ZURICH

Website Product Disclosure according to Article 10 of Regulation (EU) 2019/2088 for Article 8 Products

Product name:	International Equity

1. Summary

This official statement is published by Zurich Life Assurance plc (ZLAP) in accordance with the requirements, set by the EU Parliament and the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector. As outlined in the description of the Regulation (EU) 2019/2088 also referred to as the Sustainable Finance Disclosures Regulation (SFDR), a financial product which falls under Article 8 is defined as one which promotes environmental or social ("E/S") characteristics but does not explicitly intend to make sustainable investments (as defined by SFDR) nor adhere to the definition of 'Do no significant harm' as outlined in the regulation. The fund promotes environmental, social and governance (ESG) factors in its investment process but does not intentionally make sustainable investments as defined in EU Regulation 2019/2088. It has been determined that the fund meets the criteria in Article 8 of SFDR to qualify as a financial product which promotes E/S Characteristics. This document details the required disclosures under Article 10, as prescribed by the regulation.

ZLAP is part of The Zurich Group and as such benefits directly from the expertise, information and resources that The Zurich Group has in the area of sustainability and responsible investment. ZLAP incorporates much of this into the management of its own assets. ZLAP also participates in Zurich Group-led initiatives which are directly applicable to ZLAP's sustainability and responsible investment-related work. As such, the references to 'Zurich Group' in the text below is fully relevant to this Website Product Disclosure. Specific references to ZLAP in the text reflect those activities – pertinent to this disclosure – that are carried out directly by ZLAP.

The binding elements consist of a minimum asset allocation of 80% for investments that promote E/S characteristics or are sovereign bonds/cash. ZLAP also considers good governance criteria which relate to sound management structures, employee relations, remuneration of staff and tax compliance. The fund also has the following specific characteristics:

• A carbon intensity reduction ambition to reduce the carbon intensity of the equity portfolio within the fund by 55% by end 2029 versus end 2019 levels.

• The exclusion of activities from the fund that are irreconcilable with Zurich Group's sustainability strategy. The exclusion criteria cover activities in thermal coal, oil sands and oil shale.

• Active ownership of assets involves proxy voting and engagement. There is explicit guidance in relation to voting in favour of proposals which aim to compel investee companies to set science-based targets and to adhere to the Paris Agreement. Engagement is undertaken for equity holdings and proxy shareholder voting is undertaken for equity holdings.

• ZLAP uses third party data, active ownership, and analysis of investee company disclosures in assessing holdings. The continuous monitoring of good governance and E/S characteristics of the investments that form the allocations within the fund is central to the approach in promoting these characteristics.

2. No sustainable investment objective

This financial product promotes environmental and/or social characteristics but does not have as its objective sustainable investment.

3. Environmental or social characteristics of the financial product

The fund has the following specific characteristics:

- A carbon intensity reduction ambition to reduce the carbon intensity of the equity portfolio within the fund by 55% by end 2029 versus end 2019 levels.
- The exclusion of activities from the fund that are irreconcilable with Zurich Group's, sustainability strategy. The exclusion criteria cover activities in thermal coal, oil sands and oil shale. ZLAP has also engaged in divestment from investee companies that derive greater than 30% of their revenues from mining thermal coal or generate more than 30% of their electricity from coal. The criteria also exclude investment in companies which produce, stockpile, distribute, market, or sell banned cluster munitions or anti-personnel landmines.

In addition, the fund:

• Integrates ESG factors into the investment process. ESG integration is an approach in which information on environmental, social and governance metrics are used as an integral part of the process to select securities or assets for

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actively managed portfolios. ESG integration is an approach that is focused on those ESG factors that are deemed economically material, i.e. deemed to impact the risk and returns associated with the assets in which we invest. ESG factors impact the sales and profits of investee companies: integrating them into the investment process will support us in delivering better risk-adjusted returns in the long run. ESG integration helps us to 'do well'.

• Active ownership through exercising shareholder votes and engagement with investee companies. ZLAP considers active ownership an essential aspect of driving a sustainable world. ZLAP undertakes active ownership of its investee companies through exercising shareholder voting rights and engaging with investee companies directly. Voting is executed across ZLAP's directly managed equity portfolio with agreed approaches across a wide range of issues on corporate governance and other key ESG factors with full voting records publicly available online. On engaging with investee companies, The Zurich Group has put in place a framework to engage with some of the largest carbon emitters. This combination of active engagement and active voting is recognised as a key feature of responsible investing.

A reference benchmark which would promote Environmental and/or Social characteristics has not been designated for the fund.

The fund does not make a minimum commitment to invest in sustainable investments.

4. Investment strategy

The International Equity fund is an actively managed fund which aims to achieve growth through capital gains and income from a portfolio of international equities and equity-based financial instruments. For tactical reasons, the fund may also invest in cash or international bonds issued by governments, supranational bodies, other investment grade corporate and non-sovereign bonds and/or bond-based financial instruments. ZLAP identifies and prioritises adverse impact indicators as part our responsible investment and sustainability risk strategy, with the help of data and analysis provided by third party providers.

5. Proportions of investments

The fund commits to investing 80% of the funds value in assets which are designated to promoting environmental and/or social characteristics or are sovereign bonds/cash. The fund has no binding commitment to make sustainable investments as defined in EU Regulation 2019/2088. The asset allocation within the fund changes on a daily basis based on market movements and the active investment decision of the ZLAP investment team. The equity allocation within the fund represent investments which are aligned with environmental and social characteristics.

