

Building a better way.



Zurich Insurance Group
Sustainability Report 2020

Z ZURICH®

It's time to act for people and planet.

We are delivering now on our commitments.

Visit our Group website to access further reports and information:

www.zurich.com



Annual Report 2020
Read more about our Group strategy, operations and performance.

Available online at:
www.zurich.com/en/investor-relations/results-and-reports



Z Zurich Foundation Report 2019
Read more about the work of the Z Zurich Foundation.
Available online at:
www.zurich.foundation/en/about-us/publications



Sustainability website 2020
Read more about Zurich's sustainability strategy, commitment and actions.
Available online at:
www.zurich.com/en/sustainability



Front cover image
In 2020, we initiated an eight-year reforestation sponsorship with Brazilian non-profit Instituto Terra to bring back native forest to an area known as the Atlantic Forest – a true biodiversity hotspot.
Read the full story:
[Page 28](#)

What's inside

Our approach

Message from our Group CEO	2
Q&A with our Group Head of Sustainability	3
2020 headlines	4
About us	5
Our business model	6
Key trends and global context	7
Materiality	8
Our sustainability strategy	9
Our SDG contribution	10
Our response to COVID-19	12
Engaging our stakeholders	13
Embedding sustainability in Zurich	16
Incorporating sustainability in Zurich	17
Our commitment to sustainable insurance	20

4 2020 headlines



42 Supporting our employees



36

Providing on demand health and wellbeing advice

Responsible investment

Overview and approach	55
ESG integration	56
Impact investing	57
Advancing together	59
Climate action	60
Real estate investments	62

About this report

UN Global Compact	64
UNEP FI Principles for Sustainable Insurance	65
Data table	66
Independent Assurance Report on Zurich's Sustainability reporting 2020	67
GRI Index	68
Disclaimer and cautionary statement	70

57 Helping to finance a zero-carbon economy



“

While 2020 presented many challenges, it was also a year of great progress on our sustainability journey. Now more than ever before, it is critical to tackle present and future environmental, social and economic challenges.

Linda Freiner

Group Head of Sustainability



Our approach

We want to be one of the most responsible and impactful businesses in the world. Through our commitment to sustainability, we aim to create sustainable value for our customers, employees, shareholders and the communities where we live and work. We are proud of what we achieved in 2020. This report will provide some of our highlights.

Message from our Group CEO

Transforming the future.

“

We want to be known as one of the most responsible and impactful businesses in the world.

Mario Greco
Group Chief Executive Officer



2020 put the spotlight on a topic that will become central over the coming years: the need for more long-term thinking. COVID-19 showed that society is ill-prepared for a global crisis. But while the pandemic will pass, our world will continue to face challenges related to globalization, digitalization, health and climate change.

We care about these challenges because they have a direct impact on our customers, colleagues and communities. And just as we believe that global economies can recover in a way that is both green and fair, we can prosper and contribute to improving the sustainability of the planet and conditions in society. This is reflected in our ambition to be recognized as one of the most responsible and impactful businesses in the world.

The foundation for our ambition is the strength of our business. We remain a profitable, well capitalized and highly diversified business, and this gives us the freedom to plan for the long term.

[Further details are available online:](#)
Our strategic priorities

The climate change challenge

For many years now, we have been embedding sustainability into every fiber of the Group and have been operating as a carbon neutral business since 2014. We have intensified our focus on the UN Business Ambition Pledge to limit global temperature rise to 1.5°C.

We are continuing to audit our portfolio and engage with our customers that are exposed to thermal coal, oil sands and oil shales. We strongly support companies that agree to adopt greener practices – and stop underwriting for those unwilling to make the transition.

We are also working together with our commercial customers to help them adapt to current and future climate-related risks with a new set of Climate Change Resilience Services.

We became one of the first large institutional investors to prioritize the goals – rather than the monetary amount – of our impact investment portfolio.

And to complement our business-focused **climate strategy** as well as to mobilize employee support for climate action, we launched the Zurich Forest. The reforestation project was developed together with non-profit Instituto Terra, and will lead to the planting of one million native seedlings to help restore Brazil's Atlantic Forest. Each Zurich employee can attach their name to a tree and become a custodian of the forest.

A responsible employer

We continued to fulfil our **work sustainability** commitment, reinforcing our credentials as a responsible employer. We provided extensive support for the health and wellbeing of colleagues and their families, allowing them to have peace of mind during the pandemic.

With an eye on the long-term, we launched internal talent marketplaces in many countries and continue to develop colleagues for new job opportunities rather than hiring externally, to prioritize our in-house skills over outsourcing solutions, and to offer career choices that match talents and ambitions. We reject unsustainable behavior such as seeking cheaper labor elsewhere merely for financial gain.

Trust in a digitalized world

The 2020 pandemic accelerated the pace of digitalization in society. Our past investments allowed our workforce to respond with agility to last year's challenges, staying fully operational and serving customers in new ways while working from home.

Our proactive approach to managing cyber security helped us mitigate increased cyber risk for ourselves and our customers. Our commitment to a transparent and ethical use of data will guide us as we continue to promote a society that can operate in a trustworthy digital environment.

Reaching communities

Our donations to Z Zurich Foundation enabled charities to continue supporting some of the most vulnerable at a time when the pandemic's economic impact led to a collapse in donations. The Zurich Flood Resilience Alliance Program was also expanded providing direct support to an additional 200 communities, with the ambition of reaching four million people by 2024 overall.

In 2020 Zurich was rated No.1 for the insurance sector in the Dow Jones Sustainability Index (DJSI). We improved our scores across all three dimensions: governance and economic, environmental and social. Yet another sign that our long-term efforts are paying off.

COVID-19 demonstrated how individuals, businesses and governments can move quickly to address a common threat. If we maintain this momentum, I am confident that together we can shape a future in which we can all thrive.

Mario Greco
Group Chief Executive Officer

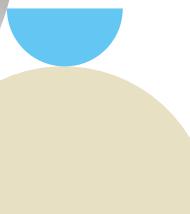
Q&A with our Group Head of Sustainability

Your questions answered...

In conversation with Linda Freiner,
Group Head of Sustainability at Zurich.

“
Our customers expect us to be the best in what we do, that includes sustainability.

Linda Freiner
Group Head of Sustainability



Q As Group Head of Sustainability at Zurich, what does your job entail?

Linda: I see myself as a catalyst and an enabler to ensure we integrate sustainability across our business. That includes setting the strategy, supporting implementation and reporting on our progress both internally and externally. I also engage with a lot of different stakeholders who want to help drive sustainability internally or who are interested in our work externally.

Q Many industries are going through a sustainability-oriented transformation. How is Zurich positioning itself to be a part of this journey?

Linda: For many years now, the insurance industry has been asked to play a more active role in making our society more sustainable, in particular when it comes to climate, cyber and wellbeing. I see a real change within our industry when it comes to stepping up to those expectations and through Zurich's ambition to be a leader not only within our own industry but among businesses in general. This is the ambition we set in 2018 and which we still aim for.

Q What were some of Zurich's major sustainability achievements in 2020?

Linda: It's hard not to start by highlighting our industry leadership position in the Dow Jones Sustainability Index 2020. This is something we have aspired to since we launched our first corporate responsibility strategy back in 2012. We have worked hard to improve across all aspects of the rating; Governance and Economic, Environmental and Social factors. However, the real change that I have seen this year is the change in culture internally. We have invested a lot in enhancing the understanding of our ambition and how we need to integrate it across our business. This has resulted in a series of innovative insurance solutions that are already being tested in markets, significant reductions in our own environmental footprint and the implementation of excellent remote working arrangements when we needed it the most to mention a few examples.

Q How do you see the customer in joining Zurich's sustainability journey?

Linda: Our customers expect us to be the best in what we do, that includes sustainability. We have already seen a change in consumer sentiment requesting more sustainable solutions within the retail, food & beverage and automotive industry, and it's just a matter of time before this accelerates within insurance as well. We want to provide the best solutions to our customers to help them on their own sustainability journey. We will do so by investing in innovation and strengthening the dialog with our customers even further.

Q What sustainability trends are you seeing that will have an impact on the insurance industry?

Linda: We are only seeing the tip of the (melting) iceberg when it comes to understanding climate risk and the impact it will have on our society. It is also being increasingly picked up by regulatory frameworks across the world. With our commitment to aligning our business with a 1.5°C Future, we are working hard to understand what this means for our business and for our stakeholders. We can also expect to see different work practices coming out of the pandemic where our employees have gotten used to serving our customers from a different location and interact differently with internal and external parties. This will hopefully bring along more sustainable working practices from a climate and wellbeing perspective.

Q Who is your favorite sustainability hero and why?

Linda: It's hard not to mention my fellow Swede Greta Thunberg for her incredible courage but I will go for Sir David Attenborough. Through his work we can witness climate change from our own living room and he has lived long enough to personally attest to it.

2020 headlines

**Expanded effort to develop sustainable products and services**

First results with Climate Change Resilience Services.

**Established Group-wide climate approach**

To align our business with a 1.5°C Future.

1.5°C

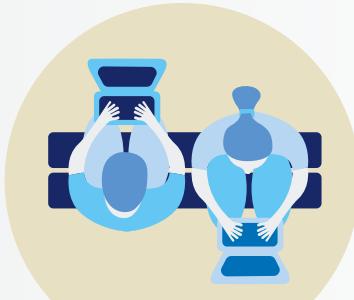
Prioritizing safety and wellbeing of employees

Employees felt highly supported during COVID-19 crisis, reflected in the record eNPS score.

Expanded Zurich Flood Resilience Alliance

To provide direct support to an additional 200 communities, with the ambition of reaching four million people by 2024 overall.

4m people

**Increased talent mobility**

To fill vacant positions and address priority work.

* Subject to audit of the Z Zurich Foundation in June 2021.

Carbon footprint methodologies

Contributed to their development in cooperation with industry bodies.

Thermal coal, oil sands and oil shale

Continued the implementation of our 2019 policy.

**Our commitment to the environment****Responsible investment****Net zero-investment journey**

Collaboration with the Science Based Target initiative and the UN-backed Net-Zero Asset Owner Initiative to operationalize our net-zero investment journey with the aim of setting first 2025 target in Q1 2021.

USD 5bn

Exceeded USD 5bn of impact investment portfolio

Now focusing on reaching our impact targets (5m tons of CO2 avoided and benefiting 5m people).

Industry leader

in Dow Jones Sustainability Index 2020



A-

Leadership Level's
CDP 2020 submission score



About us

Creating a brighter future together.

We are a leading multi-line insurer that serves its customers in global and local markets.

55,000
Employees

215
Countries and territories

USD 4.2bn
Business operating profit¹

AA-/stable
Standard & Poor's financial strength rating of Zurich Insurance Company Ltd as of December 31, 2020

USD 51.6bn
Total revenues²

USD 5.8bn
Total amount of impact investments (USD billions)³

 Read more online:
Our strategic priorities
Our purpose and values

215
Countries and territories

USD 4.2bn
Business operating profit¹

AA-/stable
Standard & Poor's financial strength rating of Zurich Insurance Company Ltd as of December 31, 2020

USD 51.6bn
Total revenues²

USD 5.8bn
Total amount of impact investments (USD billions)³

¹ Business operating profit (BOP) indicates the underlying performance of the Group's business units by eliminating the impact of financial market volatility and other non-operational variables.

² Total revenues excluding net investment result on unit-linked investments.

³ Impact investments in 2020 consisted of: green bonds (USD 3,773 million), social and sustainability bonds (USD 904 million), investments committed to private equity funds (USD 189 million, thereof 64 percent drawn down) and impact infrastructure private debt (USD 904 million).



Our business model

We create sustainable value.

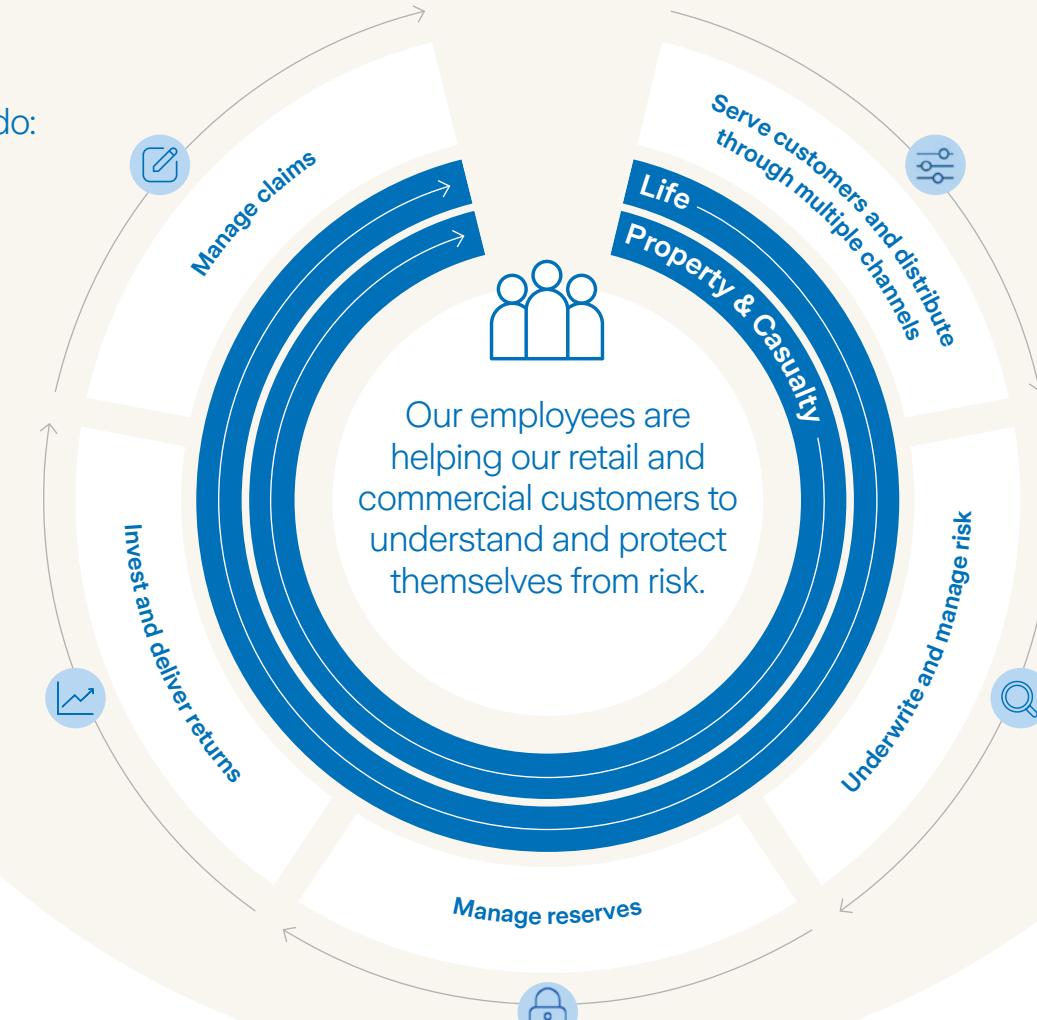
Over nearly a century and a half, we have refined our business model to make the most of our resources and generate value for all our stakeholders.



Read a more detailed version:
Zurich Annual Report 2020 (Business model) page 19.



What we do:



Key trends and global context

The forces shaping our future.

The 2020 pandemic and financial crisis reinforced the need to prepare society for systemic risks with sustainable prevention and mitigation.

Digitalization

- 2020 crisis accelerated digitization and technology adoption and need to foster confidence in digital society
- Multiplication of cyber attacks tested ability to ensure data security.



Climate change

- 2020 crisis reinforced society's risk awareness, underscoring the need to prepare for the complex risks we face, e.g. pandemics, changing weather patterns, rising sea levels, to build back better
- It also highlighted the need for insurance to create awareness with the public in order to ensure further insurability of climate risks and ensure an efficient transition to a low carbon world, and the investment need for climate solutions.



Changing nature of work

- Remote work poses new operational and mental health challenges to be addressed by employers
- Acceleration of digitization and technology adoption increases the urgency for companies to build new organizational capabilities for the future.

Materiality

Identifying what matters.

Zurich's 'materiality assessment process' (how we determine what is most relevant to our business) helps us to evaluate which relevant environmental, social and governance (ESG) issues are most critical for Zurich's long-term success.

Our materiality analysis

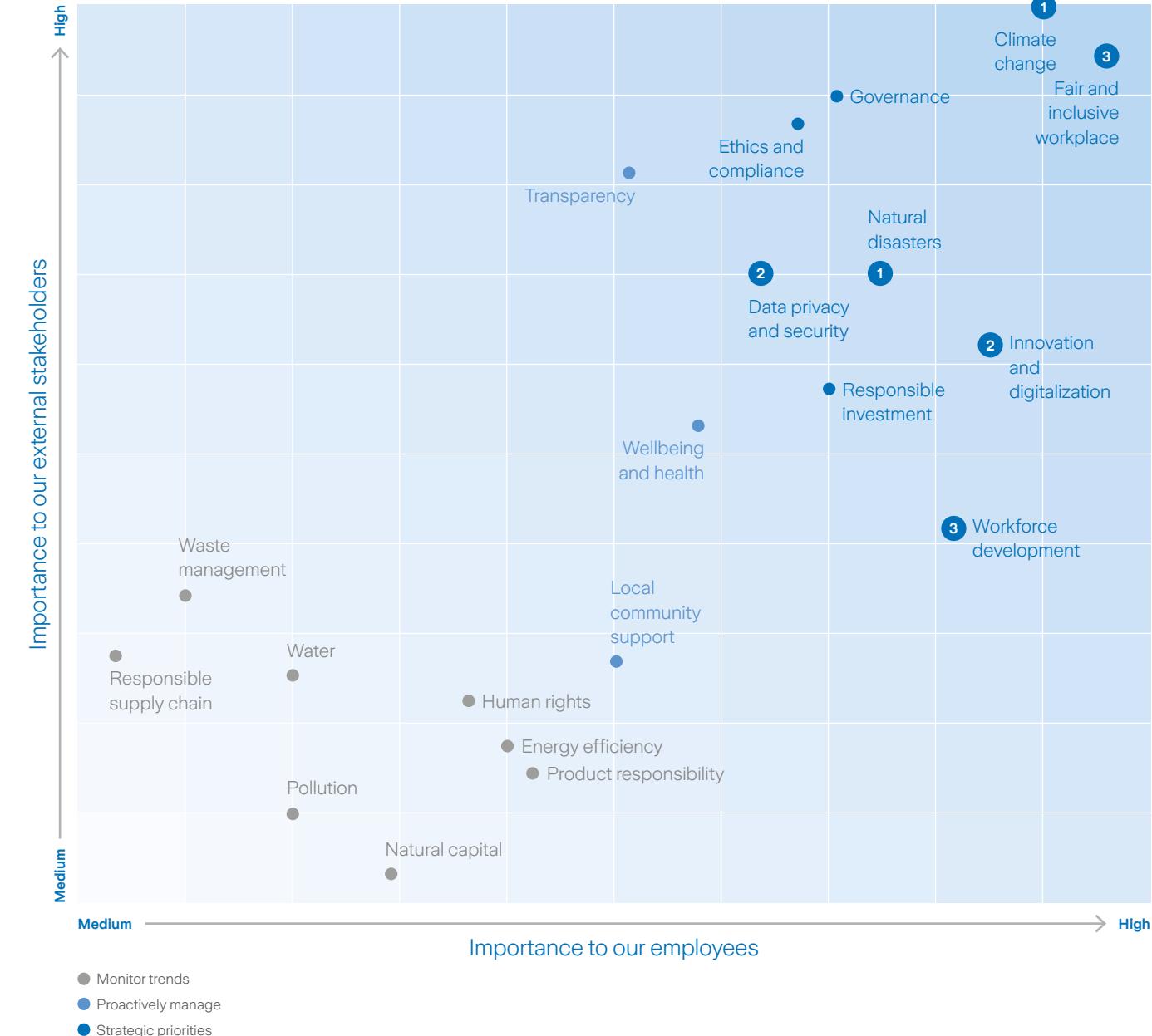
Using this evaluation, we then analyze the results in what we call a 'materiality matrix.' Zurich identified 10 key groups of stakeholders to include in our assessment of materiality. Through interviews, meetings and surveys with these stakeholders we could identify which ESG issues affected them the most, and also identify the issues they thought Zurich was best positioned to impact.

In this matrix, 'y' (vertical) axis indicates the perceived importance to our external stakeholders of these issues. The 'x' (horizontal) axis indicates the perceived importance of these issues to Zurich. The issues in the top right corner are important to both our stakeholders and our business, and are Zurich's strategic sustainability focus areas.

Based on these results we focus our efforts on the areas where we can make a difference. Fair and inclusive workforce and workforce development practices underpin our focus on 'work sustainability.' 'Confidence in a digital society' encompasses our work on issues related to digitalization, innovation and data privacy. And our climate initiatives seek to align our business model to increase the resilience of the customers and communities we serve while at the same time helping accelerate the transition to a climate neutral future. Organizing how we approach these key issues in this way helps us to concentrate our resources and establish clarity while being systematic in setting goals. Read more about these three strategic sustainability focus areas in the section about sustainability strategy on page 9.

What matters most:

- 1 Changing climate
- 2 Confidence in a digital society
- 3 Work sustainability



Our sustainability strategy

What matters most.

We have identified three transformational themes that we believe are very important for Zurich's future.

Why we do it

Society is transforming. No single actor can solve complex societal issues like globalization, digitalization or climate change alone. To help manage the risks and benefit from the opportunities they present, we must take bold action.

What matters most

Changing climate

1 Actively tackling climate change as a risk and opportunity.

Confidence in a digital society

2 Making people and organizations more resilient by enabling and inspiring confidence in a digital society.

Work sustainability

3 Supporting our employees and customers navigating the impact of the changing nature of work.

How will we do it

- Sharpen our focus on innovative sustainable solutions, investments and operations
- Develop clear positions on sustainability issues and stand up for what is right
- Manage our own exposure to sustainability risks.

Changing climate

We are addressing the impacts of a changing climate.

1

Climate change is perhaps the most complex risk facing society today. It is intergenerational, international, and interdependent. Zurich strives to be a leader in helping the world better manage climate risk and improve resilience against it: we aim to help prevent risks before they can have an impact.

 Read more:
Page 22

Confidence in a digital society

We are inspiring confidence in an increasingly digital society.

2

The digital transformation is well advanced, and it is affecting people worldwide. Devices are connected and 'smart.' This offers enormous potential for good, but also new risks. It requires being responsible in the way we work with and handle data. Zurich is also seeking ways to complement and support digital trends with a new generation of products and services.

 Read more:
Page 34

Work sustainability

We are supporting our employees and customers in times of great change and transformation.

3

Work sustainability is about enabling our people to grow the right skills to deliver what our customers need, ensuring they feel valued in their role and supported in their career. As we accelerate the digitalization of our company, products and services, we need our people on this journey. Work sustainability ensures that our people have the necessary mindsets and skills to be ready for the future of work, and to innovate solutions that create a brighter future for our customers and communities.

 Read more:
Page 37

Our SDG contribution

Helping to meet the world's goals.

Zurich's approach to proactively address environmental, social and governance (ESG) factors as part of our day-to-day business activity supports several of the United Nations Sustainable Development Goals (SDGs).

As part of being a responsible and sustainable business, we are focusing on those SDGs where we can have the biggest impact through our business activities, investments and community programs.

[Read more online:](#)
[Our SDGs](#)

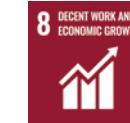


SDG 3

[Ensure healthy lives and promote wellbeing for all at all ages](#)

As an employer and provider of life insurance, savings and pensions, we have a responsibility to promote healthy and sustainable lifestyles. We are doing this through different channels:

- Establishing a new LiveWell digital engagement platform that utilizes cutting-edge technologies to incentivize and rewards individuals pursuing healthier lifestyles
- Improving access to healthcare and financing healthcare infrastructure through our impact investing strategy
- Research and campaigns focusing on increasing the awareness and understanding of the importance of individuals being more proactive to make themselves and their families financially resilient, i.e. finding the right protection at the right time to be able to deal with a potential loss of income due to illness, disability or the loss of a breadwinner
- Promoting and encouraging work of the Z Zurich Foundation, a corporate foundation funded by various members of the Zurich Insurance Group, with the ambition to help improve the mental wellbeing of 10 million people by 2024 through innovative programs aimed at overcoming the stigma often associated with seeking help.



SDG 8

[Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all](#)

We pay special attention to transactions that might contravene human rights. These include those that could:

- Contribute to human rights abuses, such as involuntary relocation of local communities, inappropriate use of force or have adverse impacts on vulnerable indigenous people
- Support regimes, governments, government officials or other politically exposed persons in countries with poor governance (for example failed states, those in conflict or war zones, or where there is an ineffective rule of law) or those with poor human rights records
- Enable harmful child labor, forced labor, or tolerate poor health and safety conditions and/or provide unfair remuneration.

We have set guidelines detailing our position and what we consider as best practices. We also provide guidance and training for underwriters and other relevant stakeholder groups, and have established risk assessment and referral processes.

In addition, the Z Zurich Foundation, through its grant programs initiative, provides support and funds to help Zurich offices to work with local community organizations to develop multi-year programs focusing on social equity and creating a society of equal opportunity. It includes supporting youth empowerment.



