 09.1 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..**

- 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 09.2 Describe the actions you take when issuers do not disburse bond proceeds as described in the offering documents.**

Zurich monitors all available reporting and seeks to actively engage 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 2017 we saw few instances where a self-designated green 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 10	Mandatory	Additional Assessed	PRI 1
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**FI 10.1 Indicate how you assess the environmental or social impact of your thematic investments**

- 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 10.2 Additional information. [Optional]**

Currently, portfolio-level impact measurement is only conducted for Zurich's dedicated SSA green bond portfolio. See FI 08.2 for further details on impact reporting for green bonds.

FI 11	Mandatory	Descriptive	PRI 1
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**FI 11.1 Describe your approach to integrating ESG into traditional financial analysis.**

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.
- 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.

###### 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 11.2	Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.
SSA	The approach described above in FI 11.1 applies uniformly to municipal securities, as part of SSA.



Corporate (financial)	The approach described above in FI 11.1 applies uniformly to financial and non-financial corporate bonds.
Corporate (non-financial)	The approach described above in FI 11.1 applies uniformly to financial and non-financial corporate bonds.

FI 12	Mandatory	Core Assessed	PRI 1
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FI 12.1	Indicate how ESG information is typically used as part of your investment process.
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	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 integrated into security weighting decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is integrated into portfolio construction decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is a standard part of internal credit ratings or assessment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis for issuers is a standard agenda item at investment committee meetings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is regularly featured in internal research notes or similar	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is a standard feature of ongoing portfolio monitoring	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis features in all internal issuer summaries or similar documents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 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 (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 12.1, options were selected if applied systematically by at least one team.

See FI 11.1 for details about minimum standards for ESG integration applied across teams.

FI 13	Mandatory	Additional Assessed	PRI 1
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FI 13.1	Indicate the extent to which ESG issues are reviewed in your integration process.
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	Environment	Social	Governance												
SSA	<table border="1"> <tr><th>Environmental</th></tr> <tr><td><input checked="" type="radio"/> Systematically</td></tr> <tr><td><input type="radio"/> Occasionally</td></tr> <tr><td><input type="radio"/> Not at all</td></tr> </table>	Environmental	<input checked="" type="radio"/> Systematically	<input type="radio"/> Occasionally	<input type="radio"/> Not at all	<table border="1"> <tr><th>Social</th></tr> <tr><td><input checked="" type="radio"/> Systematically</td></tr> <tr><td><input type="radio"/> Occasionally</td></tr> <tr><td><input type="radio"/> Not at all</td></tr> </table>	Social	<input checked="" type="radio"/> Systematically	<input type="radio"/> Occasionally	<input type="radio"/> Not at all	<table border="1"> <tr><th>Governance</th></tr> <tr><td><input checked="" type="radio"/> Systematically</td></tr> <tr><td><input type="radio"/> Occasionally</td></tr> <tr><td><input type="radio"/> Not at all</td></tr> </table>	Governance	<input checked="" type="radio"/> Systematically	<input type="radio"/> Occasionally	<input type="radio"/> Not at all
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Corporate (financial)	<table border="1"> <tr><th>Environmental</th></tr> <tr><td><input checked="" type="radio"/> Systematically</td></tr> <tr><td><input type="radio"/> Occasionally</td></tr> <tr><td><input type="radio"/> Not at all</td></tr> </table>	Environmental	<input checked="" type="radio"/> Systematically	<input type="radio"/> Occasionally	<input type="radio"/> Not at all	<table border="1"> <tr><th>Social</th></tr> <tr><td><input checked="" type="radio"/> Systematically</td></tr> <tr><td><input type="radio"/> Occasionally</td></tr> <tr><td><input type="radio"/> Not at all</td></tr> </table>	Social	<input checked="" type="radio"/> Systematically	<input type="radio"/> Occasionally	<input type="radio"/> Not at all	<table border="1"> <tr><th>Governance</th></tr> <tr><td><input checked="" type="radio"/> Systematically</td></tr> <tr><td><input type="radio"/> Occasionally</td></tr> <tr><td><input type="radio"/> Not at all</td></tr> </table>	Governance	<input checked="" type="radio"/> Systematically	<input type="radio"/> Occasionally	<input type="radio"/> Not at all
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Governance															
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<input type="radio"/> Occasionally															
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Corporate (non-financial)	<table border="1"> <tr><th>Environmental</th></tr> <tr><td><input checked="" type="radio"/> Systematically</td></tr> <tr><td><input type="radio"/> Occasionally</td></tr> <tr><td><input type="radio"/> Not at all</td></tr> </table>	Environmental	<input checked="" type="radio"/> Systematically	<input type="radio"/> Occasionally	<input type="radio"/> Not at all	<table border="1"> <tr><th>Social</th></tr> <tr><td><input checked="" type="radio"/> Systematically</td></tr> <tr><td><input type="radio"/> Occasionally</td></tr> <tr><td><input type="radio"/> Not at all</td></tr> </table>	Social	<input checked="" type="radio"/> Systematically	<input type="radio"/> Occasionally	<input type="radio"/> Not at all	<table border="1"> <tr><th>Governance</th></tr> <tr><td><input checked="" type="radio"/> Systematically</td></tr> <tr><td><input type="radio"/> Occasionally</td></tr> <tr><td><input type="radio"/> Not at all</td></tr> </table>	Governance	<input checked="" type="radio"/> Systematically	<input type="radio"/> Occasionally	<input type="radio"/> Not at all
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Governance															
<input checked="" type="radio"/> Systematically															
<input type="radio"/> Occasionally															
<input type="radio"/> Not at all															

