

Responsible Investment - The Zurich approach

Zurich Life



Why Responsible Investment at Zurich?

To be successful
our business must...



1

create sustainable
value for all our
stakeholders

2

focus on long-term
success over short
term gains

Doing well and doing good...

- not philanthropy
- Long-term value
- positive impact on society



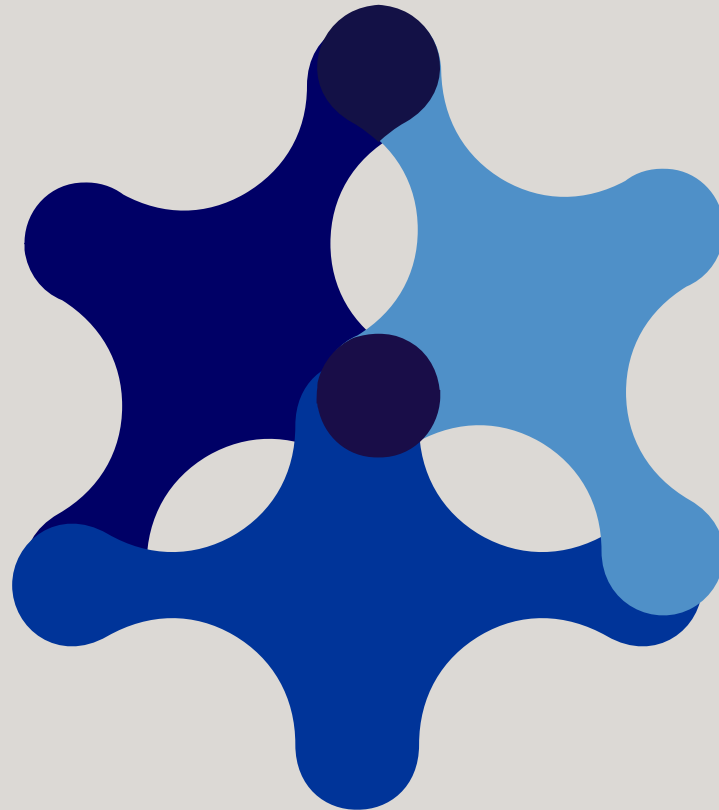
Principles for Responsible Investment

Continuously implementing our Responsible Investment strategy since 2012



Doing well and doing good

Impact Investing



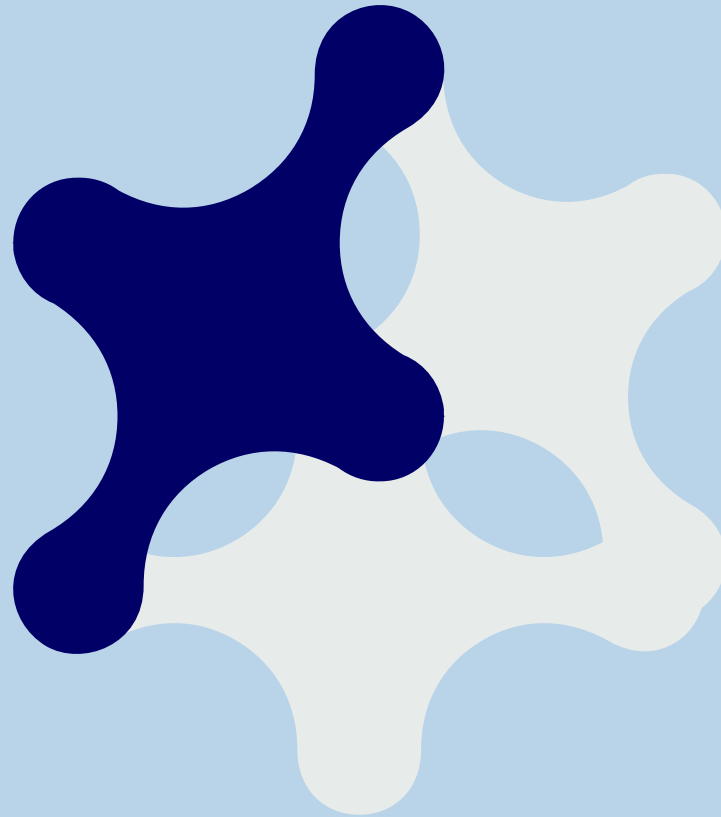
ESG Integration

Advancing Together

How we define and practice impact investing

Impact Investing

- ✓ Intentionality
- ✓ Measurability
- ✓ Profitability



ESG Integration

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Zurich's impact objectives



Mitigate environmental risks

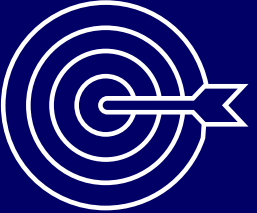
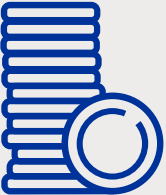



