





# A guide to sustainability at Zurich



March 2025  
Investor presentation  
Zurich Insurance Group



## Main Sections

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-  Sustainable insurance
-  Responsible investment
-  Data Privacy, Security and Responsible AI

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# Our sustainability approach



Sustainability strategy	We use our expertise as a risk manager, risk carrier and an investor to enhance resilience to natural, societal, economic and financial risks
Financial materiality	Our priorities are based on financial materiality and ensure strategic actions for mitigating risks, while seizing business opportunities
Sustainability governance	Sustainability management is embedded across the organization and is embedded variable remuneration
Executing on our strategy	Progressing well on our journey with the first interim targets for reduction of investments financed emissions reached in 2024 and new targets set for 2030

# Our sustainability approach is driven by sound risk management, societal expectations, legal and transparency requirements



## Risk management

Deploy effective risk management in order to **navigate risks and opportunities** presented by long term trends



## Societal expectations

Support the **social transformation** resulting from the energy transition and respond to the **changing preferences** of customers and employees

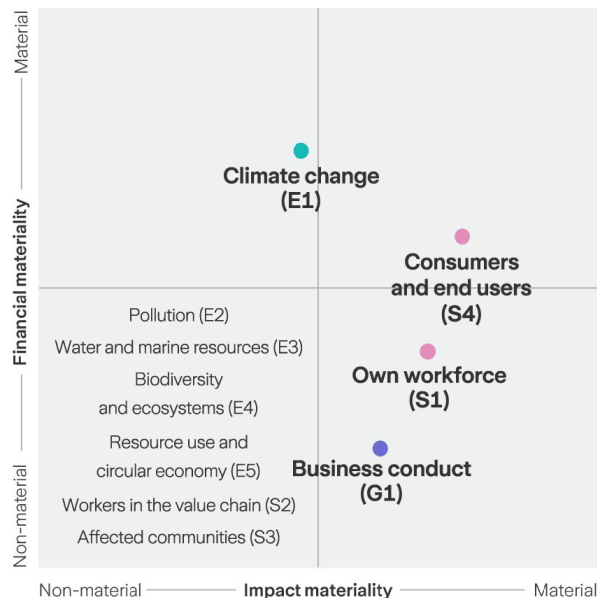


## Legal and regulatory requirements

Comply with **regulatory demands** for risk assessment and reporting; development of sustainability reporting frameworks

# Our materiality assessment deepens our understanding of sustainability risks and opportunities

## Zurich's CSRD-aligned Double Materiality Matrix<sup>1</sup>



Material	
Topic	Subtopic
● <b>Climate change (E1)</b>	<ul style="list-style-type: none"> <li>– Climate change mitigation</li> <li>– Climate change adaptation</li> </ul>
● <b>Own workforce (S1)</b>	<ul style="list-style-type: none"> <li>– Equal treatment and opportunities for all</li> <li>– Working conditions</li> <li>– Other work-related rights</li> <li>– Training and skills development</li> </ul>
● <b>Consumers and end users (S4)</b>	<ul style="list-style-type: none"> <li>– Information-related impacts for consumers and/or end users</li> <li>– Access to (quality) information</li> </ul>
● <b>Business conduct (G1)</b>	<ul style="list-style-type: none"> <li>– Corporate culture</li> <li>– Protection of whistleblowers</li> </ul>
Non-material	
Watchlist	
● <b>S1</b> AI's impact on workforce	● <b>S4</b> Social inclusion
● <b>G1</b> Responsible use of AI	● <b>E1</b> Extreme heat in accident and health
● <b>E4</b> Drivers of biodiversity loss	● <b>E5</b> Resource scarcity

## Shaping our strategic response in 2024

- The Double Materiality Matrix defines CSRD-aligned disclosures
- We are executing on our first Climate Transition Plan in Sept 2024, addressing both mitigation and adaptation strategies in line with the Swiss Ordinance on mandatory Climate disclosures

<sup>1</sup> The Double Materiality Matrix is monitored on a continuous basis and integrated in our strategy and execution.