FI 13.2	Please provide more detail on how you review E, S and G factors in your integration process.
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SSA	Please see FI 11.1 for a description of Zurich's ESG integration process.
Corporate (financial)	Please see FI 11.1 for a description of Zurich's ESG integration process.
Corporate (non-financial)	Please see FI 11.1 for a description of Zurich's ESG integration process.

FI 13.3	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 13.1 'Systematically' was selected, based on practices applied by the major teams managing fixed income assets.

See FI 11.1 for details about minimum standards for ESG integration applied across teams.

FI 14	Voluntary	Descriptive	PRI 1
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FI 14.1 Describe your RI approach for passively managed fixed income assets.

Passively-managed fixed income mandates are not currently in-scope for Zurich's responsible investment approach.

FI 15	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 2
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FI 15.1 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.

Category	Proportion of assets
SSA	<p> <input type="radio"/> &gt;50%  <input type="radio"/> 26-50%  <input type="radio"/> 5-25%  <input checked="" type="radio"/> More than 0%, less than 5%                 </p> <p>                     FI 15.2 Indicate your motivations for conducting engagement (SSA fixed income assets).                 </p> <p> <input type="radio"/> To gain insights into ESG (i.e. enhance disclosure)  <input type="radio"/> To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity)  <input checked="" type="radio"/> Other, specify                 </p> <p> <input type="text"/> other description                      Zurich engages extensively with green, social and sustainability bond issuers across the different fixed income sectors                 </p> <p> <input type="radio"/> None of the above                 </p>
Corporate (financial)	<p> <input type="radio"/> &gt;50%  <input type="radio"/> 26-50%  <input type="radio"/> 5-25%  <input checked="" type="radio"/> More than 0%, less than 5%                 </p> <p>                     FI 15.2 Indicate your motivations for conducting engagement (Corporate, Financial fixed income assets)                 </p> <p> <input checked="" type="radio"/> To gain insights into ESG (i.e. enhance disclosure)  <input checked="" type="radio"/> To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity)  <input checked="" type="radio"/> Other, specify                 </p> <p> <input type="text"/> other description                      Zurich engages extensively with green bond issuers across the different fixed income sectors                 </p> <p> <input type="radio"/> None of the above                 </p>
Corporate (non-financial)	<p> <input type="radio"/> &gt;50%  <input type="radio"/> 26-50%  <input type="radio"/> 5-25%  <input checked="" type="radio"/> More than 0%, less than 5%                 </p> <p>                     FI 15.2 Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets)                 </p> <p> <input checked="" type="radio"/> To gain insights into ESG (i.e. enhance disclosure)  <input checked="" type="radio"/> To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity)  <input checked="" type="radio"/> Other, specify                 </p> <p> <input type="text"/> other description                      Zurich engages extensively with green, social and sustainability bond issuers across the different fixed income sectors                 </p> <p> <input type="radio"/> None of the above                 </p>

