



CLIMATE TRANSPARENCY REPORT

2019

Zurich Insurance Group

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-E916B41D-1F12-46AB-970E-C7E1BAC5D758/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	✓	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	-	Public				
SG 14.5	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS

Name	Zurich Insurance Group
Signatory Category	Insurance company
Signatory Type	Asset Owner
Size	US\$ > 50 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2012
Region	Europe
Country	Switzerland
Disclosure of Voluntary Indicators	100% from 38 Voluntary indicators

Zurich Insurance Group

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Other, specify (1) Investment philosophy <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3 Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4 Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Zurich's responsible investment strategy comprises three elements, which are integrated into the overall investment approach:

1. ESG integration
2. Impact investing
3. Advancing together

See SG 01.5 below for a more detailed description of these key elements.

SG 01.5 Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Responsible investment means different things to different people. A clear understanding of Zurich's sustainability approach is the starting point for defining our approach to responsible investment. At Zurich, sustainability is about how we conduct our business and is an integral part of the Group's strategy. It is about sustainable value creation, as set out in our code of conduct:

- Creating value for customers, shareholders, employees and society
- Proactively addressing ESG issues
- Focusing on long-term success over short-term gains

We aim to create sustainable value by focusing on what we do best and making use of our core skills in insurance, risk management and investment. Our sustainability approach focuses on our role in society, investing our Group assets responsibly and working with our corporate customers to help them understand and manage their sustainability risks. Responsible investment is thus about managing the overall portfolio of assets to create sustainable value or, in other words, to do well and do good. 'Well' means generating superior risk-adjusted returns for the direct benefit of Zurich's policyholders and shareholders, and 'good' means generating positive impact for the benefit of society and the communities in which we live and work.

Responsible investment forms a key element of Zurich's investment philosophy and comprises three elements:

1. ESG integration: Proactively integrating ESG factors into the investment process - across asset classes, and alongside traditional financial metrics and state-of-the-art risk management practices - supports us in 'doing well' and in achieving our mission to generate superior risk-adjusted long-term financial returns.

Successful ESG integration is based on:

- adequate training to help investment decision-makers understand the relevance of ESG factors

- access to data, research and analysis pertaining to ESG issues to inform investment decision-making
- formal integration of ESG factors into the security and asset selection process
- active ownership practices

2. Impact investing: Through impact investing, Zurich can help to fund efforts to address some of the pressing social or environmental issues of our time. Zurich is directly exposed to challenges such as climate change, resource depletion, and more. We have a direct interest in sustainable global economic growth and supporting communities in becoming more resilient to environmental and social challenges. Impact investments can help address these issues through their targeted, positive impact, and also offer a financial return commensurate with risks.

3. Advancing together: We believe that responsible investment will only truly have an impact if financial market participants are advancing together, making responsible investment mainstream. Only by acting collectively can ESG risk be priced efficiently, offer the right incentives to those seeking to raise capital in the market, and allow impact investments to provide capital on the scale needed to tackle the pressing social and environmental issues of our time. Supporting collaborative initiatives and working together with other industry participants to advance responsible investment practices thus forms an integral part of our approach.

Navigating the complexity of insurance investment management and practicing responsible investment at the same time can only be achieved by fully integrating these responsible investment practices into the overall investment approach and making them part and parcel of everyday investment decision-making. Strategies and policies alone are not sufficient. Responsible investment must become part of the organization's DNA - its culture. This will take time, leadership and 'learning by doing.' To accelerate and support this process, we are providing incentives to investment professionals to practice responsible investing by reflecting responsible investment in individual objectives where applicable across the investment management organization; we have incorporated responsible investment into Zurich's technical competency framework used to determine job profiles and training requirements; we have established a global group of 'responsible investment champions' representing individual teams in local operations; and we have built a small but dedicated responsible investment team that acts as a catalyst and engages with the rest of the organization on an ongoing basis.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
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SG 01.6 CC	Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.
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Every business and asset will be affected by climate change and the collective action taken to mitigate or adapt to it. This will be the case even if society successfully transitions toward a low-carbon economy, and, as envisaged by the Paris Accord succeeds in keeping future global temperature increases in this century 'well below' two degrees Celsius. The impacts of climate change run through all the elements of our responsible investment strategy, and can mainly be viewed in the categories of 'transition risk' and 'physical risk'. In 2017, Zurich's Macroeconomic and Market Strategy team developed a climate change scorecard to monitor the probabilities of transition and physical risks, which is updated annually.

