

Zurich Insurance Group: Exercise of Voting Rights

May 2026 vs. March 2021: what changed, and what it means for your ballot

Zurich Insurance Group - Group Investment Management
Exercise of Voting Rights
Functional Policy effective 31 March 2021 compared with
Investment Management Guideline effective 1 May 2026

Zurich deleted the sentence that walled its voting off from its insurance business - and, in the same edition, adopted Glass Lewis's Climate policy.

Source: the two published documents, read in full. Every quotation below is taken verbatim from them.
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A note on dates and on what changed structurally

Zurich published no intervening edition of this document between 2021 and 2026. The comparison is therefore across five years, which is unusual for this series and means the volume of change is larger than an annual refresh would produce.

The older document is headed 'Exercise of Voting Rights - Functional Policy,' effective 31 March 2021, approved by the Group Chief Investment Officer. Two separate archive captures exist of it, in two different corporate templates, both carrying the same 31 March 2021 effective date; they are the same edition and no meaningful comparison can be drawn between them. Any earlier report presenting those two captures as successive editions was comparing a document with itself.

The newer document is headed 'Exercise of Voting Rights - Investment Management Guideline,' effective 1 May 2026, approved by the Head of Responsible Investment, next review no later than 30 June 2027. Its own 'Summary of changes' field says only: 'Manual voting process.' As the rest of this report shows, that materially understates what was edited.

Status downgrade

This document stopped being a Policy and became a Guideline, and the word 'policy' was replaced with 'guideline' throughout. The approver moved down a level, from the Group Chief Investment Officer to the Head of Responsible Investment. In most governance frameworks a policy binds and a guideline advises. That reclassification sits underneath everything below.

1. The deleted firewall

One sentence was removed from the guiding principles, and for an insurance company it is the most important sentence in the document.

2021, deleted:

"No consideration shall be given to an investee company's potential business relationships to Zurich outside of Group Investment Management."

Zurich is simultaneously a large shareholder and a large commercial insurer. A company whose shares Zurich's investment arm votes at an annual meeting may also be a substantial buyer of Zurich's commercial insurance. The 2021 sentence said, flatly, that the second relationship must play no part in the first. It has no equivalent anywhere in the 2026 text.

What survives is the sentence immediately after it, unchanged: 'In light of Zurich's role as both an investor and insurance service provider, the Group Policy on Conflicts of Interests and External Engagements must be duly considered.' That is a cross-reference to another document rather than a rule, and 'duly considered' is not the same instruction as 'no consideration shall be given.' The conflict is still acknowledged; the prohibition is not.

Why this matters

Asset-owner conflict disclosure usually runs in the other direction in 2026 - managers have been adding conflict language, not removing it. A deletion here is worth flagging on its own terms: the only categorical, self-executing conflicts rule in Zurich's voting document is gone, replaced by a reference to a policy that is not published alongside it.

2. ESG was removed from the guiding principles

The second guiding principle sets out what Zurich weighs when deciding how to vote. In 2021 it named environmental, social and governance issues explicitly. In 2026 it does not name anything.

What Zurich pays attention to when voting

2021:

"The safety of the underlying investment and obtaining the maximum total economic return generated by the shares are the primary objectives in determining how votes are exercised. In the process, due attention shall be paid to the assessment of relevant environmental (including climate change), social and governance (ESG) issues."

2026:

"The safety of the underlying investment and obtaining the maximum total economic return generated by the shares are the primary objectives in determining how votes are exercised. In the process, due attention shall be paid to relevant factors that may influence long-term and sustainable value creation."

The first sentence is identical. The second replaces a named list - environment, climate change, social, governance - with 'relevant factors.' Nothing is prohibited by the new wording, but nothing is required by it either. This is the same substitution pattern that ran through the 2026 US manager rewrites, arriving a year later at a Swiss insurer.

The five-year horizon was deleted

Zurich's stated time horizon

2021:

"As a long-term investor, Zurich does apply a longer-term focus (defined as over five years), and will vote in order to support the investee companies' strong and sustainable governance, as well as a long-term oriented strategy and its implementation. Long-term creation of shareholder value is preferred over short-term gains."

2026:

"Zurich does apply a longer-term focus, and will vote in order to support the investee companies' strong and sustainable governance, as well as a long-term oriented strategy and its implementation, prioritizing long-term and sustainable value creation over short-term gains."

'Long-term' was the only quantified concept in the guiding principles and the parenthesis defining it as 'over five years' is gone. The self-description 'As a long-term investor' also went. Small compensating edit in the other direction: 'shareholder value' became 'sustainable value creation,' which is marginally broader.

