

Sustainability related disclosures for Zurich Life

Information on policies on the integration of sustainability risks into the investment decision-making process

Sustainability risks are environmental, social and corporate governance management risks (so-called “ESG” risks), which have the potential of negatively impacting the value of an investment.

Detailed information about our policies on the integration of sustainability risks in our investment decision-making process is available at www.zurich.ie/responsibleinvestment. For funds managed by Zurich, sustainability risks are integrated into our investment decisions in the following ways:

ESG Integration

ESG integration can be a valuable input into investment analysis and security selection. It is a means to help highlight risks and to help ensure that the securities are priced accordingly. This represents a sound economic approach to investment. Zurich sources ESG data from Morgan Stanley Capital International (MSCI), a third-party specialist data vendor. All of our in-house portfolio managers have access to ESG data on MSCI’s ‘ESG Manager’ online platform. This information is also integrated directly into our security selection process via the Bloomberg system. Performing ESG integration is an incremental process and is another valuable metric in the active investment decision making process.

Active Ownership

Active management is more than just active selection, it is also about the concept of active ownership. As a shareholder, Zurich has a clear voting policy and exercises these voting rights actively to ensure that companies are encouraged to focus on questions of long-term sustainability. Zurich 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. We do this in a transparent way, and in the spirit of the Shareholder Rights Directive II, we fully publish our voting records on our [website](#).



€10.6bn

equity assets that include an ESG consideration



12,000

resolutions we voted on



€1.8bn

corporate bond assets that include an ESG consideration



1,200

resolutions we voted against management on



8,300

companies covered by MSCI for ESG factors



380

380 company engagements across our equity regions

Source: Zurich Life.

Figures in above graphic are as at 31 December 2020.



Selective Exclusions

There are certain situations where Zurich believes exclusions are justified. Hence, we do 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, we have excluded investments in thermal coal companies and have 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.

Externally managed funds

Fund options are available on our products where the investments are not managed directly by the internal Zurich investment management team. Information on the integration of sustainability risks for these investments is detailed below:

Passive Funds

Within its fund range, Zurich offers a range of funds with a passive investment style. Rather than trying to anticipate and identify growth opportunities, a passive fund will aim to mirror the performance of a particular stock market index.

Zurich does not consider the integration of sustainability risks when selecting passive funds because these funds are designed to target the return on an index.

Active Funds

Zurich also partner with a number of global fund managers to offer funds across a variety of multi-asset and individual asset investment themes. When conducting due diligence on these underlying investments, a number of metrics and risks are considered. Zurich does not currently consider the

integration of sustainability risks when selecting these funds. For information relating to any of our external fund managers please use the links below:

- [BlackRock](#)
- [Columbia Threadneedle](#)
- [Dimensional](#)
- [Invesco](#)
- [JP Morgan](#)

Self Directed Products

In our "Self Directed Products", you can manage your pension fund investments yourself by selecting your own stocks, shares and other assets from the range we make available via one of our stockbroker partners. Within these products Zurich does not have any influence on the investments made and does not restrict access to securities based on sustainability risks. Therefore, there is no allowance or influence from Zurich in relation to the integration of sustainability risks with respect to these products.

Transparency of remuneration policies in relation to the integration of sustainability risks

General Remuneration Policy

The remuneration policy implemented by Zurich is consistent with the integration of sustainability risks including regular evaluation of whether the remuneration architecture does not encourage any inappropriate risk taking. The policy relates to the remuneration of Zurich's employees (including Financial Advisors providing financial advice), but not to Zurich's investment activities.

Investment Management Remuneration Policy

Zurich incorporates ESG factors in its standard approach to investment management and this is incorporated as appropriate into the individual employee objectives of the relevant investment team members. Team members are evaluated against both short term and medium-term performance outcomes in order to encourage appropriate decision making. Investment mandates, which are determined by Zurich's investment governance committees, limit the risks that the team is permitted to take, consistent with a company-wide approach to discouraging inappropriate risk taking.

Zurich Life Assurance plc

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