# Sustainability framework underpinned by qualitative ambition and quantitative targets

**Customer:** Support transformation towards a more sustainable future



Grow sustainable revenue and risk advisory business

Increase climate solution investments to 6% of assets by 2030<sup>1</sup>

Deliver on our data and responsible AI commitment

**Planet:** Mitigate and adapt to climate change



Execute on our climate transition plan

Interim 2030 target set for operations, investments and underwriting

75% of Managed Procurement spend with suppliers with net-zero targets by 2030

**People:** Future proof our people and enable more to thrive



Increase share of internal hires

Sustain inclusive & equitable workplaces for everyone

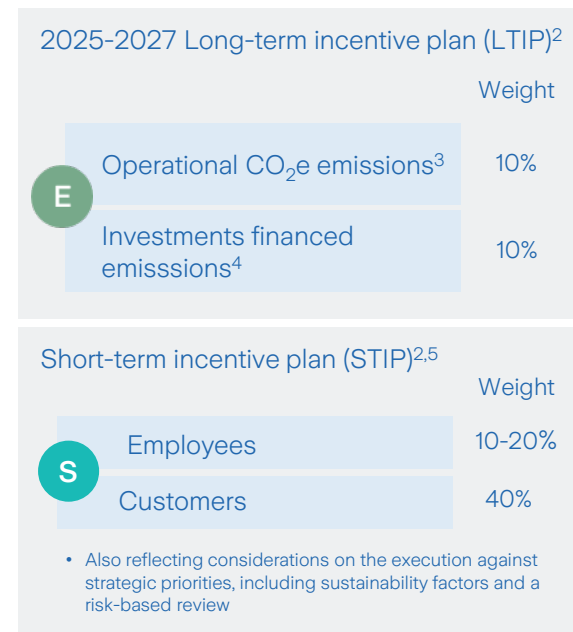
Support people to protect their physical, mental, financial and social wellbeing

# Solid governance in place to secure execution

## Sustainability is embedded in our governance framework



## Sustainability in remuneration



<sup>1</sup> Governance, Nominations and Sustainability Committee.

<sup>2</sup> Further described in the remuneration report, which submitted to the shareholders at 2025 annual general meeting of shareholders in a consultative vote.

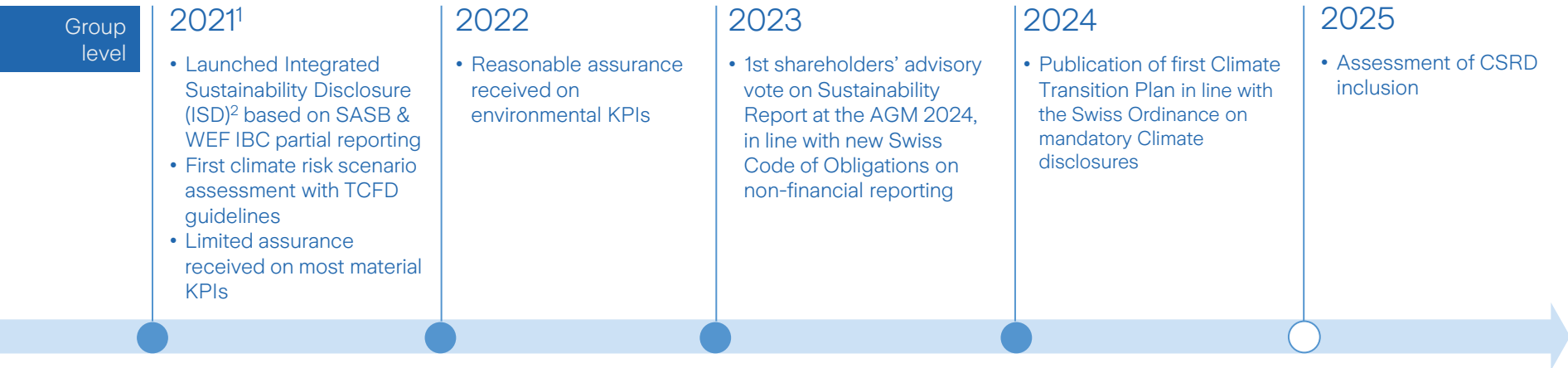
<sup>3</sup> Based on ~90% of scope 1, 2 and 3 (upstream) operational emissions; the remaining emissions (electricity, heating, waste and employee commuting) are excluded due to time lags in the availability of data.

<sup>4</sup> 2027 target for listed equities and corporate bond holdings as measured per year end 2027 vs 2019 baseline. Reflecting the reduction of emissions intensities (scope 1 and 2), defined as metric tons CO<sub>2</sub> equivalent per USD million invested.

<sup>5</sup> Individual performance weights for FY-24 ExCo STIP.



# We continuously enhance our sustainability reporting in line with legal and regulatory requirements



Other considerations



Recognitions<sup>3</sup>



<sup>1</sup> Fiscal years.  
<sup>2</sup> Renamed to Sustainability Report starting 2023.  
<sup>3</sup> MSCI ESG Rating Report, July 2024 ("AAA" rating); ISS ESG Rating Report, August 2024 (Prime status C+ / Decile Rank 1); FTSE Industry Classification Benchmark (ICB), June 2024 (Absolute score of 4.1 out of 5.0).

