Zurich

Stand-alone

Sustainability report

The sustainability report is part of the Annual Report 2024 of Zurich Insurance Group[1]. This document only includes the sustainability report for reasons of convenience, as the main part of the index tables presented on this webpage are covered in this part of the Annual Report.

Please note that the page numbers in this document align with the overall Annual Report, with the sustainability report starting as of page 116. The complete Annual Report is disclosed on our website and can be consulted via the following webpage: zurich.com/investor-relations/results-and-reports

1 Comprising Zurich Insurance Group Ltd and its subsidiaries.

Zurich Insurance Group

Executive message on sustainability

Sustainability is everyone's business

Sustainability matters to us at Zurich not least because the effects of climate change are all around us. For that reason, 2024 proved a seminal year with the publication of our first Climate Transition Plan. The Plan outlines how we intend to achieve our ambition, announced in 2019, to become a net-zero business by 2050. In that sense, it reflects both change and continuity, and a stage on our net-zero journey.

Furthermore, climate change mitigation and adaptation remain the most significant sustainability topics for our business. We use our expertise to help companies, cities and communities better understand, prevent and reduce risks before they materialize, while also supporting them to build back better after loss and damage. In 2024, we further integrated resilience insights into our insurance business and continued to grow Zurich Resilience Solutions (ZRS), our specialized risk advisory business.

“Climate change mitigation and adaptation remain the most significant sustainability topics for our business.”

Mario Greco
Group Chief Executive Officer

We gained further insights from conducting our first double materiality assessment based on the Corporate Sustainability Reporting Directive. When it comes to prioritizing and shaping strategy, it's vital to understand not only how our activities impact people and the environment but also how sustainability issues affect our business and performance.

Across our three focus areas – Planet, Customers and People – we tracked further progress in 2024. For example, we exceeded our 2025[1] emission reduction targets for listed equity and corporate bonds, not to mention real estate which has already reached its target one year ahead of target year. What's more, we expanded our financed emissions measurement for our proprietary investments adding sovereign bonds to the portfolio coverage.

Insurance can play a key role in supporting sustainable development. For that, our sustainable solutions need to deliver impact. We are working toward developing a portfolio of solutions that help lower carbon emissions and close protection gaps. In doing so, we expand the reach of the insurance safety net, and enhance the resilience of customers and communities to the financial impacts arising from unexpected events. Notably, in 2024, revenue from sustainable solutions increased by 25 percent.

While the long-term environmental and social impacts of artificial intelligence (AI) are still unknown, the insurance industry, like others, needs to balance the risks and opportunities in the design, development and deployment of these technologies. We therefore updated our data commitment to address the responsible use of AI this year.

None of the above would be possible without the right capabilities and culture. We need the best people in the market equipped with the right skills. Expanding sustainability expertise across the Group is a priority as is the focus on long-term employability. We have already taken important decisions in this area and will drive our efforts forward. People sustainability is an enabler for our business success. Attracting, developing and retaining talent in our core business will become even more important in the future.

Sustainability is everyone's business. At Zurich, we continue to integrate sustainability into what we do.

Mario Greco
Group Chief Executive Officer

Sustainability performance highlights 2024

Planet

-54%
Target achieved
Reduced intensity in financed corporate CO_2e emissions
2023: -43%
Target 2025:[1] -25%

-30%[2]
Target achieved one year early
Reduced intensity in financed real estate CO_2e emissions
2022: -25%
Target 2025:[1] -30%

65%
Target achieved
Engage with companies that produce 65 percent of financed emissions that have not set science-based targets
2023: 60%
Target 2025:[1] 65%

New target set
Reduction of insurance-associated emissions intensity[3]
Target by 2030:[4] -20%

-69%
Reduction in CO_2e emissions from our own operations[5]
2023: -67%
Target by 2025:[4] -60%

Customers

USD 1.7bn
Sustainable revenues
2023: USD 1.4bn
Target by 2025:[4] Annual increase

3.7 point
Increase in our Global TNPS
2023: 4.3 point

79.4%
Customer retention Retail
2023: 81.6%

90.6%
Customer retention CLP
2023: 93.5%

88.2%
Premium retention CI
2023: 88.6%

People and suppliers

72.8%
Internal hires
2023: 73.4%
Target by 2025:[4] Annual increase

57.5%
Female share of promotions
2023: 50%

32.1%
Female share in senior management
2023: 30.3%

50%
Female share on the Executive Committee
2023: 33.3%

59.4%
Our managed procurement spend (MPS)[6] with suppliers who have set science-based targets[7]
2023: 52.1%
Target by 2025:[4] 75%

Leader status
Supply Chain Engagement Leader status by CDP for the second year running
2023: Leader status

1 Target 2025 is always defined as using year-end 2024.
2 Real estate emissions are only available with a four-quarter lag. Emissions in 2024 will be reported in the 2025 sustainability report.
3 In our large corporate customer portfolio (base year 2022). Determined by scope 1 and 2 for our customers' emissions using the PCAF IAE methodology for commercial lines, covering customers with revenues greater than USD 1 billion.
4 Target by 2025 is always defined as using year-end 2025. Target by 2030 is always defined as using year-end 2030.
5 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 Zurich Kotak and Travel Guard are excluded since they were not reflected in the CO_2e emissions baseline in 2019.
6 MPS means the spend of approximately USD 2 billion annually managed centrally by Zurich's Procurement and Vendor Management function on goods and services that are required to enable Zurich to maintain and develop its operations. According to the 2023 baseline of managed procurement spend, excluding suppliers no longer active in the year of reporting.
7 We consider a supplier to have science-based targets when their emission reduction targets are approved by the SBTi, a similar scientifically accredited body or otherwise require a reduction of at least 42 percent in scope 1 and 2 emissions.

Sustainability performance highlights 2024 (continued)

Planet

35%
Ambition achieved one year early
Green certified buildings in total real estate
2023: 23%
Target by 2025:[1] 30%

3.9m
Avoided metric tons of CO_2e emissions per year through impact investments
2023: 4.5m
Ambition per year: 5.00m

5.3%
Target achieved one year early
Share of total invested assets in impact investments
2023: 4.6%
Target by 2025:[2] 5%

New 2030 interim targets
Financed emission targets set for listed equity & corporate bonds and real estate

5.3m
People benefited by positive contribution to their lives and livelihoods
2023: 4.6m
Ambition per year: 5.00m

Impact investment awards winner
(Re-) Insurer of the year by Environmental finance
Responsible investor of the year – (Re-) Insurer by Insurance Asset Risk

USD 10.4bn
Climate solutions investments
2023: USD 9.3bn
Target 2025:[2] annual increase

New target set
By 2030 engage with 450 of our large insurance customers who contribute most heavily to our portfolio emissions

Customers

USD 644.2m
Revenues from energy efficiency and low-carbon technologies
2023: USD 424m

1.7 point
Increase in our claims TNPS
2023: 1.2 point

99.8%
Information Security Awareness training completion rate
2023: 99.6%

People

1% point
Engagement compared to high performing companies
2023: 2% points

18.9 hours
Average learning hours per employee
2023: 20.2 hours

USD 644
Average learning spend per employee
2023: USD 644

12.9%
Employee turnover
2023: 14.3%

99.99%
Code of Conduct completion rate
2023: 99.99%

Suppliers

73%
Our MPS[3] with suppliers that meet or exceed the key expectations of our SCOC[4]
2023: 72.2%

51.9%
Our MPS[3] with suppliers who have set net-zero targets[5]
2023: 49.4%
Target by 2025:[1] 75%

1 Target by 2025 is always defined as using year-end 2025. Target by 2030 is always defined as using year-end 2030.
2 Target 2025 is always defined as using year-end 2024.
3 MPS means the spend of approximately USD 2 billion annually managed centrally by Zurich's Procurement and Vendor Management function on goods and services that are required to enable Zurich to maintain and develop its operations. According to the 2023 baseline of managed procurement spend, excluding suppliers no longer active in the year of reporting.
4 Our SCOC is available on our website: www.zurich.com/en/sustainability/governance-and-policies/-/media/project/zurich/dotcom/sustainability/docs/sustainable-sourcing-supplier-code-of-conduct-2021.pdf?v=4
5 We consider a supplier to have net-zero targets when their net-zero target is approved by the SBTi, a similar scientifically accredited body or otherwise has a public target to neutralize any residual scope 1 and 2 emissions.

Sustainability report

Contents

All amounts are shown in U.S. dollars and rounded to the nearest million unless otherwise stated, with the consequence that the rounded amounts may not always add up to the rounded total. Other numbers, e.g., full time equivalent employees are shown with absolute values. All ratios are calculated using the underlying amounts rather than the rounded amounts.

1. Introduction and strategy

Sustainability is a long-term endeavor.

As an insurer, we[1] believe our relationship with our customers, the planet and its people are key to future success in sustainability. We have continued to increase our focus on sustainability through the release of our first climate transition plan that outlines how we are going to execute on our ambition to become net-zero by 2050 across our insurance business, investments and operations, and contribute to the wider society in our role as an insurer. We have conducted our double materiality assessment in line with the Corporate Sustainability Reporting Directive (CSRD).

> We have published our climate transition plan, further pursuing tangible change in our organization to meet our targets. Measuring and transparently reporting on our progress against this plan demonstrates our continued commitment to positive action and change, supporting a brighter long-term future for all stakeholders.

Linda Freiner
Group Chief Sustainability Officer (Group CSO)

Our journey on sustainability reporting has developed from our determination to provide clear, comprehensive and high-quality information on our performance against key sustainability indicators,[2] coupled with increased focus from governments and stakeholders, as well as the progression of standards and frameworks on what and how to report on sustainability.

We have moved from first-time reporting to enhanced coverage of the requirements from the Sustainability Accounting Standards Board (SASB), World Economic Forum's International Business Council (WEF IBC) and the Task Force on Climate-related Financial Disclosures (TCFD) frameworks. We incorporated the requirements of the Swiss Code of Obligations on non-financial reporting, obtained reasonable assurance on environmental key performance indicators (KPIs) and, in early 2024, we received the advisory vote from our shareholders on the sustainability report 2023 at our annual general meeting. In addition, this sustainability report includes enhancements such as our first **climate transition plan** in line with the requirements from the Swiss Ordinance on Climate Disclosures, as well as an increase in scope for assurance (please see appendix 6.7 for further details).

