

We strive to lead by example,  
and this drives our approach  
to operational sustainability  
at Zurich



We acknowledge our responsibility as a company to rethink our behavior to support a healthy and prosperous environment. To be successful, it is imperative our employees understand our ambition to integrate sustainability into everything we do. That is why we are always on the look-out for new opportunities to enrich the culture of sustainability at Zurich Insurance Group (Zurich).



We have set science-based targets to reduce the absolute emissions of our own operations<sup>1</sup> by 60 percent by 2025 and by 70 percent by 2029, compared to a 2019 base-year. This is the foundation of our environmental goals and ambitions.

In 2030, we aim to achieve net-zero operations, by reducing our operational emissions as much as possible and purchasing carbon removal credits for all residual operational emissions - supporting projects that scientifically demonstrate removal of carbon from the atmosphere.

We have the chance to lead, to learn and leverage our experience in operations in the context of our net-zero commitments in underwriting and investments.

Since 2022 we have powered 100 percent<sup>2</sup> of our operations<sup>1</sup> with renewable power.

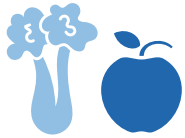
As you can't touch emissions, nor see renewable power, we also need to create visible change that inspires our employees through this sustainability journey.

In 2019, we accelerated our paperless journey with the target to reduce internal paper use<sup>3</sup> by 80 percent compared to 2015.

In 2020, we joined the EV100 initiative<sup>4</sup> committing to transition our global car fleet to 100 percent electric vehicles by 2029.

In September 2021, we announced the following five additional ambitions to either accelerate already established goals, or to address new opportunities.

- 1 Cover-More, Farmers Group, Inc. and its subsidiaries, joint ventures and third party vendors are out of scope. For further details on our methodology, please see the excel providing an overview of operational emissions targets and results, available for download [here](#)
- 2 We have joined RE100, which is a global leadership initiative bringing together influential businesses committed to 100 percent renewable electricity. Where our offices cannot align with RE100 technical criteria we have sourced certificates from adjacent markets in Qatar, Bahrain and Ecuador. We are looking for the best solution in Bermuda although the load is small and falls under the RE100 materiality threshold. We procured renewable electricity to match our global office electricity demand and sourced 99 percent compliant with the RE100 technical criteria. Power consumption in data centers is reported under Scope 3, and is not included in the RE100 commitment. However, we have strived to closely align with RE100 technical criteria, with the exception of our Singapore data center, for which we have purchased Malaysian I-RECs.
- 3 Internal paper refers to paper that is printed for daily office use, i.e., not intended for customer engagement.
- 4 EV100 is a global leadership initiative bringing together influential businesses committed to accelerating the transition to electric vehicles which includes battery electric vehicles, hydrogen fuel cell vehicles, and plug-in hybrid vehicles.



## Sustainable food

We set the ambition to develop and implement a global sustainable food program for restaurants<sup>5</sup> on our premises by the end of 2022 (Achieved). The program aims to provide employees with great tasting, sustainable meals while benefiting their health, wellbeing, and the environment. The program includes minimum requirements and recommendations, with a focus on transparency, awareness of the life-cycle impact of food, and food waste minimization. Zurich is also working on increasing the availability of plant-based meals and reducing beef in the menu options. As education is a cornerstone of the program, we aim to help employees make informed choices when considering their meals not only in the office, but also at home. The program was successfully implemented in 2022 and is now running as business as usual with ongoing tracking and monitoring of agreed KPIs to ensure continued adherence. In 2023, to complement the sustainable food program, Zurich developed a Food Lite program, aiming to raise awareness among all employees of sustainable foods and the importance of changing our behavior to benefit the planet as well as our health and wellbeing.



## Sustainable buildings

We set the ambition to develop and implement a global sustainable buildings program for 50 office locations by the end of 2022 (Achieved). A sustainable building should address both environmental and occupant wellbeing opportunities. To deliver a sustainable building, stakeholders from across the business need to be involved, which is the premise for our Sustainability Alignment Generating Exercise tool (SAGE). Our bespoke assessment tool is based on learnings from external best practices, with a lean approach focused on our own workplace priorities. A score of 75 percent is the minimum required to demonstrate compliance to achieve a SAGE rating. If a building achieves a score of 90 percent or greater, it acquires a SAGE+ rating. Where offices fall short of their targeted rating, initiatives must be implemented to improve scores. More than 70 office locations have completed and passed the SAGE assessment since 2022, as the program has evolved into a standard assessment tool used when considering sustainability requirements for our offices. The sustainable buildings program also requires office locations to remove all single-use-plastic<sup>6</sup> from our work environment. Removing single-use-plastic has already been a priority since 2019 and is another example of creating visible changes that inspire our employees.



## Car fleet acceleration

We set the ambition to eliminate pure internal combustion engines in our fleet by 2025, leaving only hybrid, plug-in hybrid, and battery electric vehicles. By 2029 non-plugin hybrids will also be eliminated in line with our EV100 commitment set in 2020. By setting an interim ambition for 2025, we are acknowledging that immediate action is needed to help reduce the carbon impact of our car fleet. As of 2023, 45 percent of our global fleet is made up of hybrid, plug-in hybrid, and battery electric vehicles, an increase from 34 percent in 2022. To support the right infrastructure within our own offices, we are focusing on increasing electric vehicle charging stations. However, we do face challenges. While we have mostly overcome the delays caused by the global pandemic's impact on vehicle supply chains, there are other hurdles we encounter. One such challenge is the fact that we have operations in regions which are far less mature in terms of both EV availability and sufficient charging infrastructure. Yet, this ambition remains high on our agenda, and we expect to deliver the greatest emissions reductions with our car fleet in the next few years.



## Air travel

We set the ambition to permanently reduce air travel emissions by 70 percent compared to 2019 levels, starting in 2022. In 2023, air travel emissions have reduced 66 percent when compared to 2019 levels. Emissions increased 18 percent compared to 2022, as we continued to see many countries return to business travel to support customer and business needs post pandemic. We continue to have ongoing conversations about how we address travel moving forward and are leveraging tools, best practice guidelines, our Group travel policy, travel approvals and the allocation of air emissions budgets to track our performance. This ambition requires each individual to consider their own behavior and to create new norms that carry forward the learnings taken from operating fully virtually during the pandemic. Although there is no globally acknowledged solution for sustainable aviation fuel (SAF) accounting, we are watching market developments to understand if we can potentially cover future shortfalls to our ambition with SAF purchases.



## Paper

We set the ambition to have fully digital customer communications, initially with a deadline of 2025<sup>7</sup>. As we worked towards our ambition, we learned that we lack a consistent mechanism to measure the portion of print that is still required for regulatory purposes, as well as a way to measure customer print preferences globally. Despite these challenges, digitization will remain an ambition as it represents the most efficient and sustainable manner for our customer communications. In 2023, we managed to reverse the post-pandemic increase in printing, achieving an 11 percent reduction in total kg and sheets printed, compared to 2022.

<sup>5</sup> Full-scale restaurants include where Zurich is the contracting party to the catering provider, a complete kitchen is onsite, and hot meals are prepared and served. This includes seven restaurants in five countries which service approximately 25 percent of our employees.

<sup>6</sup> Single-use plastics include straws, cups, lids, cutlery, plates, to-go containers, PET bottles, under-desk waste bins (i.e., to stop the use of their liners).

<sup>7</sup> Customers may continue to opt-in to paper-based communications in line with their preferences.