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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Yes

**SG 01.8
CC**

Indicate the associated timescales linked to these risks and opportunities.

Overall risks scenarios were considered over both a short (3 - 5 year) and long (5 - 10 year) timeframe.

No

**SG 01.9
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

**SG 01.10
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

Zurich has defined a clear strategy to reflect climate change in its investment approach and we are committed to action in seven areas:

1. Establishing scenarios: it is hard to take action without context. Zurich's Market Strategy and Macroeconomics team has defined high-level scenarios and is monitoring developments with the help of a scorecard that is updated regularly. The analysis is available online.
2. Strengthening ESG integration: given its complexity and long-term nature, climate change represents a particular challenge for ESG integration. Additional data and tools are required to raise awareness among investment professionals and to support integration in investment strategies.
3. Benchmarking: ESG integration practices might fail to effectively capture all climate change-related risks and opportunities. We are testing in selected asset classes the use of bespoke benchmarks that incorporate a climate risk assessment and will evaluate the application of such benchmarks for new and existing portfolios on a case-by-case basis.
4. Financing the transition to a low-carbon economy: as part of our ongoing commitment to impact investing and our target to help avoid emission of five million tons of CO2 per year, we will evaluate green investments across different asset classes on an ongoing basis.
5. Driving change through advocacy: public and private sectors need to take decisive action. Zurich has defined clear positions on topics such as transparent risk disclosure, carbon pricing, etc.
6. Engaging with others: as part of engaging with the companies in which we invest, climate change is reflected on the agenda and considered in voting practices.
7. Making selective exclusions: recognizing the particularly harmful impact of coal on climate Zurich has developed a Group approach on selectively excluding companies from its underwriting and investing activities that get significant revenues from mining thermal coal or using it to generate electricity .

Further information on Zurich's adaptation of the FSB TCFD's recommendations can be found here: <https://www.zurich.com/en/corporate-responsibility/climate-change/tcfd>

No

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- Policy setting out your overall approach

	URL/Attachment
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- URL

	URL
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{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

- Attachment (will be made public)

- Asset class-specific RI guidelines

	URL/Attachment
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- URL

	URL
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{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

- Attachment (will be made public)

- Screening / exclusions policy

	URL/Attachment
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- URL

URL

{hyperlink:https://www.zurich.com/en/corporate-responsibility/responsible-investment/esg-integration}

Attachment (will be made public)

Engagement policy

URL/Attachment

URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

Attachment (will be made public)

(Proxy) voting policy

URL/Attachment

URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/zurich-proxy-voting-policy-and-guidelines.pdf?la=en&hash=96EC9253F41007590058B3DB1F21966B49A5D9A1}

Attachment (will be made public)

Other, specify (1)

Other, specify (1) description

Investment philosophy

URL/Attachment

URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/zurich-responsible-investment-position-statement-2017.pdf?la=en&hash=E728621509466695895975895FD0C0E035ACF3D4}

Attachment (will be made public)

We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

Attachment

Time horizon of your investment

URL/Attachment

URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

Attachment

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

Attachment

Climate change

URL/Attachment

URL

URL

{hyperlink:https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/responsible-investment-at-zurich.pdf?la=en&hash=72A35940F6FEF2914231845A4A14F7FD46F24966}

Attachment

We do not publicly disclose any investment policy components

SG 02.3 Additional information [Optional].

