

# 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



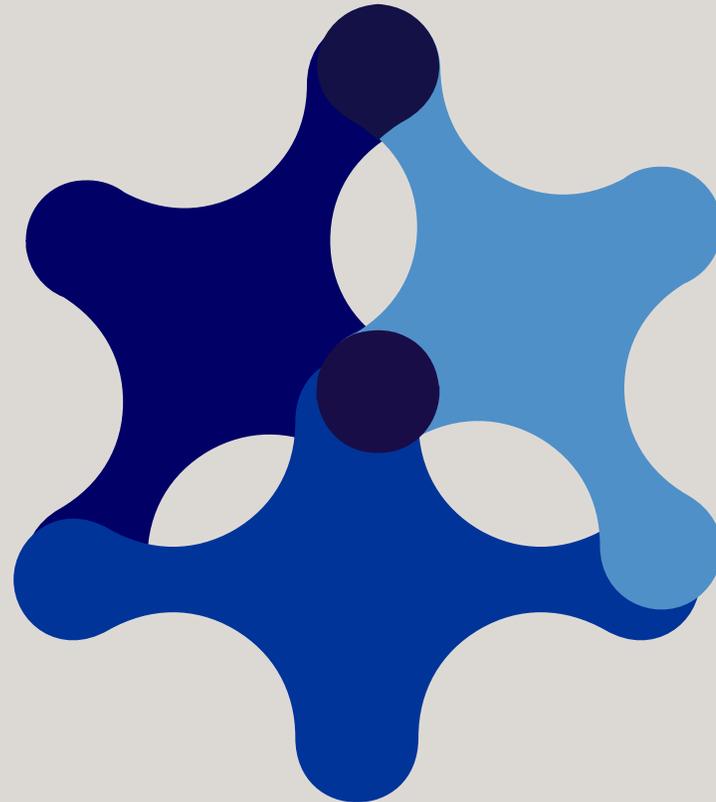
# Principles for Responsible Investment

Continuously implementing our Responsible Investment strategy since 2012



# Doing well and doing good

**Impact Investing**



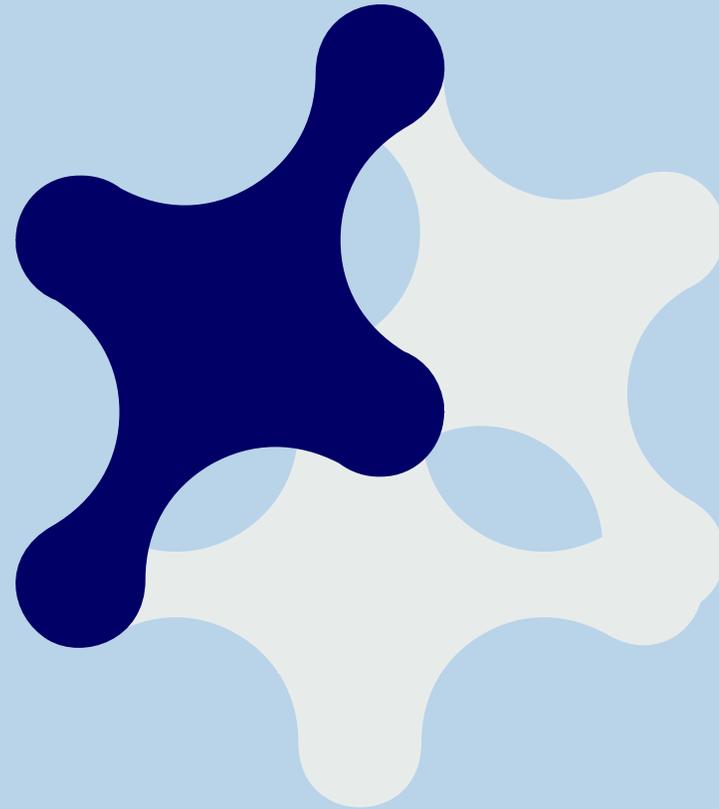