Our SDG contribution (continued)

**SDG 11**

Make cities inclusive, safe, resilient and sustainable

Zurich believes that doing business responsibly will promote resiliency in the future. This can be best achieved by enhancing risk prevention and mitigation. Zurich has invested in a number of activities to enhance resilience:

- Zurich's Swiss business has developed a user-friendly online interactive platform, the Natural Hazard Radar, to allow people living in Switzerland to assess risks to property from floods, landslides, mud and rockslides
- Zurich is a supporter of SBP (formerly the Saint Bernard Project), an organization that rebuilds disaster-affected homes, consults with local governments on disaster recovery planning and trains homeowners and small businesses on disaster resilience in many places throughout the U.S. Funding is also provided by the Z Zurich Foundation
- Supporting initiatives related to road safety, including as part of the 'Insurance for Safer Roads' initiative
- The Zurich Flood Resilience Program was launched in 2013 to help improve community resilience to flooding. The work focuses on communities and looks at how, by improving the way that they build, maintain and use all their assets, they are able to continue to prosper despite floods. The program has developed the first resilience measurement tool – a set of guidelines and methods – to assess resilience to floods at a community level. In the first phase (2013-2018), Zurich Flood Resilience Alliance (the Alliance) members applied the tool in 110 communities impacting 225,000 people. In the second phase (2018 to date), Alliance members have so far applied the approach in around 65 additional communities reaching 170,000 more people to date.*



225,000

People impacted by the
Zurich Flood Resilience Alliance
first phase (2013-2018)

**SDG 13**

Take urgent action to combat climate change and its impacts

As a responsible investor, we use capital markets to search for and fund solutions to many of the pressing social or environmental issues of our time. We are committed to fully decarbonize our USD 200 billion portfolio of own assets by 2050, and in 2020 have helped to avoid 2.9 million tons of CO2 equivalent emissions through our impact investment portfolio.

As a responsible business, it is important for Zurich to be accountable for the impact our operations have on the environment. We have been operating as a CO2-neutral business since 2014. We prioritize avoiding emissions wherever possible. Emissions we cannot avoid are offset with resilience-enhancing carbon credits, thereby maintaining carbon neutrality in our operations. Since 2007, we estimate that we have reduced our operational footprint by more than 150,000 metric tons of CO2e.

The Zurich Flood Resilience Alliance takes a collaborative approach to supporting communities at risk of floods. Together with members of the Alliance, we use our in-house expertise as an insurer to help communities reduce flood risk.

USD 200bn

**Portfolio of own assets
we are committed to fully
decarbonize by 2050**

Our response to COVID-19

A shoulder to lean on.

In difficult times Zurich supports its employees, customers and communities around the world, and 2020 was no different. Whether financially, emotionally or even providing practical assistance, we were there. Zurich responded to the COVID-19 pandemic by ensuring the safety of our employees, while offering prompt support and relief to our customers and the communities in which we operate.



Key actions taken

Zurich worked with customers and communities to provide support that was targeted and effective. Initiatives included:

- As one of the largest commercial insurers in the world, Zurich advised customers on heightened risks caused by the pandemic, such as a rise in cyber attacks, risks to buildings that stood vacant during lockdowns, and increased vulnerability affecting supply chains in addition to the obvious public health risk of a new pandemic. It also offered remote risk engineering assessments. Zurich worked with customers during times when their businesses had to temporarily adapt to major changes to support the fight against COVID-19. Among these were hotels that housed patients instead of travelers and manufacturers that shifted operations to make personal protective equipment, such as a Canadian sports equipment maker. [Zurich supported one of the world's largest hockey equipment suppliers](#), Bauer Hockey, to quickly retool their facilities to produce protective COVID-19 face masks through crafting a complete insurance solution for this entire new product line and operations in less than a week
- Zurich waived pandemic exclusions in individual life policies in Chile, Spain, and through our Zurich Santander joint venture, as well as in our Zurich International Life business
- In markets around the world, Zurich provided a variety of payment deferral options to support both individual and commercial customers
- Zurich provided rebates or renewal bonuses to auto insurance customers in several countries including Argentina, Colombia, Ireland, Spain and Portugal
- In Switzerland, Zurich introduced a hotline for free IT support, coaching and legal advice, as well as a new networking platform for small- to medium-sized enterprises
- In Switzerland, Zurich supported the testing initiative Corona Immunitas led by the Swiss School of Public Health. Zurich sponsored specifically modified vans that enable mobile testing for COVID-19 antibodies. Corona Immunitas is a research program that investigates the spread of the pandemic in Switzerland, thereby providing reliable data as a basis for effective policy measures to protect the population and the healthcare system
- In various countries, Zurich and the insurance industry provided technical knowledge for developing public-private pandemic insurance proposals to address customers' business interruption in future pandemics. In addition, Zurich advocated for a government backstop in trade credit risk insurance that would support customers with challenged cross-border supply chains
- In May 2020, Zurich joined 155 companies, representing over five million employees, in urging governments around the world to align their COVID-19 economic aid and recovery efforts with the latest climate science through committing to the [Recover Better statement of the Business Ambition for 1.5°C Pledge](#). We believe recovering from the COVID-19 crisis offers all of us a unique opportunity to drive positive change with decisive climate action. Grounded in science and in collaboration with governments, our focus will continue to prioritize improving global resilience by building back better.

Engaging our stakeholders

Listening and learning.

A company of Zurich's size and influence can make a significant positive contribution to society by proactively working with our customers, regulators, civil society, investors and other stakeholders.

Our employees

Why we engage

People are Zurich's most important asset. They enable us to achieve our strategy and deliver for our customers. Their skills, diverse perspectives and experience are key to innovation and reflect the breadth and diversity of our customers, suppliers, communities and investors worldwide.

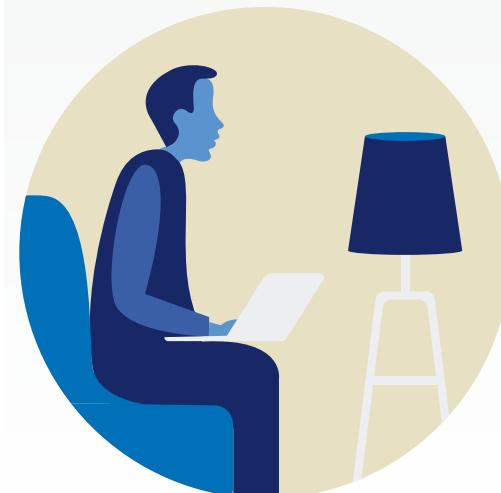
How we engage

We measure engagement and advocacy through both the Employee Net Promoter Score (eNPS) and Organizational Health Index (OHI).

During COVID-19, we ran employee listening campaigns shortly after the first country lockdowns started in early 2020, and responded quickly to employees' needs for more flexible scheduling and caring for their wellbeing. As part of Employee Net Promoter Score (eNPS) this year we asked employees how supported they felt by Zurich during COVID-19, and the response was overwhelmingly positive with a score of 74.

Topics of discussion

Supporting our people through the uncertainty of 2020 has been a key priority. The challenges of this year made us think more boldly about things like work flexibility, wellbeing, and diversity and inclusion. During the COVID-19 crisis we enhanced our internal talent mobility to deploy resources where they were most needed, and what started as a crisis response has become part of our everyday business ambition to promote internal talent development.



Our investors

Why we engage

Our shareholders expect the Group to be managed in a sustainable way that ensures long-term success and lives up to our commitments.

How we engage

We maintain dialogs with our investors throughout the year. Our annual corporate governance and sustainability roadshow, led by our Chairman, aims to increase investor understanding of the Group's developments in relation to sustainability and demonstrate the Group's delivery with regard to ESG performance.

Topics of discussion

- Strategy and financial performance
- Governance and remuneration practices
- Environmental and Social performance.



Engaging our stakeholders (continued)

Our customers

Why we engage

As an insurance company Zurich protects customers. Putting their needs at the heart of what we do and providing them with cover for the things and people they value has been our mission since Zurich was founded in 1872. As our customers take the fundamental steps needed to address sustainability, our focus is to help them through this transition to adopt more sustainable business practices and, as individuals, to be more sustainable in their everyday lives.

How we engage

Through our businesses we maintain constant engagement with our customers, for example:

- Through our relationship managers, brokers and by hosting customer events we understand ways that we can better serve our commercial customers
- In developing our [Climate Change Resilience Services](#) to actively engage with customers on the potential physical risks associated with climate change
- Our Customer Office teams work directly with individual consumers and SMEs to co-create insurance solutions guided by their needs
- By evolving our digital channels and enabling new distribution opportunities to serve our customers in a way that is convenient to them
- We are systematically listening to customers through our Net Promoter System (NPS) program throughout all customer touchpoints, and act on feedback to improve the customer experience.

**Topics of discussion**

- Transition pathways, enabling us to further understand how we can support customers' operational challenges and transition plans
- Promoting confidence in digital technology and the growing threat of cyber risks
- Elaborating beyond the physical risk associated with a changing climate, to broaden awareness of all aspects of emerging risks and potential mitigating actions
- Customers' ability to close income and health protection gaps by offering relevant life and corporate health cover to employees
- Addressing evolving technology together, such as e-vehicle advancement and alternate energy sources for private residence, to adapt to consumers' needs.

Our suppliers

Why we engage

We want to ensure that sustainability is an integral part of our sourcing and procurement activities. That extends to the products and services we purchase, contractual agreements we enter, and partners we work with. We continue to reveal new opportunities for collaboration and innovation through ongoing dialog with our suppliers, where we can work together to solve sustainability challenges.

How we engage

Through our procurement practices, we aim to make a positive social, environmental and ethical impact by:

- Working with social enterprises to provide goods and services
- Encouraging transparent environmental performance, such as climate-related and other disclosures
- Ensuring minimum standards, such as acceptable labor conditions, and transparency related to health and safety, and data security.

Topics of discussion

- Environmental performance and sharing and evolving best practice
- Procurement practices that drive social value
- Supplier diversity and inclusion.



Engaging our stakeholders (continued)

NGOs

Why we engage

By combining resources and expertise, we have greater opportunity to provide the benefits of sustainable practices and approaches to vulnerable people, which benefits them as well as society and businesses.

How we engage

The Z Zurich Foundation provides a package of support, where it shares its and our skills and provides financial support, to develop and implement tailored grant programs. Zurich employees volunteer their time and expertise to support vulnerable people within their communities, providing charities with the skills they need to develop and achieve greater impact.

Topics of discussion

- Adapting to climate change
- Improving mental wellbeing
- Enabling social equity.



Communities

Why we engage

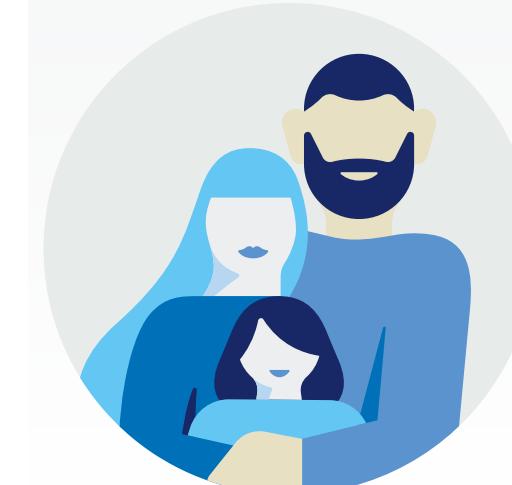
Vulnerable people share a need for connection, because the challenges they face are often common to many individuals. The Z Zurich Foundation connects non-governmental organizations, governments, businesses and local experts to work with those who need support. Working together allows all stakeholders to achieve more than we could alone.

How we engage

Z Zurich Foundation supports programs and develop engagement initiatives in close collaboration with Zurich's business units and people, and charitable organizations worldwide.

Topics of discussion

- Adapting to climate change
- Improving mental wellbeing
- Enabling social equity.



Governments and regulators

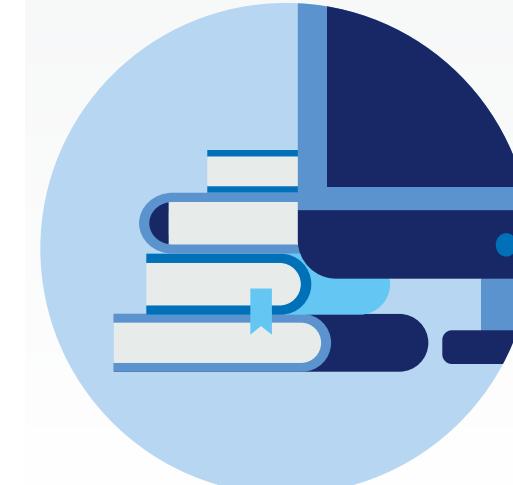
Why we engage

Zurich works with global, regional and local policymakers, governments, regulators and opinion leaders to keep ourselves informed about policy trends and issues, and shares its expertise and insights to contribute to effective policy solutions.

Zurich is also a member of many trade associations where it can increase its engagement on public policy issues.

How we engage

We maintain dialogs with international multi-stakeholder bodies including (Financial Stability Board, International Association of Insurance Supervisors, National Association of Insurance Commissioners) authorities (European Insurance and Occupational Pensions Authority), policymakers (European institutions, US Congress and US Administrative Agencies) and regulators.



In addition, we engage with many stakeholder groups and coalitions including the Insurance Institute for Business and Home Safety (IBHS), the US Chamber of Commerce (US CoC), the Global Business Alliance (GBA) and the Smarter Safer Coalition.

We advocate for best practices and share our expertise. Examples include on a global basis through the Institute of International Finance, regionally in trade associations like Insurance Europe and PensionsEurope as well as nationally in the American Property Casualty Insurance Association and the Swiss Insurance Association.

We are also active in business federations like Economiesuisse in Switzerland, bilateral trade organizations, and think tanks including Brussels-based Centre for European Policy Studies (CEPS), Atomium European Institute for Science, Media and Democracy, Avenir Suisse, the Swiss Forum on Foreign Policy (foraus). And we work closely with academic institutions including Oxford University.

Topics of discussion

- Climate-related policies/polluter pays principle/voluntary carbon markets and carbon pricing
- Build-back-better efforts in addressing the COVID-19 crisis
- Corporate governance and sustainability risks along the global value chain
- Natural hazards and innovative insurance solutions
- Educating and building resilience of communities
- Enhancing the social safety net through improvements in workforce protection
- Supporting Public Private Partnerships for cyber security and data stewardship.

Embedding sustainability in Zurich

Part of everything we do.

Making responsible and sustainable decisions is part of our daily business and decision-making is a priority at the highest levels of our organization.



Governance

Zurich's Board and the Executive Committee take an active role in overseeing and implementing our approach to sustainability. The Board approves the Group's sustainability strategy and objectives, including related targets having a material impact on Zurich or the Group based on the proposal of the Governance, Nominations and Sustainability Committee (GNSC), a standing committee of the Board.

The CEO EMEA and Bank Distribution is responsible for the Group's sustainability strategy and objectives. Zurich's Executive Committee is responsible for integrating the sustainability strategy into our business practices. The Sustainability Leaders Council leads the ongoing implementation of our sustainability objectives, formulating and formalizing the integration of sustainability across businesses and functions. The Council is comprised of senior executives from across the business and is chaired by the Group Head of Sustainability. The relevant business units and Group functions determine the approach and method for achieving the objectives. They are supported by local sustainability champions and a central sustainability team at the Group's headquarters.

Governance Nominations and Sustainability Committee



Michel Liès
Chairman



Dame Alison Carnwath



Christoph Franz



Jeffrey Hayman



Monica Mächler

Sustainability is embedded into our remuneration framework

Zurich has a clearly defined global performance and development approach where individuals, jointly with their managers, define and agree on annual objectives that support the achievement of the business strategy and operating plans. An individual's personal achievements consider performance on objectives, as well as the behaviors demonstrated. These continue to be guided by the Group's Code of Conduct, purpose and values, and our commitment to sustainability.

We monitor developments and best practices, and review Zurich's remuneration approach to ensure it complies with regulatory requirements, supports our strategic objectives, incentivizes the right behaviors and considers the interests of all our stakeholders alike.

To further support our customer-led transformation, quantitative customer metrics are incorporated to assess the overall business performance and resulting funding for short-term incentive plan (STIP) awards in selected markets and for our senior leaders. In addition, to ensure the sustainability of our efforts, the target card framework for the Executive Committee (ExCo) and the wider leadership team includes both financial and non-financial targets in the areas of financial measures, customers, people and other strategic projects. Examples include the transactional Net Promoter Score (tNPS) and the employee Net Promoter Score (eNPS) metrics, which are global best practice standards for measuring customer and employee experience respectively.

External indices to monitor our progress and improve our sustainability performance

In its 2020 Dow Jones Sustainability Indices (DJSI) Review, Zurich outperformed 100 percent of other companies in the insurance industry group, becoming industry leader and receiving Gold Class distinction. Zurich is a member of the DJSI World and DJSI Europe Indices.

Since 2004, Zurich has submitted annually a 'Climate Change' response to CDP, a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Zurich's 2020 submission score was A- Leadership Level.

Zurich has been a constituent of the FTSE4Good Index Series since the index was introduced in 2001. Our ESG Rating Absolute Score in December 2020 was 4.4 compared with the highest possible score of 5.

Zurich is also a constituent of the MSCI ESG Select Leaders Index. MSCI is an independent provider of research-driven insights and tools for institutional investors. As of July 2020, Zurich Insurance Group AG received an MSCI ESG Rating of 'AA.' The highest possible rating is 'AAA.'

As of December 2020, Zurich was ranked third among industry peers, as defined and reported by Sustainalytics ESG Risk report.

Member of
Dow Jones
Sustainability Indices

Powered by the S&P Global CSA

Incorporating sustainability in Zurich

We care.

At Zurich, caring is one of our six values and a key element of what we stand for and how we conduct ourselves individually and as a business.



We care about doing the right thing

Living by our values, making ethical decisions, and speaking up when we see something that does not seem right is crucial for us to maintain the trust of each other, our customers, investors, regulators and society.



We care about business integrity

We care about business integrity and ethical behavior because conducting all our business in a compliant and fair manner helps prevent criminal, illegal and unethical activities and preserves the transparency and integrity of the markets.

Our Code of Conduct



We care about our colleagues

Because we know that we can only be successful if we work as a team, and that mutual respect is vital in order for each and every one of us to live up to our full potential.



We care about our company

Because we are proud of Zurich's heritage and brand, and understand that protecting our reputation and our assets is critical for our long-term success.



We care about our customers

Because they are the reason we are in business. Putting their needs at the heart of what we do and providing them with protection for the things and people they value has been our mission since Zurich was founded in 1872.



We care about our future

And want to be one of the most sustainable companies in the world. We understand that we must always consider the consequences that today's actions could have on tomorrow.

Incorporating sustainability in Zurich (continued)

Acting with integrity.

Doing the right thing means not only following the rules, but also using our best judgment.

Not all situations have a specific guideline to support our actions, nor can our Code of Conduct address all decisions and potential dilemmas that we may face. This is why in all of our decisions, we are guided not only by applicable laws and regulations and internal guidelines, but also by what is the right thing to do.

Anti-bribery and anti-corruption

Zurich is committed to fair and responsible business and prohibits all forms of bribery and corruption, and any business conduct that could create the appearance of improper influence. The anti-bribery and anti-corruption Group Policy sets out our global framework addressing the common areas of risk and includes the requirement for business management and local compliance functions to appoint an anti-bribery and anti-corruption officer; complete an anti-bribery and anti-corruption risk assessment; identify and document appropriate control activities to mitigate the anti-bribery and anti-corruption risk within the business; and produce appropriate management information, reporting, and risk-based assurance.

Read more online:
Human rights
Anti-bribery and anti-corruption

Code of Conduct

Our rules of conduct give a reference for the decisions we make every day, and our actions and business goals must be consistent with those rules.

Read more online:
Code of Conduct

Under our Code of Conduct, each employee is encouraged to ask themselves the following four questions when faced with a decision:



Is it legal?

Consider whether the decision complies with applicable laws and regulation.



Is it the right thing to do?

Consider whether the decision reflects the standards of conduct articulated in this Code and our internal standards and policies, as well as our purpose and values. Ask yourself not only whether you can do something, but whether you should.



Is it in our company's and stakeholders' best interest?

Consider whether the decision honors our commitment to our customers, is respective of the rights of our colleagues and others we work with, and serves our company's long-term interest. Ask yourself whether the decision places your personal interest in conflict with those of the company or our customers.



Is it reflective of our brand and what Zurich stands for?

Consider whether you would be comfortable if the decision were made public and whether it could hurt our reputation and/or diminish trust in us, or negatively impact others (e.g. customers, shareholders, colleagues, or the public).

Incorporating sustainability in Zurich (continued)

Being a responsible taxpayer

Living up to our responsibility to society

As a global insurer, Zurich plays an important role as a long-term investor, a provider of insurance coverage and risk management services that include resilience to natural hazards such as flooding and others. Zurich acts as a responsible corporate citizen, which influences the Group's day-to-day decisions and long-term strategic planning. As part of this, Zurich is committed to being a responsible taxpayer and, as such, a supporter of economic and societal development in the communities where it operates.

Zurich considers effective and efficient tax compliance to be a key objective and allocates significant resources to ensure that the tax affairs of the Group are sustainable, well governed and transparent.

Taxes borne by shareholders

all numbers based on IRFS
excluding deferred income tax



● Shareholder income tax	55%
● Stamp duty and other taxes	6%
● Employer social security	22%
● Irrecoverable VAT	17%

Taxes collected

all numbers based on IRFS
excluding deferred income tax



● Employer social security	7%
● Other taxes (incl. WHT)	21%
● Payroll tax	17%
● PH Income and other taxes	11%
● Premium tax	36%
● VAT declared	9%

Our approach to tax is guided by our purpose as a company: to protect customers, employees and society, to inspire confidence, and to help our stakeholders reach their full potential. It is also guided by our values, including a commitment to deliver on our promises and stand up for what is right. Our purpose and values are embedded in a responsible tax strategy, which is supervised by the Board of Directors and executed by the Group Executive Committee. The Group's Code of Conduct is embedded into our responsible tax strategy and requires compliance with laws and regulations of all countries where the Group operates.

We are a significant contributor of taxes, both those borne by our own shareholders as well as those collected on behalf of tax administrations.

The Group actively manages tax obligations with the aim of minimizing unexpected adverse financial or reputational impact to the Group.

This is reinforced by:

- Employment of appropriately qualified and experienced people in key tax-related roles, with specific tax responsibilities and accountabilities included in their job descriptions
- An organizational structure that supports and encourages the reporting and escalation of tax issues
- A culture based on values and behaviors that encourages long-term ethical thinking
- Having appropriate systems and processes in place enabling us to validate our understanding of relevant tax legislation, thereby strengthening our compliance with the tax laws and regulations of the jurisdictions in which we operate
- Maintenance of a strong and transparent working relationship with the relevant tax administrations. Where possible, we will discuss new and complex tax positions or proposed changes in tax legislation with tax authorities in real time. In addition, we may request generally available statutory or non-statutory clearances from relevant tax administrations in respect of specific transactions where there is material uncertainty and/or where the transaction is material to the Group entity involved.

Total tax contribution reflects Zurich's economic contribution to the economy in taxes – the direct and indirect taxes paid by Zurich ('tax borne by the shareholders') and those taxes that Zurich is legally obliged to collect on behalf of the tax administrations ('tax collected').



Our commitment to sustainable insurance

Our commitment to sustainable insurance.

As one of the world's leading insurers, Zurich takes a systematic, fully integrated approach to identifying, assessing and recommending action from a sustainability perspective on potential risk and opportunity areas. Helping our customers to adapt to more sustainable behaviors, we provide risk transfer solutions that encourage risk prevention.



Sustainability risks in underwriting

A company of Zurich's size and influence can make a significant positive contribution to society by proactively working with our customers, regulators, civil society, investors and other stakeholders to identify, assess and mitigate environmental, social and governance risks. We have used our proprietary risk-profiling methodology since 2012 to prioritize five key sustainability risks to be monitored across all our business transactions. These include:

- Respect for human rights, in particular avoiding business involving child labor, forced labor, poor health and safety conditions or unfair remuneration
- Banned weapons, avoiding business involving the manufacture, sale, distribution or stockpiling of cluster weapons or anti-personnel mines
- Dam construction, avoiding unacceptable social, political or environmental risks of specific dam construction projects
- Oil and gas operations, and mining operations, avoiding risks involving damage to protected areas or critical natural habitats, corruption and human rights abuses.

In 2019, we extended our coal and oil sands policy to align with the Business Ambition for a 1.5°C Pledge, to avoid businesses that for example generate more than 30 percent revenue in this area, extract more than 20 million tons of thermal coal or that continue to invest in coal mining and infrastructure.

To support the above, we have implemented a more sophisticated sustainability issues framework. This is a systematic and fully integrated approach to identifying, assessing and recommending action on potential risk and opportunity areas from a sustainability perspective across all our activities, but particularly in investment management and underwriting. We have developed a three-step process to manage this.

Our three-step process to managing sustainability issues:

1

Issue identification

Filter issues from various sources (ESG research, social and traditional media, NGOs, businesses) and identify those select issues to go through our risk assessment process.

2

Risk assessment

Risk assessment by filtering issue through public commitments, role of insurance, underwriting risk assessment, market exposure assessment, etc. Our Executive Committee approves a position statement on the issue, recommends business actions and takes reputational management considerations into account.

3

Implementation

Businesses locally implement mitigation actions and reputational management plans. Support available from experts across the Group and escalation follows normal governance procedures.