Additional policies and guidance documents making reference to responsible investment that are publicly available:

Responsible investment position statement: https://www.zurich.com/_/media/dbe/corporate/docs/corporate-responsibility/zurich-responsible-investment-position-statement-2017.pdf?la=en&hash=E728621509466695895975895FD0C0E035ACF3D4

Code of conduct: www.zurich.com/en/about-us/corporate-governance/code-of-conduct

Zurich's TCFD reporting: <https://www.zurich.com/en/corporate-responsibility/climate-change/tcfd>

Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
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SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or head of department

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6
CC For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

Accountabilities at the level of the Zurich Insurance Group

While climate change is not singled out as a separate item in Zurich's Organizational Rules, clear roles and responsibilities, both at the level of the Zurich Board of Directors and Zurich management, ensure effective oversight and action with respect to climate change-related risks.

The 'Governance, Nominations and Sustainability Committee' of the Zurich Board of Directors reviews and approves the sustainability strategy and objectives, including climate change as a focus topic for the Group, as well as responsible investment as an element of that strategy. In addition, the Board of Directors formally oversees the execution of the Group's overall strategy, of which corporate responsibility forms an integral part.

SG 07.7 CC	For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.
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Relevant key accountabilities of Executive Management include:

- The Group Chief Risk Officer (CRO) is responsible for the Group's sustainable business framework with responsibility for overseeing its implementation and integrating sustainability risk into the overall risk management framework. Climate change is a central pillar of the Group's sustainable business framework.
- The Group CRO sponsors an annual Climate Risk assessment during which climate related risks are assessed and appropriate mitigating actions defined. The Group CRO is also responsible for Zurich's annual Task force on Climate Change-related Financial Disclosure (TCFD) disclosure.
- The Group Chief Investment Officer is responsible for execution of Zurich's responsible investment approach and climate change investment strategy. The Head of Macroeconomics annually assesses high-level climate change scenario narratives.
- Responsibility for reviewing relevant external trends and driving Zurich's retail underwriting strategy rests with Chief Underwriting Officers at country level to ensure strategy is reflective of local need, while this responsibility is centrally managed for Commercial Insurance.

SG 07.8 CC	Explain how the organisation engages external investment managers on the TCFD recommendations and its implementation.
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- Incorporation of TCFD in Annual Report
- Incorporation of TCFD in regular client reporting
- Request that investment managers complete PRI Climate indicators
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner guide

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities

	Describe
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In 2017, Zurich's Macroeconomic and Market Strategy team developed a climate change scorecard to monitor the probabilities of transition and physical risks, which is updated annually. The latest topical paper based on the assessment can be found here: <https://www.zurich.com/en/corporate/knowledge/articles/2018/09/me-topic-target-for-global-warming-is-melting>

No, not to assess future ESG/climate-related issues

SG 13.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
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	We do the following
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- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13.3	Additional information. [OPTIONAL]
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At Zurich, Group Investment Management applies a systematic and structured investment process, focusing on the value drivers that matter most. The starting point in determining the investment strategy in insurance investment management is asset-liability management (ALM). This first step establishes a portfolio of investments that closely replicates the insurance liabilities, and consists primarily of duration-matched government bonds. Such a minimum-risk portfolio will ensure that market values of assets and liabilities move in line with fluctuations in capital markets.

Group Investment Management needs to determine the optimal mix of asset classes that offer the highest long-term expected investment return given Zurich's liabilities, regulatory framework and allocated capital. To make this allocation, Group Investment Management distills all investable asset classes into a set of five transparent 'risk factors.' These 'risk factors' comprise interest rate risk, credit risk, liquidity risk, equity and commodity risk, as well as inflation risk.

Zurich's precise definition of its Group Strategic Asset Allocation ensures consistency of investment and risk assumptions throughout the Group and streamlines communication between neutral portfolio committees and the SAA committee. The neutral portfolios define the geographical and/or sectorial asset allocation for equity, credit and real estate.