**ESG Integration**

**Advancing Together**

# How we define and practice impact investing

## Impact Investing

- ✓ Intentionality
- ✓ Measurability
- ✓ Profitability



## ESG Integration

Advancing Together

# Zurich's impact objectives



## Mitigate environmental risks

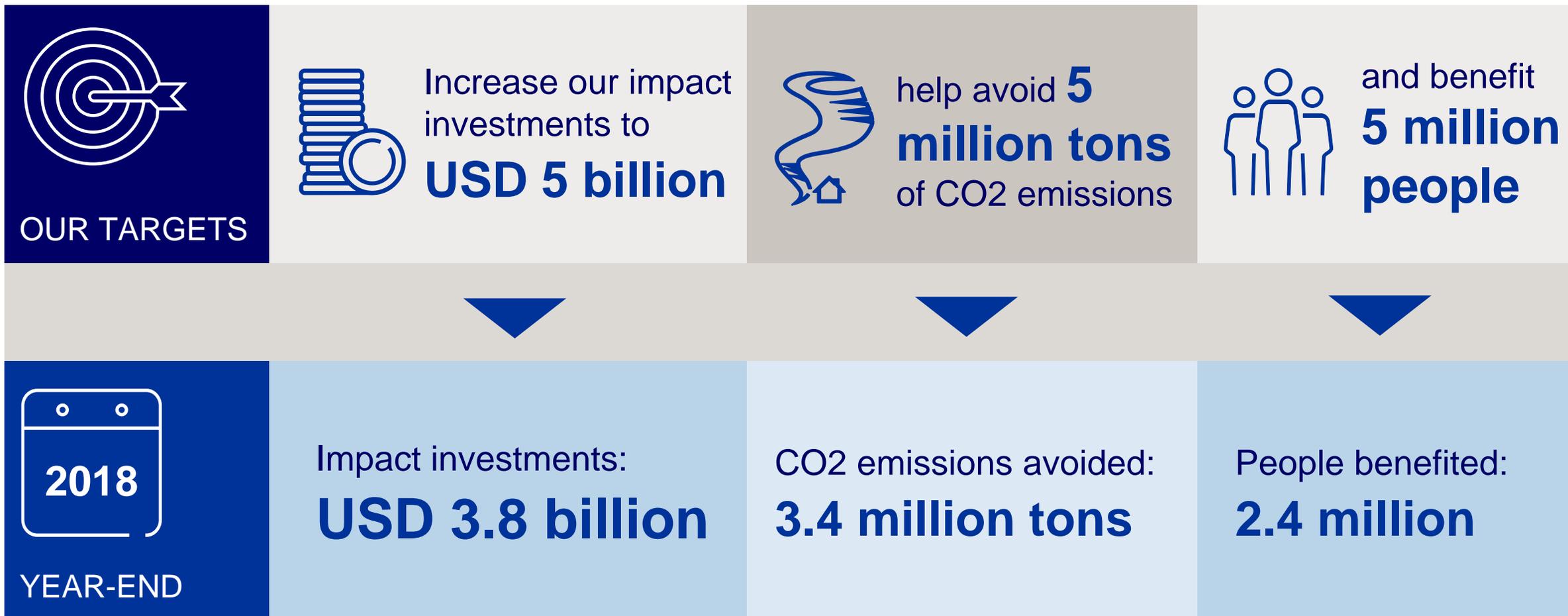
- Support low-carbon economy
- Encourage environmentally friendly technologies