“

We expect a significant shift in how businesses operate over the coming years as they move to lower carbon business models. At Zurich, we believe the best way to tackle this challenge is by working with our customers. We understand the magnitude of our role in the transition to a low-carbon future and look forward, with our customers, to a better future.

Sierra Signorelli

Group Chief Underwriting Officer



Our commitment to the environment

At Zurich, being a responsible and sustainable company is at the foundation of our business. We help our customers and communities become more resilient to natural hazards and extreme weather; we make a difference through our responsible investment approach; and we are swiftly reducing our own carbon footprint.

Overview and approach

Making the future better.

We are helping to tackle climate change through our role as an insurer, investor, employer, and in the communities where we live and work. In 2019, we became the first insurer to sign the Business Ambition for 1.5°C Pledge, a Paris Agreement for the business sector.

This includes setting science-based targets across our business to reach net zero emissions by 2050. But we need to do much more. We aim to completely integrate climate risk into our risk management processes, engage with our customers to enhance their climate risk knowledge and resilience, and provide them with innovative and sustainable solutions. To deliver on this we set out 'Our 1.5°C Future Plan', the Group-wide climate strategy guiding our efforts to address the risks and opportunities posed by climate change.

A Group-wide climate strategy

Our climate targets:

- Set science-based targets for Zurich's investment portfolio and operations in 2021
- Activate USD 1 billion in investments from others going into pre-event resilience and climate action by the end of the Zurich Flood Resilience Program together with the Zurich Flood Resilience Alliance. In 2020, the Z Zurich Foundation committed additional support, with the ambition to help make four million people overall more resilient to flooding with the Zurich Flood Resilience Alliance by the end of 2024
- Help to avoid five million tons of CO2 equivalent emissions per year through impact investments
- Understand and monitor the carbon intensity of our underwriting portfolios, developing key metrics to support alignment to a 1.5°C Future whilst ensuring customers themselves successfully navigate the transition
- Launch an internal carbon fund by setting a realistic internal price on carbon emissions for our operations in 2021. The carbon fund will be used to support Zurich's CO2 neutrality commitment and to drive down emissions from our operations, as well as other emissions sources related to our business
- Adopt 100 percent renewable electricity to power Zurich's operations by the end of 2022 and continue maintaining carbon neutrality for our operations
- Transition our global car fleet to 100 percent electric vehicles by 2029.



Net zero
Emissions target
by 2050



100%
Renewable electricity
to power Zurich's operations
by the end of 2022

Our climate commitment

Changing climate

In 2015, governments came together to adopt the Paris Agreement, an ambitious global plan to fight climate change that aims to limit the world's temperature increase to well below 2°C above pre-industrial levels before the end of this century.

This means the world needs to reduce global greenhouse gas emissions by 50 percent per decade, to reach 'net zero' by 2050. Climate change will affect Zurich's products, services and operations, while creating new risks and opportunities. Understanding, managing and measuring these impacts will be important in maintaining the long-term profitability of our company.

Our own analysis suggests a greater likelihood that the Paris Agreement's target will be missed rather than achieved. To help enable the required systemic transformation, we are stepping up our efforts to advocate and encourage companies and individuals to act to reduce global warming. Meanwhile we are also supporting those most at risk from climate change through new services, insurance products, and continued strategic philanthropy.

See page 60 in the Investment section of this report.



This analysis is available online:
COVID-19 crisis

Our commitment – supporting a 1.5°C Future

Through our efforts, we want to benefit not just our own business, but also the communities, businesses, and the families we serve. We believe a prosperous, vibrant, climate-neutral world is achievable, and have committed to set science-based targets for achieving 'net zero' emissions within our business. We will continue expanding our impact investment methodology and look for ways to demonstrate the positive impact we create. By aligning with a 1.5°C Future and harnessing the capabilities of a global insurer, we believe we can do our part to hasten the transition to an economy where growth is decoupled from carbon emissions and more than nine billion people are able to live well on the planet by 2050.

How we're putting our commitment into action

A Group-wide strategic framework to achieve our commitment to a 1.5°C Future

Actions

Set science-based CO2 reduction targets
– In our internal operations
– In our investment portfolio

Innovation for sustainable solutions
– Enabling adoption of sustainable behaviors

Deeply understand and integrate climate risk
– Physical/transition line of business risks
– Accumulation impacts

Embed governance

Leadership

Opportunity

Risks



Setting science-based CO2 reduction targets

By signing the Business Ambition for 1.5°C Pledge, Zurich recognizes the responsibility it has, and acknowledges the role science-based targets play in meeting the Paris Agreement goals. We can use these targets as a basis for solutions for our ourselves and our business customers. We joined the UN-backed Net-Zero Asset Owner Alliance as a founding member and consulted with the Science-Based Targets initiative, a collaboration between non-profit sustainability organizations, to formulate a methodology for financial services related to such targets.

Based on these discussions, Zurich will establish science-based emission reduction targets in Q1 2021 for its USD 200 billion investment portfolio, and its operational footprint, which will include interim reduction targets for 2025.

Currently, science-based targets do not exist for insurance underwriting portfolios. To change that, as a first step we contributed to producing the CRO Forum report on methodology to assess carbon footprints for underwriting portfolios and continue to work within the industry to develop this.

Read more online:
Minimizing our environmental footprint
Responsible investment
CRO Forum report

Our climate commitment (continued)

Innovating for sustainable solutions

We work with customers and collaborate with public and private organizations to enhance resilience and advocate for solutions to prevent, or minimize, damage and harm from climate-related perils. We develop insurance and risk management solutions for new technologies, business models and approaches that are needed to achieve a climate-neutral economy. We also use capital markets to search for – and fund – solutions to many pressing social or environmental issues. We have committed to building an impact investing portfolio, helping to avoid five million tons of CO₂ equivalent emissions per year, and separately, making a positive contribution to the lives and livelihoods of five million people.

Assess and integrate climate risks

Zurich's approach to climate risk is part of our Group-wide risk management processes, and it is managed consistent with other risks to which the Group is exposed. We are beginning to integrate assessments of the evolving physical and transition risk landscape into our underwriting and investment strategies. Moving forward, this work will only accelerate in the coming years as methodologies and new modeling tools are being developed that enable us to implement and scale climate-optimized investing and underwriting approaches across our business.

Read more online:
Financial Stability Board's Task force on Climate Change-related Financial Disclosure (FSB-TCFD)

Our commitment into action

Supporting community flood resilience

Across society, losses from natural hazards continue to accumulate in the multiple billions every year – and have been trending upwards over the past decade*.

The vast majority of these hazards are related to climate risks and they affect a growing number of people worldwide and disproportionately affect society's most vulnerable. For humanity to prosper in the face of climate change, sharing collective knowledge and resources is essential. With the Z Zurich Foundation and the Zurich Flood Resilience Alliance (the Alliance), Zurich is supporting at-risk communities to become more resilient.

The Alliance is a multi-sector, global partnership focused on finding practical ways to help communities thrive despite repeated floods, while saving lives.

It comprises organizations from the private, international development, humanitarian, and research sectors. Established in 2013, all members of the Alliance, with the exception of Zurich Insurance Company Ltd, is funded by the Z Zurich Foundation. Read more on page 49 in the Society section.

* Source: www.munichre.com/en/risks/natural-disasters-losses-are-trending-upwards.html#-1624621007

Our commitment into action

Thermal coal, oil sands and oil shale

We stand by our position on thermal coal, oil sands and oil shale, established in 2017 and enhanced in June 2019, aligned with our decision to sign the Business Ambition for 1.5 °C Pledge. A description of our current position can be found [here](#), stating that Zurich generally will no longer underwrite or invest in companies that operate above our defined thresholds.

For clients and investee companies that exceed the position thresholds, Zurich engages in a dialog on credible mid- to long-term transition plans in a Group-wide effort in line with the process below. For avoidance of doubt, Zurich expects firm commitments to a plan to achieve all thresholds within 24 months, and in the case of science-based targets, meaningful actual movement towards those targets within five years maximum with an annual review of progress.

If in the course of these dialogs the company does not show a credible plan for a transition from thermal coal, oil sands or oil shale, Zurich will facilitate a transition to an alternative insurer, divest from equity holdings, stop investing in new debt and run-off existing holdings. Furthermore, we will only consider new clients or investee companies that are already below those limits or have near-term commitments in place to bring them below the limits. With Zurich's Group Investment Management and Group Underwriting teams, we have engaged with 268 companies – either as customers, investee companies, or both, and decided after careful review to terminate our business relationship with 36 percent leading to divestments and non-renewed premiums. We recognize the divestments and non-renewed figures shown in the graphic represent less than half a percent of our respective investment or insurance portfolios and as such further confirm that our exposure to the thermal coal, oil sands and oil shale industry was already limited before the policy inception, reflecting Zurich's ESG integration approach. The graphic to the right represents our progress to the end of 2020.

Progress on coal and oil sands/oil shale policy



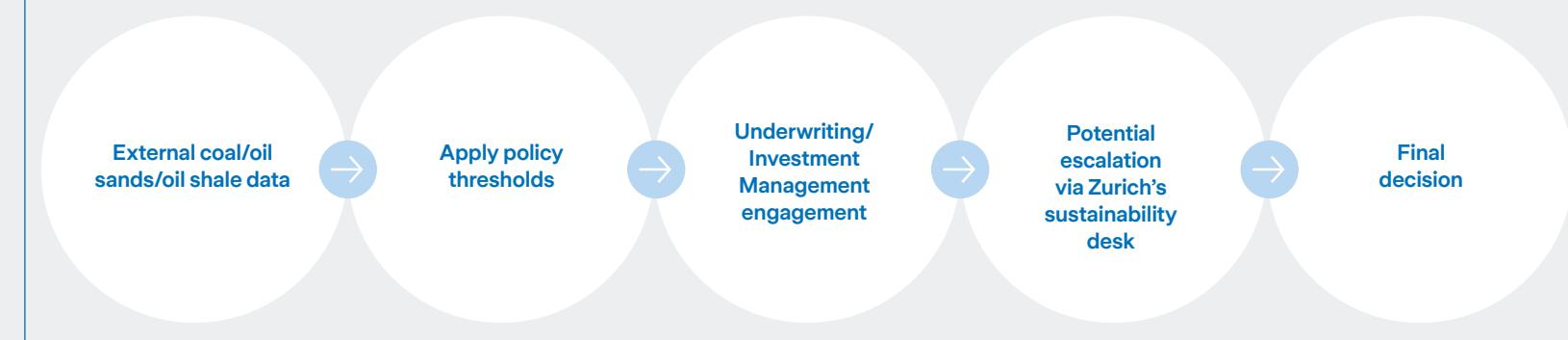
- Excluded 36%
- Cleared 22%
- Engagement ongoing 42%

¹ Number of companies subject to Zurich's coal, oil sands and oil shale policy since 2017.

² Non-renewed gross written premiums (GWP).

³ Cumulated divested equity and fixed income already disposed since 2017.

The five stages supporting our engagement



Our climate commitment (continued)

Working for a 1.5°C world

Q Tell us a bit about you and your work at Zurich?

Anja-Lea: As the Head of Environmental Performance, my team is responsible for our global environmental reporting, including defining the standards and governance to support our processes. We also deliver strategic projects to help mitigate our environmental impact (e.g. RE100 a global leadership initiative bringing together influential businesses committed to 100 percent renewable electricity) and support employee engagement on sustainable operations. We build alignment across operational areas (e.g. corporate real estate, sourcing & procurement, technology) to ensure ESG risks and opportunities are understood and addressed.

Your questions answered...

In conversation with Anja-Lea Fischer,
Head of Environmental Performance.

Q How do you define a 1.5°C world?

Anja-Lea: A 1.5°C world requires industries, governments and society to work together to enable 'sustainability by default'. Today many consumers are actively making different choices to live a more sustainable life, but often this comes with some degree of sacrifice. In a 1.5°C world, I hope to see all people have access to more sustainable solutions in their daily lives, as the standard option.

Q How are we working towards a 1.5°C world?

Anja-Lea: At Zurich, we are working to address carbon emissions in our daily operations, in our investment portfolio, and within our core business. It is a fantastic effort that involves collaboration across multiple functions and levels of our organization, for example Investment Management, Risk Management, Commercial Insurance, Group Sustainability, the Customer Office, and our business units. The collaboration also extends externally with peers, customers, our supply chain, and through sustainability associations.

Q With all that entails a 1.5°C world, what area are you most interested and driven/passionate about?

Anja-Lea: I am passionate about sustainability within our operations. We are pushing our RE100 commitment forward, and I am excited about the progress we have achieved in 2020. We have also joined EV100 with a commitment to electrify our entire global car fleet. With our new emissions reduction target, we will include new sources of emissions, which means we have new areas to influence change. These global commitments really motivate me, as this means I have the opportunity to work with inspiring colleagues across all our business units.

“
At Zurich, we are working to address carbon emissions in our daily operations, in our investment portfolio, and within our core business.

Q What are some of the changes you've seen while at Zurich?

Anja-Lea: I have seen awareness and understanding about sustainability spread throughout our employee population. So many people are truly passionate about sustainability, whether it be the environmental or social dimension, often times both. Zurich listens to its employees, and they are the reason we set ambitious targets, for example to eliminate single-use plastics from our operations.

Q What are you most hopeful about?

Anja-Lea: I am excited about technology breakthroughs. I am a tech optimist and I know, if we keep the pressure on, we'll see the much-needed solutions come to market to help us meet our 1.5°C goals. I am very proud of the commitment Zurich has made to become one of the most responsible and impactful businesses in the world, as this epitomizes the role the private sector can play to help drive these positive changes.



Our climate commitment (continued) Working for a 1.5°C world (continued)

Providing sustainable solutions

Innovation that supports the sustainability of customers

Zurich aims to provide innovative services and solutions that go beyond traditional insurance. Our industry is transforming from one that is reactively paying compensation toward one providing solutions that actively seek to keep people out of harm's way. For years, Zurich has been pioneering providing business critical risk transfer solutions as well as protect retail customers from a range of risks. In addition to the more traditional coverage that supports the foundation of today's modern economy, we support our customers through sharing risk insights that encourage prevention and build resilience, as well as a growing portfolio of innovative solutions that enhance our customers' sustainability. To do this, we are empowering a network of forward-thinking innovative leaders across Zurich to develop and scale the sustainable solutions needed to build a better way.



Zurich Climate Change Resilience Services

Expanding Zurich's existing natural hazards risk advisory service to include climate change services is part of the Group's ongoing commitment to provide protection through insurance, while proactively helping customers to become more resilient. To address the risks of extreme weather events, Zurich has brought together a dedicated team of climate risk experts to deliver our 'Climate Change Resilience Services' that help businesses tackle climate change risk and better understand how it might affect their operations, strategy, and financial position.

Customers can map their exposure globally or regionally, according to specific sites or the risks posed to vital equipment. Zurich also offers ways to mitigate risk and adapt to changes in weather-related risks like wildfires, windstorms and floods, and temperature and sea-level changes. It also provides guidance on sustainability measures.

“There is an increasing demand from customers to understand the physical risks they are facing from climate change and a need for advice on mitigation and prevention. In response to this demand, we have established our Climate Change Resilience Services through which we share our highly specialized expertise in this area. This is one example of how we are adapting/developing existing and new products and services to address the changes all companies are facing as we build a more sustainable future.

Together with traditional insurance offerings, these innovative products and services reinforce our commitment to addressing climate risk as underpinned by our overall sustainability ambition.

Gabrielle Durisch
Head of Sustainability,
Commercial Insurance

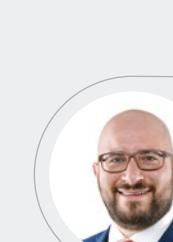
In North America, Zurich provides rapid response to support with emergency environmental clean up

An environmental spill is considered a worst-case scenario for businesses, and for the environment. To minimize such risks, in the event of a spill, in North America the Zurich Environmental Emergency Response team provides round-the-clock support 365 days a year to rapidly and systematically address potential hazards. Working with incident response specialist Spill Center, Inc, we can deploy assistance, communicate with crisis management teams and do immediate reviews and assessments with the aim of minimizing the environmental impact.



Zurich North America offers construction projects more protection against climate-related risks

Our innovative response to the risks of potential changes in climate include new cover for construction property. In 2020, Zurich North America's construction team introduced a parametric insurance cover that allows customers to insure against climate-related risks that were not insurable under traditional covers. With a parametric product, our customers and Zurich will agree on an objective 'trigger' event, such as extreme rain of a certain amount. When this event happens, the payout to the customer is 'triggered'. In addition, because the trigger event is measured and verified by a third party, the claims process is streamlined. Our customers now have the ability to insure construction projects against 'extreme weather' events such as rain, heat, cold, or high winds. Zurich can also insure them against financial losses and weather-related construction delays independent of physical damage.



“Our customers have expressed great interest in this innovative product offering, as it allows them to further de-risk their projects, providing additional balance sheet protection.

Kelly Kinzer
North America Head of Construction Property

“I'm excited to see how this product provides new coverages to existing customers. As we continue to explore additional parametric insurance products, we can create even more opportunities to provide insurance for climate-related risks.

Jonathan Charak
Emerging Solutions Director,
Zurich North America

Aligning customers' values with retirement planning

Customers are increasingly demanding sustainable retirement investment solutions. Zurich is addressing this by enabling individuals to invest through portfolios aligned with ESG (environment, social and governance) objectives. Zurich as a company has done this type of investing for many years with its investments. In 2020, we introduced similar options for individual customers, which may potentially offer results equal or even superior to those of traditional retirement solutions.



“Long-term oriented savings and retirement products and professionally managed ESG-portfolios – I believe that is a natural fit. Our customers in Germany can now choose ESG-compliant portfolios or single funds in all of our pension products.

Nino Botsch
Head of Product Concepts Life,
Life Product Development (Germany)

Our climate commitment (continued) Working for a 1.5°C world (continued)

Insuring electric vehicles – tailoring services that make ownership easier

Recognizing the increasing demand for standalone specific electric vehicle (EV) insurance, Zurich offers specific electric vehicle insurance to retail customers in seven countries in addition to covering EVs within commercial portfolios and traditional products. We want to support customers to switch to more sustainable ways to drive, especially if these vehicles may also increase customer safety. Zurich continues to expand our core motor insurance propositions that make owning an electric vehicle easier. In Brazil, for example, we recently launched cover that includes towing cars to the nearest charging point, includes charging cables and also provides a network of specialized garages.



“
Zurich is making it easier to choose more sustainable EVs.

Helen Green
Senior Product Underwriter,
Global Retail Lines

Renewable solutions – offering options to businesses no matter what size

In 2020, we expanded providing solutions that are right for small- and medium-sized business customers, while helping them to increase their use of renewable energy sources. Demand for smaller-sized renewable energy installations that serve these customers is increasing as electricity providers decentralize and reduce their reliance on fossil fuels. Zurich already insures an increasing number of rooftop solar installations on private homes and businesses. It also offers insurance solutions for providers using renewable sources – hydropower, biomass, geothermal installations and heat pumps.

For larger commercial customers, Zurich covers solar and wind farms either directly, or via a third-party strategic relationship with a specialist agency.

In Brazil, in 2020 we scaled an existing Zurich renewable energy insurance product from our European market, called Zurich4Power, to help our small- to medium-sized business customers shift to renewable energy, which offers protection for solar panels covering the installation, equipment assembly, tests and first six months of operation.



“
When we share knowledge and experiences, we all gain. Zurich's global expertise was key to building the value proposition in Brazil.

Rodrigo Barros
Brazil Head of Strategy,
Marketing & Innovation

Insurance based on use – rewarding customers who drive less

Zurich's commitment to sustainability includes rewarding customers who use their cars infrequently. Offering usage-based solutions is one way to do this, as the price of insurance can be automatically adjusted, meaning customers pay less when they drive less. This flexibility is more important than ever, especially as COVID-19 has had an impact on people's driving habits. An example of how we are supporting customers in this regard is in the UK.



“
In 2020, we entered an agreement with By Miles, to offer usage-based insurance which rewards lower-mileage driving. This is a great example of collaborating with a broker to offer an innovative and sustainable product to customers.

Mark Muir
UK Partnerships Manager

Climate-neutral motor insurance – enabling customers to offset vehicle emissions

Zurich has also begun integrating options for climate neutrality in its motor insurance policies. Aware that private transportation can be a significant contributor to emissions, in Switzerland, in 2020 we introduced a 'climate-neutral' motor insurance policy that allows customers to offset driving emissions. Launched as a pilot with VCS Verkehrs-Club der Schweiz (the Swiss Association for Transport and Environment), it lets Zurich connect customers directly to innovative carbon offsetting projects around the world.



“
Our ambition is to help our customers make sustainable choices – allowing them to keep track of vehicle emissions, and ideally reduce them, while offsetting those they cannot avoid. Carbon offsetting is one piece of the puzzle. Our innovation team, working together with their colleagues throughout Zurich, is passionate about bringing sustainable solutions to our customers.

Miriam Hürster
Senior Innovation Manager,
Zurich Switzerland

“

While it is not yet possible to completely avoid carbon emissions, the next best thing, at least for now, is to offset them. At Zurich we have introduced a pilot where we compensate the CO2 emissions of the cars insured with us for free during the first year of a policy.

Gabriel Szalai (top)
Senior Marketing Manager,
Zurich Switzerland

Dominic Gisler (bottom)
Key Account Manager Partnerships,
Zurich Switzerland



Our climate commitment (continued) Working for a 1.5°C world (continued)

Zurich Innovation Championship encourages sustainable solutions

In 2020, Zurich completed the second 'edition' of the Zurich Innovation Championship. The focus of the latest contest was on finding innovative ways to make the world a better and more sustainable place. The contest, one of the biggest of its kind in the financial industry, identifies some of the best and brightest entrepreneurs. In 2020, it chose from over 1,300 submissions received from around the world. Following an extensive selection process from local to regional to global finals, three winners were ultimately selected, while many others shortlisted for the finals will work with Zurich on developing solutions. Two of the winners are directly related to sustainability and will help Zurich have a positive social and environmental impact, which ultimately should benefit our customers and society as a whole.

The top sustainability-centric Zurich Innovation Championship winners:

- Jupiter Intelligence: Provides catastrophic risk management modeling that factors in ongoing climate change for global portfolios and specific facilities. Delivers risk-focused and actionable climate-related insights which have the potential to enhance efforts to create climate change resilience for Zurich customers.
- Pops: Mobile phone app and sensor that enables people to manage their own diabetes with AI virtual coaching combined with unique glucose measurement.



“
I am proud that we were able to attract some of the world's smartest minds to collaborate with Zurich. Moving forward, we will focus on delivering impact for our customers together with our winners and they will support us in fulfilling our sustainability ambition.

Joel Agard
Group Innovation Strategist



“
We are very happy to have Zurich's support in this new phase that we have entered. Together we will promote the increase of biodiversity in the forest planted at RPPN Fazenda Bulcão. We at Instituto Terra thank everyone at Zurich for believing in this dream and together helping to restore our planet.

Isabella Salton
Executive Director Instituto Terra

Zurich Forest – connecting customers with reforestation

The Zurich Forest is an eight-year collaboration with Instituto Terra that we entered into in 2020. Instituto Terra, a non-profit organization, aims to re-create native forests, restore the biodiversity of plants and animals, protect soil, and revive and maintain water sources. Zurich's grant supports the planting of a total of one million native seedlings on a former cattle farm in the Doce river valley in Brazil, which is already a home for over 250 species of animals – some of these are even at risk of extinction. In addition, Zurich planted over 150,000 trees through Tree Nation to honor customer engagements as part of our one policy one tree initiative.



Sustainable operations

A sustainable mindset.

Our approach to sustainability takes into account all aspects of our operations including our office buildings, business processes, travel, information technology, sourcing and procurement, and the behaviors and mindsets of our employees.

CO2e emissions per employee (metric tons per FTE)

Environmental key performance indicators	2019 ³	2018	2017	change vs baseline	2015 baseline	Target
CO2e emissions per employee (tons per FTE)	1.75	1.94	2.06	(28%)	2.43	-20% by 2025 (vs baseline)
of which CO2e emissions related to facilities (tons per FTE) ¹	0.79	0.95	1.09	(33%)	1.18	-20% by 2025 (vs baseline)
of which CO2e emissions related to travel (tons per FTE) ²	0.96	0.99	0.97	(23%)	1.24	-20% by 2025 (vs baseline)

¹ Includes emissions from own-use real estate (electricity and heat).

² Includes emissions from air travel, rail and cars (rental cars and car fleet).

³ 2020 data will be available in Q2 2021.



Read more online:
Zurich's environmental key performance indicators

We constantly strive to improve how we measure our performance, using data as the basis to implement change.

In 2020, we focused on defining the methodologies to support our new science-based emissions reduction target, which is scheduled to be introduced in 2021. We also worked on initiatives to reduce emissions, evolving our approach to sustainable sourcing and procurement, and raising awareness among our employees.