The remaining four principles - sole responsibility of the Group CIO and Group Investment Management, active voting following clearly defined guidelines, the cost-benefit exemption, and consistency with local legal and regulatory constraints - carry over unchanged.

3. The voting guidelines themselves: four rules deleted, one added

Appendix I is where Zurich states how it actually votes. It was cut back substantially. The one addition, however, is a genuine tightening on climate.

The addition: Glass Lewis's Climate policy

The benchmark policy Zurich's voting is built on

2021:

"Zurich's voting guidelines are adapted from Glass Lewis' continental European policy, available [here](#)."

2026:

"Zurich's voting guidelines are adapted from Glass Lewis' continental European and Climate policy, available [here](#)."

Glass Lewis maintains a separate Climate policy that recommends against directors - typically the governance committee chair or the chair of the board - at companies in high-emitting sectors that fail to provide adequate climate risk disclosure or board oversight. Layering it onto the continental European policy makes Zurich's baseline voting instructions materially stricter on climate than they were in 2021, for every internally managed holding. This is the single clearest tightening in the document, and it cuts directly against the removal of ESG language from the guiding principles.

The deletions

Four instructions present in 2021 have no equivalent in 2026. The 2026 appendix even retains an empty bullet point where some of them sat.

2021, deleted:

"Voting rights need to be exercised on an informed basis. If sufficient information for a well-informed decision is not available, voting 'no' is deemed to be appropriate."

This was a default-against rule for inadequate disclosure - the most directly consequential line in the old appendix, because it converted a company's failure to explain a resolution into an automatic negative vote. Nothing replaces it.

2021, deleted:

"We avoid abstentions to indicate our intention to avoid leaving room for interpretation."

Zurich no longer commits to taking a side. Abstention is back on the table as a routine option, and the document's own definition of 'active voting' - which explicitly excludes 'automatic instructions to vote with management or abstain from voting' - is now the only thing discouraging it.

2021, deleted:

"ESG-related (incl. climate change) shareholder proposals need to be reviewed carefully on a case-by-case basis. The review of such proposals is done in close alignment with our engagement strategy and efforts."

2021, deleted:

"Glass Lewis guidance will be applied for governance and transparency related cases, whereas shareholder proposals on environmental and social issues will be referred to Zurich's responsible investment team."

Those two went together and their removal is a structural change, not a wording one. In 2021, environmental and social shareholder proposals were routed away from the automated Glass Lewis pipeline to specialists who reviewed them individually against Zurich's engagement work. In 2026 there is no such routing rule, and the Responsible Investment team's role in the voting process is correspondingly smaller.

The net-zero escalation lost its target

What happens when climate engagement fails

2021:

"If we come to the conclusion that our bilateral or collective engagement efforts to that effect have failed, we will consider escalating by voting against the re-election of the chairman of the board as well as other board members, as appropriate, starting in 2023."

2026:

"If we come to the conclusion that our bilateral or multilateral engagement efforts to that effect have failed, we will consider escalating as appropriate, including by exercising our voting rights accordingly."

The commitment survives; its specificity does not. In 2021 Zurich named who it would vote against - the chairman of the board, and other directors as appropriate - and gave a start date. In 2026 it says it will escalate 'as appropriate, including by exercising our voting rights accordingly,' which is a description of having options rather than a statement of intent. The 2050 net-zero portfolio target, the expectation that emission-intensive investee companies set science-based targets on a 1.5 degrees C trajectory, and the demand for 'credible progress towards this target over time' are all carried over word for word.

In practice the Glass Lewis Climate policy adoption may substitute for the deleted escalation language: it produces against-recommendations on climate-laggard directors automatically, rather than leaving them to a discretionary judgement about whether engagement has failed. Whether that is a net tightening or loosening depends on how many holdings the two approaches reach - and Zurich delegates voting on a large share of its assets to external managers, where the Glass Lewis policy does not apply.

One new sentence on shareholder proposals

2026, new:

"We may consider voting in favor of a shareholder proposal to signal investor support for the company's direction of travel."

This is an affirmative reason to support a proposal, added at a moment when several large US managers deleted exactly this rationale from their own guidelines. It sits alongside the 'accelerate progress' sentence carried over from 2021. Also carried over: the statement that 'management is generally best placed to make longer-term strategic decisions and identify material issues' and the commitment to 'vote against proposals that promote micro-management.' One narrowing: 2021's 'For recurring shareholder proposals ... allowing us to vote consistently across a season' became 'For recurring proposals ... allowing us to vote consistently,' dropping both the shareholder-proposal framing and the seasonal consistency commitment.