## Increase community resilience

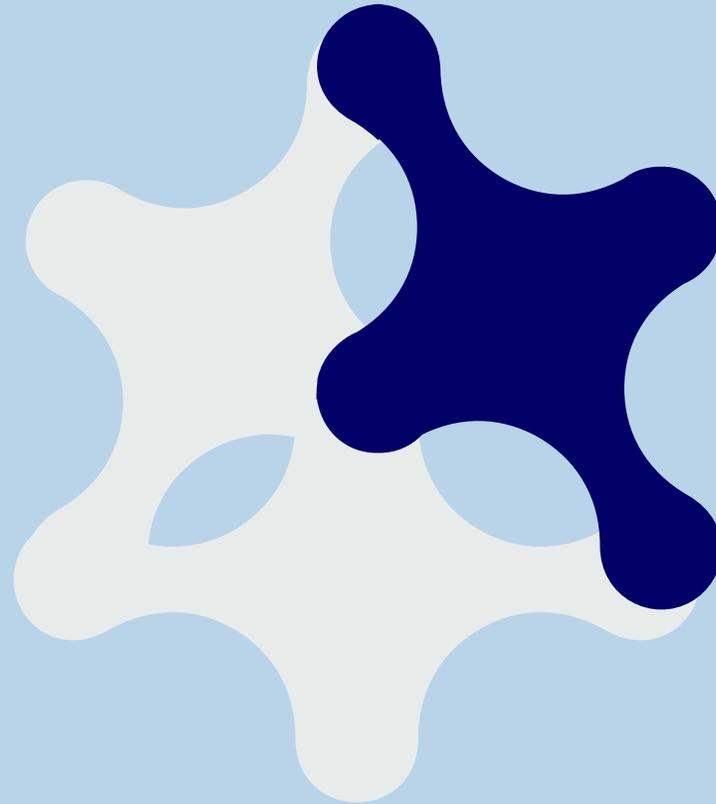
- Build “community capital”
- Address population needs that lack traditional access to capital

# Zurich sets ambitious impact targets



# 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

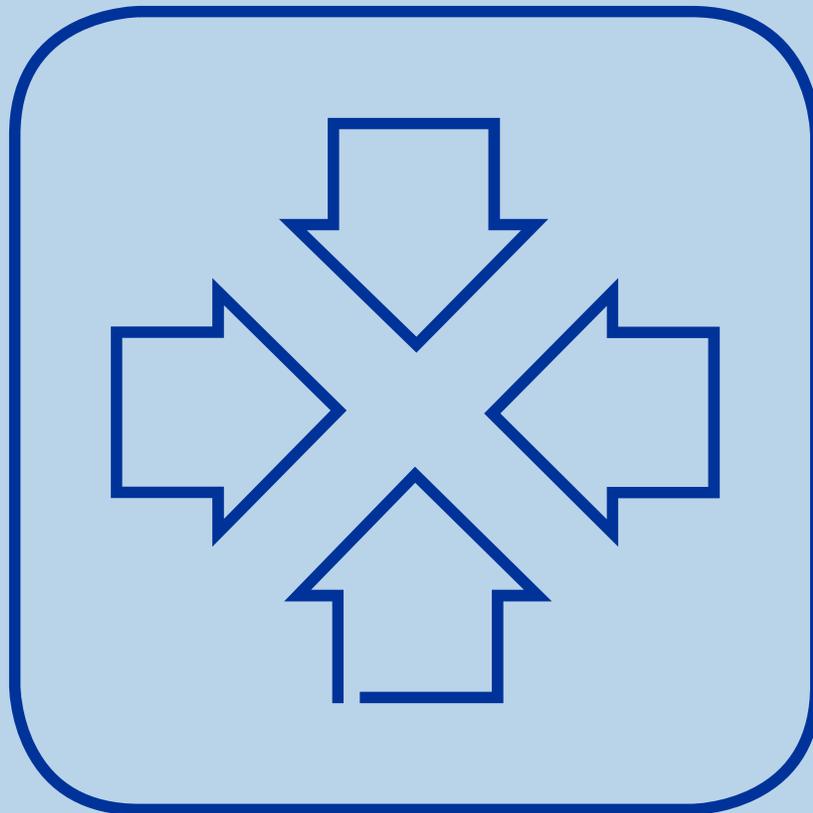


### Governance

- 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

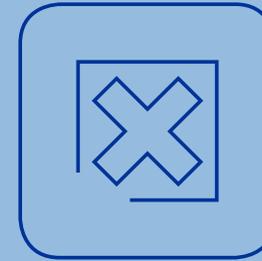
## Active ownership

Engage with companies, proxy voting (Glass Lewis)