- Support low-carbon economy
- Encourage environmentally friendly technologies



Increase community resilience

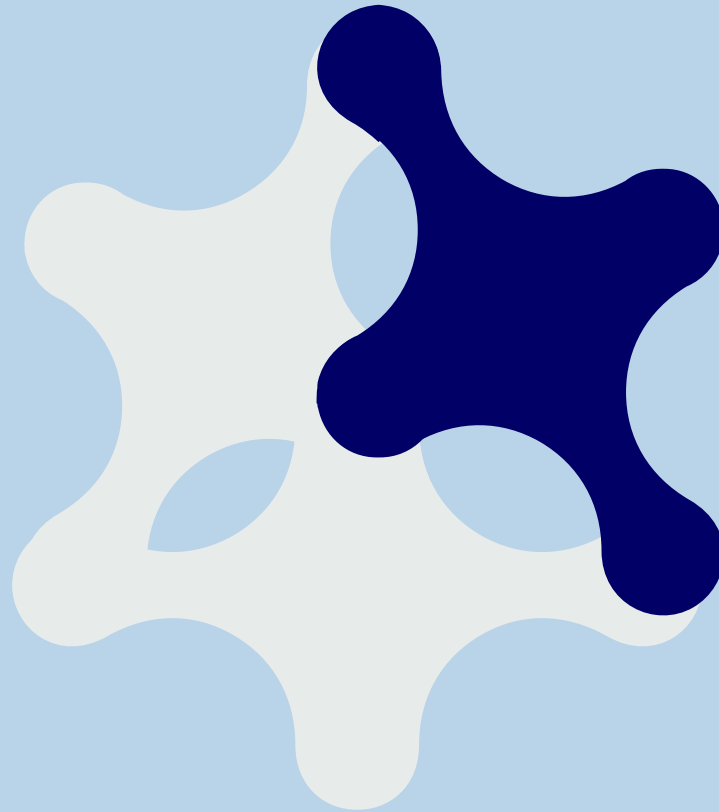
- Build “community capital”
- Address population needs that lack traditional access to capital

Zurich sets ambitious impact targets

 OUR TARGETS	 Increase our impact investments to USD 5 billion	 help avoid 5 million tons of CO2 emissions	 and benefit 5 million people
 2018 YEAR-END	Impact investments: USD 3.8 billion	CO2 emissions avoided: 3.4 million tons	People benefited: 2.4 million

Capturing ESG-related risks and opportunities

Impact Investing



ESG Integration

- ✓ Training
- ✓ Information
- ✓ Process integration
- ✓ Active ownership

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What is ESG?

Examples of ESG Factors



Environmental

- Natural resource use
- Carbon emissions
- Energy efficiency
- Pollution/waste
- Sustainability initiatives



Social

- Workforce health/safety
- Diversity/opportunity policies
- Employee training
- Human rights
- Privacy/data security
- Community programs

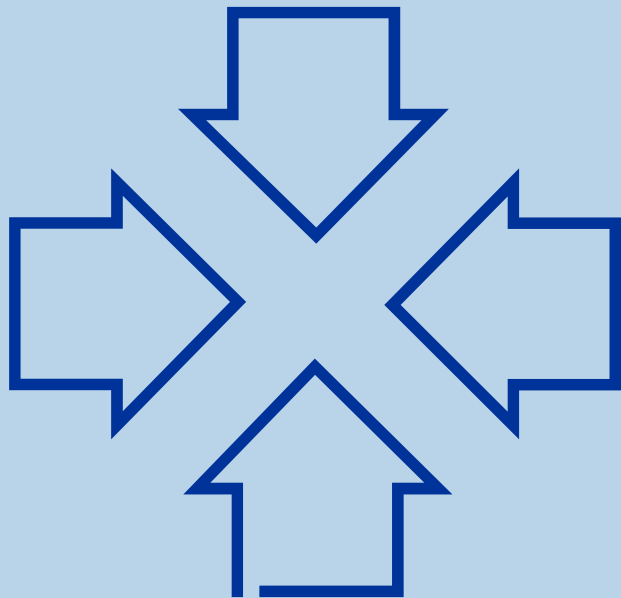


Governance

- Board independence
- Board diversity
- Shareholder rights
- Management compensation policy
- Business ethics

ESG integration

What we do



Training

Online modules for investment managers

Access to information

MSCI is our ESG analysis and rating provider

Process

Integrate security selection, linked to Bloomberg system

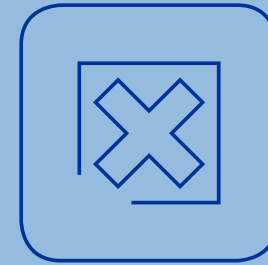
Active ownership

Engage with companies, proxy voting (Glass Lewis)