Figure 1
Our sustainability reporting journey

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Progress of our sustainability report (part of the Annual Report)	– **SASB & WEF**: first-time partial reporting. – **TCFD**: first performance of climate risk scenario assessment. – Reporting on Zurich's sustainability pillars. – New KPIs developed and measured: e.g., sustainable revenues. – **Limited assurance** received on most material KPIs.	– **SASB & WEF & TCFD**: enhancement across frameworks. – **Expansion** of climate risk scenario assessment and disclosure of additional asset classes. – Additional KPIs mainly capturing Investment management, claims, digital trainings, procurement. – **Reasonable assurance** received on **environmental KPIs**.	– Compliance with new requirements under the Swiss CO on non-financial reporting. – SR **advisory vote at the AGM 2024**.	– Compliance with the Swiss Ordinance on Climate Disclosures including **transition plan and TCFD (already reported)**.	– For SR 2025 we are assessing the inclusion of **CSRD**[3] **for the entire Group**, in addition to Swiss Ordinance on Climate Disclosures.
Relevant regulatory developments	– FINMA disclosure requirements on climate risk apply.	– FINMA guidance on climate risk disclosures applies.	– New requirements under the Swiss CO on non-financial reporting apply.	– TCFD and transition plan – mandatory under the Swiss Ordinance on Climate Disclosures.	

SR: Sustainability Report
SASB: Sustainability Accounting Standards Board - standard for the insurance industry
WEF: 21 core metrics World Economic Forum - Stakeholder Capitalism Metrics
Swiss CO: Swiss Code of Obligations
TCFD: Task Force on Climate-related Financial Disclosures
AGM: Annual General Meeting

1 Comprising Zurich Insurance Group Ltd and its subsidiaries, the Group or Zurich.
2 www.zurich.com/sustainability/strategy-and-reporting/reporting/sustainability-report
3 CSRD is a regulatory framework within the European Union aimed at enhancing and standardizing sustainability reporting.

We continue to see a challenge in the interoperability between different standards in various jurisdictions, and divergence in decisions from governments on which standard they adopt, or the basis for the creation of their own legal requirements. As reporting requirements increase, companies are having to further invest in the resources and skill sets, whilst balancing this with a need to maintain and increase concrete actions toward sustainability. Reporting can be a valuable catalyst for change, but only when integrated into actionable decisions will it pave the way for a sustainable future, where transparency fuels progress and tangible results become evident. In all this, we continue to be guided by our Sustainability Framework[1] focusing on our customers, our planet and its people as the cornerstones to build a resilient organization that responds to the needs of our time and those arising in the future.

Basis for presentation

This sustainability report is based on emerging regulations and legal requirements (Swiss Code of Obligations and Swiss Ordinance on Climate Disclosures), with adherence to the SASB standard, reporting frameworks (TCFD and WEF IBC), and good practices, providing insights into the most material topics for our business and stakeholders. It adheres to the 'disclose or explain' approach, presenting all significant indicators directly in the sustainability report, labeled by the corresponding sustainability focus areas and reporting standard.

We cover data from January 1 to December 31, 2024, unless stated otherwise, with some data collected and reported earlier in the year. Where data is extrapolated to produce an annualized view (based on our methodology), this is indicated by footnotes in the respective tables. We provide detailed index tables[2] related to SASB and WEF IBC on our website, alongside references to the Global Reporting Initiative (GRI), and our position with reference to Bloomberg's Gender Equality Index.

Indicators discussed in this sustainability report are labeled to identify the sustainability impact area framework or standard, to which the reporting is linked. Please note that indicators might impact several areas across environment, social and governance. In this case, we highlight the most relevant impact area or areas as in some cases more than one of the impact areas will have the same level of importance and relevance.

Legend of icons used

External frameworks and our standards					Impact area		
TCFD	WEF IBC	SASB	Global Reporting Initiative	Zurich Sustainability Framework	Environmental impact	Social impact	Governance impact

1 www.zurich.com/sustainability/strategy-and-reporting/strategy
2 www.zurich.com/sustainability/strategy-and-reporting/reporting/sustainability-report

Selected 2024 sustainability highlights

We highlight some of the sustainability actions and outcomes that we have accomplished in 2024.

Turning to algae to achieve net-zero

Zurich has signed a pre-payment contract with a company in Wales which grows microalgae to remove carbon dioxide from the atmosphere.

Nellie, which is based in Aberystwyth, grows the algae in a specially designed photobioreactor. It is then dried and turned into biochar, a very stable form of carbon which can be stored in the soil for hundreds and even thousands of years.

This is one of several agreements that Zurich has with early stage, but highly promising, carbon-removal suppliers as part of its strategy to balance out its unavoidable remaining emissions once it has reduced its emissions as much as possible.

Over a year, Nellie's bioreactor array can produce around 64 tons of dried algae which has so far removed 115 tons of carbon dioxide from the atmosphere. The company ends up with about 40 tons of biochar which is sold to local farmers as a fertilizer and soil additive. The system is modular, scalable and can be deployed elsewhere.

Zurich's pre-payments against future carbon removal certificates that Nellie aims to produce, will help fund the scale-up of the business and support Nellie to progress toward their goal of removing up to 100,000 tons of carbon dioxide from the atmosphere each year by 2030. Further payments will be made as the company meets certain milestones.

Zurich aims for net-zero in its own operations by 2030. That will only be achieved after reducing emissions by 70 percent, compared to 2019 levels, and then by purchasing carbon removal certificates in the amount equivalent to our remaining emissions.

Transforming lives and supply chain

Zurich Brazil accelerated the transformation of its supply chain in 2024 through the Transformar Program. This program aims to:

- Increase the inclusion of social and diverse resources within supplier contracts.
- Empower and recognize good ESG practices in suppliers.

In January 2024, for example, Zurich Brazil initiated a new contract with the supplier Sodexo. Sodexo prioritizes diversity, equity and inclusion for its employees and one of its facilities management teams is composed entirely of individuals in socially vulnerable situations, including women who have experienced domestic violence, and refugees.

To help develop their self-esteem and skills, Zurich Brazil conducted several workshops with Sodexo in September and October 2024, covering topics such as self-awareness, personal image/style consulting, self-makeup, and financial education.

In terms of empowering and recognizing suppliers for good ESG practices, Zurich Brazil also conducted workshops focused on developing governance in sustainability and information security. About 100 companies participated in these workshops.

Selected 2024 sustainability highlights (continued)

Helping suppliers transition to net-zero

In 2024, Zurich supplier DelphianLogic - an award-winning provider of custom learning solutions - used our tools and resources to measure its carbon dioxide emissions for the first time and set science-based emission reduction targets, approved by the Science Based Targets initiative.

Zurich provides climate training materials and teamed up with carbon accounting firm Normative to offer free access to the Business Carbon Calculator so that suppliers can calculate their carbon footprint.

This engagement reflects Zurich's ambition to become a net-zero emissions business and to cascade climate action across the supply chain.

"The first step to reducing emissions is calculating them," said DelphianLogic CEO and co-founder, Saurabh Ganguli. "By providing access to the Business Carbon Calculator, Zurich has not only empowered us to advance our sustainable business practices but has also reinforced our resolve to make a meaningful impact on the environment."

Zurich targets for 75 percent of its managed procurement spend[1] to be with suppliers that have science-based emission reduction targets by 2025 and net-zero targets by 2030.

Aribau 195 Real Estate Project

The Aribau 195 project is a significant refurbishment initiative aimed at transforming an office building in Barcelona's Ensanche district, focusing on sustainability and ESG criteria. Aligning with Zurich goals to reduce carbon footprints and create more liveable urban spaces, the project modernizes the building while respecting Barcelona's architectural heritage. It won the AEO (Spanish Association of Offices) award for the best renovation project in Spain in November 2024. Integrating nature into urban spaces, it offers 8,300 square meters of office space and 1,000 square meters of landscaped exteriors. The project has been awarded LEED Platinum and seeks WELL Gold certification, emphasizing its dedication to environmental sustainability and human wellbeing.

A key aspect of Aribau 195 is the extensive use of the existing structure, retaining over 80 percent of the original building to reduce waste and conserve resources.

The redesign incorporates prefabricated concrete elements, and modular lattice panels to improve thermal and acoustic performance, aligning with sustainable building practices. Green roofs, terraces and an interior garden increase urban biodiversity and provide ecological benefits while facilities for electric vehicle charging and ample bicycle parking promote sustainable transportation. A Building Information Modeling system optimizes resources and ensures efficient construction and operation. Relying solely on renewable energy sources, the project supports the European Union's decarbonization goals.

1 The spend of approximately USD 2 billion annually managed by Zurich's Procurement and Vendor Management function on goods and services that are required to enable Zurich to maintain and develop its operations.

1.1 Our approach to sustainability

Insurance acts as a societal safety net for us all. We use our expertise as a risk manager to enhance resilience to natural, societal, economic and financial risks. We believe social responsibility and care for our planet are aligned with shareholders' interests. For us, sustainability is a business opportunity as well as an urgent global imperative. That is why we have **integrated sustainability across our business**, both globally and locally.[1] We will continue to use the levers we have as a global insurer and collaborate with our stakeholders in compliance with applicable laws and regulations to live up to our purpose to create a brighter future together and make a positive impact in the world.

Sustainability reporting captures our progress toward our qualitative ambitions and quantitative targets. Based on our Sustainability Framework, we cluster our reporting into three main focus areas, aiming to achieve outcomes that benefit the planet, customers and people, now and in the long term.

1.1.1 Our Sustainability Framework

We have been working to integrate sustainability across our strategy for many years through our Sustainability Framework, using technology, innovation, learning, partnerships and governance as key enablers of implementation.

In 2024, we continued to execute on our Sustainability Framework and scale impact to bring our sustainability ambitions to life, especially in relation to better supporting our customers and catalyzing our own transition journey through the publication of our first **climate transition plan**.[2] As an advocate, adviser and role model, we want to empower individuals and organizations to act today to create a better tomorrow.

Figure 2
Sustainability Framework - Our qualitative ambitions and quantitative targets in 2024[1]

Planet: Mitigate and adapt to climate change

- Net-zero operations by 2030, investments and underwriting by 2050.
- New interim 2030 engagement and emissions targets set for underwriting and investments.[2]
- 75 percent of managed procurement spend[3] with suppliers with net-zero targets by 2030.

Customers: Support transformation toward a sustainable future

- Grow sustainable revenue, especially climate solutions that support our customers' transition and resilience.
- Invest equivalent to 6 percent of assets under management (AuM) in climate solutions by 2030.[4]
- Evolve our customer experience with empathy, care, and listening.
- Deliver digital sustainability to maintain and enhance customer trust.

People: Future proof our people and enable more to thrive

- Increase share of internal hires.
- Sustain inclusive & equitable workplaces for everyone.[5]
- Support people to protect their physical, mental, financial and social wellbeing.