Reducing our emissions

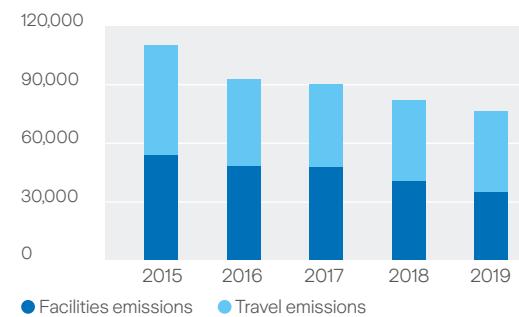
Our approach

To successfully deliver emissions reductions, sustainability must be embedded in standard operational practices. Our real estate strategy focuses on incorporating environmental sustainability standards and qualities in our properties. For our largest office locations, we have a strong track record in achieving the highest level of sustainability certifications, including but not only for our Swiss, U.S. and Australian headquarters. That will also include our global headquarters in Zurich that will reopen in 2021. Renewable power plays a critical role in our efforts to reduce emissions. We anticipate an increase of approximately 20 percentage points in total renewable electricity used in our offices worldwide during 2020 (results will be confirmed in Q2 2021). Using technology, we help cut down travel emissions with enhanced virtual collaboration tools. A new travel booking tool was implemented that shows carbon emissions during the travel booking process to make employees more mindful of the environmental impact of travel.

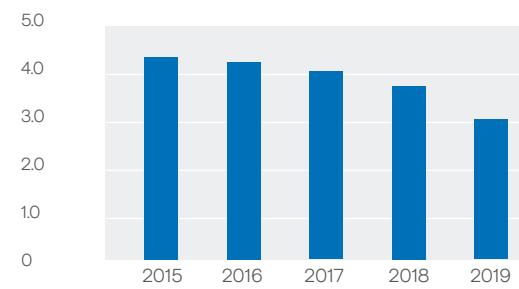
As we prepare to introduce a new emissions reduction target for our operations, we have added other sources of emissions to our reporting creating more footholds to reduce indirect emissions.

Our performance

Absolute emissions metric tons CO2e



Total energy per FTE MWh/employee



In 2020, based on 2019 data reported, we reduced total emissions from office facilities and business travel by 31 percent relative to our 2015 base year, and by 7 percent compared with 2018. Emissions per full-time employee declined by 28 percent compared to the base year and by 10 percent compared to 2018. Energy consumption per full-time employee fell by 31 percent compared to the base year and 18 percent against 2018.

Single-use plastics have been almost completely eliminated from our operations. With offices closed due to the COVID-19 pandemic in 2020, some final efforts to reduce plastic waste have been temporarily put-on hold. We are on track to meet our target to reduce internal paper use by 80 percent compared to 2015.

2020 highlights

- Defined new internal carbon fee which supports an internal carbon fund to encourage innovation to reduce emissions and maintain our carbon neutrality
- First global insurer to join EV100
- Created a global 'environmental hero' community
- Progressing RE100 – anticipating an increase of approximately 20 percentage points in total renewable electricity used in our offices worldwide during 2020 (results will be confirmed in Q2 2021).
- Defined the new methodology to support our science-based target for operations (with plans to formally release this in the first quarter of 2021)
- Defined our energy baseline across our strategic data centers globally
- Delivered an entrepreneurial sustainability training program – 'Micro Tyco Innovate' working with WildHearts for our global sourcing and procurement teams
- Zurich UK was awarded 'Best Business Sustainability/Corporate Responsibility Campaign' for its leadership in promoting social responsibility values at the British Insurance Awards.

Sustainable operations (continued)



Environmental Heroes Council – a badge of honor

In 2020, Zurich launched its Environmental Heroes community, where employees can earn an 'Environmental Heroes' badge displayed on their profile page on Zurich's internal collaboration tool. To earn this badge and become a member of the Environmental Heroes Council, employees could participate in awareness campaigns (for example, a CO2 literacy quiz) or share their stories, highlighting how they proactively champion sustainable behaviors.

Environmental Heroes are part of Zurich's efforts to become a more sustainable enterprise, and gives our employees the ability to contribute, as individuals, to a more sustainable future.

Climate Month 2020: inspiring each other to build a better future

September 1, 2020, marked the start of Climate Month at Zurich. During September, Zurich hosted company-wide conversations about sustainability with senior leaders. It featured 'Green Week Wednesdays' offering more than 40 live video sessions, training, and other interactive activities created and hosted by Zurich employees, across different countries, time zones and in multiple languages. Each Wednesday, employees could learn about topics like biodiversity, climate change, how to reduce plastic pollution, sustainable foods, and tips on how to be sustainable at home.



I have known for quite some time how important the topic of climate change is to Zurich. However, seeing the level of participation and enthusiasm globally from our employees during Climate Month really made me see just how much of a difference we can make together!

Roland Varga
Risk Management Services,
Bratislava, Slovakia

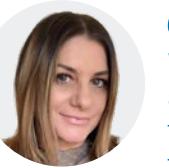
Climate Risk Virtual Summit – upskilling Zurich leaders to implement our climate strategy

In April of 2020, Zurich reinforced its climate strategy. It was introduced to the wider organization in a virtual climate risk summit involving over 300 of Zurich's leaders, including in areas such as underwriting, investment management, risk management, and global relationship managers. The event led to greater awareness and increased willingness among leaders to use and apply new techniques to manage climate risk, and identify opportunities to do more. The virtual summit contributed to better understanding of our climate strategy, and willingness to implement it.

'PaperLess Future' campaign: creating a global paperless mindset

To support our aim to use 80 percent less paper, in February 2020, Zurich launched a month-long virtual 'PaperLess Future' campaign. Each week featured a particular focus aimed at raising awareness and addressing habits and mindsets related to printing. Zurich provided insights and tips on saving paper by using digital tools and technology to work more efficiently and securely from any location.

The campaign included a video challenge on Zurich's internal collaboration tool. Employees could post videos of themselves pledging to reduce or even give up using paper, and then challenged their colleagues to do the same. The campaign helped to increase awareness of alternatives to paper with the aim of fostering a global 'paperless' mindset.



With the many digital tools available to our employees, this campaign gave them the opportunity to learn how to stop their paper-wasting habits and adopt more sustainable behaviors like I did, by switching to using Outlook 'To Do' and digital sticky notes.

Rebecca Santos
Global Environmental
Management Consultant



Sustainable operations (continued)

The Zurich Merchandise eStore: an eco-friendly marketplace

Our Zurich Merchandise eStore in North America is an example of how Zurich supports positive impacts on the environment and community through merchandise. Proceeds from sales of some of the items in the eStore are donated to charitable organizations. The type of benefits that the sales provide are identified by icons on each product. Items include apparel, headwear, bags, health essentials, technology and accessories. They can be purchased by Zurich employees and our customers. The Zurich eStore's sustainable product offering helps to build a sense of pride, while promoting high-quality products that people really use.



Give Back

A portion of the proceeds will be donated to charitable organizations supporting sustainability.



Eco Friendly

Items are made from materials that are reclaimed from waste products, or an environmentally friendly reusable product.



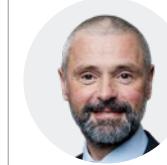
Recyclable

Materials or products have been treated using a special industrial process so that they can be used again.

Micro Tyco Innovate to support the UN Global Goals

In 2020, we set colleagues from our global Sourcing & Procurement teams the challenge to participate in 'Micro Tyco Innovate' – a six-week entrepreneurial training program to generate ideas through a competition to promote the UN Sustainable Development Goals. The winning team's entry was the 'Tech Poverty Project' – an employee e-waste recycling program that would provide underprivileged school children with access to technology. The issue is even more pertinent due to the impacts of COVID-19. The winning team is now working on implementing their idea, with pilots planned in 2021.

Micro Tyco Innovate is a program run by the social enterprise, WildHearts Group that raises money to address gender inequality in the developing world and in the UK, and inspires school students to create positive impact in their local communities. By collaborating with Micro Tyco, Zurich is helping to fund training for schools and colleges, giving children ways to make a difference in the communities they live in.



“I have been overwhelmed by the energy and passion the program created, as well as the opportunity for individuals to work across business units. We have some great initiatives to carry forward into the business plus we give something back to our communities in the process.

Phil Soderberg
Global Head of Sourcing & Procurement

Zurich wins British award for best corporate responsibility campaign

In the UK, Zurich is a founding member of Social Enterprise UK's 'Buy Social Corporate Challenge,' an initiative aimed at using the collective purchasing power of corporations to spend GBP 1 billion with social enterprises. At the British Insurance Awards in 2020, Zurich UK was awarded 'Best Business Sustainability/Corporate Responsibility Campaign' for its leadership in promoting social responsibility values. As part of Zurich's work, we go beyond challenging our existing suppliers on their sustainability goals. We also prioritize social procurement – sourcing goods and services from social enterprises. Our philosophy is simple: If we are buying goods and services, then why not spend that money in a way that provides the greatest possible positive impact?



Our Quai Zurich Campus project: sustainability in future operations

Our 'Quai Zurich Campus,' the site of Zurich's global headquarters, is expected to reopen in 2021 in the center of Zurich. Aiming to achieve top rankings in sustainability and wellness, it offers numerous examples of how we can achieve greater sustainability, from using local products in construction to an energy-efficient heating and cooling system.

One innovative feature of the headquarters is a program to provide high-quality, sustainable coffee for our employees and visitors, including in the café on the site that is open to the public. Through an agreement with Zurich, the coffee machine manufacturer, and the local roaster, a USD 100,000 social value fund has been created, jointly funded by all three parties. This cooperation will fund investments in social value projects, such as sustainable clean water, sanitation or hygiene projects, CO2 neutral farming, farmer crop resilience programs and organic farming. Zurich employees will also benefit from a discount when they purchase their coffee at our supplier's external barista bars throughout the city.

Another way we are making our headquarters more sustainable is by re-using furnishings. The project will refurbish more than 400 conference chairs and 10 sofas. With minimal repair, we will extend the lives of these pieces and reduce waste, and save natural resources and energy that otherwise would be needed to manufacture new furniture.



“The project team wanted to provide an exceptional coffee experience, with sophisticated technology, while supporting sustainable farming, delivered by a buyer-roaster-vendor in one.

Régine Bischofberger
Head of Employee & Guest Services

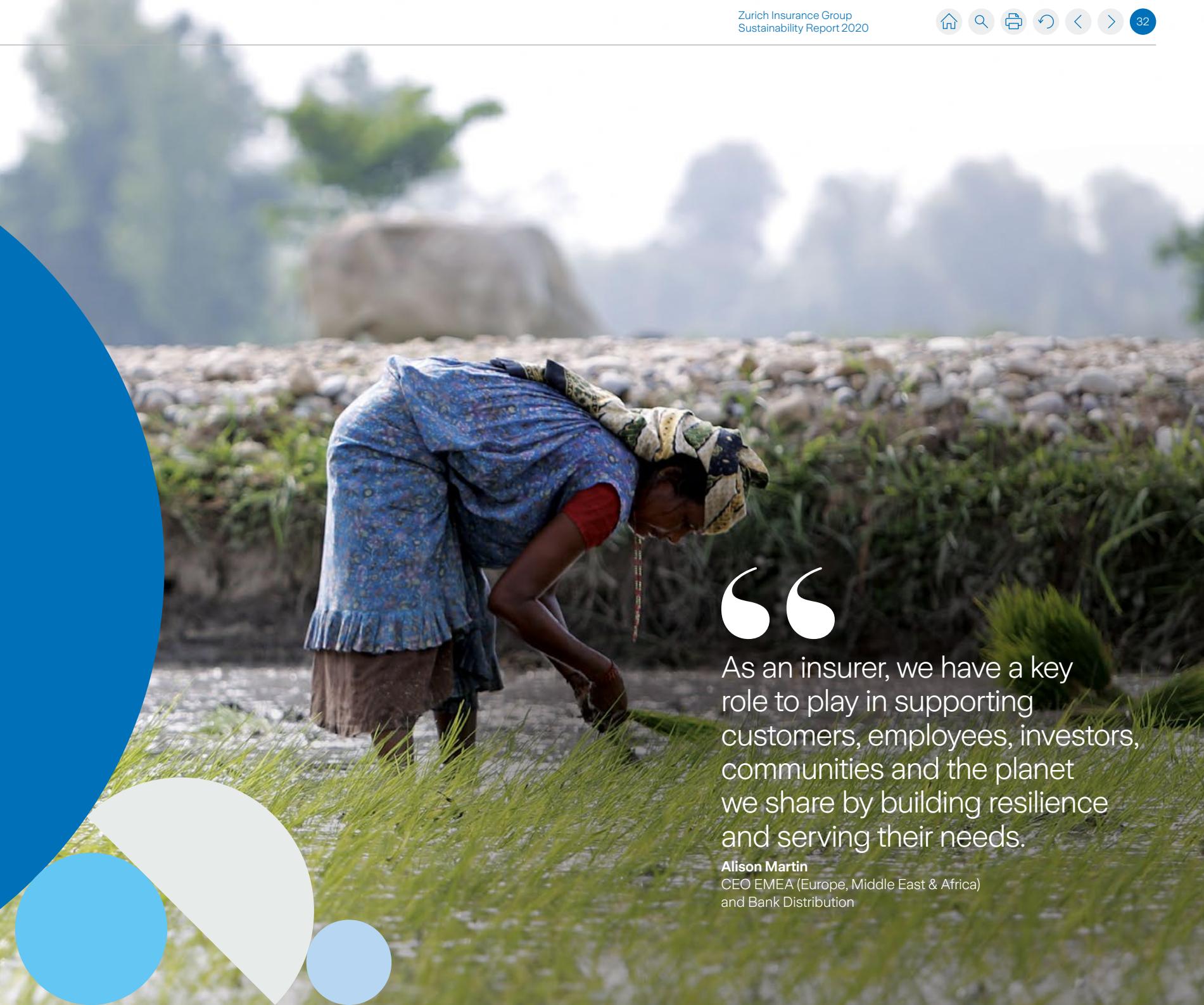


“As well as obtaining a competitive offer, we felt it critical in this project to negotiate on 'Social Value' rather than purely on cost. We wanted staff to realize that all parties in the supplier eco-system are serious around supporting upstream sustainability projects back to source which can benefit a number of important causes. The suppliers and Zurich came jointly together to support the development of a fund which we will jointly agree how best to spend.

Richard Farrant
Global Category Manager,
Sourcing and Procurement

Our commitment to society

This involves supporting our customers in a changing digital world, supporting our employees and customers in times of great change and transformation and supporting vulnerable people by investing in communities.



As an insurer, we have a key role to play in supporting customers, employees, investors, communities and the planet we share by building resilience and serving their needs.

Alison Martin
CEO EMEA (Europe, Middle East & Africa)
and Bank Distribution

Overview

For a better tomorrow.

Insurance creates value for society. It allows people and businesses to manage risk better and helps them become – and remain – prosperous and resilient.

We greatly value the trust our customers place in us when they share their data and, because of this, the ethical stewardship of our customer data is of paramount importance. We take our data protection obligations seriously and strive to honor our customers' long-standing trust with a commitment to the ethical use of the information they give us. We seek to adapt and stay agile to benefit from the prudent and responsible use of digital technologies.

We also look to support all our employees and believe we can achieve this best by supporting them to develop the skills they need, including to serve our customers, and support their long-term careers.

 [Read more online:](#)
[HR Factbook](#)

Our responsibility to society extends to cooperation with the Z Zurich Foundation, a charitable foundation with registered office in Zurich (Switzerland) established by Zurich Insurance Company Ltd and Zurich Life Insurance Company Ltd in accordance with Swiss law. It is the main vehicle by which Zurich delivers on its global community investment strategy. The Z Zurich Foundation aims to support a fairer, more open and sustainable society by empowering vulnerable people within its communities to better manage risk, and to adapt and thrive in a rapidly changing world.



Z Zurich Foundation

Aiming to support
a fairer, more open and
sustainable society.



Our digital society commitment

Confidence in a digital society.

Digital capabilities have only continued to gain in importance in 2020 during the COVID-19 pandemic. The expectations and increased reliance on digital communication and services require Zurich to be responsible in the way we work with and handle data, as expressed in our Data Commitment which we put in place last year.

We are aiming to complement and support emerging digital trends with a new generation of products and services and are committed to deliver the best online and offline solutions and experiences for our customers. As part of our continued focus on this, in 2020, we set up a new business unit, Global Business Platforms, as we seek to further enhance our digital capabilities. We are also helping society, and our customers, to increase cyber security through risk awareness, mitigation and insurance offerings.

We believe that to make full use of digital technologies, including capabilities offered by the internet, the private and public sectors must work together to understand the nature and evolution of the opportunities and risks. Zurich is a signatory of the Paris Call for Trust and Security in Cyberspace, which provides principles to promote security related to digitalization of society, and is also a strategic partner of the World Economic Forum's Centre for Cybersecurity.

Our commitment

Trust is the key driver for a sustainable digital future.

As part of our Data Commitment, Zurich pledges to our customers to:

1. Keep their data safe
2. Never sell their personal data
3. Never share their personal data without being transparent about it
4. Put their data to work so Zurich can better protect them.

Our commitment into action

Ethical Use of Customer Data – honor customers' trust

We value the trust our customers place in us when they share their data. Trust is a two-way street. Today's customers are increasingly calling for greater transparency around how companies actually use their data.

At Zurich transparency means being open about how Zurich handles its customers' data, including making information available about where we get the data, how we store it, what we use it for, and if we share it, with whom.

Data protection and cyber security – strengthening capabilities

Zurich's data strategy relies on data and analytics solutions. We apply a proactive approach to cyber risks, which includes focusing on preventing cyber threats and protecting Zurich's data and information assets, while supporting the requirements of our business. Zurich's Group Information Security function brings together subject matter experts to provide cyber threat intelligence, enhance response speed, and make best use of the skills and expertise of our specialists.

The COVID-19 pandemic in 2020 increased the risk of opportunistic cybercrimes. The cyber security measures we apply in our own company can serve as a blueprint for the solutions we provide to customers. We also work with regulatory bodies and agencies to protect the integrity of digital experiences, the Internet of Things, and other aspects of 'cyberspace' for society's benefit. As a leading global insurer in the cyber security insurance market globally, Zurich's cyber security business has grown rapidly through helping our customers mitigate cyber risk.

Business resilience and digitalization – providing customer solutions

In 2020, during the COVID-19 pandemic, Zurich increased its reliance on digital technology, and supported customers in many ways, including through virtual offerings on our '#ZurichNeverStops' online platform. Our previous investments in technology and spending time introducing programs to ensure that our workforce was flexible to respond to challenges, including working from home, put us in a good position to respond and support customers throughout the crisis. Building on this strong foundation, we have increased our investments into digital technology, and we are shifting our Group operating model to deliver business resilience and digitalization across Zurich.

Our digital society commitment (continued)

Supporting our customers in a changing digital world.

Cyber resilience – achieving a digital future for our customers

In 2020, we expanded our collaboration of specialized providers to increase our customers' resilience to cyber threats. To support our customers Zurich continues to strengthen the typical insurance coverage we provide by including a suite of cyber resilience and risk engineering services in the protection products we provide. That includes so-called 'pre-breach' mitigation or 'post-breach' response. For example, in 2020, Zurich worked with the global security specialist CYE to expand our cyber protection offering to shield businesses against the growing risks of cybercrime.



“

Cyber resilience is of utmost importance in the fast-evolving technology landscape. As we've learned from the COVID-19 pandemic, unseen threats can have a significant impact on our customers and therefore a holistic approach to managing cyber risk will help to provide for a more digitally-resilient future.

Lori Bailey
Global Head of Cyber Risk,
Commercial Insurance

Data stewardship plays a pivotal role in this context as well: Zurich's Data Commitment (see page 34) is a crucial piece of our sustainability agenda and enables us to raise awareness on the importance and relevance of data risk to strengthen effective digital risk management. We believe that to offer customers a safe digital environment with full capabilities, private and public sectors must work together to understand the nature and evolution of risks and develop solutions. That is why Zurich is also a signatory of the Paris Call for Trust and Security in Cyberspace and a strategic partner of the World Economic Forum's Centre for Cybersecurity. Zurich is also a member of Pan European Insurance Forum (PEIF), chaired by our Group Chief Executive Officer, Mario Greco. In this context Zurich, together with Munich Re, has sponsored an initiative which aims to improve the digital EU policy framework to allow development of a more robust market for cyber cover.*

* More information on PEIF:
PEIF brings together some 12 Europe headquartered insurance companies engaging with EU policy makers on relevant regulatory issues. In that context Zurich, together with Munich Re, has sponsored an initiative which aims at improving the digital EU policy framework allowing for the development of a more robust market for cyber cover. Three dimensions were analyzed: improve prevention/resilience, improve transparency and access to cyber incidents (to better understand the risk and allow for more effective cover) and proposing a risk pool design with public backstop mechanism. The results and policy recommendation are now being discussed with key EU and member state governmental and supervisory institutions.

Our digital society commitment (continued)

Wellbeing and health in the digital age

By introducing a new digital health and wellbeing proposition LiveWell, Zurich has announced another key step toward providing comprehensive, personalized and data-driven services for our customers. It provides customers the freedom to choose so they can personalize their approach to improving their physical, mental, social and financial health. Through recent acquisitions (HealthLogix, HealthInSite and FitSense), LiveWell offers ways to let customers track and assess their activities, provides insights on how to lead a healthier life and to help them prevent ill-health. The offering includes coaching and diagnostics tools as well as making services available to assist in managing chronic conditions. Zurich has introduced LiveWell in some markets and looks to further expand these offerings. This can support not only individuals, but if successful, have a broader impact by showing how health and wellbeing can have a positive influence on society as a whole.



“
LiveWell is an exciting opportunity to amplify sustainable impact for us as an organization and our broad customer base, because it allows our customers to take control of the decisions that will be important for their life and health based on their specific needs.

Helene Westerlind
CEO LiveWell

LiveWell – on-demand health and wellbeing advice for leading a healthy lifestyle with strong incentives to drive sustainable behavioral change.

[Read more online:
LiveWell](#)



Our work sustainability commitment

Work sustainability.

The world is changing and how we work is also evolving. Across generations and throughout the world, global trends are reshaping our personal and work lives, as well as the expectations of our customers. These changes have been amplified by the COVID-19 pandemic, which profoundly altered even the most mundane aspects of our lives.



One key area for Zurich is how customer expectations are evolving: lifestyles are changing, creating new demands, while technology is having a profound impact, with customers increasingly expecting a frictionless digital experience. They want simpler, more personalized products, faster delivery and seamless processes. Our products, and how we serve customers, must adapt.

Technology is also redefining how we work, when we work and where we work. Tools are changing and demand new skills, including increased use of artificial intelligence, machine learning, virtual reality and robotics. We must stay agile to reap the benefits of digital technologies for our customers, our businesses and our employees.

Amid all these changes we need to stay relevant to attract and retain diverse talent. We can do this best by supporting our people to develop the right skills, while ensuring our employees feel valued. By supporting employees in their careers, we all look to the future with confidence.

Our commitment

Zurich's Work Sustainability Principles support employees by making sure they have the skills to succeed as the business environment evolves. As Zurich accelerates its reliance on digital tools, products and services, combining our insurance expertise with the latest technology, we need to make sure that our employees have the right mindsets, skills, and creative freedom to introduce innovation needed now and in the future.

Zurich supports every employee to learn, develop and grow, and explore new opportunities that make the most of their talent, skills and expertise. Giving people opportunities to develop their careers also creates a more sustainable recruitment model, allowing us to fill jobs internally. Work Sustainability is our opportunity to reach our full potential, individually and as one Zurich team.

[Read more online:](#)
[Our Work Sustainability Principles](#)

“Work sustainability is of high concern in today’s world, especially in these times of great change and transformation. We need to make it our top priority. A successful company like Zurich, with a long-term vision and a strong sense of purpose, needs to support and encourage all our employees to progress in their careers and build a path for their future.

Mario Greco
Group Chief Executive Officer

Our commitment into action

We have made good progress across the Group in designing and implementing a strategic approach to workforce planning that helps our businesses identify future needs, including skills gaps, to best manage the talent we'll need for the future.

An employee-driven culture of reskilling supports that. And we have significantly upgraded our global learning experience platform, relaunched in February 2020, that provides access to digital learning content from LinkedIn Learning as well as our technical academies that focus on function-specific learning.

We prioritize developing and hiring from our current workforce, rather than hiring externally, whenever possible. During the COVID-19 crisis we enhanced our internal talent mobility to deploy resources where they were most needed. We are also proud of our innovative work-based learning approach to prepare young people across our business for a career in insurance, and we continue to expand apprenticeships and opportunities for such learning across the Group.

Our work sustainability commitment (continued)

Your questions answered...

In conversation with Laura Rock, Chief Human Resource Officer Zurich North America (ZNA).

“
Work sustainability is about engaging our people and sustaining a workplace that prioritizes both individual and business needs.

Laura Rock
Chief Human Resource Officer
Zurich North America (ZNA)



Q What does the Work Sustainability Commitment mean to you?

Laura: We're thinking differently about where and how we work, taking advantage of technology to free up time and stay connected. We are also emphasizing the importance of competencies and the value of temporary 'gig' assignments, prioritizing development to facilitate increased internal hiring, and reinforcing the urgency and resources available to be future-ready – such as taking action now to build skills for future success. Our focus on work sustainability includes not only business needs. It is also about the culture and experience we are creating that supports our people holistically, shows we care for their wellbeing, meets and exceeds their expectations when it counts, and ensures that everyone has equal opportunities to reach their full potential. It's about engaging our people and sustaining a workplace that prioritizes both individual and business needs.

Q What impact has our Work Sustainability Commitment had on our employees and the customers they serve?

Laura: Supporting our people through the uncertainty of 2020 has been a key priority. The challenges of this year made us think more boldly about things like work flexibility, wellbeing, and diversity and inclusion. One of the things I am most proud of during this time is our approach to listening to our people and shaping our efforts based on their feedback. This is crucial to building a culture that reinforces our ability to attract and retain talented individuals.