# People and operations



# Our focus on people sustainability and business integrity

## Our people strategy

Support the long-term employability of our people while delivering on customer and societal needs

- **Skilled, employable workforce:** We accelerate skills-based careers and develop talent
- **Resilient, inclusive and engaged organization:** We engage our people and enable them to thrive

## Doing the right thing

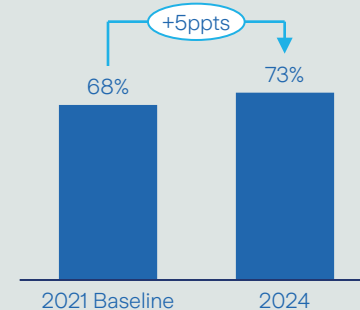
Our code of conduct provides a reference to maintain the trust of others, our customers, investors, regulators and society

Illustration:

- The **Group Policy Anti-Bribery and Anti-Corruption** sets out the minimum requirements and obligations, for subsidiaries, including their board members and employees.
- It sets minimum requirements for, amongst others, associated person and 3rd party due diligence, incentives and gifts and entertainment

## Increase share of internal hires target

Internal hiring rate<sup>1</sup>

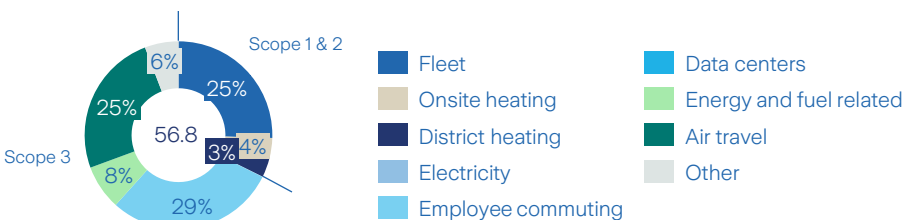
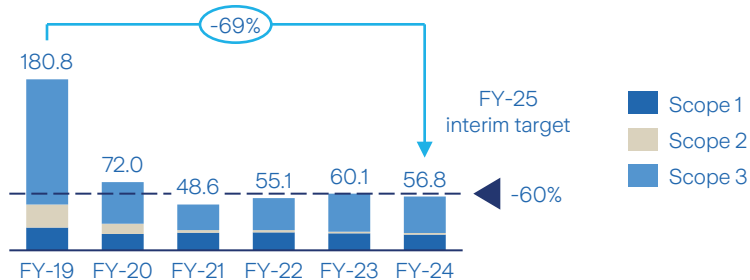


<sup>1</sup> As of 2023, we included Farmers Group, Inc. its subsidiaries, and Cover-More and have evolved the definition of this metric to include internal career opportunities generated for entry-level roles (career level A), international moves, re-hires, and changes in employment types from temporary to permanent. Entry-level roles (career level A) remain excluded from "external hires" as these positions are, by nature, filled by external career starters.

# We are progressing on our operational carbon emissions reduction targets while decarbonizing the supply chain

## Operational carbon emissions<sup>1,2</sup>

2024 CO<sub>2</sub>e in thousand metric tonnes



## Decarbonizing our supply-chain

75% of managed procurement spend<sup>1</sup> (MPS) with suppliers that have:



