

Responsible Investment

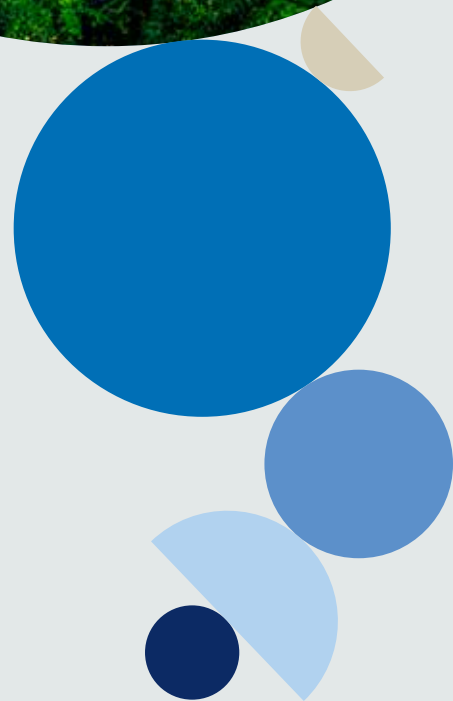


As a global group, Zurich Insurance Group (the Group) is committed to investing responsibly and is a signatory to the United Nations Principles for Responsible Investment. As an investment manager, Zurich Life in Ireland is conscious of the need to ensure that we invest policyholder and shareholder funds responsibly. For the Group, responsible investment is grounded in an economic approach and is all about ‘doing well and doing good’.



‘Doing well’ reflects a belief that being a responsible investor through integrating Environmental, Social and Governance (ESG) factors into our investment process can also create financial value, i.e. better investment returns. On a day-to-day basis, these are issues that we explore when we meet with investee company representatives. We also engage with the companies we invest in by voting on key management resolutions which we view as an important part of being an active, rather than passive, owner of assets. This should help to promote sustainable investment and longer term investment returns to the benefit of all stakeholders.

‘Doing good’ means that through our investments we can have a positive impact on society and the environment. We consider that positive impact as non-financial value; value that cannot be directly or immediately translated in dollars and cents. Active ownership helps to make it clear that non-financial metrics are part of our assessment of a company’s performance and allows us to encourage those companies to do the right thing.



ESG integration

The incorporation of Environmental, Social and Governance (ESG) factors into the investment process is a key element of the UN Principles for Responsible Investment (PRI) www.unpri.org, which the Group signed up to in 2012. These factors are assessed alongside more traditional financial metrics by Zurich's portfolio managers. Zurich has access to specific ESG data as well as training, research and analysis.

Active Ownership

As a responsible equity investor Zurich Life actively executes voting across its entire portfolio of directly managed equity investments with agreed approaches across a wide range of issues such as corporate governance and other key ESG factors. Zurich Life also engages directly with many of its investee companies. This combination of active engagement and active voting is known as active ownership and is recognised as a key feature of responsible investing.

Exclusions

While to date Zurich Life has not adopted a broad-based exclusionary approach to investments there are certain situations where we believe exclusion criteria are justified. Hence, in keeping with Zurich Group's commitments under the UN Global Compact, Zurich Life does not engage in any business with, or directly invest in companies involved in the production of cluster munitions and anti-personnel landmines. Additionally, recognising the particularly harmful impact of coal on climate, Zurich Life has aligned with Zurich Group's approach of excluding investments in thermal coal companies and has divested 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.

Impact investing

Through impact investing, Zurich Insurance can help fund solutions for important social or environmental issues. The Group is directly exposed to challenges such as climate change, and resource depletion. As a global insurer Zurich Insurance Group has a direct interest in sustainable global economic growth and in supporting communities to become more resilient to environmental and social challenges. Impact investments can help address these issues in a targeted way, and also offer a financial return commensurate with risks. In view of that the Group has committed to invest up to \$5 billion into impact investments.

Advancing together

We believe that responsible investment will only truly have an impact if financial market participants advance together to make ESG integration mainstream. Zurich expects that this collective action will, over time, lead the market to a more efficient pricing of ESG factors, consequently benefiting compliant companies and other stakeholders.

For more information on Responsible Investment with Zurich please do not hesitate to get in touch or log on to www.zurich.ie/responsibleinvestment

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Zurich Life Assurance plc is regulated by the Central Bank of Ireland.