Our work sustainability ambitions enable our customer-centric strategy. We know that our people can't take care of our customers if they don't first feel supported and empowered.

Q Where do you see Zurich North America leading in work sustainability?

Laura: I see four main areas:

First, we demonstrated a real commitment to our current employees. Early in the pandemic, ZNA said it would 'protect our core.' We accelerated our development of what we call the 'talent marketplace' that lets us identify critical work and match it with employees who have the right skills. We provided resources, technical training through 'academies' and an internal website to help our employees upskill and reskill. We also changed our hiring process to require a four-week internal posting before any role can be posted externally, and introduced an internal referral program to encourage managers and fellow colleagues to look out for each other's career interests

Second, we increased our focus on diversity and inclusion. ZNA didn't stay silent during demonstrations about racial injustice in 2020. We listened and responded. We worked with leaders and employee resource groups to provide space for people to share their stories. We committed to increased transparency, knowing we have an opportunity and a responsibility to create a place where people feel heard and respected

Third, we prioritized wellbeing. Wellbeing includes physical health, and a sense of satisfaction, happiness and control over things that affect your life. During the COVID-19 pandemic, helping employees and their families get the care and support they needed to manage physical, social, emotional and financial wellbeing took on a new urgency. We expanded and added benefits, and hosted events about mental health and staying connected while working remotely. We created support communities for parents, increased the flexibility of paid time-off policies, and communicated regularly to remind employees that the resources were available

And finally, we used apprenticeships as a talent pipeline. Our award-winning apprenticeship program provides Zurich with access to a new network of talent and a way to develop people internally instead of solely on the external jobs market. The approach has been so successful that we have expanded our focus from claims and underwriting to include programs focused on cyber, independent assessments of policy exposures and associated premium, human resources and more. In 2020, we also expanded our apprenticeship locations to include suburban Chicago and New York City, and helped our industry establish a program for all insurers called Insurance Apprentice USA.

Our work sustainability commitment (continued)

Equipping our employees to support customers in a changing world of work.

“

I was extremely happy with the compassion and communication when dealing with Zurich in processing my claim at an extremely stressful time.

Direct feedback from a customer in Zurich Australia

“

At the start of the pandemic, I had angry callers because I didn't have a way to get a quick answer. With the new app in place, I was able to make a customer very happy when I answered a complex question on the spot.

Customer Care employee

Treating customers with care and empathy has always been at the heart of what we do at Zurich. However, we recognized that the COVID-19 crisis had the potential to cause our customers additional stress and anxiety. So, we rolled out refresher training to our front line employees across different markets to help them emphasize with how our customers were feeling during these extraordinary times, equipping them with additional skills to respond with care and compassion.

In Japan, Zurich was one of the first insurance companies to move to a fully remote call center. While we had the technology to move our 700 Japanese call center and operational employees home, once they began working remotely, the number of calls per hour decreased but the time customers spent on hold increased.

In an office-based call center, employees can visually signal to colleagues close by to get help answering customer questions, but this is hard to do working from home. To address this, Japan developed and launched a communication application in just 48 hours. The app allows call center workers to see each other's availability and virtually raise their hand to answer customer questions.

The results were impressive: 67 percent of the call center employees said it reduced the stress of remote work, 78 percent said it made it easier to ask questions, and 85 percent said it made it easier to see the availability of supervisors.

Equally impressive, the app was developed by a team of strategists, 'agile' developers and end users, all working from home using online collaboration tools.



Our people

Diversity and inclusion

Our heart and soul.

“

It would be utter folly to exclude anybody who is talented and innovative given the changing demography, realities and expectations of our workforce, customers and communities.

Nadia Younes
Group Head of D&I, Employee Experience and Wellbeing



Our people are Zurich's heart and soul. Our behaviors aim to be inclusive, and our actions focused on fair and equitable treatment. We want to instill a sense of belonging.

Zurich's workforce reflects the breadth and diversity of our customers, suppliers, communities and investors around the world. To succeed, Zurich needs to attract, select, develop and retain talented people. That's why we strive to create a workplace where people can thrive in an environment in which everyone feels important.

Our approach

At Zurich, we are committed to reinforcing a culture in which collaboration, curiosity, agility, and lifelong learning mean that the future belongs to everyone and achieving our aspirations as a business and individuals is a shared goal.

Beyond our role as a leading insurer, we want to be recognized as a purposeful, values-driven organization. We want to deliver unique employee and customer experiences while improving social conditions.

To get there, we celebrate the diversity of our people. We carry out initiatives to embed and maintain a zero-tolerance approach to harassment, discrimination, bullying and disrespectful behavior in the workplace.

Key initiatives

Our global 'Diversity & Inclusion' (D&I) framework helps Zurich to target initiatives and improve diversity and inclusion across the organization. Our global framework has four global focus areas: gender, generation, culture/race/ethnicity and LGBT+ (lesbian, gay, bisexual, transgender and other identities) and provides global direction while empowering local action.

Zurich is committed to developing policies, practices and ways of working that support diversity. Our global efforts include initiatives such as equal pay for equivalent work or similar analysis, global harmonization of parental leave policies, flexible and virtual teamwork, and work-life balance practices that help to maintain the performance and health of our employees.

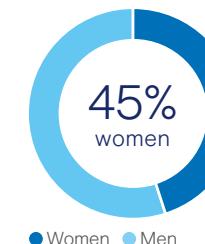
Our work in these areas is supported by employee resource groups (ERGs) – employee-led associations that provide personal and professional support, and networking. Our ERGs also help Zurich better understand the challenges faced by our employees, customers and communities where we live and work.

Our performance

On a global level we have developed a D&I scorecard to monitor progress, including measuring workforce representation across career levels, promotion and hiring data, and turnover rate by gender and generational diversity. Global data shows that Zurich is committed to female representation at the very top, starting with our Group Board (as of 31 December 2020):

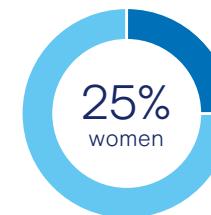
Group Board

5 women
6 men



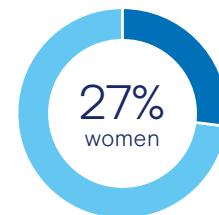
Group Executive Committee

3 women
9 men



Group Leadership Team

32 women
86 men



Additional KPIs have been developed on a local level. For example, Zurich UK published a mean ethnicity pay gap showing a gap of 9.8 percent for average hourly pay as of July 2020. Data showed 7 percent of UK employees were part of an ethnic minority group, based on 86 percent of employees volunteering this information. This data is used to inform the UK's strategy to increasing ethnic minority representation across the business, including at senior levels.

All our employee data are published in the HR Factbook, which Zurich publishes annually in the second quarter of the calendar year

Read more online:
Facts and strategy



Our people (continued)

Diversity and inclusion (continued)

Zurich's inclusive LGBT+ practices recognized

Zurich has been recognized as one of 17 multinationals in Stonewall's 2020 Top Global Employers list for LGBT+ Stonewall, an independent charitable organization that works with institutions to create inclusive and accepting cultures, acknowledges Zurich's support for LGBT+ rights as part of our overall diversity and inclusion commitment to employees, stakeholders, and customers. This recognition underlines our continued efforts to create an inclusive, respectful and safe workspace for all our colleagues.

 **Read more online**
Our people

Driving inclusivity

To advance efforts and further clarify responsibilities related to transparency, equity and belonging initiatives, Zurich North America (ZNA) launched the Executive Diversity & Inclusion Council (EDIC) on September 30, 2020. The EDIC's primary objective is to oversee the organization's effort to improve diverse representation in the workforce, to promote inclusive behaviors, actions, and policies, and ensure effective integration and alignment with ZNA's diversity, inclusion, equity and belonging (DIEB) strategy.

Within ZNA, the EDIC serves as the principal advisory body on diversity and inclusion issues with the goal of ensuring that Zurich achieves workforce diversity, workplace inclusion, and that these objectives are sustained. Business units have also set up their own diversity councils to support the DIB strategy at a local level. These smaller councils' main objective is to provide greater representation in their own functions and advocate for progress on diversity and inclusion throughout ZNA.

The councils and leadership team members from each unit implement the diversity strategy and policies established by the EDIC. They are also responsible for advising leaders on what is needed to achieve diversity and inclusion aims, and report on progress of diversity initiatives throughout ZNA. Separately, the UK has also established a D&I council, chaired by the UK CEO, consisting of senior representatives from each of the business areas. The council aims to increase accountability and responsibility for D&I, and encourage each area of the UK business to develop its own D&I targets and plans. This council has been very successful at increasing awareness of, and focus on D&I across the business, engaging new and passionate advocates for D&I as members of the council. As part of their membership of the council, each business area has set their own diversity targets which they are responsible for delivering on in the next two years.



What's next

Our goal in 2021 is to enhance the impact of our efforts by more closely aligning Zurich's strategy and purpose with an integrated and systemic approach to diversity and inclusion.

Zurich will continue to prioritize inclusion, and work to create more adaptive and effective teams to address global challenges of the future. We believe we are more innovative and resilient in the face of any crisis if we seek input from a diverse group of employees who approach problems from a variety of perspectives. Diversity and inclusion are critical for business recovery and resilience, and for business growth.

We will continue to expand and measure the impact of our diversity and inclusion efforts. To accelerate our progress in inclusion, we will continue to listen, and act where necessary, while promoting dialog with employees about their experiences within the company. Employees from historically underrepresented groups are increasingly working with Zurich's leaders to identify and address any obstacles to inclusion. Zurich will also continue to use the power of its analytics measuring inclusivity throughout the 'talent lifecycle.' These analytics are used as part of our talent strategy, and influences how we recruit, develop and promote diverse talent.

Employee resource groups continue to play a pivotal role in developing our diversity and inclusion strategy and strengthened communications and connections among those employees working remotely during the COVID-19 pandemic.

Our people (continued) Building talent

Our approach

Our ambitious targets will only be achieved by continuing to ensure that we have the right talent. COVID-19 has given even more urgency to this priority. As we continue to draw on the opportunities a diverse workforce provides, we are increasing the visibility and frequency of employee opportunities: we are focused on building talent in-house rather than 'buying' it. It is in our customers' interest, as well as our own, to do so. Supporting our own employees to develop skills and advance their careers helps to maintain a workforce that fits our business strategy.



Key initiatives

Offering the right development opportunities to maintain in-house expertise is critical. We have invested significant resources in making online learning available to all employees on MyDevelopment – our digital learning experience platform. We are building technical 'academies' (virtual learning centers) together with Zurich's businesses to curate content. We also have provided a series of webinars to give employees and managers support in coping with the personal and professional implications of COVID-19. Topics in these sessions have included tips for working remotely, such as new ways of virtual collaboration, wellbeing and employee health. The sessions also explored the implications of COVID-19 on economy and the future of our industry.

Given the speed at which the world is changing, it is important that our employees remain motivated to adapt and be equipped for the future. On a Group level, in 2020 we launched the 'Brighter Future Together' program for senior leaders to support their development, helping them to better adapt to a rapidly changing business environment. This bespoke virtual program includes peer coaching to build skills that can be shared across their organizations.

Local business also prioritized building talent. In one of our biggest businesses – Zurich North America – and our Group Operations unit, 10 percent of employees' incentive plans is tied to development objectives. Our Swiss business unit introduced a strategic focus on digital transformation for their top 130 leaders to make them 'fit for the future.'



Our performance

26,749

courses completed

43,740

visitors to MyDevelopment

Developing talent to meet our future needs

In 2020, our UK business introduced pilot programs to train and equip employees for roles that will become more important in the future. One program refocused more than 40 employees on highly relevant areas including continuous improvement, automation and predictive analytics. These employees were given significant time on the job alongside professional training to build their skills. Another program set up 'academies,' or online training centers for employees. As an example, the 'Automation Academy' started in September 2020 and is currently reskilling 15 employees who have temporarily been embedded in claims and commercial insurance business teams. These employees provide additional capacity to support our customers while simultaneously building their skills for the future.

What's next

Skills are the currency of the future. We are reviewing and updating our skills framework – a list of all the skills needed for jobs in Zurich both now and in the future – to make them relevant, dynamic and integrated into all aspects of employees' career cycles. That includes skills assessments to help them to make the right development choices based on their aspirations, their current skills and those needed to achieve their goals. Our approach includes fostering a growth mindset and encouraging mobility within the company, as well as taking advantage of learning opportunities.

Our people (continued)

Talent mobility

Our approach

Internal talent mobility is at the heart of organizational resilience: it provides a source of critical skills and knowledge, a competitive advantage, and serves to motivate employees, inspiring them to develop.

The result of the COVID-19 pandemic required rapid responses to changes in consumer behavior that affected our staffing needs. Where we identified a mismatch between the skills on hand, and those we needed, internal talent mobility enabled us to redeploy employees where they were able to support either on a temporary or permanent basis. This meant we could shift them to areas of high demand during the crisis, while also broadening their skills.

Our experiences during the crisis demonstrated that increased talent mobility has many benefits, helping us to maintain institutional knowledge while saving time and costs that otherwise would have been needed to source and train external hires.

Key initiatives

In 2020, we established talent marketplaces across the Group to facilitate internal talent mobility, and allow us to make the best use of people where they were needed most, while providing on-the-job training and work-based learning to reskill. Our positive experience throughout 2020 with internal deployments shows that employees were better prepared than anyone had expected.

Some examples of how this worked include in Spain, where due to COVID-19 we experienced major shifts in customer services activities, which in some cases dropped off by 70 percent, while elsewhere new demands increased significantly. Talent mobility helped us to quickly redeploy more than 10 percent of our Spanish claims team, putting them in temporary roles – for example, moving retail customer-facing teams from claims and contact centers into commercial insurance and underwriting. Across the entire business, we have now shifted approximately 9 percent of our workforce in less than a year. We will continue to identify talent, manage capacity and provide reskilling paths for team members to move between jobs, maintaining this mobile mindset to facilitate a flexible talent infrastructure.

In Zurich North America, what started as a crisis response in 2020 has become part of our everyday business ambition to promote internal talent development and mobility. During the COVID-19 pandemic we designed an in-house talent marketplace in just under four weeks allowing us to deploy talent to our most critical business needs.

At the height of the crisis we supported 51 redeployments, who were mainly employees from claims who moved into market-facing roles. We will continue to enhance and expand the talent marketplace. We also developed onboarding programs for all employees and made use of on-the-job reskilling. Initial feedback from managers and employees who participated was overwhelmingly positive.

Our performance

53%

of positions filled internally in 2020

45%

of positions filled internally in 2019



Talent mobility in action

Sandra Garro joined Zurich 18 months ago as a campaign coordinator in a team in Switzerland that is focused on business insurance and sales channel development. She took a job working half of the time in a customer relationship management team to cover for a colleague on sabbatical, which provided opportunity for her to learn about a different department while still doing her old job. When the sabbatical ended in late 2020, Sandra and her colleague switched roles completely. Sandra moved into her new role full time, and the returning employee is providing back-up support for Sandra as needed. This is just one example of how Switzerland is promoting employee flexibility and mobility, prioritizing internal hiring, internal mobility and developing the skills of our employees in line with our Work Sustainability Principles.

What's next

Building on the momentum of our internal talent marketplaces launched in response to COVID-19, we will continue to enable career mobility and help employees to develop skills to help them be mobile and agile, and give them opportunities to acquire new skills. We are putting in place an integrated career and rewards framework that will provide the foundation for career management. It will allow us to focus more on skills at the heart of career development, and facilitate talent mobility within Zurich, across geographies and jobs, while making us more flexible and agile when it comes to staffing, reflecting our commitment to fostering and growing our internal talent pool.

“ I was surprised how openly and quickly my wish for change was met. Thanks to internal mobility, I am able to develop further within Zurich.

Sandra Garro
Customer Relationship Management Lead
& Campaign Manager

Our people (continued)

Health and safety in unprecedented times



Proactively taking care of our colleagues

The actions taken to care for our colleagues during the pandemic were numerous and wide-ranging, including the following examples, just some of many:

- Supplying office and IT equipment to employees working from home to help reduce ergonomic risks
- Zurich Austria provided an online program covering physical and mental health, workplace safety and fitness
- Zurich Singapore organized a 'Wellness Wednesday' program
- Zurich North America issued a 'Zurich Never Stops' kit to all employees to help them stay safe and healthy (face mask, sanitizer, etc.).

Our approach

We want to provide a safe working environment for all employees, protect people on the job, and support their health and wellbeing. We do this through formal procedures and guidelines that identify minimum requirements for managing health and safety across the Group.

Key initiatives

These efforts in 2020 were dominated by the response to the COVID-19 pandemic and the need to prioritize employee safety and wellbeing while ensuring we continued to serve our customers.

As the pandemic started to spread globally early in 2020, crisis management teams were formed at Group, regional and country levels. These teams managed and coordinated the response across the businesses to ensure employees were protected and critical services were maintained.

We imposed global business travel restrictions to limit the potential exposure of employees to COVID-19 and to reduce the risk of employees becoming stranded when border restrictions were imposed. Events involving international or cross-border travel were canceled, or virtualized whenever possible. These restrictions remained in place throughout 2020.

We also developed and implemented working-from-home protocols to minimize employees' potential exposure, and comply with national restrictions and lockdown measures. We made a quick, smooth transition to a remote working model as the virus started to spread.

We consulted regularly with an expert virologist to gain better insight into the disease and to get advice and guidance on our response.

Group guidance was issued for the response to a COVID-19 confirmed case at a Zurich location, and for the actions required to mitigate the risk of infection within our workspaces and to provide reassurance for employees.

We implemented a voluntary testing program for employees, where feasible, to help limit the spread of COVID-19.

Group guidance was also developed for a safe return to the office and procedures required to mitigate potential risks. Plans implemented locally took a cautionary and flexible approach with a gradual return to the office in some limited locations, working at low occupancy levels. Nevertheless, working from home remained a new reality for most employees and across geographies in 2020.

Our performance

We successfully switched to a new way of working while prioritizing employee safety, and provided a wide range of remote work practices, resources and initiatives to help support our employees' wellbeing.

The number of confirmed cases and hospitalizations among Zurich employees was tracked weekly to provide senior leaders with an overview of the direct impact to employees within each region.

“

The fundamental aspect of caring about your people, wanting them to live happier and healthier makes not only sense to the individual person as such but also for the business performance.

Helene Westerlind
CEO LiveWell

What's next

We will continue to protect the safety of our employees, whether returning to the office or working from home. We will coordinate and monitor our actions globally so we can respond appropriately to changing circumstances in the nature and scale of the pandemic and the international response.

Our people (continued) Employee wellbeing

Our approach

At Zurich, wellbeing means having healthy, happy and motivated employees. Our global employee wellbeing framework is underpinned by measures that allow Zurich employees to improve physical, social, mental and financial wellbeing.

In 2018, we developed a global holistic wellbeing framework that provides Zurich employees with the tools and resources needed to help them stay healthy and take control of their careers. The framework is applied across the Group with global guidance and local implementation to meet employees' different needs.

Key initiatives

Across Zurich, 55 employees meet virtually once a month to share ideas and examples and focus on where health and wellbeing programs that succeed in one country might be used in others. Zurich offers a global employee wellbeing newsletter and a wellbeing group on Zurich's internal social networking platform (Workplace) to share ideas. Our global wellbeing learning channels offer employees resources and practical tips: how to stay connected, take control of their careers, and be healthy.

During the COVID-19 crisis, Zurich's focus on wellbeing and employee support was underpinned by a benefit provided to any employee or family member hospitalized because of the pandemic.

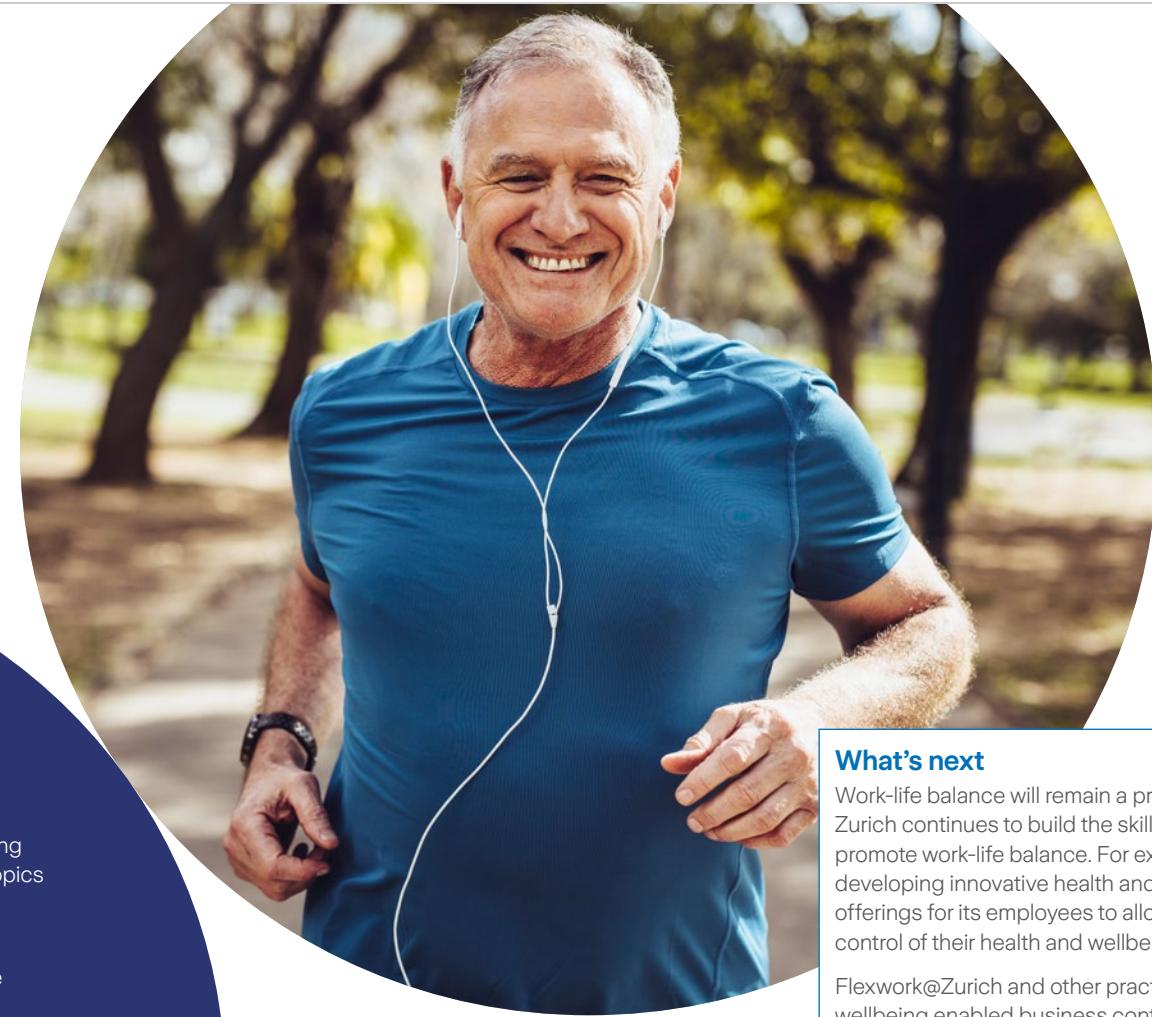
Making wellbeing, health and safety priorities for our employees, customers, communities and families remains an essential part of Zurich's culture, and expresses our commitment and engagement to all our stakeholders.

Our global wellbeing and health initiatives boost awareness

Zurich developed several health initiatives during the challenging months of 2020. Globally, it introduced webinars focused on topics to help people stay connected, in control and healthy, helping employees navigate through extraordinary times.

Around the world, there were also many examples of how these difficult and important issues were discussed through active support and conversations, education and innovative approaches:

- The Asia Pacific region published a series of video messages called '#mystory' in which senior leaders shared ideas and tips. Hong Kong launched a dedicated resource center to raise mental wellbeing awareness
- Zurich UK launched a series of 'resilience check-ins' giving employees information about personal resilience and useful techniques to counteract anxiety or burn-out syndrome
- In Mexico, in a twice-monthly wellness conference, experts shared tips and tools for employees to combat stress, recognize depression and address other wellbeing issues. Employees and family members were given access to 24-hour psychological assistance.



What's next

Work-life balance will remain a priority. Zurich continues to build the skills needed to promote work-life balance. For example, we are developing innovative health and wellbeing offerings for its employees to allow people to take control of their health and wellbeing.

Flexwork@Zurich and other practices to promote wellbeing enabled business continuity during the COVID-19 crisis and will be vital in the future. Flexwork empowers people to have greater choice in where, when and how they work. It provides minimum constraints and maximum flexibility. Zurich is taking the lessons learned during the pandemic to develop new ways of working and to introduce more flexible work practices.

Employee wellbeing and work-life balance will continue to be priorities. Zurich will listen and act on employees' feedback as we prepare for what is likely to be a 'new normal' that will have long-lasting implications for our employees, our customers and communities.

Our people (continued) Employee engagement

Our approach

To transform our business and serve our customers, in April 2020 we put in place an employee promise: 'Let's Grow Together.' The promise spells out why people should commit the best of themselves to Zurich. It underscores our commitment to each other, and brings to life our purpose and values.

[Read more online:](#)
Purpose and values

Our employee promise was developed through extensive listening to our employees, and reflects the diversity of our workforce. It includes five key areas of focus that employees identified as most important to them, personalized as: 'My First Year; My Career Growth; My Contribution; My Wellbeing; My Work Environment.'