1 www.zurich.com/-/media/Project/Zurich/Dotcom/investor-relations/docs/investors/Chairmans-Roadshow-2024.pdf
2 For more details, see section 1.2 Climate transition plan on pages 125 to 128.
3 Managed procurement spend (MPS) means the spend of approximately USD 2 billion annually managed centrally by Zurich's Procurement and Vendor Management function on goods and services that are required to enable Zurich to maintain and develop its operations.
4 Equivalent to approximately USD 10 billion. Estimated based on AuM 2023. Any portfolio activity will be subject to market conditions and potential other constraints.
5 For more details on Diversity, Equity, Inclusion and Belonging (DEIB), see section 5.1.2 Diversity, equity, inclusion and belonging on pages 196 to 198.

1.1.2 Assessing materiality

With sustainability topics maintaining their accelerating rise in importance for our shareholders, governments, customers and regulators, we strive to continually improve our materiality assessment process in order to deepen our understanding of our risks, opportunities and impacts. To do so, we work together with our stakeholders to get a clearer picture of what matters most for us from a sustainability perspective. To deliver robust results, we aligned our approach with the structure provided by the CSRD, which builds upon and strengthens existing EU requirements around non-financial reporting.[3] Therefore, in 2024, we conducted our **first double materiality assessment (DMA) in line with CSRD**, taking both an outside-in and inside-out view of potential material issues.

1 For more information on our business model, please refer to the Group overview on pages 14 to 15.
2 For more information on our climate transition plan, see our website: www.zurich.com/sustainability/strategy-and-reporting/climate-transition-plan
3 Our methodology is aligned with the DMA implementation guidance from the European Financial Reporting Advisory Group (EFRAG).

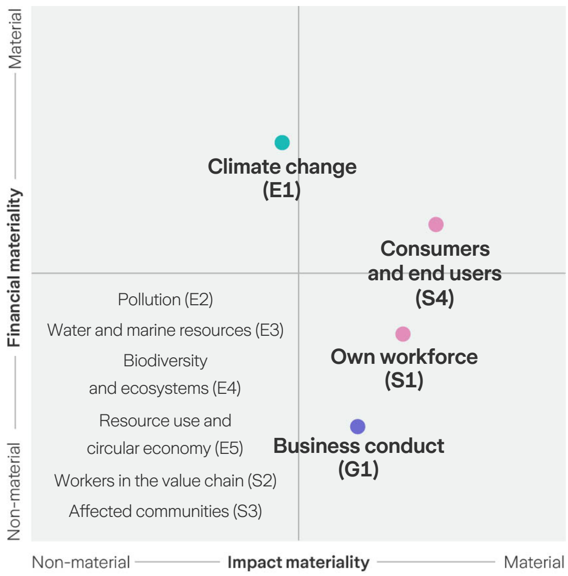
The 2024 DMA included both quantitative and qualitative analysis including direct engagement with our key stakeholders combined with an extensive round of interviews with a wide range of leading experts from across our diverse businesses and geographies. In particular, we engaged with senior management, employees, investors, customers, brokers, suppliers, industry associations and nongovernmental organizations (NGOs) to understand their points of view on impact and financial materiality across environmental, social and governance dimensions. This DMA helps us identify those sustainability matters that are most material to our stakeholders, while also considering how they influence our company.

We followed a two-step approach for stakeholder engagement:

- Step 1: We engaged through interviews with senior management and through surveys with various employees around the world, using a draft list of the European Sustainability Reporting Standards (ESRS) topics to guide discussions. Post-interview, surveys were issued to capture further thoughts on sustainability in relation to our Group.
- Step 2: We engaged a broader group through topic-level surveys to identify sustainability priorities. The process aimed to gather different perspectives on the materiality of topics identified in earlier steps.

Using these insights, we identified **four core material areas** spanning 10 material specific subtopics. Additionally, we also developed a watchlist of topics that, while not currently classified as material in the DMA, are deemed significant enough to warrant ongoing observation. This additional list allows us to track developments, gauge potential impacts, and prepare for any necessary action should these topics gain material significance in the years ahead.

Figure 3
Double materiality matrix



Material

Topic	Subtopic
Climate change (E1)	– Climate change mitigation – Climate change adaptation
Own workforce (S1)	– Equal treatment and opportunities for all – Working conditions – Other work-related rights – Training and skills development
Consumers and end users (S4)	– Information-related impacts for consumers and/or end users – Access to (quality) information
Business conduct (G1)	– Corporate culture – Protection of whistleblowers

Non-material

Watchlist	
S1 AI's impact on workforce	**S4** Social inclusion
G1 Responsible use of AI	**E1** Extreme heat in accident and health
E4 Drivers of biodiversity loss	**E5** Resource scarcity

These most material topics and subtopics are covered as follows: We elaborate on climate change in chapter 3. Our planet (see pages 137 to 179), on consumers and end users in chapter 4. Our customers (see pages 180 to 190), on our own workforce in chapter 5. People (see pages 191 to 199), and on business conduct in section 5.2 Prevention of bribery & corruption (see pages 199 to 201).[1]

The outcomes of this DMA are key to further sustainability strategy refinements for us and instrumental to defining our forthcoming CSRD-aligned disclosures. We continue to monitor ongoing and emerging trends that likely influence the risks, opportunities and impacts associated with the specific subtopics that affect our business and stakeholders. Climate change mitigation and climate change adaptation in particular continue to be the most material subtopics for our business. In this regard, we have developed our climate transition plan to support our business and stakeholders with the growing implications of these issues.

1.2 Climate transition plan[2]

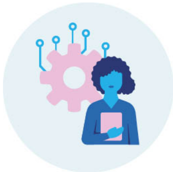
Climate change presents a dual imperative. Global emissions need to be reduced to avoid the most damaging impacts and simultaneously build greater resilience against the physical hazards which will continue to grow even as we transition. Insurers are fundamental to answering this challenge: as risk managers, helping customers to understand, prevent and reduce climate-related risks; as risk carriers, protecting households, companies and communities by absorbing the financial shocks from increasingly extreme weather; and finally, as institutional investors, financing the transition of companies and scaling capital toward climate solutions.

1 For an overview of the topics and subtopics in our Sustainability report, see Appendix 6.2 Material topics and subtopics reference table on page 208.
2 www.zurich.com/sustainability/strategy-and-reporting/climate-transition-plan

In September 2024, we published our first climate transition plan outlining how we are carrying out the ambition made in 2019, to become a net-zero business by 2050 across our insurance business, investments and operations. Yet, our ambition goes farther. We are determined to help the society of the future. The consequences of climate change should be addressed by enabling an economy-wide transition to net-zero and at the same time, helping make society more resilient. Our plan is built on four pillars:

Figure 4
Our climate transition plan

Our climate transition plan outlines how we are executing on our net-zero commitment



Enabling an economy-wide net-zero transition

For more than 150 years, we have protected individuals and organizations against risk so they can invest in the future with confidence. Today, this includes supporting our customers and investee companies to succeed in the transition to net-zero. We believe a successful transition will support our business.

We do so by:

- Engaging with our customers & investee companies on their transitions
- Scaling climate solutions through our products, services and investments
- Aligning each of our insurance and investment portfolios to support emissions reductions

Making society more resilient

Climate hazards are likely to intensify for decades to come, even if the world reaches net-zero by 2050. We are using our expertise to help more companies, cities and communities better understand, prevent and reduce risks before they materialize, while also supporting them to build back better after loss and damage.

We do so by:

- Further integrating resilience insights into our insurance business
- Growing our risk advisory business
- Collaborating beyond our business to support the communities we operate in

Advocating for supportive policies

Our net-zero ambition is dependent on the transition of the real-world economy and an effective public policy framework. That's why we want to put our data, expertise and global network to use in shaping and advocating for policies that can help achieve a just, resilient and economically successful transition.

We do so by:

- Supporting and informing public policies, regulations and standards that help the real economy's transition
- Collaborating with partners to maximize our efforts
- Supporting the insurance market, in collaboration with the public sector, to continue to provide the level of cover that businesses and communities require

Evolving how we operate

We are continuing to decarbonize our own operations and supply chain. We are investing in our people and fostering a culture of learning and knowledge sharing so that our organization evolves with our ambition. This enables our employees to engage with customers, suppliers and the companies we invest in on their transition journey.

We do so by:

- Reducing our own emissions to achieve net-zero operations by 2030
- Aligning with suppliers and sharing expertise to decarbonize our supply chain
- Developing employees' skills, capabilities, and culture for transition

Dependencies

Introduction of effective public policy frameworks | Development of new technologies and climate solutions
Pace of transition of the real-world economy

To deliver on our climate transition plan, we have set a number of interim targets (going forward, updates on our climate transition plan including progress on the targets, new targets, changes related to the implementation of CSRD and other elements will be included in our future sustainability reports):

Enabling an economy-wide net-zero transition

1. Engaging with our insurance customers and investee companies on their transition

We are engaging on the transition, to understand the needs, challenges and transition plans of our customers and investee companies who make the largest contribution to our portfolio emissions, as well as gaining deep insight into the industry, technological and regulatory contexts they are operating in. We also engage with our investee companies to encourage those which have not done so to set and deliver against targets aligned with the Paris Agreement.

Engaging with our insurance customers: Our focus is on creating real-world impact, so we prioritize engagement with customers who can make the greatest contribution to emission reductions and where our direct relationship means we have a greater degree of influence.

New targets

- Between September 2024 to September 2025, we are expanding our **engagement to 65 corporate customers** on their transition-related objectives, opportunities and challenges.
- We will continue to expand our engagement efforts so that **by 2030** we will have engaged with **450 of our large corporate customers** who contribute most heavily to our portfolio emissions **on their transition**.[1]

Through these engagements, we look at our customers' transition plans along our ACDC framework (for more details, see page 162). We coordinate our engagement to maximize our impact where an investee company is also an insurance customer.

Engaging with our investee companies: As an investor, we retain an active dialogue with and we influence our investee companies, through using our **voting rights** to support their net-zero commitments, which would not be possible if our approach emphasized divestment and exclusions. Since 2019, we have engaged with top 65 percent emitters of financed emissions that have not set science-based targets. Looking ahead, we will evolve our approach to prioritize bilateral engagements with a select group of companies.

New target

By 2030, we will directly **engage** with **20 high-emitting investee companies** currently **lacking credible science-based targets**, focusing on those with the greatest potential to reduce real-world emissions.

Should engagement fail and companies refuse to set targets after due dialogue, we will use our voting rights against board members at shareholder meetings and, ultimately, will divest.

2. Scaling climate solutions through our products, services and investments

We will scale climate solutions by prioritizing our insurance capacity and risk engineering expertise to support our customers' transition needs and objectives with sustainable products and services; and by putting our own investment capital to work in activities, projects and technologies contributing to climate change mitigation or building resilience.