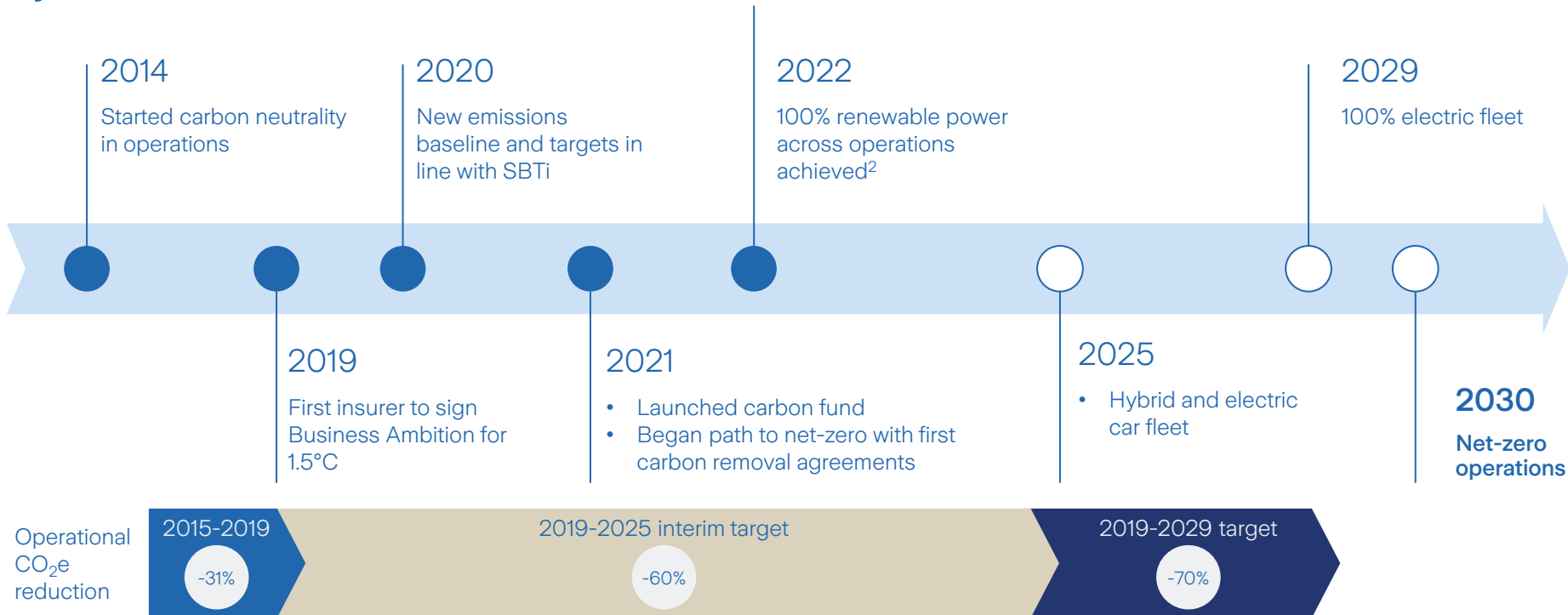
2024 achievement to target date<sup>3</sup>



Catalyze net-zero value chain transformation through engagement and targets

<sup>1</sup> 2024 LTIP relevant emissions sources fully audited with reasonable assurance.  
<sup>2</sup> Cover-More, Farmers Group, Inc. and its subsidiaries, our joint ventures with Banco Sabadell and Banco Santander, smaller businesses like Real Garant and Orion, third party vendors as well as our new acquisitions Kotak and Travel Guard are excluded since they were not reflected in the CO<sub>2</sub>e emissions baseline in 2019.

# We have a clear pathway to net-zero in our operations<sup>1</sup> by 2030



<sup>1</sup> Cover-More, Farmers Group, Inc. and its subsidiaries, our joint ventures with Banco Sabadell and Banco Santander, smaller businesses like Real Garant and Orion, third party vendors as well as our new acquisitions Kotak and Travel Guard are excluded since they were not reflected in the CO<sub>2</sub>e emissions baseline in 2019.

<sup>2</sup> Where sourcing of renewable power is not technically feasible, we have sourced certificates from adjacent markets in Qatar, Bahrain and Ecuador and we are looking for the best solution in Bermuda although the load is small and falls under the RE100 materiality threshold.

# Sustainable insurance



# We have set 2030 interim targets for our insurance business, on our journey to net zero

## Insuring the transition



Focus on channelling our insurance capacity across all insurance lines, expand our range of sustainable solutions and expertise to support key net-zero technologies and infrastructure in key markets

- Profitably expanding our range of **sustainable products and services**, and deploying and growing our expertise to support key net-zero technologies and infrastructure in key markets

## Focused engagement



Engage with customers to understand and support their transition plans

- **Engage** with 450 of our largest insurance customers who **contribute most heavily to our portfolio emissions** by 2030<sup>1</sup>
- Engage with 65 customers in the first 12 months after publication of the Transition Plan

## Support the reduction of real-world emissions



Commitment to achieve net zero emissions portfolio by 2050; implement underwriting actions within the most carbon intensive industries

- **Reduce the IAE intensity of our large corporate customer portfolio<sup>1</sup> by 20% by 2030**

<sup>1</sup> Determined by scope 1 & 2 for our customers' emissions using the PCAF insurance associated emissions methodology for commercial lines, covering customers with revenues > USD 1bn.