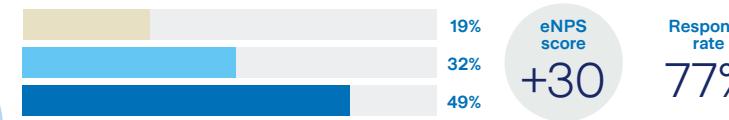
Our performance

eNPS results

#yousaid, #welistenred



October 2019
Wave 4



Response rate
77%

August 2020
Wave 5



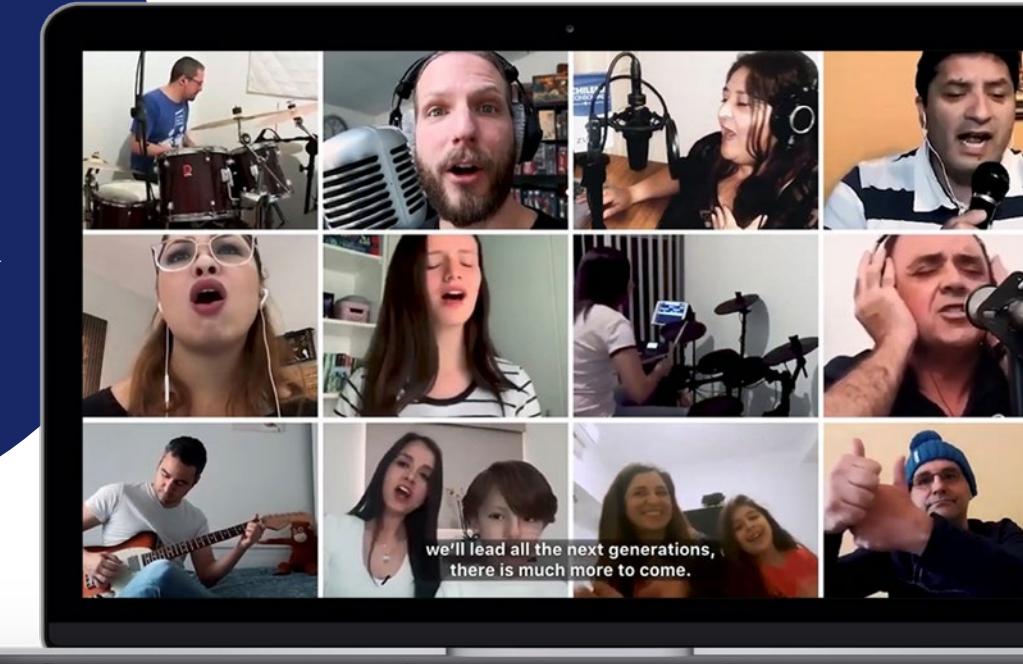
Response rate
84%

● Promoters ● Passives ● Detractors

The Zuricher Song captures our spirit

Perhaps the most inspiring testament to these efforts was an organic expression of unity and purpose spearheaded by a Zurich employee in Brazil, Anna Liro. What first started as a few tunes on her ukulele to lighten the mood in April turned into a global phenomenon, with hundreds of employees contributing to the Zuricher Song. With lyrics about purpose, heritage and confidence, the song captured Zurich's customer passion, collaborative spirit and creativity.

[Watch the video:](#)
Zuricher song



Since 2017 our 'Place to work' eNPS score has moved from -23 to +52

COVID-19 response earns high marks



* 79 percent of respondents scored 9 or 10 when asked if they feel supported by Zurich during COVID-19. 15 percent of respondents gave a score of 7 or 8 and 5 percent of respondents gave a score between 0 and 6.

What's next

Looking ahead, we are reimagining the workplace – the workplace of the future – as one in which every employee is able to do their best work. We will continue to involve employees in this process as we seek to better understand their needs to connect and collaborate, develop meaningful careers, and maintain a healthy balance between work and home.

Our people (continued)

Youth employment



Providing opportunities for young adults

Sara Martín Moya is a technical support clerk in reinsurance & coinsurance in our Barcelona office. She took part in a vocational training program created by Zurich Spain and financed by Z Zurich Foundation: "Taking part in the 'Dual Vocational Training in Insurance' program, I had the chance to be one of the five students trained at Zurich, and some of my fellow students were trained with intermediaries. When I finished my studies, Zurich gave me the chance to be part of the Zurich team." Sara has been working for Zurich Spain since June 2019.

Establishing apprenticeship programs can be challenging. Apart from the human resources needed to establish and manage these programs, and the financial investment, they require collaborating with local universities to develop a curriculum, and also must be certified. Typically only large companies have apprenticeship programs. Mindful of that, we set out to establish sector-wide apprenticeship programs that generated job opportunities across the industry, not just in Zurich.

One example is in Spain. With youth unemployment over 40 percent, the need for such programs in that country is acute. To address this, Zurich worked with education authorities, government and the insurance industry to establish a sector-wide insurance apprenticeship. So far 44 students have graduated from the course and 85 percent of them were offered a permanent job in the insurance company where they apprenticed.

Thus, we could take the lead in creating an apprenticeship program that delivers much more than a single company could offer.

Elsewhere, in the UK, we offer a summer intern program aimed at undergraduates in next-to-final year of university. We see this as a pipeline for our graduate program and as a great opportunity to share insights about careers in insurance. In 2020, in the UK 12 interns worked in different business areas, including marketing, underwriting, claims, finance and actuarial areas. In 2020, this was done virtually. We have made 11 offers of employment to our interns and their feedback was overwhelmingly positive. Beyond working in assigned jobs, they also worked on a Group project: 'Travel Insurance in a post-COVID World.' Their ideas are being taken up to develop a proposition that could become part of our business.

Our approach

Zurich is proud of the numbers of young people we have employed. From 2016-2020, Zurich hired nearly 4,000 school or university leavers as full-time employees. Approximately 1,200 of these came to us through a Zurich apprenticeship. Our worldwide youth employment initiatives form an integral part of our workforce strategy.

Key initiatives

In Europe, some of our biggest apprenticeship programs are in Germany, the UK, Switzerland, Austria, Ireland and Sweden. These are multi-year programs that allow new employees to earn while they learn, drawing a salary while they advance their education, so they obtain both a degree and a job. Our apprentices have proven successful against metrics such as retention, employee engagement and upward mobility.



Above: Zurich apprentices (from left): Jordan West, Liz Rodriguez, Sreelekhya Sathiyamma, Jose Gonzalez and Trinette Patterson at Zurich North America's headquarters in Schaumburg, Illinois, in February 2020. Sathiyamma graduated from the program in November 2020 and is now a Zurich cybersecurity analyst.

People key performance indicators

	2020	2019	Change	2018	2017	2016
Total number of employees – headcount	55,089	55,369	(0.5%)	53,535	53,146	53,894
Total number of employees – FTE (full time equivalents)	52,930	54,030	(2.0%)	52,267	51,633	52,473
Employee turnover rate (%) ¹	9.6%	13.6% (4.0 pts)	14.1%	14.7%	16.5%	
Average tenure (years)	9.7	9.7	n.m.	9.7	9.8	9.9
Group voluntary turnover ¹	4.7%	7.2% (2.5 pts)	7.5%	7.5%	8.2%	
Technical functions voluntary turnover ^{1,2}	4.6%	6.5% (1.9 pts)	7.0%	7.1%	8.7%	
Female workforce participation (%)	51.0%	51.1% (0.1 pts)	50.7%	50.6%	51.1%	
Female participation in Leadership Team (%)	27.1%	22.6% 4.5 pts	22.3%	21.0%	16.2%	
Employee participation in Group-wide feedback channels (%) ³	84.0%	76.0% 8.0 pts	70.0%	–	–	
Employee net promoter score (eNPS) ⁴	+52	+26	26	+7	–	–

Notes: Bolivia and the Farmers Exchanges are not in scope of any above key performance indicators (KPIs). The Farmers Exchanges are owned by their policyholders. Farmers Group, Inc., a wholly owned subsidiary of the Zurich Insurance Group, provides certain non-claims services and ancillary services to the Farmers Exchanges as attorney-in-fact and receives fees for its services.

1 Turnover figures only consider regular and in-patriate employees.

2 Technical functions include Claims, Underwriting and Risk Engineering.

3 Group-wide feedback channels include organization health surveys, employee net promoter scores (eNPS) and any other Group-wide feedback channels. This KPI refers to the average participation rate in the two occurrences of the employee net promoter score survey in 2019, while in 2020 it refers to the single survey that was carried out due to the pandemic.

4 eNPS is calculated as the average of the two surveys carried out during the year in 2019, and based on the single survey for 2020, measuring employee loyalty through the likelihood to recommend the company as a place to work. eNPS is based on the methodology of measuring and improving customer satisfaction and loyalty (transaction NPS and relationship NPS) which Zurich uses as a successful method to retain customers.

What's next

At Zurich, we are committed to our youth hiring programs. Even in an uncertain economy, we are stepping up our focus on building vocational skills through a wide range of entry-level programs for youth.

Z Zurich Foundation
Strategy

The activist in all of us.

Z Zurich Foundation works alongside Zurich employees, businesses, governments and NGOs in pursuit of a future where people can thrive in the face of increasing climate hazards, where those of us feeling the stresses of life are empowered to speak up, and where the marginalized in our society can reach their full potential.

Z Zurich Foundation's strategy

The COVID-19 pandemic has highlighted the positive role corporate foundations can play in society. To support its strategy, redefined in 2019, the Z Zurich Foundation focuses its efforts on three relevant challenges as shown below. To do so, it funds grant programs in collaboration with Zurich's business units and charities worldwide and develops initiatives to engage Zurich's employees and other stakeholders in its work.



Adapting to climate change

Focus on adaptation

Flood and other multiple-hazard resilience in urban settings

About the Z Zurich Foundation

The Z Zurich Foundation (the Foundation) is a charitable foundation with its registered office in Zurich, Switzerland.

It aims to support a fairer, more open and sustainable society by empowering vulnerable people within its communities to better protect themselves from risk, and to adapt and thrive in a rapidly changing world.

The Z Zurich Foundation unites NGOs, governments, businesses and local heroes to work with those most in need. It is redefining what a foundation can be by activating the activist in all of us.

The Foundation contributes to Zurich's performance in the Dow Jones Sustainability index's Corporate Citizenship and Philanthropy category. In the 2020 assessment, Zurich achieved second place in the insurance industry for this category.



Improving mental wellbeing

Focus on prevention

Stress and anxiety, reducing stigma



Engaging social equality

Focus on empowerment

Equity of opportunity

Z Zurich Foundation (continued)

The Zurich Flood Resilience Alliance

About the Zurich Flood Resilience Alliance (Alliance)

In 2019, financial losses from natural hazards continued to rise – the vast majority driven by climate perils. Vulnerable people are affected disproportionately. This underlines the need for Zurich's and the Foundation's continued efforts to support community resilience building.

The Zurich Flood Resilience Alliance (the Alliance) is a multi-sector, global partnership focused on finding practical ways to help communities strengthen their resilience to floods globally and save lives.

It is comprised of organizations from the private, international development, humanitarian, and research sectors.

Following the successes achieved in Phase I (from 2013 to 2018) and the recognition that systemically building flood resilience requires longer-term program cycles, the Alliance was extended to a second phase in 2018. Phase II has ambitious goals around increasing investment from others going to pre-event resilience by USD 1 billion by the end of the program.

All members of the Alliance, with the exception of Zurich Insurance Company Ltd, are funded by the Z Zurich Foundation.



In September 2019, the Alliance also committed to scale up its work in climate action to reach two million people. In 2020, the Foundation pledged additional investment in community programming, such that it may reach up to four million people overall by the end of 2024.

The Alliance's work is defined by the Flood Resilience Measurement for Communities (FRMC) approach, a holistic framework that promotes systemic thinking to understand the resilience context of a community. Alliance members work with communities using knowledge obtained from the FRMC to identify the most promising approaches. The analysis conducted before intervening is different from more traditional approaches, in that it uses extensive insights to prioritize solutions that reflect the needs in the local context. This approach sets the Alliance apart.



Above: Mercy Corps introduced hand-washing stations in Indonesia that not only promote good hygiene practice to fight the current sanitary crisis but also protect against disease in flood situations.

Photo credit: Dian Anggoro, Pekalongan City Disaster Management Agency

Key initiatives

During the second year of its latest phase, the Alliance achieved several examples of progress, including:

Community Impact

Alliance teams benefited 170,000 people since July 2018. This has been achieved through a diverse range of interventions designed in collaboration with the communities and informed by the results of the FRMC analysis. These have included activities such as:

- Improving risk awareness and developing community members' capacity to use information from early warning systems
- Protecting assets that help to maintain people's livelihoods, and provide diversified ways to earn a living, despite a changing climate
- Use solutions in tune with the environment, like 'biodykes.'

The onset of COVID-19 created a challenge for community-based work, but the Alliance's approach demonstrated that some of the resilience measures taken can also help communities get through the pandemic.

For example, Mercy Corps, working in Indonesia as part of the Alliance, recognized that good sanitation helps prevent the spread of disease associated with flooding – including protecting against the pandemic.

Achieving greater impact

As of July 2020, the Alliance has both influenced USD 243 million of commitments and spending on flood resilience from others and improved policies and policy guidelines and tools in sub-national, national, and global spaces. For example, Zurich UK, together with the London School of Economics (the Alliance's research partner), worked with the UK government, to increase the funds they have committed for flood and coastal resilience building, especially for solutions that work with nature. The UK government referred to the Alliance's FRMC framework in its supporting policy paper. In countries such as Peru and Nepal, funding and efforts were committed to expand work the Alliance has begun in those countries.

Below: Discussing FRMC results with the community.

Photo credit: Practical Action



Engaging policymakers

The progress the Alliance made in 2020 includes increased collaboration and inclusion of Alliance messages in key principle documents within the UN High-Level Experts and Leaders Panel on Water and Disasters (UNHELP), the UN Office for Disaster Risk Reduction (UNDRR), and the World Economic Forum's Sustainable Development Impact Summit (WEF SDIS).

One key focus in 2020 was on working on advocacy during a pandemic. This included providing policy stakeholders with support in their COVID-19 responses, drawing on multiple risks, and multi-hazard resilience, while the Alliance's approach to 'building back better' encouraged those responding to the pandemic and focusing on recovery efforts to take a longer-term view. It also urged them to incorporate long-term goals to adapt to climate change in their response to COVID-19. These successes highlight the flexibility and speed with which the Alliance can operate to ensure support to communities.

The role the insurance industry can play to make society more climate resilient and sustainable goes beyond the insurance product itself. Zurich works with the Insurance Development Forum (IDF) and are engaged in industry associations such as Insurance Europe, where they are supporting the leadership of the Sustainability Group.

Read more online:
Zurich Flood Resilience Alliance
Climate chaos

Z Zurich Foundation (continued)

The Zurich Flood Resilience Alliance (continued)

Awards

At the annual meeting of the World Economic Forum (WEF) in January 2020, the WEF put a spotlight on over 160 projects it described as 'multi-stakeholder, transformative and future-focused' – with the idea of encouraging broader use of successful approaches. The Zurich Flood Resilience Alliance's work was recognized as one such Lighthouse Project.

 [Read more online:](#)
Lighthouses for a perfect storm

Making a difference for communities in Mexico

One area where the Alliance made a difference was in communities in Mexico's low-lying state of Tabasco. These communities face devastating floods and have struggled to recover from them. The repeated flooding, year after year, has destroyed homes, public property and businesses, and undermined economic wellbeing, has a negative impact on social morale. Actions on both the community and the state levels were needed.

To improve resilience to floods in these communities, the Mexican Red Cross (MRC) set up community 'brigades' to improve social cohesion and community collaboration to address slow and difficult access to emergency aid. They also addressed the need for individual communities to come together to prepare for and respond to floods. A brigade was formed and funded in each community, consisting of seven to 10 people trained to assist, for example, in evacuation, shelter, in communicating with communities and local authorities, first aid, and other critical roles. The teams were also trained in crisis preparation and response. The teams worked with other members of their communities to raise awareness and developed a community emergency plan linked to government agencies, and found ways to get responders outside the community on the scene faster.

The community brigades have received significant state and national level recognition, in large part due to a collaborative effort between the MRC and Zurich Mexico, to expand the program. That includes a long-term effort to provide similar programs at a country level. Here, changing people's attitudes and traditional practices was vital. This included developing disaster risk reduction measures, while building relations with the local government. This led to the 2019 National Civil Protection award from the Mexican President. The MRC has received national attention and set a standard in developing community groups, and is recognized as an important institution for disaster risk reduction. With support from local, state, and federal authorities, the MRC succeeded in achieving formal inclusion of the community brigades' program in Tabasco's State Development Plan (2019-2024), a direct way that the Alliance helps vulnerable people strengthen their resilience to flooding.

Achieving acceptance of community flood resilience strategies and projects in policies and plans is a long-term process, but worth the effort. It includes establishing relationships with governments on local and national levels, getting them on board, and demonstrating the success of such programs. Working in this way can pave the way towards getting best-practice approaches that have real benefit into both policy and budgets, to make the best use of resources spent on resilience.



Left: Alliance teams meeting with the Las Nieves communities who faced significant flooding.

Photo credit: International Federation of Red Cross and Red Crescent Societies (IFRC)



“
The Zurich Flood Resilience Alliance connects with people and organizations familiar with the situation of individuals in need, to build better understanding of how the risks facing the wider community interrelate. The aim is to not only share knowledge and expertise on how they can better protect themselves from the consequences of natural hazard events, but also to help them find alternative sources of income.

Gregory Renand
Head of the Z Zurich Foundation

What's next

In 2020, as part of its 'Adapting to Climate Change' program, the Foundation agreed to further expand the Alliance work to more countries and communities starting in January 2021. The Alliance will expand programs in 14 countries, reaching another 200 communities, and aims to help approximatively four million people overall strengthen their resilience to flooding. The program has been extended to the end of December 2024, helping to ensure that existing programs affected by the COVID-19 pandemic can be completed, while also making sure that these programs achieve their desired outcomes.

In addition, the 'Adapting to Climate Change' program intends to make greater use of the global resilience approach introduced for floods for other relevant hazards such as wildfires. The Foundation plans to work with Zurich employees, customers and other stakeholders, developing local programs based on the knowledge, expertise and tools developed through the Alliance's work. The plans include running pilot projects in communities where Zurich does business in which an increasing number of vulnerable people are at risk from climate change.

The third focus going forward will be on enhancing urban resilience. The program aims to go beyond a single-hazard approach, extending local solutions to multiple (or compound) hazards in urban areas, including some where Zurich operates.

Z Zurich Foundation (continued) 2020 Initiatives and Impacts

Overview

The COVID-19 pandemic exposed many vulnerabilities and led to a sudden surge in demand for charities' services around the world.

The Foundation increased its activity in 2020 compared with 2019, mainly due to the response to COVID-19 where over CHF 14 million* was given out in short-term support. The amount of matching funds the Foundation provided also increased relative to dedicated matching campaigns.

After the first outbreak of the pandemic in the first half of 2020, the Foundation focused its efforts on how it could best support communities worldwide. Through its different initiatives, the Foundation has supported more than 200 charitable organizations and have helped an estimate of over one million vulnerable people in 2020.

* Subject to audit of the Z Zurich Foundation in June 2021.

“
We have acted in every region of the world, delivering support to charities and their beneficiaries. Thanks to the commitment of Zurich's people and local charities, we have been able to act rapidly.

Gary Shaughnessy
Chair of the Z Zurich Foundation's Board of Trustees



Left: Gary Shaughnessy volunteering alongside Antonio Bico, Zurich CEO Portugal

Key initiatives

As part of its COVID-19 response the Foundation provided support to the organizations it already works with, and to the charities Zurich's business units globally have been working with for many years, to enable them to continue providing services to those who were severely affected by the pandemic.

The Foundation also funded local disaster relief initiatives that Zurich's business units identified. Here, the focus was on urgent medical support, food shortages, or mental health needs. This also included helping to address domestic violence, and providing technology for homeschooling.

The response also worked with communities to bring people together to support those most in need. The Foundation worked with Zurich's business units and employees in fundraising campaigns, donating 100 percent matching for Zurich employees' fundraising efforts to support local charities. It also worked through other initiatives to provide opportunities for Zurich employees to support their local charities.

The Z Zurich Foundation continues to look for ways to support some of the most vulnerable in our communities, while focusing on its ambitions to achieve the greatest impact. The Foundation aims to transform the lives of more than one million vulnerable people, and positively affect the lives of 10 million others by 2024.



Supporting the vulnerable in Australia

Z Zurich Foundation's donation to Foodbank Australia enabled the organization to provide two million meals to vulnerable Australians, some for whom getting support from the charity was a first as they have recently lost their source of income due to the pandemic. This unprecedented time asked Foodbank Australia to adapt and introduce new operational models to support its beneficiaries.

Photo credit: Foodbank Australia

Watch the video:
Z Zurich Foundation's COVID-19 response

Z Zurich Foundation (continued) 2020 Initiatives and Impacts (continued)

The Foundation committed to increasing support

The COVID-19 pandemic increased societal concerns about issues that the Foundation already works to address. In 2020, the Foundation committed to increasing support in these areas by expanding its work in adapting to climate change and funding new grants to improve mental wellbeing and enable social equity.

New commitments

During 2020, the Foundation also approved funding for six new grants starting in 2021. The Foundation has committed funds to indigenous communities in Brazil's Amazon region in collaboration with Origens Brasil®. In the U.S., the Foundation will support the creation of equal opportunities for people of color with the organization Year-Up. It is also continuing collaboration with Junior Achievement in Canada to empower young people. In Austria, through a second grant program, the Foundation will support the 'Verein für Training, Integration & Weiterbildung' to create better access to health care and education for disadvantaged young people in Vienna. In Switzerland, the Foundation and Zurich are supporting children's rights with the Ombudsstelle Kinderrechte Schweiz.

Focusing on education and career opportunities for young people in Latin America

In 2020, Foundation's first regional grant was launched across Latin America in collaboration with several local Zurich offices, Zurich Santander Seguros S.A and the charitable organization Foundation Forge. This three-year grant program aims to supply young people from vulnerable communities with the skills they need to succeed in the local labor market. This program aims to support the personal and professional development of more than 84,000 young people and train more than 2,000 teachers across Argentina, Chile, Brazil, Mexico and Uruguay.

Below: Young people supported by the Foundation Forge.
Photo credit: Foundation Forge



Supporting social innovation projects in Ireland

In Ireland, Z Zurich Foundation supported Rethink Ireland's Innovate Together Fund. The Innovate Together Fund aims to support social innovation projects that address the current and long-term social, economic and environmental challenges arising out of the COVID-19 crisis.

Pictured are Anthony Brennan, CEO, Zurich Ireland, Deirdre Mortell, CEO, Rethink Ireland, Dr. Fiona O'Reilly, General Manager, Safetynet Primary Care, Emma Coughlan, Clinical Nurse Manager of the COVID-19 Mobile Health and Screening Unit, Safetynet Primary Care, Ian Power, CEO, SpunOut and Marie Slevin, Clinical Developmental Psychologist at the Department of Neonatology, The National Maternity Hospital, Holles Street.

Photo credit: Marc O'Sullivan



Z Zurich Foundation (continued)

2020 Initiatives and Impacts (continued)



Fostering positive mental health through education, prevention and early intervention on the Isle of Man

Z Zurich Foundation, Zurich International and 'Isle Listen,' a charitable initiative of MCH Psychological Services, an Isle of Man registered charity, announced a three-year funding collaboration to provide mental wellbeing education, prevention and transformative early intervention. The funds will enable the Isle Listen team to connect with the entire school and college population of the Isle of Man – approximately 15,000 students and over 1,000 people working within the education sector – while supporting employers, and delivering community-wide campaigns and resources.

This grant will also make it easier to expand a one-to-one listening service within schools, equip a mobile art therapy vehicle to provide services to those who might not be able to otherwise get them and expand the service to support potential waiting lists in statutory services.

This program has the potential to transform mental health awareness and early intervention across the Isle of Man, especially given the broad scope relative to the population and its interconnectedness.

Performance

Zurich and the Z Zurich Foundation demonstrated agility in responding to the extraordinary needs emerging from the pandemic. The Foundation refocused its investments and activities in 2020 and Zurich's combined charitable cash contribution increased significantly. Furthermore, while the pandemic had a significant impact on all traditional forms of volunteering for all stakeholders including Zurich employees, skills-based volunteering levels remained good. In addition to volunteering, Zurich employees were keen to support their communities in many other ways, responding quickly and innovatively to support some of the most vulnerable. The impact of these other forms of engagements resulted in the amount of fundraising and matching from the Z Zurich Foundation doubling compared to 2019.

Community investment key performance indicators

	2020	2019	Change
Fundraising and donations (USD millions) ¹	2.5	2.3	10%
Total time volunteered by workforce (business hours) ²	38,830	129,702	(70.0%)
of which skills-based hours ²	19,485	31,463	(38.0%)
Workforce actively volunteering (% of total headcount) ²	9.3%	20.9%	(11.6 pts)
Total full year charitable cash contributions by Zurich business units (USD millions) ³	31.9	11.9	168.0%
Total full year charitable cash contributions by Zurich to Z Zurich Foundation (USD millions) ⁴	42.7	40.3	6.0%

Notes: Zurich Insurance Group and its employees are contributing through fundraising, volunteering and cash contributions apart from the community investment activities carried out by the Z Zurich Foundation. All figures exclude Farmers Exchanges. Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides certain non-claims services and ancillary services to the Farmers Exchanges as attorney-in-fact and receives fees for its services.