Revenues from climate solutions: We are focusing on channeling our insurance capacity across all insurance lines, 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. We aim to continue to **grow our revenues** in this area.

Investing in climate solutions: As an investor, we put our own capital to work to help scale climate solutions.

New target

By 2030, we aim to continue expanding our investments in climate solutions to approximately USD 10 billion equivalent to **6 percent of assets under management (AuM)**,[2] focusing on green and sustainability bonds, clean infrastructure projects, and real estate.

Our impact investing portfolio aims to help avoid 5 million metric tons of CO2e emissions annually by 2030 through investments in various climate solutions. As in the past, we see the majority of 'avoided emission' coming from our Green bond portfolio (please refer to impact investment for further details, see pages 174 to 176).

Expanding our investments in climate solutions is dependent on the supply of appropriate projects to invest in, as well as the need to maintain appropriate diversification and liquidity in our overall investment approach to match our liabilities.

1 Determined by scope 1& 2 for our customers' emissions using the Partnership for Carbon Accounting Financials (PCAF) insurance-associated emissions methodology for commercial lines, covering customers with revenues greater than USD 1 billion.
2 Estimated based on AuM 2023. Any portfolio activity will be subject to market conditions and potential other constraints.

3. Aligning each of our portfolios for insurance and investments to support emission reductions

We are targeting net-zero by 2050 in our insurance and investment portfolios in ways that support real-world emission reductions, in line with science-based pathways.

Aligning our insurance portfolio

New target

As an interim target on the path to net-zero, we are targeting a **reduction** in the **intensity of insurance-associated emissions (IAE) in our large corporate customer portfolio by 20 percent by 2030**, starting from a 2022 baseline.[1]

Looking ahead, we expect oil and gas producers to have **credible transition plans aligned to achieving net-zero by 2050**, with interim targets and clear measurable commitments. Those transition plans should be in place by 2030. As a last resort, where transition risks are not sufficiently managed we will then exit the relationship.[2]

Aligning our investments

Following the successful achievement of our 2025 interim targets, we are targeting the following 2030 interim targets:

New targets

– **55 percent reduction** in the emissions intensity of our **listed equity and corporate bond** investments against a 2019 baseline.[3]
– **45 percent reduction** in the emissions intensity of our direct real estate investments against a 2019 baseline.[4]

Evolving how we operate

Reducing our **own emissions to achieve net-zero operations by 2030**, with an interim target of 60 percent reduction by 2025.[5] This is achieved working on several levers, e.g., transitioning our car fleet to 100 percent electric, shifting commuting to electric vehicles (EV) and public transport where possible, and keeping air travel near current levels.

Aligning with suppliers and sharing expertise to decarbonize our supply chain: our target is to have **75 percent of our Managed Procurement Spend (MPS) of approximately USD 2 billion**[6] annually with suppliers that,

– by **2025** have **set science-based targets to reduce emissions**,[7] and,
– by **2030**, set **targets to reach net-zero**.[8]

Looking ahead

Our first climate transition plan marks an important milestone in our journey to achieving our net-zero commitment. Our transition will be an ongoing, iterative process reflecting the changing context in the shift to net-zero and developments in our own business. As a result, our climate transition plan will evolve over time, and we will update it annually.

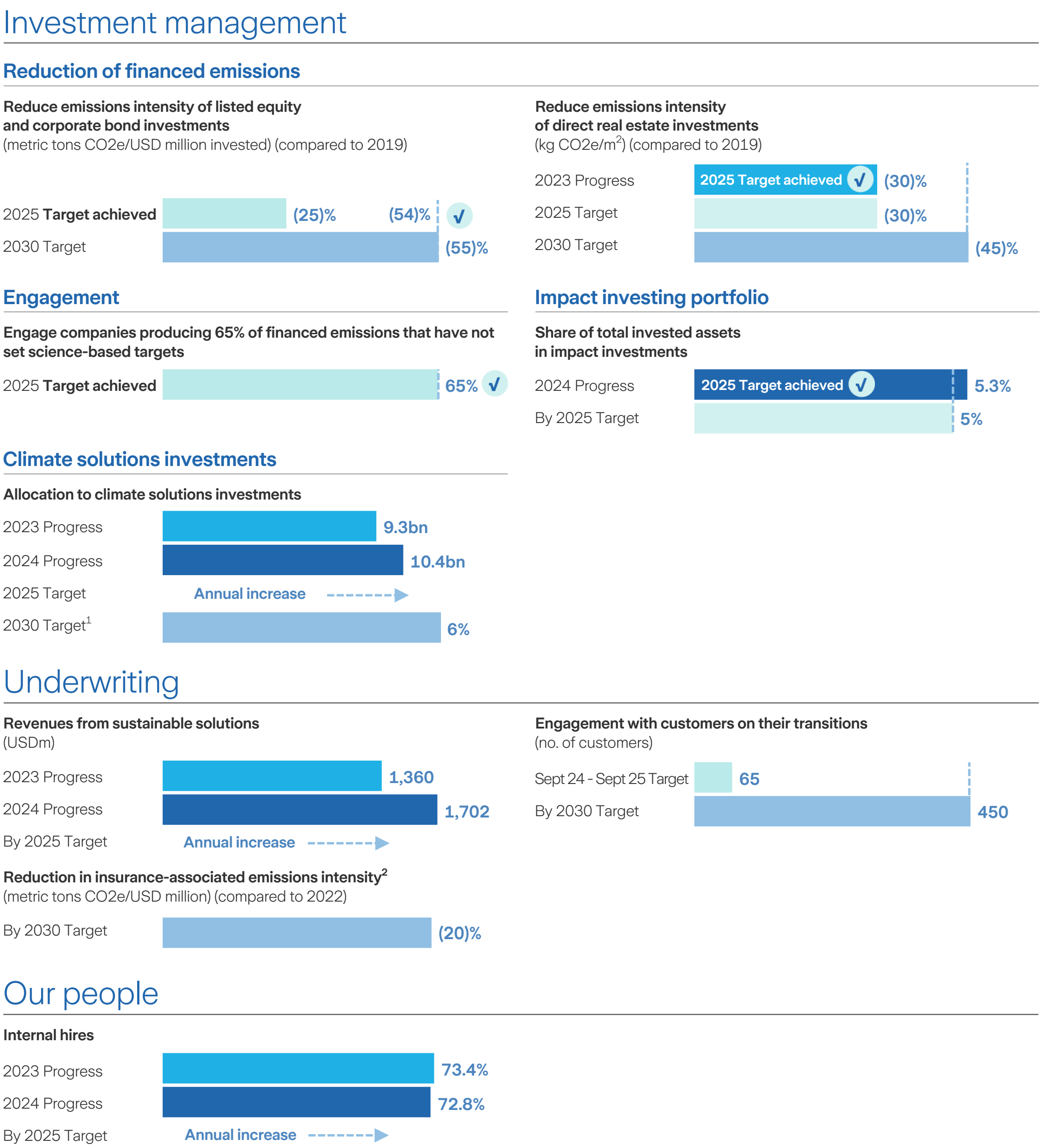
1 Determined by scope 1 & 2 for our customers' emissions using the PCAF IAE methodology for commercial lines, covering customers with revenues greater than USD 1 billion.
2 These positions do not apply to Workers' Compensation, Employers Liability, Accident & Health, Life, Surety Reclamation Bonds, certain environmental products and other employee protection coverages that have a positive impact on human health or the environment.
3 Reduction of emissions intensity (Scope 1 and Scope 2). Emissions intensity is defined as metric tons CO2 equivalent per USD million invested.
4 Reduction of emissions intensity (Scope 1 and Scope 2). Emissions intensity is defined as kilograms CO2 equivalent per square meter.
5 Cover-More, Farmers Group, Inc. and its subsidiaries, our joint ventures with Banco Sabadell and Banco Santander, smaller businesses like Real Garant and Orion, as well as third party vendors are excluded as well as our new acquisitions Zurich Kotak and Travel Guard.
6 Managed procurement spend means the spend of approximately USD 2 billion annually managed centrally by Zurich's Procurement and Vendor Management function on goods and services that are required to enable Zurich to maintain and develop its operations.
7 We consider a supplier to have science-based targets when their emission reduction targets are approved by the SBTi, a similar scientifically accredited body or otherwise require a reduction of at least 42 percent in Scope 1 and 2 emissions.
8 We consider a supplier to have net-zero targets when their net-zero target is approved by the SBTi, a similar scientifically accredited body or otherwise has a public target to neutralize any residual Scope 1 and 2 emissions.

1.3 Our targets and ambitions

To execute our Sustainability Framework, we have set ourselves both qualitative ambitions and quantitative targets.[1] In line with our aim to be transparent, we report yearly on our progress against those ambitions and targets.

Please note that **target 2025** and **target 2030** is always defined as using year-end 2024 and 2029 values, respectively (e.g., reduction of financed emissions). **By 2030 target** (e.g., for reduction of IAE intensity) is defined as using **year-end 2030** value, similar **by 2025 target** (e.g., for operational carbon emissions) is defined as using **year-end 2025** value. Please also note that parentheses around percentages or points indicate a reduction.

Figure 5
Our 2024 achievements and progress



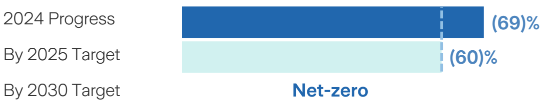
1 Estimated based on AuM 2023, equivalent to approximately USD 10 billion. Any portfolio activity will be subject to market conditions and potential other constraints.
2 Determined by scope 1 & 2 for our customers' emissions using the PCAF IAE methodology for commercial lines, covering customers with revenues greater than USD 1 billion.

✓ Target achieved

1 For more details on our targets and ambitions, see section 6.1 Our yearly progress on our targets and ambitions on pages 206 to 207.

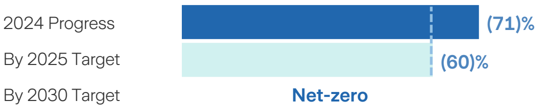
Own operations and supply chain

Absolute reduction in all operational emissions[1,2]
(compared to 2019)



Reduction of scope 1 and 2 emissions[1]
(compared to 2019)

Reduction of scope 3 emissions[1,2]
(compared to 2019)



% of MPS[3] that is with suppliers having science-based targets[4]

% of MPS[3] that is with suppliers having science-based targets to reach net-zero[5]

1 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 Zurich Kotak and Travel Guard are excluded since they were not reflected in the CO2e emissions baseline in 2019.
2 Resulting from air, rental and rail business travel, employee commuting, strategic data centers, printed paper and waste, as well as indirect energy impact.
3 MPS means the spend of approximately USD 2 billion annually managed centrally by Zurich's Procurement and Vendor Management function on goods and services that are required to enable Zurich to maintain and develop its operations. According to the 2023 baseline of MPS, excluding suppliers no longer active in the year of reporting.
4 We consider a supplier to have science-based targets when their emission reduction targets are approved by the SBTi, a similar scientifically accredited body or otherwise require a reduction of at least 42 percent in scope 1 and 2 emissions.
5 We consider a supplier to have net-zero targets when their net-zero target is approved by the SBTi, a similar scientifically accredited body or otherwise has a public target to neutralize any residual scope 1 and 2 emissions.