# We address sustainability risks across our most impacted lines of business through engagement and risk insight

## Most impacted lines of business

### Property and cat management



- Continuous development of best-in-class Cat modelling & Accumulation management
- Optimize exposure in key peril regions
- Capability building to advise customers (Resilience solutions)

### Sustainable energy



- Engage on customers' transition plans
- Further enhance expertise & capabilities (Underwriting, Risk Engineering, Claims)
- Grow renewables market share where we have expertise

### Construction



- Understand impacts of changes in construction materials/ methods on risk
- Monitor market trends/ experience (market differentiated approach)
- Adapt proposition (support growth & innovation)

## ACDC transition assessment framework



**Alignment**  
with Paris agreement and net-zero targets



**Commitment**  
Short term plans and capex in place



**Delivery**  
Demonstrate progress on targets



**Communication**  
Transparent and regular disclosures



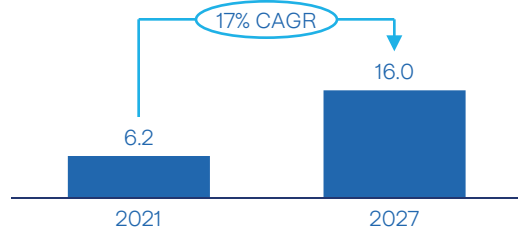
# Grow Zurich Resilience Solutions and expand climate risk prevention and mitigation solutions

Rapidly growing sustainability services market is an opportunity to build stronger relationships



Customers demand risk prevention and mitigation solutions in addition to insurance measures to protect their operations

Sustainability consulting services market (USDbn)<sup>1</sup>



## Zurich Resilience Solutions

- 950+ Employees
- 40+ Countries
- 63k+ Customer site assessments
- 155k Risk assessments



## Madrid City Council

With heatwaves expected to increase in frequency, intensity and duration, Madrid City Council turned to Zurich Resilience Solutions to help the Spanish capital adapt.

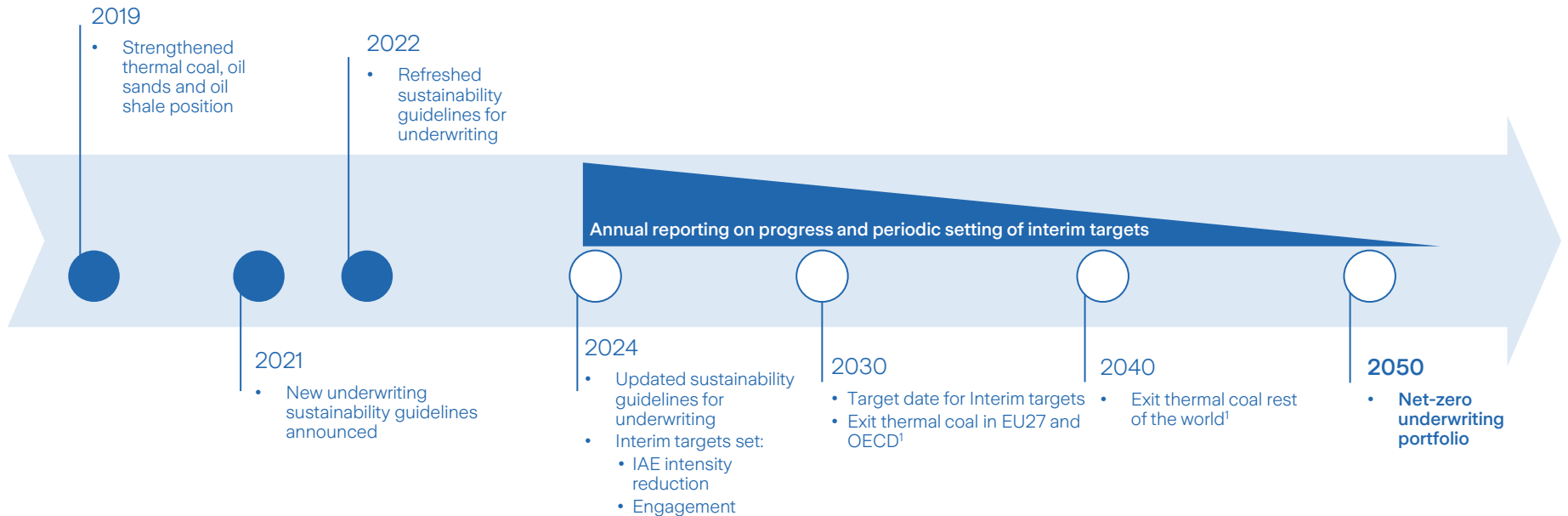


Zurich Resilience Solutions (ZRS) worked with the Madrid City Council to help identify and quantify hazard exposure of students to heat stress, define potential impact scenarios based on vulnerabilities such as conditions of schools, health issues or economic limitations, to define adaptation measures for city's climate resilience plan

<sup>1</sup> Includes sustainability categories of corporate strategy, digital transformation, corporate reporting and disclosures, operational transformation, product stewardship and supply chain sustainability, and investor advisory Source: Sustainability Consulting: Market Size and Forecast 2021-2027, Verdantix; McKinsey research and analysis.



# We are progressing on the pathway to reach net-zero in underwriting by 2050



<sup>1</sup> As permissible by laws & regulations.