1 Mostly includes Zurich employees' fundraising and donations. As the share of the Zurich business units' matching becomes negligible, the split of these two sub-categories is no longer reflected.

2 2019 figures have been restated to exclude volunteering by Farmers Exchanges employees.

3 The increase in cash contributions in 2020 is mainly driven by a one-off donation to the COVID-19 Support Fund in the UK.

4 Starting from 2019, contributions cover the total charitable donations made by various legal entities of the Zurich Insurance Group to the Z Zurich Foundation on a cash-out basis. The donation amounted to CHF 40 million in 2019 and 2020.

What's next

In December 2020, several Zurich entities donated a total of CHF 40 million to help the Z Zurich Foundation continue its work.

The changes brought about by the COVID-19 pandemic in 2020 increased need for rapid response, and raised demand for short-term emergency relief efforts. With the situation hopefully stabilizing, the Foundation should be able to refocus on its long-term strategy and further implement it through innovative, ambitious and highly effective means. The Foundation will continue to observe the ongoing developments and, where possible, will anticipate potential needs and react as quickly as possible.

“

2020 was an incredibly challenging year. But it has not distracted us from making progress in our responsible investment approach. We made important progress in our journey towards climate neutral portfolios, and have brought our impact investment commitment to a new level.

Johanna Köb
Head of Responsible Investment

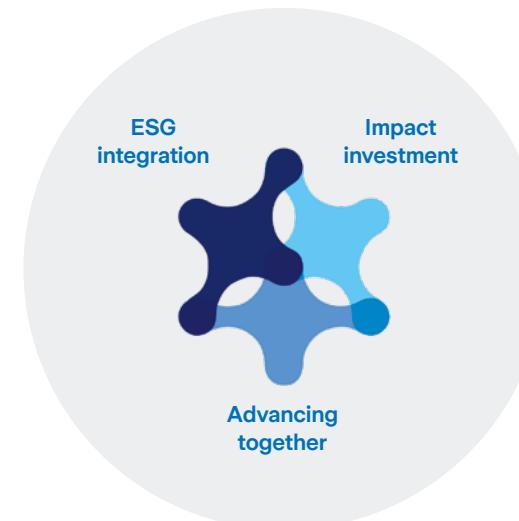
Responsible investment

At Zurich, we aim to be one of the most responsible and impactful businesses in the world. Our approach to investment is no exception.

Overview and approach

Doing well and doing good.

Zurich is proud to be a leader in responsible investing. We believe creating long-term, sustainable value – doing well and doing good – is not only possible, but necessary for all our investments.



Our responsible investment approach as an asset owner

A leading responsible investor

When we do 'well,' we generate superior risk-adjusted returns for our customers and shareholders. When we do 'good' we have a positive impact on society and the communities where we live and work.

Since we manage approximately USD 200 billion of own assets, by doing well and doing good, we can achieve substantial, long-term results that benefit people and planet.

Beyond investment returns, we also focus on fully decarbonizing our investment portfolio by 2050, and helping to avoid CO₂ emissions and benefiting people through our impact investments.

Responsible investment can mean different things to different people. Zurich has primarily chosen to pursue it in three ways:

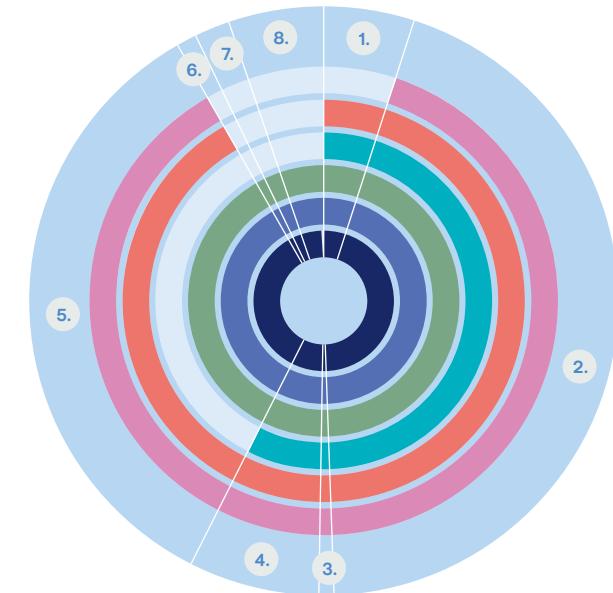
- ESG integration: Besides examining financial performance, we also assess environmental, social governance (ESG) factors when analyzing individual investments and investment managers. We consider these sustainability risks and opportunities when we decide whether to buy or sell assets
- Impact investing: we fund institutions or projects that, while generating a safe, adequate return on our premiums, also generate targeted and measurable positive environmental or social impacts. More specifically, we are aiming to build an impact investment portfolio that helps save five million metric tons of CO₂ equivalent emissions and benefits five million people every year
- Advancing together: responsible investing is becoming more sophisticated. We are glad to play a leadership role in developing new and innovative ways to measure impact, scale sustainable investment markets and practices with integrity, and promote climate action – working together with a broad group of stakeholders.

We apply a holistic responsible investment strategy across all our investments, relying on a variety of technical approaches such as ESG integration, impact investing, active ownership, selective exclusion screens and a net-zero by 2050 decarbonization target. This enables us to apply the appropriate responsible investment approach to each individual asset class. In 2020, almost all of our own assets were managed by a signatory to the Principles for Responsible Investment (PRI) or asset managers meeting our requirements for responsible investment, giving us confidence that these assets are managed in line with our values. We also believe that we can achieve the best outcomes when we specify the responsible investment management approach used on an asset class level.

As the graph below illustrates, every asset class is covered by at least one element of our responsible investment approach.

Responsible investment strategy as an asset owner

The graph is a simplified visualization of our holistic responsible investment strategy, comprising a variety of tools we match with the asset classes where they have most practical influence.



Investment approach

- Managed by a responsible investor*
- Net zero 2050 target
- Exclusion screens
- ESG integration
- Active ownership
- Impact investing

Asset class

- 1. Equities
- 2. Credit, private debt
- 3. Private Equity
- 4. Real Estate
- 5. Government and Government Guaranteed
- 6. Hedge Funds
- 7. Mortgages
- 8. Cash

* Signatory to the PRI or fulfilling Zurich minimum requirements.

ESG integration

Integrating sustainability.

We believe that proactively integrating environmental, social and governance (ESG) factors in our investment decisions will help us to do our job well over time.

Overview

We examine the financial performance of individual investments and investment managers, and we also assess their ESG performance. We take these sustainability risks and opportunities into consideration when deciding to buy or sell assets.

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, asset and asset manager selection process
- Active *ownership* practices, such proxy voting and active engagement campaigns.

These four requirements help us to integrate ESG factors in the investment approach, and help us to understand and monitor where we or our asset managers stand in terms of capabilities.

Zurich’s definition of ESG integration is interpreted relatively strictly, meaning we only apply it to asset classes where sufficient ESG information is accessible, and portfolios offer frequent turnover and a sufficient variety of issuers, so that taking into account ESG factors can actually influence investment decisions.

100%
of in-scope assets managed by people who received responsible investment training

100%
of in-scope assets managed by people with access to ESG data, analysis and research

100%
of in-scope assets managed with a clear and structured process for ESG integration in place

98%
of in-scope assets managed with a clear and structured process to discuss ESG issues directly with the companies

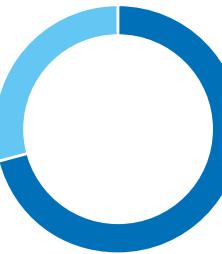
49% of assets in-scope for ESG integration includes assets in scope for ESG integration and/or proxy voting only.

Progress and key developments

Over the years, we have ensured that ESG risks and opportunities are integrated in all relevant asset classes where we have choice of issuer, high quality data is available and good ESG integration approaches exist.

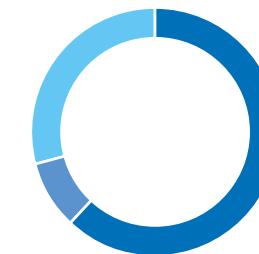
- In 2020, close to 100 percent of all our assets were managed by a PRI signatory or asset manager that met our minimum ESG integration requirements – in other words, met our basic requirements of training, data, process, and voting and engagement.
- In 2020, we concluded the roll out of proxy voting capabilities to all our in-house teams. We also continue to expand our scope for proxy voting in equity holdings managed by our external asset managers. We measure the votes we cast based on assets under management. The share of equity investments for which votes were not cast included assets where economic costs of exercising voting rights are not commensurate with expected benefits or where we bought a stock after proxy voting season. The latter is the main reason for nonexercised votes in 2020, driven by a combination of turnover in our portfolios and a different timeframe in which AGMs were held this year, delayed by the impacts of the COVID-19 crisis.

Our voting activities in 2020



● Votes cast	71%
● No votes cast	29%

Our voting behavior in 2020



● Voted with management	62%
● Voted against management	9%
● No votes cast	29%

What's next

Zurich stays committed to follow best market practice and re-evaluate asset classes not yet covered by ESG integration with a view to expanding when good practice, enough data, and a choice of issuer becomes available.

We expect climate change to keep playing a prominent role within the broad spectrum of ESG factors. We will keep expanding our climate risk management capabilities and expect to ramp up climate-focused engagement campaigns as part of Zurich’s climate change investment strategy and net-zero pledge.

Example of ESG integration

Zurich has a long-term holding in a Taiwanese technology company which has had a consistently high ESG rating. We meet and speak with the company regularly and are consistently impressed with its strategy for sustainable value creation. The company’s corporate governance is excellent to the benefit of all stakeholders. The company has a strong commitment to being a technological lead, through cutting edge research and development. It also partners well with its customers and its highly qualified and motivated staff has driven long-term success, and exceptional investment returns.

Occasionally, well-funded new entrants to the industry appear as a threat, but the company’s track record and innovative mind-set give us confidence to maintain our holdings, and also add to them as opportunities arise.



Impact investing

Focused on impact.

As a responsible investor, we use capital markets to search for – and fund – solutions to many of the pressing social or environmental issues of our time.

Helping to finance a zero-carbon economy

We finance clean energy infrastructure and energy efficiency projects to transition to a zero-carbon economy as part of our direct private debt lending portfolio. Zurich's investment in a 80 turbine offshore wind farm in the German North Sea helps to avoid 40,000 tons of CO₂ emissions in the course of a year, the equivalent of CO₂ emissions released by 1.6 million propane cylinders used for home barbeques, or the carbon sequestered by almost 660,000 tree seedlings grown over a 10-year period.¹

¹ Source: www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

Impact investing is our way of investing in good causes

Impact investments are investment opportunities that allow us to intentionally target a specific and measurable social or environmental impact and are profitable, meaning that they generate a financial return adequate to compensate the risk. Zurich evaluates impact investments within the context of specific asset classes and creates dedicated strategies for impact investments for each of them.

Zurich is committed to helping to avoid five million metric tons of CO₂ equivalent emissions per year, and separately, make a positive contribution to the lives and livelihoods of five million people through its impact investing portfolio.

Progress and key developments

In 2020, Zurich exceeded the original USD 5 billion target allocation for its impact investment portfolio, which as of December 31, 2020, totaled USD 5.8 billion, doubling the size of its impact portfolio in three years. Going forward it will prioritize the impact this portfolio generates, making Zurich one of the first large institutional investors to prioritize the 'impact' rather than monetary amount of its impact investment portfolio. This focus on impact is a new approach for institutional investors pursuing impact investing and, after already exceeding its allocation target, Zurich once more will raise the bar for its impact investment portfolio by focusing on the results it aims to obtain.

At the end of 2020, Zurich's impact investment portfolio of USD 5.8 billion had helped avoid 2.9 million tons of CO₂ equivalent emissions and improved the lives of 3.7 million people, on an annual basis.



Total amount of impact investments



● Environmental	77%
● Social	23%

USD 4,677m

Green, social and sustainability bonds

USD 904m

Impact infrastructure private debt

USD 189m

Impact private equity



2.9 million tons

of CO₂ equivalent emissions avoided



3.7 million people

benefited from a positive contribution to their lives and livelihood

“

We are once again leading the industry by shifting away from monetary targets to actual impact achieved. The objective of our impact investment strategy has always been about the positive outcomes that we can achieve through our investment decisions. With this in mind, it makes sense for us to commit to invest as much as needed to fulfill our environmental and social goals, which remain unchanged.

Urban Angehrn
Group Chief Investment Officer

Impact investing (continued)



Investing in purpose-driven businesses

Zurich's investments in LeapFrog, a private equity manager focused on purpose-driven financial services, micro insurance, and healthcare businesses benefit 1.5 million people in some of the world's fastest-growing markets.

Through LeapFrog we invest in Pyramid, a specialty distributor for cardiac and orthopedic equipment in Tanzania, where over 90 percent of people live on less than two dollars a day. One of its projects is a collaboration with the largest government-run hospital on Tanzania's east coast, one of the very few health care providers in the region serving poor and low-income patients. Pyramid's support helps patients get access to high-quality medical care under Tanzania's national health insurance. To meet a critical need for medical devices used in surgery, Pyramid opened a store inside the hospital which lets doctors choose the products they need. The hospital, reliant on government funding, couldn't have taken on the risk of holding a large inventory of such life-saving products.

In 2018, Zurich developed an [impact measurement framework](#) to measure and aggregate impact across various impact asset classes. Measuring impact for three years provided insights on measuring and managing impact, specifically in how to interpret the 'impact' per invested dollar of various types of investments. This knowledge is now allowing us to prioritize the type of impact we seek, and to invest accordingly. In coming years this knowledge will help us to construct a more diversified, profitable and positive-outcome-oriented impact investment portfolio.

Zurich is a founding member to the Operating Principles for Impact Management (OPIM). In 2020, we published our '[Disclosure Statement](#)' that provides detailed information on our impact investment framework and investment process. Among the OPIM's signatories, Zurich is one of the largest private sector impact investors.

COVID bonds

In 2020, Zurich invested into a variety of social bonds aiming to address the global crisis caused by the pandemic, so called 'COVID-bonds.' The issuers allocate the proceeds of these bonds to either finance the health-related response to the crisis or to support small- and medium-sized enterprises, job creating companies and start-up companies affected by the COVID-19 pandemic to benefit under-served communities across the world.

At the end of 2020, the portfolio included green, social and sustainability bonds of USD 4,677 million, and USD 189 million in commitments to eight private equity funds active in areas like financial inclusion and clean technology, as well as private debt impact infrastructure investments, such as wind or solar farms of USD 904 million. The overall impact portfolio comprises 77 percent of investments with a focus on the environment and 23 percent on social outcomes. 2020 was the year that brought the largest issuance volume of social bonds to date, many of them with the aim to raise funds for COVID response measures (see below). Zurich increased its exposure to social bonds by 70 percent from 2019 levels.

Awards

In 2020, Zurich was recognized for the 'Best Impact Report of the Year (for investors)' in the [2020 Environmental Finance Bond Awards](#). This is proof that Zurich plays a leading role as an impact investor, and encourages us to continue working with the investment community to make impact reporting easier.



Impact investing (continued)

Advancing together

Working hand-in-hand.

Overview

We believe that responsible investment will truly have an impact only if those participating in the market advance together and make this a mainstream approach. Supporting collaborative initiatives and working with other industry participants to further advance responsible investment is important to us. We have signed the UN-backed Principles for Responsible Investment (PRI) as well as the Principles for Sustainable Insurance (PSI) and collaborate with a number of industry initiatives and research bodies. Please find a full overview of our industry commitments on our [website](#).

Progress and key developments

In 2020, we collaborated with a total of 18 industry initiatives and research bodies and spoke at 48 online events and conferences globally. Due to the risks posed by COVID-19, many annual conferences and speaking engagements were postponed or transferred to online platforms, and we were present – and spoke – at many virtual gatherings.

As part of our net-zero journey, we joined Climate Action 100+ as a signatory.

Green Bond Principles (GBP) and Social Bond Principles (SBP)

Zurich co-chairs the Executive Committee for The Green Bond Principles (GBP) and Social Bond Principles (SBP). The Principles are voluntary, and promote transparency, disclosure and integrity in developing green, social and sustainability bond markets. They have become the leading guidelines for these instruments. In 2020, Zurich was re-elected as the Co-Chair for the 6th consecutive time. Zurich is also active in various working groups such as 'Sustainability-linked Bonds' or 'impact reporting.'

In 2020, the Principles made considerable progress in further developing the market for these instruments. The Principles published vision and mission statements as well as Principles for Sustainability-Linked Bonds and a Handbook for Climate Transition Finance.

18Participated actively in
18 membership organizations**48**Spoke about responsible
investment at 48 conferences
and other industry events

Climate action

Journey to net-zero.

Every business and every investment asset will be affected by climate change. Collective action is needed to mitigate or adapt to it. Unfortunately, our analysis suggests that we are likely to miss the Paris Agreement's target of limiting global warming to well below 2° Celsius.

Overview

As an insurer and investor, we have a direct interest in achieving sustainable global economic growth, and supporting communities to become more resilient to the environmental and social challenges they face. As a member of the Net-Zero Asset Owner Alliance, we have committed to ensure that by 2050 the assets in which we invest, on a net basis, will produce no greenhouse gas emissions. We are thus committed to doing all we can to help in a transition to a 'climate neutral' world through dialog and actions, by advocating public policies, and working with others to achieve this, while bearing in mind that we need to be mindful of the social impacts that this transition will have. As climate change is a cross-cutting issue, we are managing it through an eight step approach that forms part of and applies the tools of our responsible investment strategy.

Our eight step climate strategy

Net-zero portfolios by 2050

We have pledged to transition our investment portfolios to net-zero greenhouse gas emissions by 2050, consistent with a maximum temperature rise of 1.5°C above pre-industrial temperatures, taking into account the best available scientific knowledge.

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 as shown in the graphic below.

Strengthen ESG integration

Given its complexity and long-term nature, climate change represents a particular challenge for environmental, social and governance (ESG) integration. Additional data and tools are required to raise awareness among investment professionals and to support integration in investment strategies.

Benchmarks

ESG integration practices might fail to effectively capture all climate change-related risks and opportunities. We are testing the use of special benchmarks that incorporate a climate risk assessment. We will evaluate the application of such benchmarks for new and existing portfolios on a case-by-case basis.

Finance the transition to a climate neutral economy

As part of our ongoing commitment to impact investing and our target to help avoid the emission of five million tons of CO2 per year, we will evaluate green investments across different asset classes on an ongoing basis.

Drive 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.

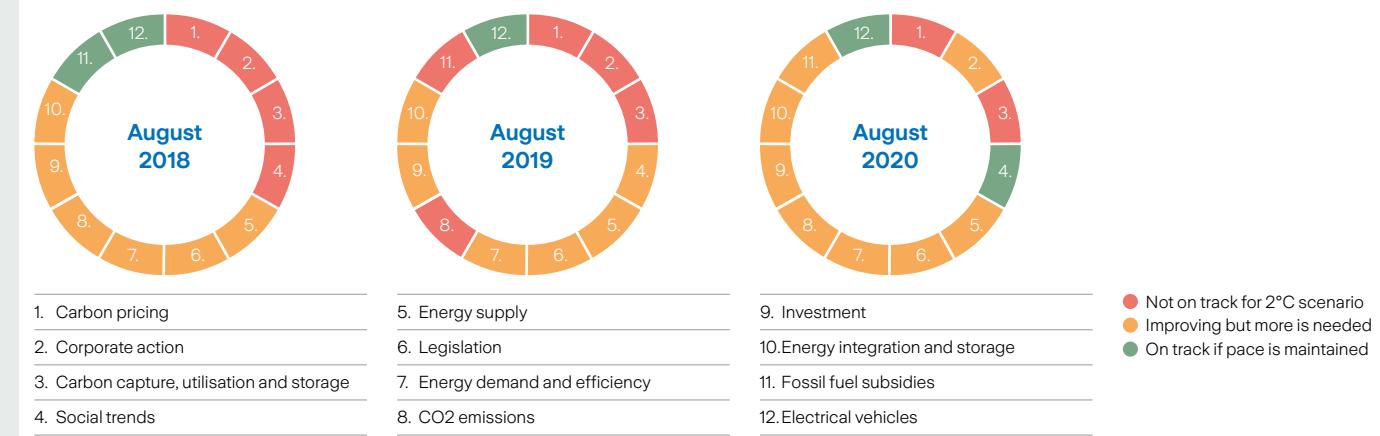
Engagement

As part of engaging with the companies in which we invest, climate change should be reflected on the agenda and considered in voting practices.

Selective exclusions

Recognizing the particularly harmful impact of coal on the climate, Zurich has developed a Group approach on selectively excluding from its underwriting and investment activities companies related to the mining of, or electricity generation from, thermal coal, oil sands and oil shale.

Zurich climate change scorecard
2°C scenario



Climate action (continued)

Progress and key developments

In 2020, the members of the Net-Zero Owner Alliance have formed various work streams to develop the guidelines, methodologies, and reporting templates necessary to help Alliance members measure the financed carbon in their portfolios and set interim targets on their trajectory of achieving the net-zero 2050 goal.

- We consulted on the Science Based Target Initiatives' methodology on how to set carbon emissions targets that are aligned with a 1.5 degree pathway for investment portfolios
- We are pioneering the use of science-based targets that will help ensure we have full understanding of how our investment portfolios will reduce carbon emissions, and how they will develop amid a transition from carbon-intensive industries to a climate-neutral environment
- We agreed on a method to calculate the baseline of financed emissions in our investment portfolio. On that basis, intermediary targets for 2025 can be set with the 2050 net-zero target in mind
- We anticipate setting first interim targets in 2021 to put us on the path to achieve, in a thorough, responsible and timely way, the Paris Agreement's 2050 goals.

Zurich has also made progress in implementing its coal, oil sands and oil shale policy and reported on the progress made (page 24). We engaged with investee companies to accelerate their transition, and divested from companies that could not show a credible plan that enables them to meet our criteria.

Where we don't have an underwriting relationship, investment management is engaging directly. Since the implementation of our coal, oil sands and oil shale policy in 2017 we have divested and already disposed USD 497 millions from companies, that operate above our thresholds and do not have credible long-term transition plans.

We became a signatory to Climate Action 100+ in order to support collaborative industry engagement with the aim to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.

We have also held discussions with regulators and policymakers, urging them to introduce a price on carbon, and to set ambitious nationally determined contributions (NDCs) prior to 26th UN Climate Change Conference of the Parties (COP26) in 2021 to include sustainability and climate change in their COVID-19 stimulus packages. This will help to integrate the climate goals into planning as governments work to restore their economies in the wake of the pandemic ('build back better').

Beyond our commitment to decarbonize our full investment portfolio by 2050, as part of our impact investment approach, we are actively seeking ways to help to mitigate, adapt and make the transition to life in a world affected by climate change. Through these investments we are seeking to avoid five million tons of CO₂e emissions annually.

Awards

In 2020, two of Zurich's sustainability specialists – Johanna Köb, Head of Responsible Investment and John Scott, Head of Sustainability Risk – were named as being among those individuals 'Most Influential on Climate Change' by [InsuranceERM](#), an online service that provides information on risk and capital management in the insurance industry. Both Johanna and John have contributed actively to Zurich's climate strategy for many years.

Responsible investment key performance indicators

	2020	2019	Change	2018	2017	2016
External asset managers who are signatories to PRI (%) ¹	81.8%	81.3%	0.6 pts	74.2%	71.0%	74.1%
Group assets managed by PRI signatories (%) ²	97.5%	97.5%	0.1 pts	97.2%	97.2%	97.7%
Total amount of impact investments (USD millions) ³	5,770	4,555	26.7%	3,790	2,830	1,704
Investment portfolio (USD millions) ⁴	226,389	204,803	11.0%	195,472	207,261	195,852

1 The United-Nations supported Principles for Responsible Investment (PRI).

2 Including assets managed by Zurich.

3 Impact investments in 2020 consisted of: green bonds (USD 3,773 million), social and sustainability bonds (USD 904 million), investments committed to private equity funds (USD 189 million, thereof 64 percent drawn down) and impact infrastructure private debt (USD 904 million).

4 Investment portfolio is calculated on a market basis, and is different from the total Group investments reported in the Consolidated Financial Statements, which is calculated on an accounting basis and doesn't include cash and cash equivalents.

Real estate investments

Positive progress towards our targets.

As part of our investment philosophy we follow a thorough due diligence process that includes evaluating our investments against specific targets for energy, greenhouse gas emissions and other aspects of sustainability.

22%

Green labeled buildings/
USD 3.6bn real estate

As a leading sustainable real estate investor, we aim to achieve net-zero greenhouse gas emissions by 2050 in our global real estate investment portfolio.

Real estate portfolios in the U.S., UK and Switzerland are benchmarked against the leading portfolio-level benchmark for ESG performance in real estate, the Global Real Estate Sustainability Benchmark (GRESB).

In 2020, 22 percent of our real estate investment portfolio was certified as meeting high standards from a sustainability and environmental perspective.

The Swiss real estate portfolio has achieved its target to reduce emissions by 20 percent measured against a benchmark set in 2010, a year ahead of schedule and further reduced energy consumption.