1.4 Our exclusions and positions

We take underwriting and investment decisions aligned with our purpose, values and strategy. We integrate all of our commitments and have the following specific positions which are laid out here in a simplified way:[1]

Table 1
Our exclusions and positions

Coal, oil sands and oil shales	**Not underwrite and invest[1] in companies** that: – generate more than 30 percent of their revenue from mining thermal coal, or produce more than 20 million tons of thermal coal per year. – generate more than 30 percent of their electricity from coal. – are in the process of developing any new thermal coal mining, power or transportation infrastructure; We will also not underwrite any new metallurgical coal mining.[2] – generate at least 30 percent of their revenue directly from the extraction of oil from oil sands. – are purpose-built (or "dedicated") transportation infrastructure operators for thermal coal or oil sands products, including pipelines, cargo ships and railway transportation. – generate more than 30 percent of their revenue from mining oil shale, or generate more than 30 percent of their electricity from oil shale. This is already **fully implemented**, but we **continue to screen new customers and investee companies** and will only consider companies that are already below those limits or have near-term commitments in place to bring them below the limits, with annual reviews of progress. If in the course of these dialogues the company does not show credible progress in their transition from thermal coal, oil sands or oil shale, we will, as permissible by law or regulation, **reduce exposure, divest from equity holdings, stop investing in new debt and run off existing holdings**. Where permissible by law, we will **fully phase out insurance for companies**, involved in **thermal coal activities** by 2030 for OECD and EU27 countries and by 2040 for the rest of the world. On thermal coal, in our investment management activities, we also **engage** with companies on the phase out of thermal coal production and use in OECD countries and EU 27 by 2030 and rest of world by 2040.
Oil and gas	To the extent permissible under law or regulation, we **exclude** the following from our activities: – **New single-site P&C insurance policies for new (upstream) oil and gas exploration and development projects,** for sites where licenses were approved after 31 December 2022. – **Oil and gas drilling and production projects and infrastructure** (up and midstream) in the Arctic.[3,4] Within our insurance offering, we also expect oil and gas producers to have a zero routine flaring commitment by 2030 and have credible transition plans aligned to achieving net-zero by 2050, with interim targets and clear measurable commitments.[2] Those transition plans **should be in place by 2030**. As a **last resort**, where permissible by law or regulation, we will then **exit customers** where transition risks are not sufficiently managed.[5] For our investments in private debt,[6] we have dedicated fossil fuel guidelines agreed with our asset managers. For listed asset classes, we focus on engaging with carbon-intensive companies, such as those operating in the oil and gas sector, on the need to set science-based emissions target. In line with our guidelines, we exclude any thermal coal related assets in these portfolios. Further, these portfolios will not finance oil and gas assets which are not aligned with science-based or government-issued regional / national 1.5°C pathways.
Banned cluster munitions and anti-personnel land mines	No new business relationships[7] with companies that produce, stockpile, distribute, market, or sell banned cluster munitions or anti-personnel land mines. If we become aware of potential involvement of an existing customer or investee company in such activities, we will engage in a maximum two-year dialogue to explain our position on this sustainability issue and expect compliance with the relevant international treaties.

1 On invest we do not include met coal, as we do not have the data to screen companies for that.
2 Enhancement to existing position, applicable from 2025 onwards.
3 Considered as anything north of 66 degrees latitude with the exception of the Norwegian Continental Shelf.
4 For insurance, this applies to any policy in the following lines that have exposure to those arctic operations: Construction, Operational property covers, Marine and General liability.
5 These positions do not apply to Workers' Compensation, Employers Liability, Accident & Health, Life, Surety Reclamation Bonds, certain Environmental products and other employee protection coverages that have a positive impact on human health or the environment.
6 Excluding Collateralised Loan Obligations (CLOs) and Real Estate.
7 Business dealings include the provision of insurance products and services and direct investments.

1 For further information and the detailed position please visit our website: www.zurich.com/sustainability/governance-and-positions/our-positions

1.5 Stakeholder overview

Taking into account our **stakeholders' needs** is crucial in the identification of our sustainability priorities. This is why we **actively engage** with them in **different ways**. Stakeholder engagement allows us to get valuable insights, which we include in our decision-making processes. The feedback we collect helps us anticipate and mitigate potential risks and align our sustainability strategy with both internal and external expectations, thus strengthening the foundation of our Sustainability Framework and fostering the transparency and trustworthiness of our reporting.

Figure 6
Our key stakeholder groups

1 Customers	2 Shareholders	3 Employees	4 Suppliers	5 Governments and Regulators	6 Local communities
Engagement					
– Listening to retail customers through TNPS and Brand Consideration surveys. – Responsibly using data provided by our customers to improve our understanding of their needs. – RNPS studies and surveys with brokers. – Actively engaging with our commercial customers who materially contribute to our portfolio emissions.	– Chairman annual roadshow.[3] – Conducting a Remuneration Committee Chair outreach initiative. – Meetings between shareholders and proxy advisors with Group CSO and Group Chief Underwriting Officer. – "ESG (Environmental, Social Governance) Guide to Zurich"[4] presentation annually updated.	– Regular personal development conversations. – Online and work-based skill development. – Inclusion networks, Employee Resource Groups (ERGs) and volunteering opportunities. – Employment relations and occupational health & safety representation. – Employee events, incl. leadership forums, webcasts, townhalls and off-sites. – Annual Zurich Experience Survey (ZES).	– Integration of ESG factors and sustainability-related criteria into procurement decisions. – Supplier due diligence, training and events. – Meetings with key suppliers to emphasize our net-zero ambitions and how they can play their part by engaging in their own net-zero aligned climate action.	– Direct dialogue with regulators and policymakers across our key markets and on topics where we have relevant insight and expertise. – Participation in industry dialogues through trade associations. – Responses to consultations. – Thought leadership activity, incl. production of reports and participation in events.	– We share our resources and expertise to help build more resilient communities, adding value beyond our core business activity, incl. through volunteering, fundraising and other initiatives.

1 The Foundation is a Swiss-based charitable foundation established by members of the Group. It is the main vehicle by which we deliver on our global community investment strategy.
2 Our Group and employees contribute through fundraising, volunteering and cash contributions whereas the Foundation carries out community investment activities. Excluded are employees of Cover-More and of Farmers Group, Inc. (FGI). FGI, a wholly owned subsidiary of the Group, and certain of its subsidiaries provide certain non-claims services and ancillary services to the Farmers Exchanges in the U.S. as their attorney-in-fact and receive fees for their services. The Group has no ownership interest in the Farmers Exchanges.
3 www.zurich.com/-/media/project/zurich/dotcom/investor-relations/docs/investors/chairmans-roadshow-2024.pdf
4 www.zurich.com/-/media/project/zurich/dotcom/investor-relations/docs/investors/2024-a-guide-to-esg-at-zurich.pdf?v=1

	1 Customers	2 Shareholders	3 Employees	4 Suppliers	5 Governments and Regulators	6 Local communities
Impact	– Improving customer communication through delivery of empathy trainings at service and claims centers. – Use of TNPS feedback to redesign customer journeys. – Greater understanding of customers' transitions and their emerging needs. – Supporting product and service innovation with a focus on resilience. – Further integrating resilience insights into our insurance business.	– Increasing understanding of our shareholders' expectations allows us to align our ESG priorities. – Further development of remuneration framework and reporting transparency. – Developing best-practice in sustainability strategy and reporting.	– Increasing employee engagement - and thereby business performance - by listening and including employees' perceptions and experiences. – Contributing to a sustainable workplace and a positive work experience.	– Increasing compliance levels by promoting our supplier code of conduct (SCOC). – Effectively managing supply chain ESG risks. – Decarbonizing our supply chain.	– Shape development of supportive policy frameworks. – Limit risk of unintended consequences from new regulations. – Inform public policy debates.	– Helping communities disproportionately affected by the climate crisis adapt and thrive. – Collaborating to create sustainable development and positive impact in the communities, where we are active.
Our progress in 2024	– Improved TNPS scores across our business. – Improved Claims TNPS scores. – Increased brand consideration in several markets. – Improved retention rates where customer needs are addressed.[1]	– Clear shareholders' support for the advisory vote of the Sustainability report 2023 at the AGM. – Recognition of our Sustainability leader status by main ESG rating agencies.	– Adjusted people priorities to focus on, for example, core skills building, or upskilling in digital, AI, and data.[2] – Improved female representation in senior management.[3] – Achieved 4th rank among insurance companies in the Forbes World's Best Employers award.[4]	– Suppliers understanding of our Sustainability Framework, in particular our net-zero ambitions. – Supplier improvement plans to align their sustainability strategy, performance and goals with our expectations and ambitions (i.e., create a human rights policy, measure emissions and set targets).	– Recognition of our expertise by the EU taskforce on resilience and integration of our inputs in the 2024 report on resilience policy.[5] – Publication of Economist Impact research report on urban resilience.[6]	– The Zurich Climate Resilience Alliance and the Urban Climate Resilience Program partnered with local and global organizations to implement tailored solutions in nine countries, where community resilience is actively measured and improved. – Together with the Foundation, Zurich Australia has generated about a third of the funds raised for the SurfAid Make a Wave Challenge, helping communities in Indonesia and the Pacific.

1 For more information on these results, see section 4.2 Customer attraction and retention (page 185).
2 For more information on learning and development, see section 5.1.1 Careers and work (pages 193 to 196).
3 For more information on equal representation of all genders across the organization, see section 5.1.2 Diversity, equity, inclusion and belonging (pages 196 to 198).
4 www.forbes.com/lists/worlds-best-employers/
5 https://climate.ec.europa.eu/document/download/4df5c2fe-80f9-4ddc-8199-37eee83e04e4_en?filename=policy_adaptation_climate_resilience_dialogue_report_en.pdf
6 https://edge.sitecorecloud.io/zurichinsur6934-zwpcorp-prod-ae5e/media/project/zurich/dotcom/industry-knowledge/climate-change/docs/resilience-from-the-ground-up.pdf

2. Governance

Sustainability is embedded in our governance framework.