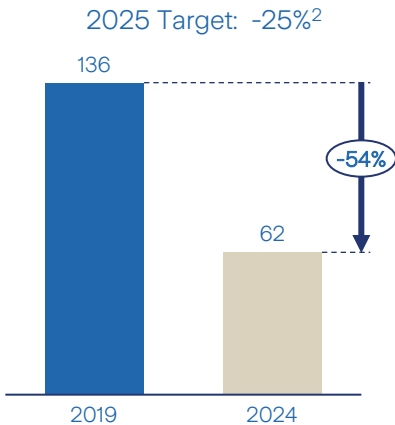
# Responsible investment



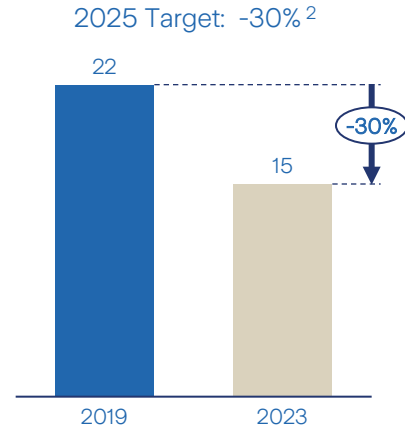
# We are delivering on our interim investment portfolio targets

## Reduction of financed emissions

Listed equity and corporate bond investments emission intensity<sup>1</sup>  
Metric tons CO<sub>2</sub>e / USDm



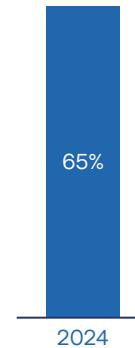
Direct real estate investments emission intensity<sup>3</sup>  
Kg CO<sub>2</sub>e/sqm



## Engagements

Engagement with investees without science-based targets<sup>4</sup>, representing financed emissions

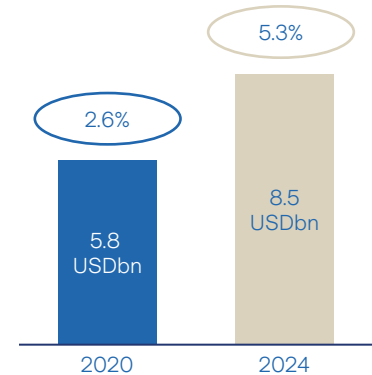
2025 Target vs 2019: 65%



## Impact investments

Share of Group total invested assets in impact investments

2025<sup>5</sup> Target: 5% of total investments



<sup>1</sup> Relative emission intensity (metric tons CO<sub>2</sub>e/1 million market value). Scope 1 and Scope 2 emissions as well as enterprise value (EV) data provided by S&P Trucost. Where EV is not available, it is substituted with market capitalization.

<sup>2</sup> Based on latest available data and on 2023 data for Real Estate.

<sup>3</sup> Includes investment portfolio buildings only, as own-use buildings are part of operational emissions target.

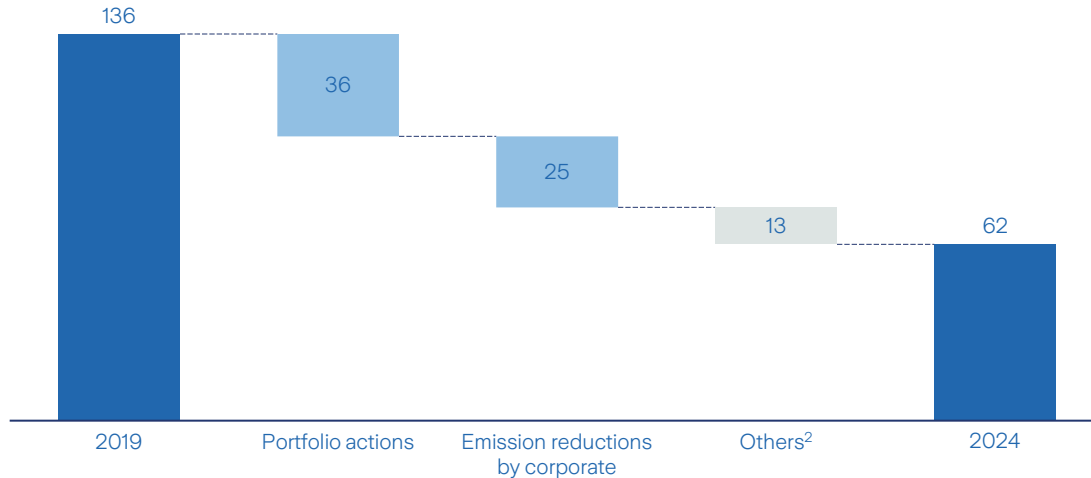
<sup>4</sup> Engagement with companies producing 65% of portfolio emissions and lacking targets aligned with the Paris Agreement on a cumulative basis

<sup>5</sup> Target based on 2025 data reported in 2026.