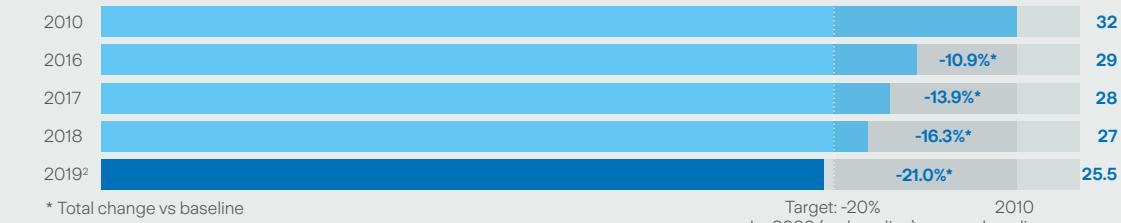
Impact of real estate investment

Energy consumption¹ (kWh per sqm)



Impact of real estate investment

CO2e emissions¹ (kg per sqm)



¹ Scope includes Real Estate Investments in Switzerland (40% of global direct real estate investment value). Buildings in the real estate investment portfolio are largely not used by Zurich. The environmental footprint of Zurich's own-use real estate is reported in Zurich's environmental section. The data is based on meter readings and energy supplier information and are heating degree adjusted.

² Impact of real estate investment data 2020 will be available in Q12022.





About this report

The world is transforming at an unprecedented pace. At Zurich we believe we can have a positive impact in our role as insurer, investor, employer and in society. We have the knowledge, skills and capabilities and spirit to make a difference.

UN Global Compact

Continuing to support the UN Global Compact.



Statement of continuing support

Zurich became a signatory of the UN Global Compact in July 2011, because we believe that being a responsible company is fundamental to our long-term sustainability. As a signatory, we are committed to aligning our strategy, culture and day-to-day operations with the Global Compact's 10 universally-accepted principles in the areas of human rights, labor, environment and anti-corruption. The principles of the Global Compact complement our purpose, values and Code of Conduct, and all Zurich employees are expected to live up to them.



Our continued commitment to the Global Compact's principles on human and labor rights, the environment and anti-corruption is expressed in this report. We are committed to embracing, supporting and enacting these principles within our sphere of influence, and we will regularly communicate our progress.

Mario Greco
Group Chief Executive Officer
Zurich Insurance Group

Links to relevant information on our website

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.



Links

- [Our commitment](#)
- [Respecting human rights](#)
- [ESG integration into insurance](#)
- [Z Zurich Foundation Annual Report 2019](#)
- [Global Risks Report 2021](#)
- [Sustainable products and solutions](#)
- [Employees speaking up and reporting concerns](#)
- [Suppliers](#)
- [Health and safety management](#)

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation.



Links

- [Our commitment](#)
- [Diversity, inclusion and wellbeing](#)
- [Employee development](#)
- [Board composition \(Annual Report 2020\)](#)
- [Employees speaking up and reporting concerns](#)
- [Health and safety management](#)
- [Suppliers](#)

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.



Links

- [Our commitment](#)
- [Group environmental policy](#)
- [Environmental performance](#)
- [Assurance statement](#)
- [Zurich Flood Resilience Alliance](#)
- [Our climate commitment](#)
- [Carbon neutrality at Zurich](#)
- [Responsible investment](#)
- [Environmental risks](#)
- [Sustainable products and services](#)
- [ESG integration into insurance](#)
- [Coal, oil sands and oil shale](#)

Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

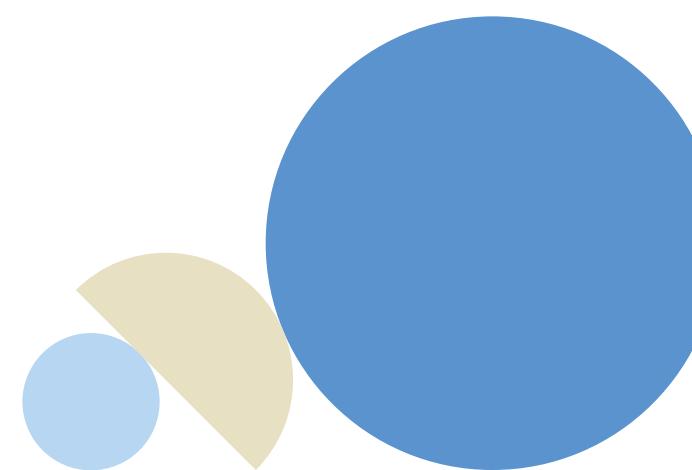


Links

- [Our commitment](#)
- [Anti-bribery and anti-corruption](#)
- [ESG integration into insurance](#)
- [Respecting human rights](#)

UNEP FI Principles for Sustainable Insurance

A global framework for the insurance industry.



United Nations Environment Programme Finance Initiative (UNEP FI) and Principles for Sustainable Insurance (PSI)

The UNEP FI and PSI serve as a global framework for the insurance industry to address environmental, social and governance risks and opportunities. Zurich became a signatory in 2017.



Proud of our approach

At Zurich, we are proud of the steps we have taken to incorporate environmental, social and governance (ESG) considerations into our core activities of investment and underwriting. Signing the UNEP FI Principles for Sustainable Insurance allows us to build on those efforts by being part of the broader dialog on the role insurance plays in shaping a more resilient tomorrow.

Mario Greco
Group Chief Executive Officer
Zurich Insurance Group

Links to relevant information on our website

Principle 1

We will embed ESG issues relevant to our insurance business into our decision-making.



Links

- Our governance and policies
- Our strategic priorities
- Governance, Nominations & Sustainability Committee
- Our Group's Code of Conduct
- ESG integration in insurance
- Respecting human rights
- Solutions with sustainable impact
- Our claims philosophy
- Our responsibility as an investor: doing well and doing good
- Exclusion policies

Principle 2

We will work together with our clients and business partners to raise awareness of ESG issues, manage risk and develop solutions.



Links

- ESG integration in insurance
- Respecting human rights
- Our responsibility as an investor: doing well and doing good
- Responsible sourcing and procurement
- The Zurich Flood Resilience Alliance
- Supporting initiatives to improve road safety
- Industry knowledge
- Commercial Insurance – Supporting a sustainable future

Principle 3

We will work together with governments, regulators and other key stakeholders to promote widespread action across society on ESG issues.



Links

- Policy engagement
- CDP submission 2020 section 12.3
- The Zurich Flood Resilience Alliance
- Finding new ways of improving flood resilience
- Collaborating to advance responsible investment
- The Z Zurich Foundation
- The World Economic Forum
- Learning and insurance

Principle 4

We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.



Links

- Our annual Sustainability Report includes the UN Global Compact communication on progress
- Annual Report
- RI Transparency report
- Z Zurich Foundation annual report
- Industry knowledge
- External monitoring, indices and commitments
- Zurich.com/sustainability

Data table

CO2e emissions per employee (metric tons per FTE)

Environmental key performance indicators	2019		change vs baseline	2015 baseline	Target
	2019 ³	2018			
CO2e emissions per employee (tons per FTE)	1.75	1.94	2.06	(28%)	2.43
of which CO2e emissions related to facilities (tons per FTE) ¹	0.79	0.95	1.09	(33%)	1.18
of which CO2e emissions related to travel (tons per FTE) ²	0.96	0.99	0.97	(23%)	1.24
-20% by 2025 (vs baseline)					

¹ Includes emissions from own-use real estate (electricity and heat).² Includes emissions from air travel, rail and cars (rental cars and car fleet).³ 2020 data will be available in Q2 2021.

People key performance indicators

	2020	2019	Change	2018	2017	2016
Total number of employees – headcount	55,089	55,369	(0.5%)	53,535	53,146	53,894
Total number of employees – FTE (full time equivalents)	52,930	54,030	(2.0%)	52,267	51,633	52,473
Employee turnover rate (%) ¹	9.6%	13.6%	(4.0 pts)	14.1%	14.7%	16.5%
Average tenure (years)	9.7	9.7	n.m.	9.7	9.8	9.9
Group voluntary turnover ¹	4.7%	7.2%	(2.5 pts)	7.5%	7.5%	8.2%
Technical functions voluntary turnover ^{1,2}	4.6%	6.5%	(1.9 pts)	7.0%	7.1%	8.7%
Female workforce participation (%)	51.0%	51.1%	(0.1 pts)	50.7%	50.6%	51.1%
Female participation in Leadership Team (%)	27.1%	22.6%	4.5 pts	22.3%	21.0%	16.2%
Employee participation in Group-wide feedback channels (%) ³	84.0%	76.0%	8.0 pts	70.0%	–	–
Employee net promoter score (eNPS) ⁴	+52	+26	26	+7	–	–

Notes: Bolivia and the Farmers Exchanges are not in scope of any above key performance indicators (KPIs). The Farmers Exchanges are owned by their policyholders. Farmers Group, Inc., a wholly owned subsidiary of the Zurich Insurance Group, provides certain non-claims services and ancillary services to the Farmers Exchanges as attorney-in-fact and receives fees for its services.

¹ Turnover figures only consider regular and in-patriate employees.² Technical functions include Claims, Underwriting and Risk Engineering.³ Group-wide feedback channels include organization health surveys, employee net promoter scores (eNPS) and any other Group-wide feedback channels. This KPI refers to the average participation rate in the two occurrences of the employee net promoter score survey in 2019, while in 2020 it refers to the single survey that was carried out due to the pandemic.⁴ eNPS is calculated as the average of the two surveys carried out during the year in 2019, and based on the single survey for 2020, measuring employee loyalty through the likelihood to recommend the company as a place to work. eNPS is based on the methodology of measuring and improving customer satisfaction and loyalty (transaction NPS and relationship NPS) which Zurich uses as a successful method to retain customers.

Community investment key performance indicators

	2020	2019	Change
Fundraising and donations (USD millions) ¹	2.5	2.3	10%
Total time volunteered by workforce (business hours) ²	38,830	129,702	(70.0%)
of which skills-based hours ²	19,485	31,463	(38.0%)
Workforce actively volunteering (% of total headcount) ²	9.3%	20.9%	(11.6 pts)
Total full year charitable cash contributions by Zurich business units (USD millions) ³	31.9	11.9	168.0%
Total full year charitable cash contributions by Zurich to Z Zurich Foundation (USD millions) ⁴	42.7	40.3	6.0%

Notes: Zurich Insurance Group and its employees are contributing through fundraising, volunteering and cash contributions apart from the community investment activities carried out by the Z Zurich Foundation. All figures exclude Farmers Exchanges. Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides certain non-claims services and ancillary services to the Farmers Exchanges as attorney-in-fact and receives fees for its services.

¹ Mostly includes Zurich employees' fundraising and donations. As the share of the Zurich business units' matching becomes negligible, the split of these two sub-categories is no longer reflected.² 2019 figures have been restated to exclude volunteering by Farmers Exchanges employees.³ The increase in cash contributions in 2020 is mainly driven by a one-off donation to the COVID-19 Support Fund in the UK.⁴ Starting from 2019, contributions cover the total charitable donations made by various legal entities of the Zurich Insurance Group to the Z Zurich Foundation on a cash-out basis. The donation amounted to CHF 40 million in 2019 and 2020.

Responsible investment key performance indicators

	2020	2019	Change	2018	2017	2016
External asset managers who are signatories to PRI (%) ¹	81.8%	81.3%	0.6 pts	74.2%	71.0%	74.1%
Group assets managed by PRI signatories (%) ²	97.5%	97.5%	0.1 pts	97.2%	97.2%	97.7%
Total amount of impact investments (USD millions) ³	5,770	4,555	26.7%	3,790	2,830	1,704
Investment portfolio (USD millions) ⁴	226,389	204,803	11.0%	195,472	207,261	195,852

¹ The United-Nations supported Principles for Responsible Investment (PRI).² Including assets managed by Zurich.³ Impact investments in 2020 consisted of: green bonds (USD 3,773 million), social and sustainability bonds (USD 904 million), investments committed to private equity funds (USD 189 million, thereof 64 percent drawn down) and impact infrastructure private debt (USD 904 million).⁴ Investment portfolio is calculated on a market basis, and is different from the total Group investments reported in the Consolidated Financial Statements, which is calculated on an accounting basis and doesn't include cash and cash equivalents.

Independent Assurance Report on Zurich's Sustainability reporting 2020

To the Executive Committee of Zurich Insurance Group AG, Zurich

We have been engaged to perform assurance procedures to provide limited assurance on the sustainability reporting of Zurich Insurance Group AG and its consolidated subsidiaries (ZIG) for the year ended December 31, 2020.

Scope and subject matter

Our limited assurance engagement focused on selected sustainability indicators published in the Sustainability 2020 Report of ZIG:

- The 2019 CO₂ emissions per employee key performance indicators on page 29, the 2020 People key performance indicators on page 47, the 2020 Community investment key performance indicators on page 53, the 2020 ESG integration key performance indicators on page 56, the 2020 Impact investments key performance indicators on page 57, the 2020 Advancing together key performance indicators on page 59, the 2020 Responsible investment key performance indicators on pages 61, the 2019 Impact of real estate investment key performance indicators on page 62 (the 'sustainability indicators'); and
- The management and reporting processes with respect to the selected sustainability indicators as well as the control environment in relation to the data aggregation of these sustainability indicators.

Criteria

The reporting criteria used by ZIG are described in the internal reporting guidelines and define those procedures, by which the sustainability indicators are internally gathered, collated and aggregated.

Inherent limitations

The accuracy and completeness of sustainability indicators are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. Our assurance report should therefore be read in connection with ZIG's internal guidelines, definitions and procedures on sustainability reporting. Further, the greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

ZIG's responsibility

The Executive Committee of ZIG is responsible for both the subject matter and the criteria as well as for the selection, preparation and presentation of the information in accordance with the criteria. This responsibility includes the design, implementation and maintenance of related internal control relevant to this reporting process that is free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the sustainability indicators based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (revised), 'Assurance Engagements other than Audits or Reviews of Historical Financial Information,' and, in respect of greenhouse gas emissions, with the International Standard on Assurance Engagements 3410, 'Assurance Engagements on Greenhouse Gas Statements,' issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the identified sustainability indicators are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (revised) and ISAE 3410 involves assessing the suitability in the circumstances of ZIG's use of applicable criteria as the basis for the preparation of the sustainability indicators, assessing the risks of material misstatement of the sustainability indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of sustainability indicators. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures selected depend on the assurance practitioner's judgment.

Our independence and quality controls

We are independent of ZIG in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) that are relevant to our audit of the financial statements and other assurance engagements in Switzerland. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of the work performed

Our limited assurance procedures included, but were not limited to the following work:

- Reviewing the application of ZIG's internal guidelines using a sample of affiliates in Switzerland, UK, USA, Germany, Austria and Spain
- Interviewing ZIG representatives at Group level responsible for the data collection and reporting
- Performing tests on a sample basis of evidence supporting the sustainability indicators as outlined in the scope and subject matter section concerning completeness, accuracy, adequacy and consistency
- Inspecting the relevant documentation on a sample basis
- Reviewing and assessing the management reporting processes for sustainability reporting and consolidation and their related controls.

We have not carried out any work on data other than outlined in the scope and subject matter section as defined above. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusions.

Limited assurance conclusion

Based on the procedures we performed, nothing has come to our attention that causes us to believe that:

- The sustainability indicators of ZIG as described in the scope and subject matter section are not prepared and disclosed in all material respects in accordance with ZIG's internal guidelines and procedures; and
- The management and reporting processes to collect and aggregate the sustainability indicators as well as the control environment in relation to the data aggregation are not functioning as designed.

PricewaterhouseCoopers AG

Peter Eberli

Raphael Rutishauser

Zurich, March 3, 2021

GRI Index

GRI is an international independent organization that helps businesses, governments and other organizations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others. We have used references to the Global Reporting Initiative (GRI) as an index below to help our stakeholders find the information relevant to them without adhering to the standards listed in the index in its entirety. This index lists the organization's reports and web pages and their reference to the following GRI Standards.

	Number	Disclosure name	Reference and page number		Number	Disclosure name	Reference and page number		Number	Disclosure name	Reference and page number
General Disclosures	102-1	Name of the organization	AR inside front cover (ifc)		102-17	Mechanisms for advice and concerns about ethics	AR 80		102-32	Highest governance body's role in sustainability reporting	AR 62; CDP
	102-2	Activities, brands, products, and services	AR ifc, 8 to 9 and 18 to 19; SR 26 to 28		102-18	Governance structure	AR 47 to 48, 52, 68 and 76; SR 16; CDP		102-33	Communicating critical concerns	AR 71; CDP
	102-3	Location of headquarters	AR ifc		102-19	Delegating authority	SR 16; CDP		102-35	Remuneration policies	AR 95 to 98
	102-4	Location of operations	AR 10 to 11 and 299 to 302		102-20	Executive-level responsibility for economic, environmental, and social topics	AR 62; SR 16		102-36	Process for determining remuneration	AR 99 to 105
	102-5	Ownership and legal form	AR 206 and 315		102-21	Consulting stakeholders on economic, environmental, and social topics	SR 8 to 9		102-37	Stakeholders' involvement in remuneration	AR 103 and 105 to 106
	102-6	Markets served	AR		102-22	Composition of the highest governance body and its committees	AR 50 to 64		102-40	List of stakeholder groups	AR 30 to 37 and 81 to 87; SR 13 to 15; CDP
	102-7	Scale of the organization	AR ifc and 10 and 11		102-23	Chair of the highest governance body	AR 12 to 13, 42 to 43 and 52; SR 16		102-41	Collective bargaining agreements	AR
	102-8	Information on employees and other workers	AR 32 to 33, 84 to 85 and 174; SR 47		102-24	Nominating and selecting the highest governance body	AR 52		102-42	Identifying and selecting stakeholders	SR 8
	102-9	Supply chain	AR SR 14 and 31; CDP		102-25	Conflicts of interest	AR 58		102-43	Approach to stakeholder engagement	AR 30 to 37; SR 8 and 13 to 15
	102-10	Significant changes to the organization and its supply chain	AR 14 to 17, 20 to 29, 193 and 221 to 223		102-26	Role of highest governance body in setting purpose, values, and strategy	AR 60		102-44	Key topics and concerns raised	SR 8 to 9
	102-11	Precautionary principle or approach	AR inside back cover		102-27	Collective knowledge of highest governance body	AR 60		102-45	Entities included in the consolidated financial statements	AR 299 to 302
	102-12	External initiatives	AR AR 36 to 37 and 165 to 166; SR 10 to 11, 16, 23 and 64 to 65		102-28	Evaluating the highest governance body's performance	AR 61		102-46	Defining report content and topic boundaries	AR 164, 206 to 207 and 315
	102-13	Membership of associations	AR CDP		102-29	Identifying and managing economic, environmental, and social impacts	AR 61 to 62; SR 8 to 9				
	102-14	Statement from senior decision-maker	AR 12 to 17, 42 to 43, 92 to 93, 128 to 129, 162 to 163, 182 to 183 and 194 to 195; SR 2		102-30	Effectiveness of risk management processes	AR 154				
	102-15	Key impacts, risks, and opportunities	AR AR 18 to 22, 128 to 129 and 165 to 173; SR 7 to 9, 20, 22 to 24 and 26 to 28; CDP		102-31	Review of economic, environmental, and social topics	AR 30 to 39 and 162 to 175				
	102-16	Values, principles, standards, and norms of behavior	AR AR 23 to 29; SR 17 to 18								

Key:

AR Annual Report 2020 **SR** Sustainability Report 2020*

CDP CDP submission 2020 [Link to Zurich Insurance Group website](#)

* The Sustainability Report 2020 includes the United Nations Global Compact communication on progress and our progress in implementing the UN Environment Programme Finance Initiative Principles for Sustainable Insurance. For more information see www.zurich.com/en/sustainability

GRI Index (continued)

	Number	Disclosure name	Reference and page number
General Disclosures continued	102-47	List of material topics	SR 8 to 9
	102-49	Changes in reporting	AR 208 to 209
	102-50	Reporting period	AR 206 to 207 and 315
	102-51	Date of most recent report	SR front cover; CDP
	102-52	Reporting cycle	AR 197; SR 4; CDP
	102-53	Contact point for questions regarding the report	AR inside back cover
Management Approach	102-55	GRI content index	AR 176 to 177; SR 68 to 69
	102-56	External assurance	AR 77 to 78, 124, 178 to 179, 306 to 311 and 322 to 325; SR 6
Economic Performance	103-1	Explanation of the material topic and its boundary	SR 7 to 9
	103-3	Evaluation of the management approach	AR 61 to 64; SR 7 to 9
	201-1	Direct economic value generated and distributed	AR 197 to 205
	201-2	Financial implications and other risks and opportunities due to climate change	AR 165 to 173; CDP
Indirect Economic Impacts	201-3	Defined benefit plan obligations and other retirement plans	AR 258 to 265
	201-4	Financial assistance received from government	AR 250
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	SR 49 to 50 and 57 to 58; CDP
	203-2	Significant indirect economic impacts	

	Number	Disclosure name	Reference and page number
Tax	207-1	Approach to tax	↗ AR 193; SR 19
	207-2	Tax governance, control, and risk management	↗
	207-3	Stakeholder engagement and management of concerns related to tax	↗
	207-4	Country-by-country reporting	↗ AR 175
Materials	301-2	Recycled input materials used	↗
Energy	302-1	Energy consumption within the organization	↗ SR 29; CDP
	302-3	Energy intensity	CDP
	302-4	Reduction of energy consumption	↗ SR 29 to 31; CDP
Emissions	305-1	Direct (Scope 1) GHG emissions	↗ AR 9, 163 and 175; SR 29; CDP
	305-2	Energy indirect (Scope 2) GHG emissions	↗ CDP
	305-3	Other indirect (Scope 3) GHG emissions	↗ CDP
	305-4	GHG emissions intensity	CDP
	305-5	Reduction of GHG emissions	↗ SR 29; CDP
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	CDP
Employment	401-1	New employee hires and employee turnover	↗ ↗ AR 174; SR 47

	Number	Disclosure name	Reference and page number
Occupational Health and Safety	403-1	Occupational health and safety management system	 SR 44
	403-6	Promotion of worker health	 SR 44 to 45
Training and Education	404-1	Average hours of training per year per employee	
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	  AR 53 and 174; SR 40
Public Policy	415-1	Political contributions	

Key

AR Annual Report 2020 **SR** Sustainability Report 2020

CDP CDP submission 2020  Link to Zurich Insurance Group website

* The Sustainability Report 2020 includes the United Nations Global Compact communication on progress and our progress in implementing the UN Environment Programme Finance Initiative Principles for Sustainable Insurance. For more information see www.zurich.com/en/sustainability

Disclaimer and cautionary statement

Certain statements in this document are forward-looking statements, including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives of Zurich Insurance Group Ltd or the Zurich Insurance Group (the Group). Forward-looking statements include statements regarding the Group's targeted profit, return on equity targets, expenses, pricing conditions, dividend policy and underwriting and claims results, as well as statements regarding the Group's understanding of general economic, financial and insurance market conditions and expected developments. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and plans and objectives of Zurich Insurance Group Ltd or the Group to differ materially from those expressed or implied in the forward-looking statements (or from past results). Factors such as (i) general economic conditions and competitive factors, particularly in key markets; (ii) the risk of a global economic downturn, in the financial services industries in particular; (iii) performance of financial markets; (iv) levels of interest rates and currency exchange rates; (v) frequency, severity and development of insured claims events; (vi) mortality and morbidity experience; (vii) policy renewal and lapse rates; (viii) increased litigation activity and regulatory actions; and (ix) changes in laws and regulations and in the policies of regulators may have a direct bearing on the results of operations of Zurich Insurance Group Ltd and its Group and on whether the targets will be achieved.

Specifically in relation with the COVID-19 related statements, such statements were made on the basis of circumstances prevailing at a certain time and on the basis of specific terms and conditions (in particular applicable exclusions) of insurance policies as written and interpreted by the Group and may be subject to regulatory, legislative, governmental and litigation-related developments affecting the extent of potential losses covered by a member of the Group or potentially exposing the Group to additional losses if terms or conditions are retroactively amended by way of legislative or regulatory action. Zurich Insurance Group Ltd undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

All references to 'Farmers Exchanges' mean Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange and their subsidiaries and affiliates. The three Exchanges are California domiciled interinsurance exchanges owned by their policyholders with governance oversight by their Boards of Governors. Farmers Group, Inc. and its subsidiaries are appointed as the attorneys-in-fact for the three Exchanges and in that capacity provide certain non-claims services and ancillary services to the Farmers Exchanges. Neither Farmers Group, Inc., nor its parent companies, Zurich Insurance Company Ltd and Zurich Insurance Group Ltd, have any ownership interest in the Farmers Exchanges. Financial information about the Farmers Exchanges is proprietary to the Farmers Exchanges, but is provided to support an understanding of the performance of Farmers Group, Inc. and Farmers Reinsurance Company.

It should be noted that past performance is not a guide to future performance. Please also note that interim results are not necessarily indicative of full year results.

Persons requiring advice should consult an independent adviser.

This communication does not constitute an offer or an invitation for the sale or purchase of securities in any jurisdiction.

THIS COMMUNICATION DOES NOT CONTAIN AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES; SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR EXEMPTION FROM REGISTRATION, AND ANY PUBLIC OFFERING OF SECURITIES TO BE MADE IN THE UNITED STATES WILL BE MADE BY MEANS OF A PROSPECTUS THAT MAY BE OBTAINED FROM THE ISSUER AND THAT WILL CONTAIN DETAILED INFORMATION ABOUT THE COMPANY AND MANAGEMENT, AS WELL AS FINANCIAL STATEMENTS.

Zurich Insurance Group
Mythenquai 2
8002 Zurich, Switzerland
Phone: +41 (0) 44 625 25 25
www.zurich.com