FI 15.3 Additional information.[OPTIONAL]

In 2017, Zurich implemented a strategy for engagement and all major teams began to discuss material ESG issues with issuers as part of regular issuer interaction in a more systematic way. In all these cases, engagement is driven by the portfolio managers and/or analysts directly, with the objective to generate insight as part of the investment process and effect change where appropriate. However, only examples, rather than comprehensive overviews, of these interactions are collected from the different investment teams. Zurich also engages extensively with green bond issuers about impact topics.

FI 16	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1,2
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FI 16.1 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.)

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 16.2 Indicate how your organisation prioritises engagements with issuers

	SSA	Corporate (financial)	Corporate (non-financial)
Based on potential materiality of ESG factors	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Based on systemic risks (e.g. low-carbon transition) to global portfolios	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Based on our exposure (holdings)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" 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 16.3 Indicate when your organisation conducts engagements with issuers.

	SSA	Corporate (financial)	Corporate (non-financial)
Engagements are conducted pre-investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Engagements are conducted post-investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" 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 16.4 Indicate how your organisation conducts engagements with issuers.

	SSA	Corporate (financial)	Corporate (non-financial)
We systematically engage prior to ESG-related divestments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We engage proactively in anticipation of specific ESG risks and/or opportunities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage in reaction to ESG issues which have already affected the issuer	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Investment and ESG analysts systematically conduct ESG-related engagements together	<input type="checkbox"/>	<input type="checkbox"/>	<input 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

Zurich engages proactively with green, social and sustainability bond issuers with a focus on issuers' use-of-proceed bond frameworks, disbursements and project progress, and specifically, impact reporting.

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 16.5 Indicate what your organisation conducts engagements with issuers on.

	SSA	Corporate (financial)	Corporate (non-financial)
We conduct engagements with individual issuers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We conduct engagements within sectors and industries.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We conduct engagements on specific ESG themes (e.g. human rights)	<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 16.6** Indicate how your organisation shares the outcomes of the engagements internally.

	SSA	Corporate (financial)	Corporate (non-financial)
We have a systematic process to ensure the outcomes of engagements are made available	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We occasionally make the outcomes of engagements available	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We do not make this information available	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We do not share the outcomes of the engagements internally	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**FI 16.7** Additional information.[OPTIONAL]

In 2017, a strategy for engagement was implemented and all major teams have started to more systematically discuss material ESG issues with issuers as part of regular issuer interaction. In all these cases, engagement is driven by the portfolio managers and/or analysts directly, with the objective to generate insight as part of the investment process and effect change where appropriate. However, only examples, rather than comprehensive overviews, of these interactions are collected from the different investment teams.

**FI 17** Mandatory to Report, Voluntary to Disclose Additional Assessed PRI 1,2

**FI 17.1** Indicate if your publicly available policy documents explicitly refer to fixed income engagement separately from engagements in relation to other asset classes.

Yes

**FI 17.2** Please attach or provide a URL to your fixed income engagement policy document. [Optional]

[https://www.zurich.com/\\_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205](https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205)

No

**FI 17.3** Additional information [OPTIONAL]

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.

**FI 18** Mandatory to Report, Voluntary to Disclose Additional Assessed General

**FI 18.1** Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance.

	SSA	Corporate (financial)	Corporate (non-financial)
We measure whether incorporating ESG impacts funds' reputation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We measure whether incorporating ESG impacts financial returns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We measure whether incorporating ESG impacts risk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We measure whether incorporating ESG impacts funds' ESG performance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**FI 18.3** 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 (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 18.1, options were selected if applied systematically at least by one team. See FI 11.1 for details about minimum standards for ESG integration applied across teams.

**FI 19** Voluntary Descriptive PRI 1,2

**FI 19.1** 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

Corporate (non-financial)

ESG issue and explanation	Health impact of tobacco products.
Integration	
Impact on investment decision or performance	Maintained significant underweight position in multiple issuers due to expected reaction to long-term health impacts in tobacco growth markets and potential controversies.