6. Monitoring of environmental or social characteristics

ZLAP has established an Asset Liability Management and Investment Committee (ALMIC) to assist and support the firm's CEO in managing, controlling, overseeing, and coordinating the firm's investment risk and concentration risk management and in ensuring adherence to the Investment Risk Policy. The ALMIC determines this policy which is aligned with the general risk appetite of the firm as determined by the Board. Investment risk is considered alongside asset liability management (ALM) risk and it captures risks arising from the investment process and implementation decisions. This oversight includes the Responsible Investment forum which reports to the ALMIC. The Responsible Investment Forum monitors the relevant environmental, governance and social characteristics for relevant ZLAP assets, including for this fund.

ZLAP's investment team review a range of relevant metrics on a regular basis such as engagement volume, carbon intensity reduction aim progress, regulatory updates and ESG integration metrics (e.g. ESG scores, review of controversies etc).

7. Methodologies

ZLAP assesses, measures, and monitors the environmental characteristics of its investments via a number of methodologies. Our sustainability metrics includes the majority of the mandatory principle adverse indicators as prescribed under SFDR. Adverse impacts on sustainability factors have been taken into account within the fund through active ownership, exclusions, ZLAP's carbon ambition, proxy voting, Zurich Group being a signatory to the UN Global Compact and through the monitoring and voting on ESG characteristics of assets. The activity to support a consideration of each PAI will continue to evolve in line with regulatory requirements. For example, the actions are taken regarding the Waste PAI within the Glass Lewis Proxy Voting policy. Direct environmental risks such as hazardous leakages and contamination form part of the overall ESG approach from Glass Lewis. Relevant matters arising directly from these monitoring activities will be reported and escalated to formal governing committees, including the ALMIC, as required.

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Further, assessing the governance practices of investee companies is an important part of the ZLAP investment process. ZLAP only invests in securities traded on regulated stock markets. In addition to this, ZLAP considers good governance criteria which relate to sound management structures, employee relations, remuneration of staff and tax compliance. ZLAP uses third party data, active ownership, and analysis of investee company disclosures to identify potential governance issues. In cases where insufficient levels of governance are identified, ZLAP has an escalation process to review the issues in detail and, in some cases but not all, encourage the management of the investee company to take steps to rectify the issues. Where governance issues are not rectified to a sufficient standard within an acceptable time period, ZLAP will continue to monitor them closely and may ultimately divest from these companies.

8. Data sources and processing

ZLAP sources ESG data from Morgan Stanley Capital International (MSCI), a third-party specialist data vendor, which we appointed as our ESG data provider in 2013. In addition, ZLAP uses S&P Global Trucost data for the greenhouse gas emissions. All of our in-house investment managers have access to ESG data on MSCI's 'ESG Manager' online platform. Relevant information in respect to exclusions and ESG information is also available in real time via our integrated Bloomberg 'Asset and Investment Manager' front office system. Relevant data is also held and processed within a number of proprietary in-house investment data systems, at both a local and Group level. The voting policy of the fund has been developed in conjunction with colleagues in the Zurich Central Team along with Glass Lewis. Information on voting records, policies, and upcoming votes are available via the Glass Lewis monitoring system.

9. Limitations to methodologies and data

The methodology employed by individual data providers can also differ and in some cases requires subjectivity. Similarly, metrics can be calculated or assessed differently and lead to different results or conclusions depending on the data provider. Not all investee companies are reporting on individual sustainability characteristics and indicators. Therefore, the overall coverage across the investment universe is not as complete when compared with other available statistics. However, there is sufficient qualitative and quantitative information available to ensure that the fund promotes environmental and/or social characteristics. We will continue to develop this process as more data becomes available.

10. Due diligence

When assessing environmental, social and governance characteristics for investment decisions ZLAP incorporates ESG data from a broad range of sources. MSCI is one of ZLAP's prime sources of data for ESG metrics, providing in-depth research, ratings and analysis of the environmental, social and governance-related business practices of companies worldwide. ZLAP utilises information from Bloomberg which is integrated into Bloomberg terminals used by in-house investment managers. ZLAP uses S&P Global Trucost data for the greenhouse gas emissions. The use of third-party information, in conjunction with training as required, is utilised to ensure accurate use as an input to security selection.

Zurich Group participates in the UN Global Compact which means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. This involves steps which help to ensure the binding elements of the investment strategy are carried out.

The ongoing monitoring of securities within the fund to ensure that E/S characteristics are being promoted also aids in ensuring the binding elements are being carried out. Multiple perspectives and monitoring forms the due diligence process with respect to the fund's promotion of E/S characteristics and consideration of PAIs.

11. Engagement policies

Active ownership (defined by ZLAP as proxy voting and engagement) is a vital part of ZLAP's role as a responsible investor. ZLAP has adopted an engagement strategy where we seek to improve investee practices with a specific objective in mind.

This approach to engagement describes ZLAP's engagement process in terms of:

- Scope
- Objectives
- Prioritising our engagement
- Method of engagement

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• Conflicts of interest

This framework also describes ZLAP's commitment to providing transparency and regular reporting on engagement activities, and how ZLAP participates in collaborative engagements. As an active owner, we will continue to enhance our approach to active voting, particularly in relation to environmental, social and governance topics. In cases where investee companies fail to engage and respond to legitimate concerns on topics such as the gender pay gap and board diversity, ZLAP may vote against the chair of the governance committee (or equivalent), the chair of the board, and/or board ratification proposals as appropriate.

Further information on Zurich Group and ZLAP's voting policy is available here:

https://www.zurich.ie/about-us/shareholder-rights-directive/

12. Disclaimer

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

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