4. The in-house voting process

Appendix II describes how votes are actually cast on internally managed equities. Two provisions were removed and one was rewritten - the rewrite being the only change the document's own summary acknowledges.

How ballots are executed by default

2021:

"Per default, the voting execution will be automated in accordance with the respective deadlines."

2026:

"Per default, the voting execution is set up to align with the respective deadlines."

'Will be automated' became 'is set up to align with.' This is the 'Manual voting process' change named on the 2026 cover page. The following sentence is unchanged in both - if no deviation is recorded, 'votes will be executed automatically and in time' - so the practical effect is small, and the pre-filled Glass Lewis ballot remains the default outcome.

2021, deleted:

"The RI team can amend votes on ESG-related shareholder resolutions in collaboration with the PMs using the same overwriting process as described above."

This is the second half of the change described in section 3. In 2021 the Responsible Investment team could reach into a live ballot and change a vote on an ESG shareholder resolution. In 2026 it cannot. The RI team still monitors watch lists for top-down engagement campaigns, but the authority to amend a vote now rests solely with the portfolio manager - consistent with the statement elsewhere that voting must align with 'Group Investment Management's mandate to generate superior risk-adjusted economic returns.'

2021, deleted:

"Information about engagement with companies that is considered worth sharing is to be recorded in the engagement comment section of the respective company (applies to PMs and RI Team)"

A record-keeping requirement linking engagement to voting, removed. Everything else in Appendix II is unchanged: Glass Lewis Viewpoint access and training for all in-house PMs, annually updated watch lists, email alerts, mandatory double-checking of material and sensitive ballots, the single- and double-PM override procedures requiring a written rationale, the 'vote with one voice' expectation, and annual monitoring of Glass Lewis policy updates.

5. What did not change

The architecture of the document is identical. This is a set of targeted edits inside an unchanged frame.

- Scope: strategic investments, private equity funds and co-investments, non-discretionary unit-linked assets, and assets in mutual funds and ETFs where the voting right is legally separated all remain out of scope. Zurich's voting document has never covered its third-party fund holdings.
- The two materiality tiers are unchanged: 'material stake' where Zurich sits on or observes the board, 'ordinary stake' where it does not. Material-stake votes remain at the sole discretion of the Group Chief Investment Officer, delegable to a GIM executive or local CIO.
- The definition of 'active voting' is word for word the same, including the statement that automatic instructions to vote with management or to abstain do not count as active voting.
- External managers still vote Zurich's externally managed assets under delegated authority, still subject to a pre-delegation check that their policies align with Zurich's guiding principles and to case-by-case corrective action if they do not.
- Local portfolio managers still have the right to deviate from Zurich's guidelines where they have 'a strong and investment-relevant rationale.'
- Reporting is essentially unchanged: internal and external managers report their records to Group Investment Management, aggregate statistics are published annually, PRI disclosure continues, and detailed voting for in-house managed equity portfolios stays on Zurich's website. Two details were dropped - the reference to the Listed Equity module of the PRI Transparency report, and to that report being available on Zurich's own site as well as the PRI's.
- The requirement that local best practice applies only where stricter than continental European practice, and that European board-election standards apply globally unless local practice is stricter, is unchanged.

The bottom line

Five years of accumulated change, pulling in two directions, in a document that now describes itself as a guideline rather than a policy.

The loosening is broad. The categorical bar on letting Zurich's insurance relationships influence its voting is gone. ESG and climate were removed from the guiding principle that says what Zurich weighs. The five-year definition of 'long term' was deleted. Four operative voting rules were removed from the appendix, including the default-against rule for insufficient disclosure and the special routing of environmental and social shareholder proposals to the Responsible Investment team. The named target of climate escalation - the board chairman - was replaced by a generic reference to exercising voting rights. And the RI team lost its ability to amend a vote on an ESG resolution.

The tightening is narrow but real. Zurich's baseline voting guidelines are now adapted from Glass Lewis's Climate policy as well as its continental European policy, which mechanically produces against-recommendations on directors at climate laggards in a way discretionary escalation never did. And a new sentence explicitly permits supporting a shareholder proposal to signal support for a company's direction of travel.

Read together, the pattern is a shift from principles Zurich states itself to instructions it buys from a proxy adviser. The 2021 document told you what Zurich would do and why; the 2026 document tells you which Glass Lewis policies it has adopted and who may override them. For an investor or policyholder trying to predict a vote, the useful question is no longer what Zurich's guideline says - it is what the Glass Lewis continental European and Climate policies say, and how much of Zurich's equity book is managed in-house where they apply.