## What it is

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



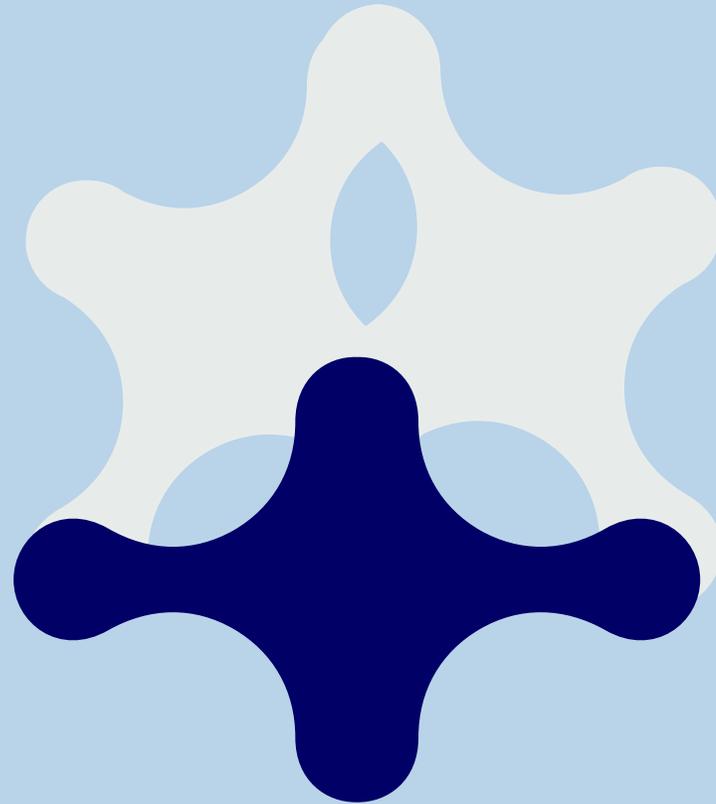
## What it isn't

- 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

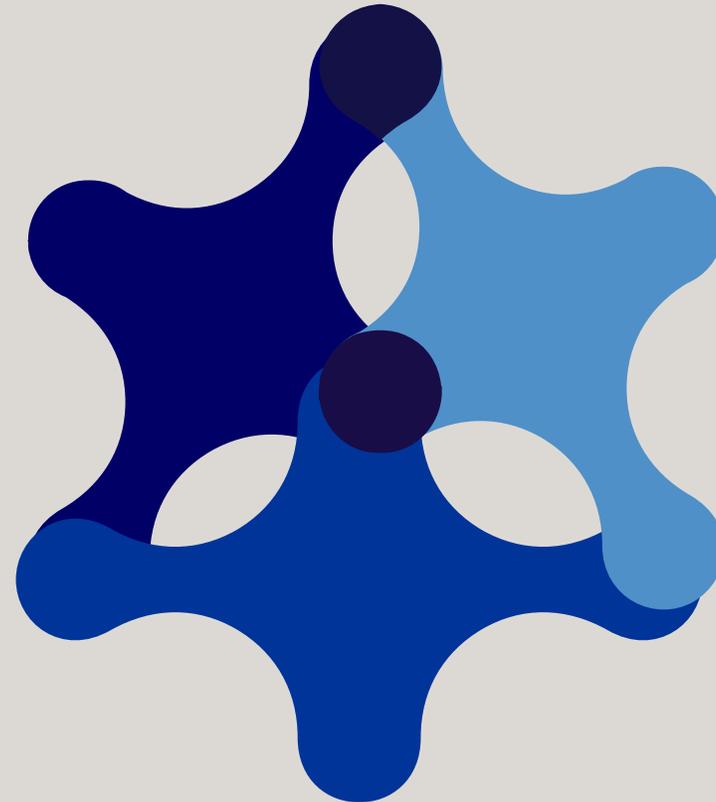
**2019**

Extend coal exclusions to policyholder funds

# Responsible investment at Zurich



**Impact Investing**



**ESG Integration**

**Advancing Together**



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