What it is

- Another valuable input to security selection
- An economic approach, dependent on price



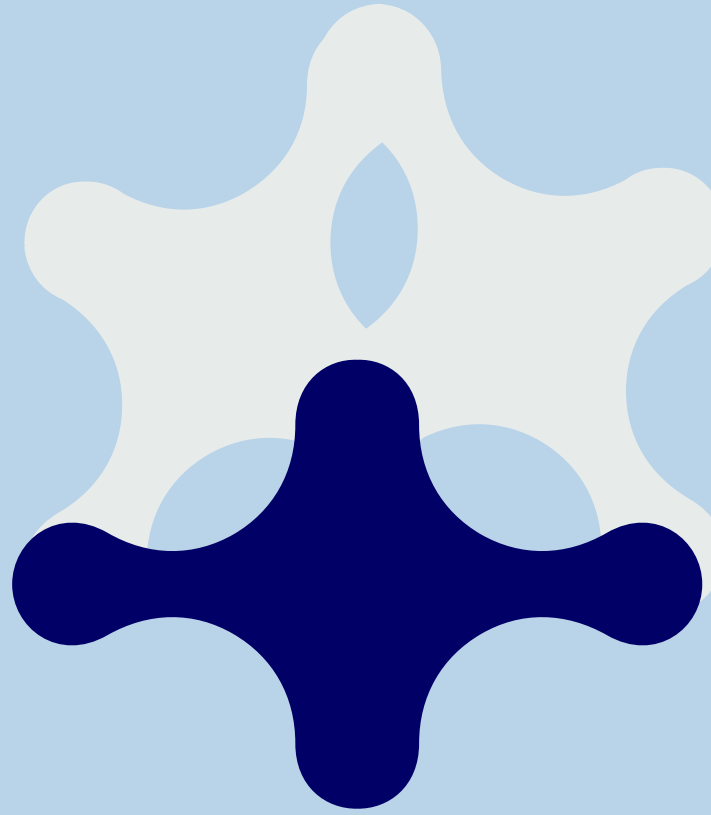
What it isn't

- A guarantee of superior returns
- An exclusionary approach for low ESG-rated companies

How can Responsible Investment make a bigger difference?

Impact Investing

ESG Integration



✓ Collaboration

Advancing Together

✓ Innovation

Excluding coal from Zurich business

Taking the initiative



- Zurich supports Paris Accord on combatting global warming
- Carbon not priced sufficiently to discourage the use of coal
- Facilitate and accelerate the move to a low carbon economy

2018

Selectively exclude coal related companies from Group underwriting and investing activities

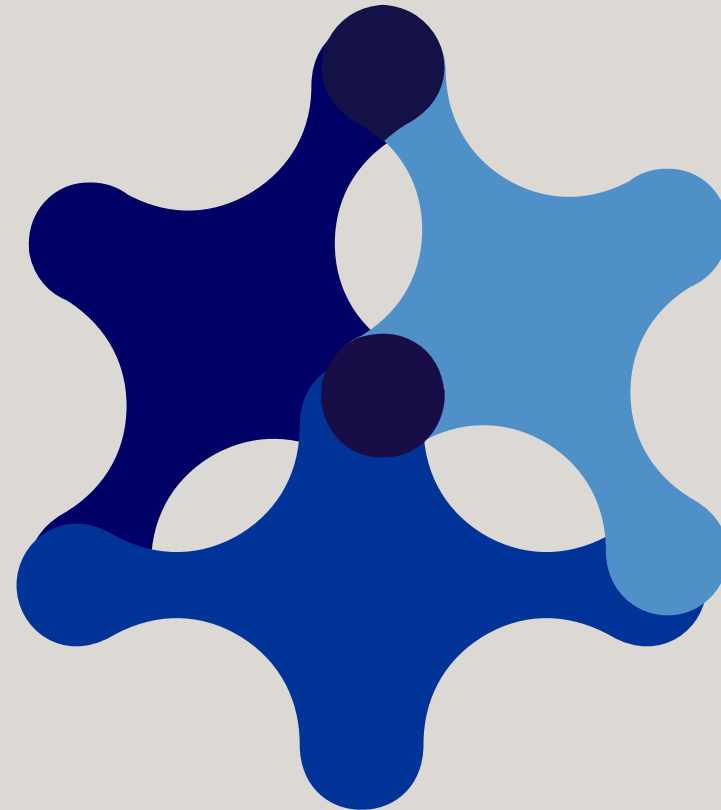
2019

Extend coal exclusions to policyholder funds

Responsible investment at Zurich



Impact Investing



ESG Integration

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Doing well
and doing
good.

Collaborating to advance Responsible Investment

EMPEA

Zurich is a member of the Emerging Market Private Equity Association's Impact Investing Council.