Example 2

Corporate (non-financial)	
ESG issue and explanation	Public transport company analysis
Integration	
Impact on investment decision or performance	The analysis of the company's credentials showed a convincing environmental profile, which led the portfolio manager to bid for the company's bonds in the primary market.

Example 3

Corporate (non-financial)	
ESG issue and explanation	Green bond private placement
Thematic	
Impact on investment decision or performance	Exposure to an energy provider with a good ESG profile and promising renewable energy strategy was increased through a targeted green bond private placement.

Example 4

Example 5

PR 01	Mandatory	Core Assessed	PRI 1-6
PR 01.1	Indicate if your organisation has a Responsible Property Investment (RPI) policy.		
<input checked="" type="checkbox"/> Yes			
PR 01.2	Provide a URL or attach the document		
<input checked="" type="checkbox"/> URL <a href="https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205">https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich-november-2017.pdf?la=en&amp;hash=CD9ECD86BC8E7E8A7228CF8B430D2734587F7205</a>			
<input type="checkbox"/> Attach Document			
<input type="radio"/> 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.		
<p>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.</p> <p>The majority of the portfolio of real estate assets is managed in Switzerland, representing 49 percent of Zurich's direct real estate portfolio by value. For the remainder of this module, answers will reflect local best practices for Switzerland, based on the following elements:</p> <ul style="list-style-type: none"> <li>• Sustainability strategy with a specific target to reduce energy consumption and CO2 emissions by 20 percent by 2020, and 80 percent by 2050.</li> <li>• Sustainability targets are reflected in the operational optimization implementation plan, with a specific focus on energy efficiency and the use of renewable energy sources</li> <li>• Sustainability best practices for all relevant ESG factors are reflected in project management guidelines to support decision-making at an asset-by-asset level</li> </ul> <p>To achieve these objectives, Zurich introduced processes that reflect its focus on sustainability in real estate transactions, development and property management.</p>			

PR 04	Mandatory	Gateway/Core Assessed	PRI 1
PR 04.1	Indicate if your organisation typically incorporates ESG issues when selecting property investments.		
<input checked="" type="checkbox"/> Yes			
PR 04.2	Provide a description of your organisation's approach to incorporating ESG issues in property investment selection.		
<p>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.</p>			
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.		
<input checked="" type="checkbox"/> Environmental Energy efficiency Energy supply Transportation			
<input checked="" type="checkbox"/> Social Health, safety and wellbeing Socio-economic Accessibility			
<input checked="" type="checkbox"/> Governance Anti-bribery & corruption Regulatory Shareholder structure & rights			
<input type="radio"/> No			

PR 05	Voluntary	Additional Assessed	PRI 1,3
PR 05.1	Indicate what type of ESG information your organisation typically considers during your property investment selection process.		
<input checked="" type="checkbox"/> Raw data from the target property asset/company			
<input checked="" type="checkbox"/> Appraisals/audits			
<input checked="" type="checkbox"/> Benchmarks/ratings against similar property asset			
<input type="checkbox"/> Country level data/benchmarks			
<input checked="" type="checkbox"/> Data aligned with established property reporting standards, industry codes and certifications			
<input type="checkbox"/> International initiatives, declarations or standards			
<input type="checkbox"/> Data from engagements with stakeholders (e.g. tenants and local community surveys)			
<input checked="" type="checkbox"/> Information from external advisers			
<input checked="" type="checkbox"/> 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** **Core Assessed** **PRI 1**

**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.

**PR 07** **Mandatory** **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%
- >25% to 50%
- >0% to 25%

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%
- >25% to 50%

- >0% to 25%
- Monitoring of property managers covers ESG responsibilities and implementation

Types of actions	
<input checked="" type="checkbox"/>	Performance against quantitative and material environmental / resource targets over specified timeframe.
<input type="checkbox"/>	Performance against quantitative and material environmental / resource targets against relevant benchmarks
<input type="checkbox"/>	Performance against quantitative and qualitative targets to address social impacts of the portfolio/investment,
<input type="checkbox"/>	Other, explain

Coverage	
<input type="radio"/>	>75% to 100%
<input checked="" type="checkbox"/>	>50% to 75%
<input type="radio"/>	>25% to 50%
<input type="radio"/>	>0% to 25%

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 is including a dedicated section on ESG management and before assigning a mandate, we compare and score ESG practice and capability of the manager with regards 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.