# We reduced financed emissions in line with targets, mainly through our portfolio actions

## Drivers of the reduction in Listed Equities and Corporate bonds CO<sub>2</sub>e emission intensity 2019-2024

Million tons CO<sub>2</sub>e / USDm



<sup>1</sup> According to NZAOA-provided approach; Financed emissions cover production (scope 1) emissions (excluding land use, land-use change and forestry (LULUCF) of sovereign bonds of all maturities issued in domestic or foreign).

<sup>2</sup> Other effects mainly refer to currency effects, timing lags and data updates.

We measure and report Sovereign Bond related emissions<sup>1</sup>



In 2024, we expanded the emission measurement of our proprietary portfolio to **60% of our assets, with the measurement of sovereign bonds emissions (USD44bn).**

For 2024, the CO<sub>2</sub>e emissions financed by our global sovereign debt portfolio amounted to **7.6 million metric tons CO<sub>2</sub>e**. This corresponds to a carbon intensity of **159 tCO<sub>2</sub>e/mUSD**.

# We have set our interim climate investment management targets for 2030

## Investing in climate solutions



We invest in climate solutions defined as investments in economic activities that contribute substantially to climate change mitigation or adaptation

- Bring Investments in **Climate Solutions**<sup>1</sup> to **6%** of total Group Investment Assets

## Focused engagement



Engage with investee companies on individual and multilateral basis and bring system change by engaging our asset managers and work on industry action

- Perform direct **engagement with 20 high-emitting companies** on science-based targets

## Reduce portfolio emissions



Reduce the financed emissions in the portfolio to increase the resilience of our investment portfolio against climate change

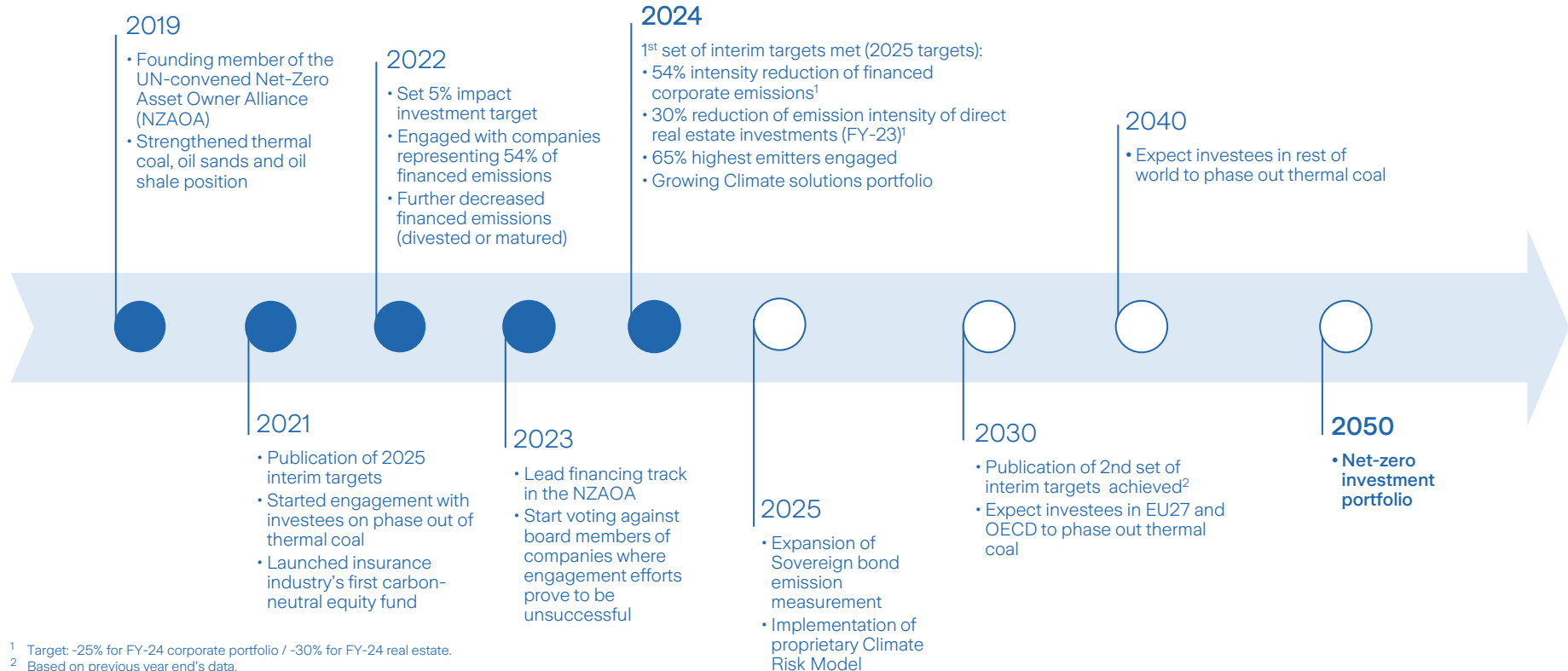
- **Reduce emission intensity** of listed equities and corporate bonds investments<sup>2</sup> by 55% and of direct real-estate investments by 45%<sup>3</sup>