The Board of Zurich Insurance Group Ltd has the ultimate responsibility for the Group's success, for delivering long-term sustainable value. It sets our values and standards, and establishes a framework of effective controls. As part of its strategic responsibility, the Board approves our sustainability strategy and objectives, including non-financial targets with a material impact on the Group. It is supported by its Board Committees within their respective core mandates:

- The Governance, Nominations and Sustainability Committee (GNSC) recommends our sustainability strategy and objectives, reviews the climate transition plan and exercises oversight on sustainability-related matters.
- The Audit Committee exercises oversight of sustainability reporting.
- The Risk and Investment Committee exercises oversight of risks, including sustainability risks.
- The Remuneration Committee evaluates the remuneration architecture, including incentive plans which are linked to appropriate performance criteria supporting the strategy's execution.

"Our governance framework is key to driving trust, accountability and sustainable value for our stakeholders.

Katja Roth Pellanda
Group General Counsel

At management level, accountability for different areas of expertise, including sustainability aspects related to each of these areas, is assigned to an Executive Committee (ExCo) member or a Group CEO direct report. By opting for an integrated approach, our existing governance bodies are responsible for sustainability-related topics that concern their field of expertise.

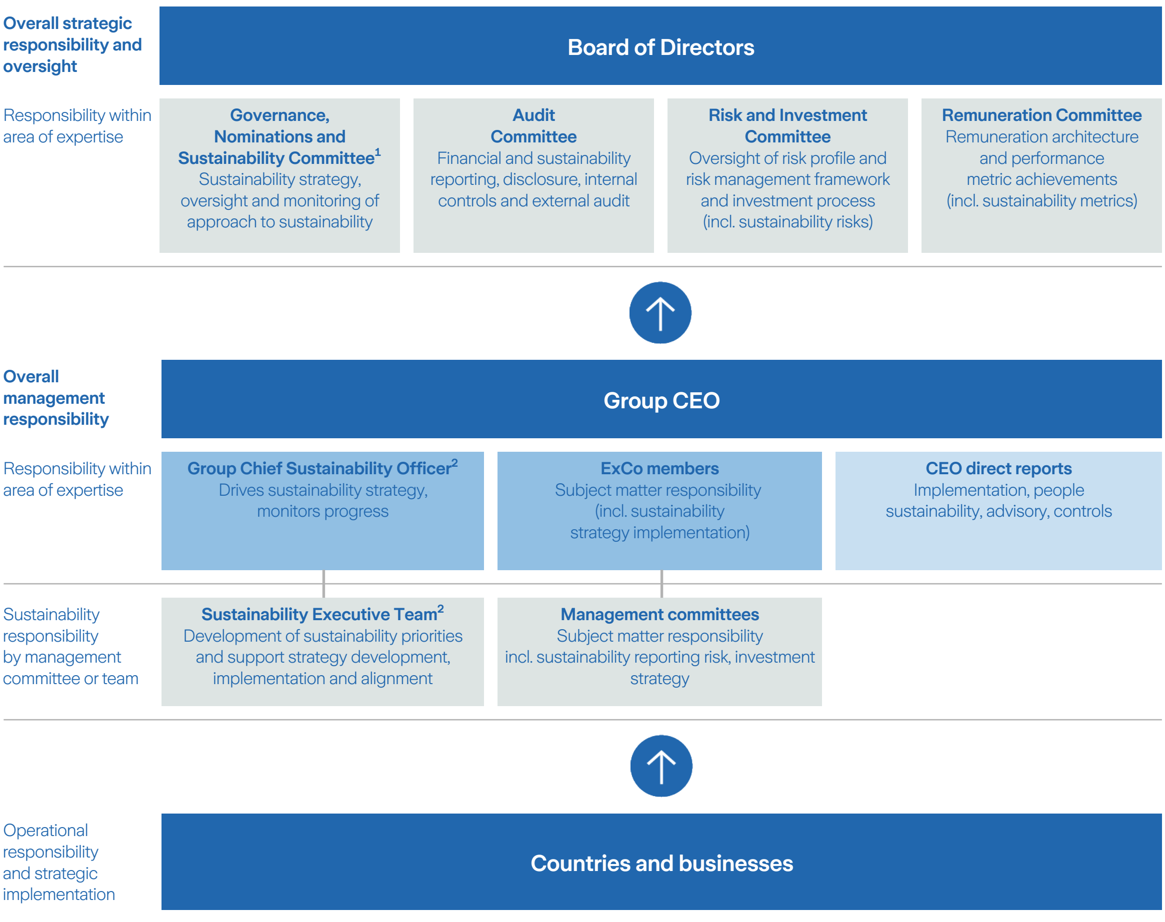
In addition, the Group Chief Sustainability Officer (Group CSO), who reports into the Group CEO, is responsible to drive our Sustainability Framework and to act as a sounding board for strategic alignment of global sustainability priorities to assure a consistent approach and to facilitate oversight. The Group CSO is also responsible for monitoring progress with respect to the sustainability priorities and targets, and reporting thereon to the GNSC, the Group CEO and the ExCo.

The Sustainability team, reporting to the Group CSO, drives the development of sustainability priorities across our businesses and supports regions, countries and functions with implementation by providing centralized expertise, facilitating collaboration and knowledge sharing, and ensuring that action plans are in place.

Strategy development and its implementation is facilitated by the Sustainability Executive Team, which comprises sustainability heads of relevant functions and countries and which is chaired by the Group CSO.

Regions and countries are operationally responsible for implementing the sustainability strategy developed at Group level. We review and monitor strategy implementation through quarterly internal scorecards. Progress toward climate-related targets across regions and countries is discussed at least annually as part of regular business performance review meetings. This is in addition to regular monitoring performed at Group level across key business functions.

Figure 7
Sustainability is embedded in our governance framework



1 Specific sustainability responsibility.
2 Dedicated sustainability responsibility.

TCFD G

2.1 Governance around climate-related risks and opportunities

The organization's governance around climate-related risks and opportunities

As outlined above, sustainability – and therefore environmental topics, such as climate and nature – are integrated into our governance structure.

In particular, the GNSC has been mandated by the Board to oversee our approach and conduct with regard to sustainability. Oversight with respect to sustainability risks, including risks associated with environmental topics such as climate change and nature loss, is achieved through regular updates from the Group CSO on material topics and on the performance against, among others, climate-related targets. Outcomes of scenario-based climate risk assessments were discussed with management as part of strategy setting processes. The Group CSO also reports the consolidated set of material actions arising from scenario-based climate risk analysis to the GNSC after confirming with the ExCo for Group CEO approval. In addition to this, the GNSC was engaged on several strategic topics throughout 2024, including operational emissions, sustainability performance management and recommending the Board to approve our first climate transition plan.

The accountability of each ExCo member and Group CEO direct report for sustainability within their assigned function or business includes, amongst others, climate and nature. Responsibilities for such a role include contributing to the development and implementation of our climate transition planning, assessing and managing climate-related risks and opportunities, managing progress against climate-related corporate targets and value chain engagement on climate-related issues. Furthermore, environmental topics, including climate change, are considered as part of mergers and acquisitions decision-making and due diligence processes.

Further information on sustainability risk and its governance is set out in the risk review (see pages 222 to 254). Further information on our metrics and targets is available in section 3.3 Targets and metrics of this sustainability report (see pages 159 to 179).

TCFD G

2.2 Impact of climate-related performance on remuneration

Sustainability-related actions, including actions to support the transition to net-zero, are reflected in the annual objectives for employees, including the ExCo members, where relevant. The corresponding achievements are considered in the individual performance assessment and in the determination of awards under the Group's short-term incentive plan (STIP).

To support our net-zero journey, the performance metrics under our long-term incentive plan (LTIP) include an operational CO2e emissions metric with a weighting of 10 percent for the 2023-2025 and 2024-2026 performance periods. For the **performance period 2025-2027**, we are **raising the weight of sustainability-related performance** criteria from 10 to 20 percent by introducing financed emissions intensity (10 percent) as an additional sustainability performance metric to the existing operational CO2e emissions of the Group. Financed emissions intensity is defined as metric tons CO2 equivalent emissions per USD million invested of our listed equity and corporate bond holdings. The LTIP is used for a defined group of our most senior positions, including all ExCo members.

Both the STIP and LTIP are further described in our remuneration report (see pages 83 to 88 and page 109).

TCFD G

The members of the Board receive fixed remuneration as an annual fee, of which half of the basic fee is paid in cash and half in five-year sales-restricted shares which are not subject to the achievement of any specific performance conditions.

Read more on Board fees in the remuneration report:
▶ Pages 91 to 94

3. Our planet

Taking action today to safeguard tomorrow.

Climate change presents a dual imperative. Global emissions need to be reduced to avoid the most damaging impacts and simultaneously build greater resilience against the physical hazards which will continue to grow even as we transition. We focus on enabling a positive socio-economic and environmental transition, while at the same time building resilience to evolving risks. A stable climate and healthy, diverse natural environment are critical to continuing human and economic development. Environmental challenges including nature loss and climate change can impact all sectors of the real economy which we insure and invest in, and ultimately can have significant impacts on the company's long-term value. Understanding, measuring and managing these impacts – while seizing the opportunities that arise from the transition to a net-zero world – is essential to creating sustainable value for our stakeholders.

> We want to address the dual imperative of climate change – both decarbonization of the economy and building resilience to the impacts of climate change.

Linda Freiner
Group Chief Sustainability Officer

TCFD E

While environmental topics beyond climate are considered as part of our approach to sustainability,[1] understanding and managing **climate change impacts remains a particular focus**.[2] This section presents our disclosure in line with the recommendations of the **TCFD** and represents our assessment of the resilience of our strategy to climate change risk. In order to simplify the structure, we embedded governance around climate change in Chapter 2. Governance (see pages 134 to 136).

TCFD E G

3.1 Strategy

The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning

3.1.1 Our approach to climate change

Our business strategy calls on us to deliver in our various roles as an insurer:

- as a **risk manager**, helping customers to understand, prevent and reduce climate-related risks.
- as a **risk carrier**, protecting households, companies and communities by absorbing the financial shocks from increasingly extreme weather.
- as an institutional investor, **financing the transition** of companies and scaling capital toward climate.

3.1.2 Managing climate risk

In line with TCFD recommendations, when we consider the topic of climate change, we consider both **physical and transition-related impacts**. Physical risks include increasing frequency and severity of acute events such as floods due to heavy rain but also longer-term changes in variables such as sea levels, temperatures etc. Transition risks can stem from policy, regulatory and societal changes introduced to address the impacts of climate change.