SG 13 CC	Voluntary	Public	Descriptive	General
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SG 13.4 CC	Describe how the organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, the results and any future plans.
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- Initial assessment

Describe

In 2017, Zurich's Macroeconomic and Market Strategy team developed a climate-change scorecard to monitor the probabilities of transition and physical risks, which is updated annually. The 2018 scorecard worsened and shows that the probability of failing to transition to a low-carbon economy is higher than succeeding, creating a higher probability for long-term physical climate change risks. Zurich has subsequently done further analysis of mid (3-5-year) and long-term (5-10-year) effects under high transition risk and high physical risk scenarios, which have informed further action points for 2019. In 2018 Zurich also co-authored a CRO Forum report, which investigated the effects of climate change on the insurance industry under various scenarios (<https://www.thecroforum.org/2019/01/24/crof-eri-2019-the-heat-is-on-insurability-and-resilience-in-a-changing-climate/>).

- Incorporation into investment analysis
- Inform active ownership

Describe

Given the scenario analysis described above, Zurich has applied learnings to the 2018 active ownership strategy:

- proxy voting and engagement: focusing on transparency in regard to climate change strategies, target-setting and TCFD reporting
- advocacy: advocating for the transition to a low-carbon economy and for the introduction of an economically viable carbon price

Other

SG 13.5 CC	Indicate who uses this analysis.
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- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

SG 13.6 CC	Indicate whether the organisation has evaluated the impacts of climate-related risk, beyond the investment time-horizon, on the organisations investment strategy.
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- Yes
- No

Please explain the rationale

As an insurance company, Zurich tends to hold and plan for long-term liabilities. Climate change analysis is undertaken in line with these liability profiles.

**SG 13.7
CC**

Indicate whether a range of climate scenarios is used.

- Yes, including analysis based on a 2°C or lower scenario
- Yes, not including analysis based on a 2°C or lower scenario
- No, a range is not used

**SG 13.8
CC**

Indicate the climate scenarios the organisation uses.

Provider	Scenario used	
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input type="checkbox"/> BNEF reference scenario	
IPCC	<input checked="" type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input checked="" type="checkbox"/> RPC 4.5	
IPCC	<input type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #cccccc; padding: 2px;">Other (1) please specify:</div> IEA 'Bridge scenario'
Other	<input checked="" type="checkbox"/> Other (2)	<div style="background-color: #cccccc; padding: 2px;">Other (2) please specify:</div> IEA 'Paris Agreement Scenario'
Other	<input type="checkbox"/> Other (3)	

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		3	096	076	652
Currency	USD				
Assets in USD		3	096	076	652

Specify the framework or taxonomy used.

Green bonds, green infrastructure private debt, green impact private equity funds

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

other description

In 2018, Zurich conducted various projects addressing climate risk following a comprehensive analysis of climate change-related risks and opportunities conducted in 2015.

- None of the above

SG 14.3	Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.
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- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14.5	Additional information [Optional]
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Zurich believes that ESG issues, including climate change, demographic trends, resource scarcity and technology developments, are best captured through ESG integration at the security and asset selection levels. Through our ESG integration process (see LEI 01.2 or FI 01.2 for details on Zurich's ESG integration approach), we expect internal and external asset managers to better capture the risks and opportunities associated with a broad range of ESG issues, including the ones outlined here.

As relates to SG 14.2 and SG 14.3 above: Zurich targets low-carbon or climate-resilient investments through its impact investing strategies (See SG15.4 for more details on Zurich's impact investing approach), applies carbon footprinting and emission reduction targets to its Swiss real estate portfolio and has implemented a thermal coal screen in 2018.