<sup>1</sup> Climate solutions includes environmental impact investments and green certified buildings. Equivalent to ~USD10bn Asset under management. Any portfolio activity will be subject to market conditions and other constraints.

<sup>2</sup> Against 2019 baseline based on 2029 data. Reduction of emissions intensity (Scope 1 and Scope 2). Emissions intensity is defined as metric tons CO<sub>2</sub>e per USDm invested.

<sup>3</sup> Against 2019 baseline based on 2029 data. Reduction of emissions intensity (Scope 1 and Scope 2). Emissions intensity is defined as kilograms CO<sub>2</sub>e per square meter.

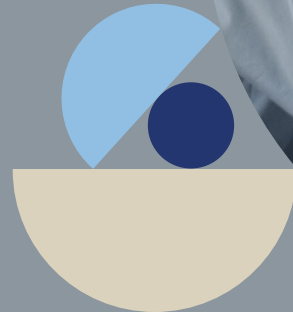
# We are progressing on our journey to reach net-zero in investments by 2050



<sup>1</sup> Target: -25% for FY-24 corporate portfolio / -30% for FY-24 real estate.





<sup>2</sup> Based on previous year end's data.

# Data Privacy, Security and Responsible AI





# We provide leading data privacy and information security for our customers and employees

	<b>Best practice</b>	Cybersecurity measure and protocols aligned with the U.S. National Institute of Standards and Technology Cybersecurity Framework
	<b>Effectiveness</b>	Commitment to maintaining the highest security standards is evidenced by our peer-group leading CSF maturity rating
	<b>Organisation</b>	State-of-the-art Cyber Fusion Center (CFC) that provides global 24/7/365 cyber threat monitoring and incident response coverage
	<b>Control</b>	Regular assurance activities to verify compliance with data privacy and security standards: audits, risk assessments, data protection impact assessments

## Strong data commitment in line with best practice

- We keep your data safe
- We never sell your personal data
- We are transparent about how we share your personal data
- We use data to produce better outcomes for you

## Data commitment supported by focus and processes

- Data Privacy and Information security awareness training
- Global data privacy platform supporting consistency and standardization of privacy management processes
- 3 lines of defense model with annual assurance activities and cyber security audits

# We use AI in different businesses across Zurich, covering the entire insurance value chain




# We use AI in a responsible way based on our AI Commitment principles

## Embedding in operations through the AI Commitment




Responsible AI Commitment released in 2024 for a safe, responsible and customer-centric use of AI technologies



**Safety**

We operate AI models and its data in safe and protected environments



**Transparency**

We disclose to our customers when they are interacting with AI and can explain AI outcomes



**Accountability**

In line with our Code of Conduct, we are committed to acting with integrity, doing the right thing, and using AI responsibly



**Reliability**

Our use of AI is subject to human oversight that mitigates potential risks, including the prevention of harmful biases

## Board activity in 2023-2024



- **AI training session** provided to the Board in order to upskill Board Members on the fundamentals of AI, Generative AI and AI-related regulation
- **Board deep-dive** on AI with focus on inside-out / outside-in view on AI, and exploration of AI use-cases run at Zurich
- **Review** of AI risk exposure, AI Governance, in light of the EU AI Act and other upcoming regulations

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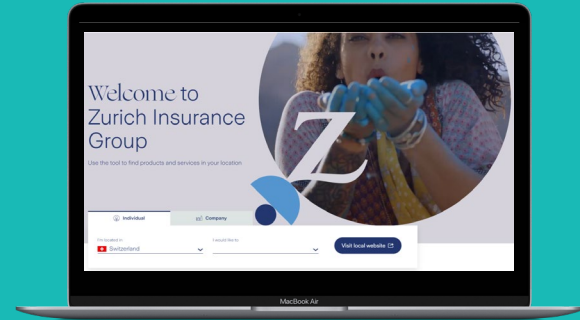
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