**PR 08** Mandatory Gateway PRI 2

**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, light 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 49 percent of Zurich's real estate investments by value are held. Implementation of CO2 emission objectives in other countries has not started yet.

No

**PR 09** Mandatory 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

**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)	-8%
CO2 emissions (20 percent reduction by 2020 vs 2010 baseline; 80 percent reduction by 2050)	-11%

- 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, where 49 percent of Zurich's real estate investments by value are held and refer to 2016.

**PR 10 Voluntary 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 checked="" 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 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.

**PR 11 Mandatory 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

**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
- 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 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.

**PR 12** Mandatory 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

**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
- 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 49 percent of Zurich's direct real estate investments by value are held.

**PR 13** Voluntary Additional Assessed PRI 2

**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

**PR 15** Voluntary 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 Descriptive **PRI 1,3**

**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	Demolition and new construction of a multi-family building with ground floor retail, Zurich.
Impact (or potential impact) on investment	<ul style="list-style-type: none"> <li>• Energy consumption reduced by 65 percent</li> <li>• CO2 emissions reduced by 58 percent</li> </ul>
Activities undertaken to influence the investment and the outcomes	<ul style="list-style-type: none"> <li>• Connected property to long-distance heat supply system</li> <li>• Achieved energy performance to 'Minergie' standard</li> </ul>

Add Example 2

Add Example 3

Add Example 4

Add Example 5

CM1 01.1	Mandatory	Core Assessed	General
CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:		
<input type="checkbox"/> Third party assurance over selected responses from this year's PRI Transparency Report <input checked="" type="checkbox"/> Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year <input type="checkbox"/> Third party assurance or audit of the implementation of RI processes (that have been reported to the PRI this year) <input type="checkbox"/> Internal audit conducted by internal auditors of the implementation of RI processes and/or RI data that have been reported to the PRI this year) <input checked="" type="checkbox"/> Internal verification of responses before submission to the PRI (e.g. by the CEO or the board) <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Whole PRI Transparency Report has been internally verified</li> <li><input type="checkbox"/> Selected data has been internally verified</li> </ul> <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above			

CM1 01.2 & 01.8	Mandatory	Descriptive	Planned assurance of this year's PRI Transparency Report
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CM1 01.2	Do you plan to conduct third party assurance of this year's PRI Transparency report?
<input type="radio"/> Whole PRI Transparency Report will be assured <input checked="" type="radio"/> Selected data will be assured	

CM1 01.8b	Selected data will be assured
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07/03/2018

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 CR Highlights report have been externally assured

Relevant modules
------------------

- Organisational Overview

Corresponding Indicator number
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 CR Highlights report have been externally assured

- Strategy and Governance

Corresponding Indicator number
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 CR Highlights report have been externally assured

- Indirect – Manager Selection, Appointment and Monitoring

Corresponding Indicator number
External asset Managers who are signatories to the PRI, Group assets managed by PRI signatories

- Direct - Listed Equity Incorporation
- Direct - Listed Equity Active Ownership
- Direct - Fixed Income

Corresponding Indicator number
Impact investing exposure numbers

- Direct - Property

Corresponding Indicator number
Progress on impact targets for Swiss Real Estate investments

Who will conduct the assurance
--------------------------------

Assurance standard to be used	
<input checked="" type="checkbox"/>	ISAE/ ASEA 3000
<input type="checkbox"/>	ISAE 3402
<input type="checkbox"/>	ISO standard
<input type="checkbox"/>	AAF01/06
<input type="checkbox"/>	AA1000AS
<input type="checkbox"/>	IFC performance standards
<input checked="" type="checkbox"/>	ASAE 3410 Assurance Engagements on Greenhouse Gas Statements.
<input type="checkbox"/>	National standard
<input type="checkbox"/>	Other

  

Level of assurance sought	
<input checked="" type="radio"/>	Limited or equivalent
<input type="radio"/>	Reasonable or equivalent