IFC

Founding Member to the Operating Principles for Impact Management

Reef Trust

In 2016 Zurich collaborated with the Reef Trust Panel and the Australian ministry of the Environment to brainstorm innovative financial mechanisms for conservation finance

PRI

Principles for Responsible Investment

Forum per la Finanza Sostenibili

In 2015 Zurich joined FFS and has been actively supporting workshops and initiatives.

Green Bond Principles

Voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond market.

ILG

Proud to be a founding member of The Investment Leaders Group

UNEP

United Nations Environment Programme, we are part of the Inquiry into the Design of a Sustainable Financial System

GIIN

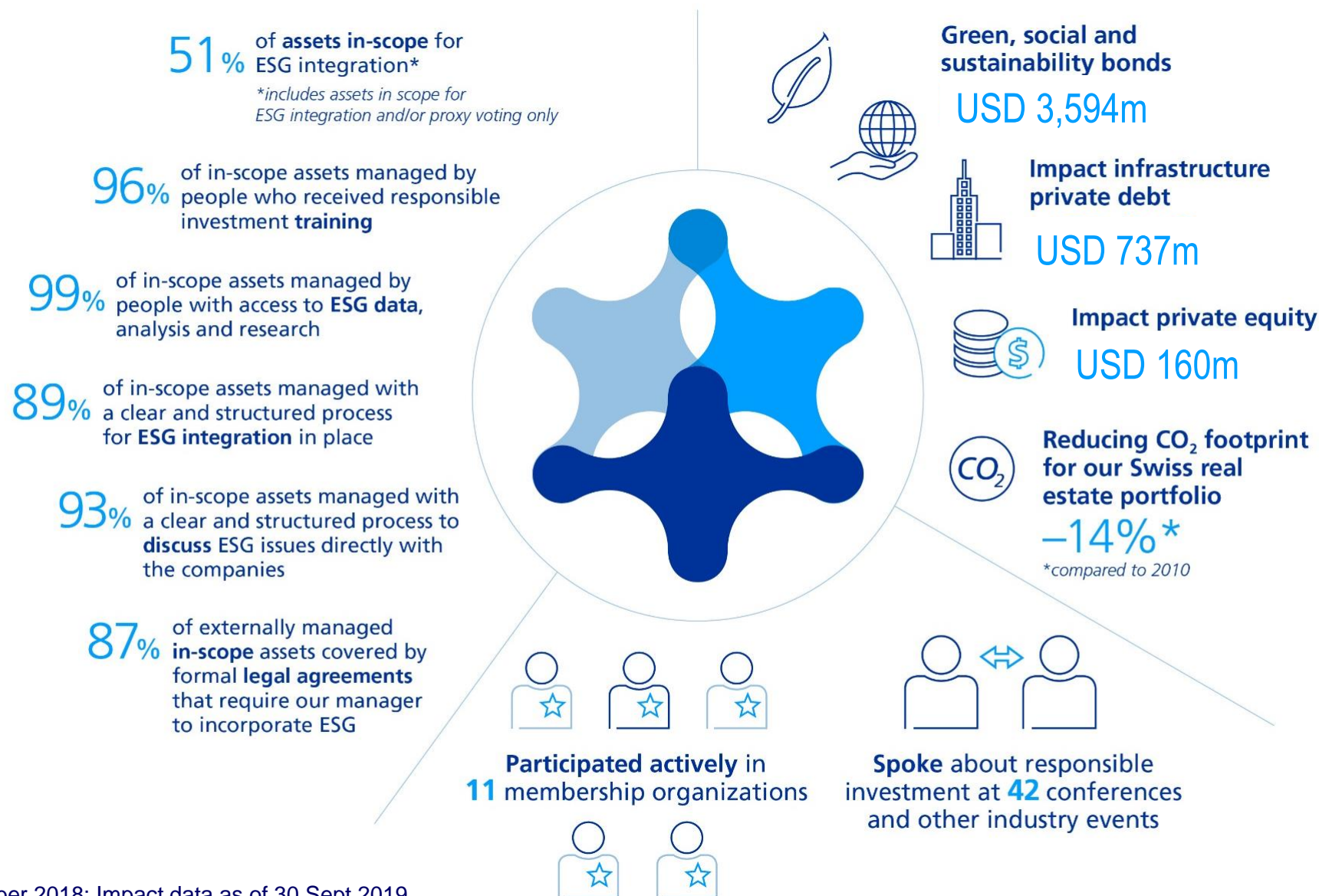
Member of their Investors' Council, a platform for impact investors to connect, share ideas and leverage the GIIN's resources and expertise

ClimateWise

Global insurance industry's leadership group driving action on climate change risk.



Responsible Investment KPIs



Data as of 31 December 2018; Impact data as of 30 Sept 2019

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