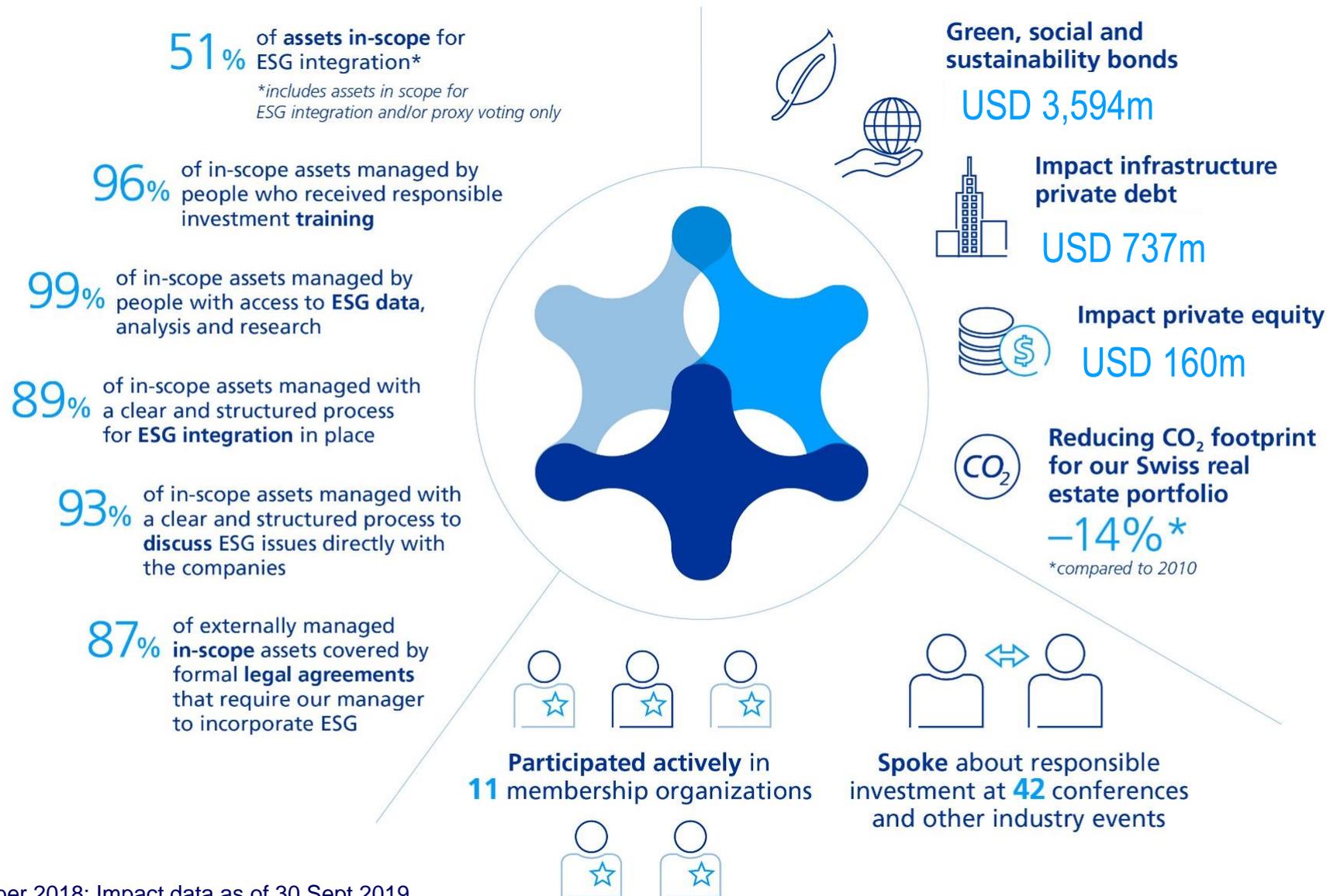
Member of their Investors' Council, a platform for impact investors to connect, share ideas and leverage the GIIN's resources and expertise

## ClimateWise

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



# Responsible Investment KPIs



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