We do not plan to assure this year's PRI Transparency report

CM1 01.3 & 01.9	Mandatory	Descriptive	General
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CM1 01.3	We undertook third party assurance on last year's PRI Transparency Report
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- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report

CM1 01.9b	Selected data was assured in last year's PRI Transparency Report
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What data has been assured	
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- 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 CR Highlights report have been externally assured

Relevant modules	
------------------	--

- Organisational Overview

Corresponding Indicator number	
--------------------------------	--

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 CR Highlights report have been externally assured

- Strategy and Governance

Corresponding Indicator number	
--------------------------------	--

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 CR Highlights report have been externally assured

- Indirect – Manager Selection, Appointment and Monitoring

Corresponding Indicator number	
--------------------------------	--

External asset Managers who are signatories to the PRI, Group assets managed by PRI signatories

- Direct - Listed Equity Incorporation
- Direct - Listed Equity Active Ownership
- Direct - Fixed Income

Corresponding Indicator number	
--------------------------------	--

Impact investing exposure numbers

- Direct - Property

Corresponding Indicator number	
--------------------------------	--

Progress on impact targets for Swiss Real Estate investments

Who has conducted the assurance	
---------------------------------	--

Pricewaterhouse Coopers AG

Assurance standard used	
<input checked="" type="checkbox"/>	ISAE/ ASEA 3000
<input type="checkbox"/>	ISAE 3402
<input type="checkbox"/>	ISO standard
<input type="checkbox"/>	AAF01/06
<input type="checkbox"/>	AA1000AS
<input type="checkbox"/>	IFC performance standards
<input checked="" type="checkbox"/>	ASAE 3410 Assurance Engagements on Greenhouse Gas Statements.
<input type="checkbox"/>	National standard
<input type="checkbox"/>	Other
Level of assurance sought	
<input checked="" type="checkbox"/>	Limited or equivalent
<input type="checkbox"/>	Reasonable or equivalent
Link to auditors report	
<a href="https://www.zurich.com/en/corporate-responsibility/measuring-our-progress">https://www.zurich.com/en/corporate-responsibility/measuring-our-progress</a>	

We did not assure last year's PRI Transparency report, or we did not have such a report last year.

CM1 01.4, 10:12	Mandatory	Descriptive	General
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CM1 01.4	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 01.11	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 auditor's report.
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[https://www.zurich.com/\\_/media/dbe/corporate/docs/corporate-responsibility/corporate-responsibility-highlights-2017.pdf](https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/corporate-responsibility-highlights-2017.pdf)  
[https://www.zurich.com/\\_/media/dbe/corporate/docs/financial-reports/2017/annual-report-2017.pdf?la=en](https://www.zurich.com/_/media/dbe/corporate/docs/financial-reports/2017/annual-report-2017.pdf?la=en)

- ESG audit of holdings
- Other, specify
- None of the above

CM1 01.5	Mandatory	Descriptive	General
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CM1 01.5	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
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What data has been assured	
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- 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	
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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 CR Highlights report have been externally assured

Relevant modules	
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- Organisational Overview

Corresponding Indicator number	
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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 CR Highlights report have been externally assured

- Strategy and Governance

Corresponding Indicator number	
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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 CR Highlights report have been externally assured

- Indirect – Manager Selection, Appointment and Monitoring

Corresponding Indicator number	
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External asset Managers that are signatories to the PRI, Total Group assets managed by PRI signatories

- Direct - Listed Equity Incorporation
- Direct - Listed Equity Active Ownership
- Direct - Fixed Income

Corresponding Indicator number

Impact investing exposure numbers

- Direct - Property

Corresponding Indicator number

Progress on impact targets for Swiss Real Estate investments

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:

[https://www.zurich.com/\\_/media/dbe/corporate/docs/corporate-responsibility/corporate-responsibility-highlights-2017.pdf?la=en&hash=1854916B5EE2E0C22483EBBA27A2E7802FECE4B3](https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/corporate-responsibility-highlights-2017.pdf?la=en&hash=1854916B5EE2E0C22483EBBA27A2E7802FECE4B3)  
<https://www.zurich.com/en/corporate-responsibility/measuring-our-progress>

CM1 01.7

Mandatory

Descriptive

General

CM1 01.7

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

- 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)