1 E.g., revenues resulting from sustainable solutions, see section 4.1.1 Revenues from sustainable solutions on pages 181 to 185.
2 Climate change has been identified as one of our most material topics. For more information, see section 1.1.2 Assessing materiality on pages 124 to 125.

Figure 8
Climate-related risk

Risk type

Physical
- Acute Physical incl.
  - Tropical cyclone
  - Hail
  - Flood

Chronic physical, incl. sea level rise
- Variability in temperature

Transition policy and legal
- Increased pricing of greenhouse gas (GHG) emissions and removal of subsidies
- Restrictions on products and technologies

Technology
- New low-carbon and energy efficiency technologies

Market and sentiment
- Changing customer behavior and consumer preferences
- Stigmatization of sectors and technologies
- Changed cost of production inputs

Impact channels

Changes to extreme weather events
- Changes in frequency and severity
- Geographic shift of events

Changes in productivity
- Agricultural and labor productivity

Changes in demand
- Increasing demand for low-carbon products and materials
- Reduced demand for carbon-intense technologies and products

Changes in costs
- Direct carbon costs
- Changes in operating costs (supply chain, commodity costs, compliance, new production processes)
- Abatement

Competition and pass-through effects
- Shifts in market share
- Passing costs through to end customers
- Products and services with low price elasticity

Economic Impact

Individual companies
- Changes in revenues and costs from impacts on workforce and production assets and changes in supply chain costs and reliability
- Increased operating costs
- Lower product margins
- More operational break-downs
- Early write-offs and stranded assets
- Changes in borrowing costs
- Higher sales volumes and profits for companies providing low-carbon products and services

Macroeconomy
- Higher Infrastructure costs
- Changes in GDP and growth rates
- Changes in borrowing costs
- Changes in interest rates

Impact to insurers' balance sheet

Liabilities (insurance)
- Changes in, and shift of, demand across geographies/sectors/lines of business
- Changes in loss frequency
- Changes in loss severity

Assets (investments)
- Valuation changes
- Changes in default rates

Our view on climate risk

Physical and transition risk will play out over coming decades with pervasive impacts to the global economy and potentially our business if they are not adequately managed. Understanding and managing potential impacts is an important aspect of maintaining our short- and longer-term profitability. Over the **medium to long term**, **physical risk** is expected to **increasingly impact economic growth**. The new technologies, energy generation and construction methods expected to evolve as part of the transition to a net-zero economy will serve to influence the size and composition of the global economy.

The long-time horizons over which climate change will play out introduces uncertainty around the degree to which physical or transition risk shapes the future global economy. This is something further dependent on the nature of public policy frameworks introduced over the coming decades. As the global economy evolves in response to the changing climate, our business will be impacted, most notably through **changing demand** for our products, **changes to the loss experience** associated with those products and **changes to the value of our assets**.

Given our ability to reprice many of our products on an annual basis, our focus on developing customer resilience and our flexible investment approach, we believe we are **sufficiently flexible to adapt to events** as they unfold and we will remain **well positioned to insure the future economy**. Nonetheless, physical- and transition-related impacts represent sources of increased risk and require careful consideration and management.

Our approach to climate risk

Climate risk is managed in a way consistent with other risks we are exposed to. Our risk management approach considers multiple time horizons and approaches to manage near-term impacts and navigate highly uncertain outcomes over the medium to long term. Assessments of the evolving physical and transition risk landscape are integrated into our underwriting and investment strategies.

- Over the **short term**, we use **sophisticated natural catastrophe modelling, with a focus on underwriting activities,** to inform balance sheet resilience against changing frequency and severity of perils, with our view of natural catastrophe risk used to inform financial planning.

– For the medium to long term we complement our short-term management of climate-related risks through the use of **scenario-based climate risk analysis**, which allows us to **assess the strategic implications of climate change** over time horizons extending **beyond the financial cycle** and **assess the resilience of our strategy to potential climate risks**. We employ a static balance sheet approach, fully recognizing that the analysis is a theoretical "what if" exercise, which is useful to stretch management thinking about the medium-to-long-term outlook, but not to inform insights from an immediate solvency, financial or capacity management perspective.

Figure 9
Managing and understanding climate-related impacts is integral to our business

Short-term risk management
- Natural catastrophe modeling to inform balance sheet resilience
- Modeling exposures to climate related natural catastrophes such as hurricane, hail and flood to inform capital and solvency assessment incl. profitability assessment and reinsurance strategy
- Transition risk considered qualitatively as part of our Total Risk Profiling™ methodology

Medium and long term analysis
- Climate risk scenario analysis to inform medium and long term strategic resilience
- 'What-if' analysis, performed using a fixed balance sheet approach and considering both physical and transition risk
- Allows to understand and informs around potential future impacts of climate change

Figure 10
Time horizons considered

Short term 0 – 3 years (until 2026)	This is **aligned** with our **financial planning cycle**, in which we place a particular focus on managing the changing frequency and severity of perils, which is critical to ensuring profitability and management of accumulation risk. Over this horizon, insight derived from our natural catastrophe modeling (see section 3.1.3 Natural catastrophe modeling: current exposure to physical risk on pages 139 to 142) informs our capital and solvency calculations. Our view of natural catastrophe risk also underpins profitability assessments and strategic capacity allocation and guides the type and quantity of reinsurance we buy. Drivers of transition risk that could have an impact on the achievement of our short-term strategic objectives are in scope for consideration as part of our annual process by applying our Total Risk Profiling™ methodology (see section 3.2.1 Integration of climate risk within the overall risk management framework on page 157).
Medium term 3 – 10 years (until 2035)	While we operate with a three-year financial cycle horizon, a consideration of longer time horizons allows us to reflect potential risks and opportunities associated with climate change in the formulation of appropriate responses. A 10-year horizon allows us **balance the need for strategic insight** with the growing uncertainty associated with longer time horizons. Our view on the resilience of our business strategy over the medium term is informed through the use of scenario analysis.
Long term 10 – 30 years (until 2050)	Our net-zero commitment requires that we extend our time horizons to 2050 to consider more fully the **potential risks and opportunities associated with aligning our business with a net-zero future**. Such time horizons are well suited to certain long-term assets such as real estate investments and life insurance risks. Our view on the resilience of our business strategy over the long term is informed through the use of scenario analysis.

3.1.3 Natural catastrophe modeling: current exposure to physical risk[1]

To manage our short-term climate risks more effectively, we are investing in improving our understanding of them. Modeling the effects of physical risk on our portfolios is a key focus. Managing the changing frequency and severity of perils is critical to ensuring profitability and managing accumulation risk over the short term (1 – 3 years). Based on our work so far, it has become clear that model adjustments are required in some peril regions to reflect the impact of climate trends on physical risk today. We focus on Property & Casualty (P&C) exposures and monitor the following:

1 Results from the Q4 2024 Group Catastrophe Model are presented in the analysis shown below. There are timing differences in the underlying exposures considered in this analysis (underlying exposures by peril region are generally as of June or September 2024, and in exceptional cases as of September or December 2023). For more information, see also 3.2.2 Managing risks from climate-related natural catastrophes on page 158.

Approach

Current exposures to physical climate risk are expressed through Annual Expected Loss (AEL) and Probable Maximum Loss (PML). Modeled exposures comprising the peril regions are as follows:

– Central Europe hail: Austria, Belgium, Czech, Republic, Denmark, Estonia, Finland, France, Germany, Great Britain, Hungary, Ireland, Italy, Latvia, Lichtenstein, Lithuania, Luxembourg, Norway, the Netherlands, Poland, Slovakia, Slovenia, Sweden and Switzerland.
– Europe wind: Austria, Belgium, Czech Republic, Denmark, France, Germany, Guernsey, Ireland, Isle of Man, Jersey, Luxembourg, the Netherlands, Norway, Poland, Sweden, Switzerland and the UK.
– Europe flood: Austria, Belgium, Denmark, Finland, France, Germany, Italy, Ireland, Luxembourg, Netherlands, Norway, Poland, Portugal, Sweden, Switzerland and the UK, including others like Guernsey, Isle of Man, Jersey, San Marino and Vatican.
– CB, MX and U.S. hurricane: Caribbean, Mexico and the U.S.

Our approach to modeling is discussed further in the section on managing risks from climate-related natural catastrophes (see page 158). We highlight how various drivers including exposed insurance portfolio and vulnerability changes, model updates, exposure data quality, foreign exchange rates and reinsurance can influence natural catastrophe modeling output (e.g., AEL, PML) over time.

Scope

The climate risk assessment is applied to our portfolios, namely the exposure of our P&C business to natural catastrophe perils, impacted by climate change that could materially impact us.

Quantification

AEL
AEL provides a view on the expected loss due to natural catastrophes per year, averaged over many years.

PML
PML is a tail metric that looks at severe, unexpected but still possible outcomes of natural catastrophes at a defined probability of occurrence.

Monetary losses
Amount of monetary losses attributable to insurance payouts from natural catastrophes.

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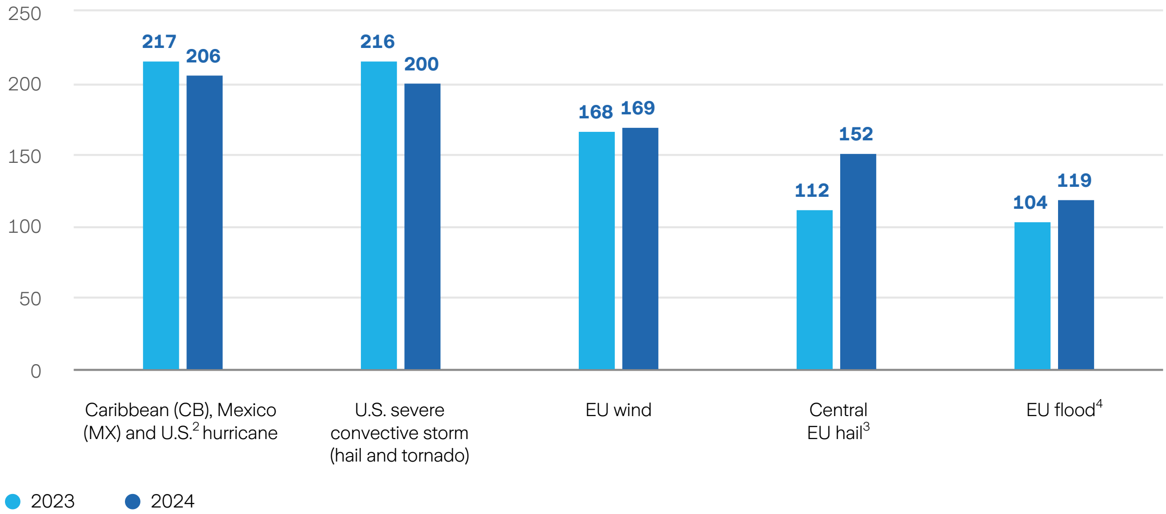
Annual Expected Loss
Figure 11
Annual Expected Loss for top five peril regions[1]

in USD millions



1 AEL excludes Farmers Re's participation in the Farmers Exchanges' all lines quota share treaty of 8 percent as of December 31, 2024. This treaty contributes to Zurich Group's AEL for U.S. severe convective storm with USD 85 million and for U.S. hurricane with USD 16 million.
2 The geographic scope includes correlated exposure in the CB and in MX. The AEL for U.S. hurricane only is USD 184 million in 2024.
3 The scope of the Central EU hail model was extended to also include Czech Republic, Denmark, Estonia, Finland, Great Britain, Hungary, Ireland, Latvia, Lithuania, Luxembourg, Norway, Poland, Slovakia, Slovenia and Sweden.
4 The scope of the EU flood model was extended to also include Denmark, Finland, France, Ireland, Luxembourg, Netherlands, Norway, Poland, Portugal and Sweden.