SG 14 CC	Voluntary	Public	General
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SG 14.6 CC	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.
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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	The Swiss real estate team follows a carbon reduction strategy with a target of reducing carbon emissions of the portfolio by 20% by 2020 and by 80% by 2050 against a 2010 baseline	Co2/sqm	We are applying a measuring methodology developed with an external consultant
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	The Swiss real estate team follows a carbon reduction strategy with a target of reducing carbon emissions of the portfolio by 20% by 2020 and by 80% by 2050 against a 2010 baseline	Co2/sqm	We are applying a measuring methodology developed with an external consultant
Exposure to carbon-related assets	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Zurich has divested from and will no longer invest in assets that generate more than 50% of revenues from mining thermal coal or have more than 50% of coal in the generation mix	% of Revenue from thermal coal; % of GwH produced from coal	Based on company self-reported data, sourced via a third party provider

SG 14.7 CC	Describe in further detail the key targets.
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Targettype	Time Frame	Description	Attachments
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			

SG 14.8 CC	Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.
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☉ Process for climate-related risks is integrated into overall risk management

Please describe

Climate change is managed as part of Zurich's risk management approach. Transition and physical climate change risks have been identified as relevant risks, and been assessed through the Group's total risk profiling methodology. Action plans have been derived for various regions of operation, among them investment management.

Zurich has defined a clear strategy to reflect climate change in its investment approach and we are committed to action in seven areas:

1. Scenarios
2. Strengthening ESG integration
3. Benchmarks
4. Financing the transition to a low-carbon economy
5. Driving change through advocacy
6. Engagement
7. Selective exclusions

Process for climate-related risks is not integrated into our overall risk management

SG 14.9 CC	Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.
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Yes

Please describe

As part of engaging with the companies in which we invest, material climate change risks are reflected on the agenda and considered in voting practices. TCFD is promoted as a tool to communicate these material risks.

No, we do not engage

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
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	%
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1.9

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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Area

- Energy efficiency / Clean technology

Asset class invested

- Listed equity
- Fixed income - SSA

% of AUM

2.0

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Hedge funds
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Through green bonds. See SG 15.3 for additional explanations.

- Renewable energy
- Green buildings

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property

% of AUM

21.9

- Hedge funds
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Through direct real estate investments and through green bonds. See SG 15.3 for additional explanations.

Sustainable forestry

Asset class invested

- Listed equity
- Fixed income - SSA

% of AUM

2.0

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Hedge funds
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Through green bonds. See SG 15.3 for additional explanations.

Sustainable agriculture

Asset class invested

- Listed equity
- Fixed income - SSA

% of AUM

2.0

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Hedge funds
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Through green bonds. See SG 15.3 for additional explanations.

- Microfinance

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity

% of AUM

4.4

- Property
- Hedge funds
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Through impact private equity funds. See SG 15.3 for additional explanations.

- SME financing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity

% of AUM

4.4

- Property
- Hedge funds
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Through impact private equity funds. See SG 15.3 for additional explanations.

- Social enterprise / community investing
- Affordable housing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)

% of AUM

0.45

- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Hedge funds
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Through use-of-proceeds social bonds. See SG 15.3 for additional explanations.

Education

Asset class invested

- Listed equity
- Fixed income - SSA

% of AUM

1.8

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Hedge funds
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Through use-of-proceeds social bonds. See SG 15.3 for additional explanations.

Global health

Water

Asset class invested

- Listed equity
- Fixed income - SSA

% of AUM

2.0

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity

% of AUM

4.4

- Property
- Hedge funds
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Through impact private equity funds and green bonds. See SG 15.3 for additional explanations.

Please see SG 18.2 for more details on Zurich's impact investment approach. While Zurich's themed investments address most options provided in SG 15, the way in which its exposures to themed investments are monitored makes it difficult to provide breakdowns based on the categories provided here. In answering SG 15, a theme was selected if the area is addressed through our impact investments. But percentages were calculated based on the complete 'themed' allocation for a given asset class. For example, green bonds in SSA, financial and non-financial fixed income fund clean technologies. We estimate that biggest concentration of projects is in the SSA category. The percentage provided reflects green SSA securities relative to total SSA exposure.

Other area, specify

No