Our modeled AEL from climate-related natural catastrophes provides an indicator of our current exposure to perils that might be affected by climate change. The AEL analysis above reflects our current top five peril regions, net of reinsurance, before tax and excluding unallocated loss adjustment expenses. This analysis helps us manage risks related to insuring these perils, such as accumulation risk. Risk appetite limits by peril region are in place and exposure is currently within appetite.

2024 numbers generally reflect exposure, model, reinsurance and exchange rate changes since the last reporting. The increase of Central EU hail is driven by a model change, including geographic scope extension and increased granularity of exposure data for Italy. The modeled geographic scope has also been extended for EU flood.

Probable Maximum Loss

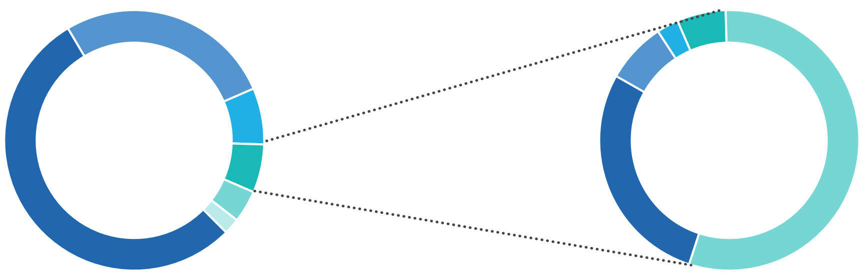
The graphs below show the materiality of natural catastrophe risk relative to other risk types and the materiality of our climate-related perils to overall catastrophe risk. Natural catastrophe risk accounts for only 6 percent of our Swiss Solvency Test (SST) total risk capital. From those 6 percent only 45 percent relate to natural catastrophe risk with North America hurricane being the largest contributor.

Figure 12

SST by risk type and climate-related perils as proportion of natural catastrophe SST risk capital

SST total risk capital contribution by risk type

Climate-related perils as a fraction of natural catastrophe SST total risk capital[1]



Market risk	54%
Premium & reserve risk	27%
Business risk	7%
Natural catastrophe risk	6%
Life insurance risk	4%
Other credit risk	2%

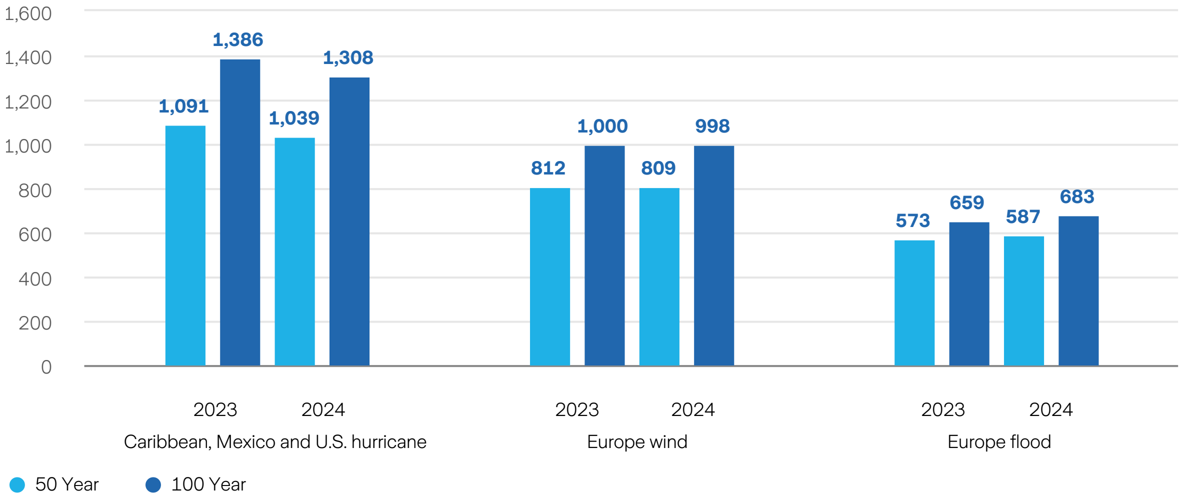
North America hurricane	28%
Europe wind	8%
Europe flood	3%
Other climate-related	6%
Non-climate-related	55%

1 The natural catastrophe SST total risk capital is defined by the 1 percent worst annual losses. These are driven by peril regions with large potential losses beyond 100-year return period (e.g., North America hurricane).

Figure 13

Probable Maximum Loss by top three peril regions[1]

in USD millions



1 PML excludes Farmers Re's participation in the Farmers Exchanges' all lines quota share treaty of 8 percent as of December 31, 2024. This treaty increased Zurich Group's PML for US hurricane by USD 81 million for the 50-year PML and by USD 96 million for the 100-year PML.

The net annual aggregate 50- and 100-year PML are shown above for the top three climate-related peril regions measured by SST total capital contribution.[1]

P&C monetary losses from natural catastrophes

Our loss ratio for 2024 was 65.6 percentage with 0.6 percentage points attributable to the following natural catastrophe experienced in 2024. We follow the Group's Catastrophe Response Group (CRG) governance for natural catastrophe identification. Here we report events where the total net loss is above USD 200 million. The Hurricane Helene event and figure has been reviewed by the CRG, a cross-functional committee which oversees and recommends to the ExCo the best-estimate ultimate loss for material catastrophes. The term "catastrophe" in the context of the CRG covers both man-made and natural catastrophe peril events that are relatively infrequent or are phenomena that produce unusually large aggregate losses.

Table 2

Total amount of net losses[1]

Event name (by event and region)	Total net losses in USDm (2024)
Hurricane Helene (hurricane, North America)	250
Total	250

1 Only events above USD 200 million are reported.

In estimating the total net losses of catastrophes, assumptions and models are applied. These assumptions and models do not only have inherent variability, but can also change over time as the catastrophe event develops. Hence the estimates provided above can change over time as the event matures and the estimates become more stable.

An important aspect of our proprietary view on natural catastrophe risk is the evaluation of patterns and trends in catastrophe activity with time. Natural variability of event activity is an integral part of our view on natural catastrophe risk, as are statistically significant trends that may be detectable in our claims experience or credible, conclusive modeling of past, present and future climate as a driver of loss activity. We regularly revisit our risk views and underlying models on climate-related perils in order to reflect trends in the hazard, whereas exposure trends are naturally captured by exposure data updates. Natural variability is at the same time evaluated and kept up to date as part of the regular reviews of our natural catastrophe risk view, which underpins the structuring and purchase of reinsurance along with the profitability assessment and strategic capacity allocation for risk assumed from customers.

We follow a gross-line underwriting strategy and focus substantial time and resources on ensuring risk-adequate underwriting and pricing of the business we assume upfront, including consideration of potential climate change induced trends. Reinsurance is used as a means to maximize diversification of net retained risks and to protect shareholders against earnings volatility. We engage with a core panel of reinsurance partners to secure the required capacity at sustainable pricing over the medium term. Given our financial strength, we have the option to weigh the benefits and cost of reinsurance against other forms of risk financing and thus adapt to supply-side changes in the reinsurance market as a potential consequence of the macroeconomic response to climate change adaptation.

3.1.4 Portfolio level scenario-based climate risk analysis

We consider potential longer-term impacts of climate change to our business through an annual scenario-based analysis which considers our underwriting and investment activities as well as our own operations.

Key aspects of our analytical framework are outlined below. To ensure the medium-term outlook is sufficiently distinct from our financial planning cycle, we extended the medium-term timeframe from 2030 to 2035 as part of our 2024 cycle (see Figure 10 on page 139).

1 Our disclosure shows our efforts to provide additional details. However it is acknowledged that full compliance is not envisaged e.g., due to our reporting standards (no disclosure of gross losses), or our industry's catastrophe modeling standards. There are generally no catastrophe models available, for example, for chronic diseases, droughts and extreme heat and therefore no PMLs can be provided. Tsunami risk is correlated (and modeled) with seismic risk and therefore cannot be reported on a stand-alone basis as part of insured products from weather-related natural catastrophes, which are the scope of SASB.

Figure 14
Scope and time horizons for climate risk analysis[1]

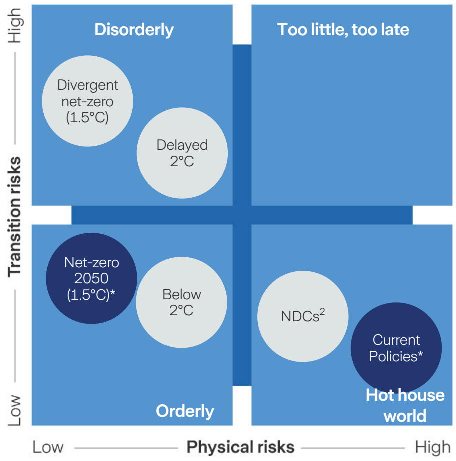
	Underwriting	Investments	Operations
Approach	Premium analyzed by Line of business (LoB), region and industry and sector respectively to identify areas with potentially high exposure to physical and transition risk. Each such area analyzed in depth to understand the potential relationship between key climate drivers and insurance demand and loss experience.	Third-party model leveraged to understand impacts to asset valuations through exposures of companies and industries to physical and transition risk drivers. Analysis informed by asset-level data on relevant risk drivers, including CO2e emissions, abatement costs, exposure to physical risks, dependency on fossil fuels.	Physical risk exposure analysis performed to understand potential future exposures at key locations combined with model-based assessment of supply chain resilience to transition risk.
Scope	– Most material P&C LoB / Industry sectors (64 percent premium) – Life protection products (93 percent premium)	– Listed equities – Corporate credit – Real estate – Sovereign bonds	– Owned offices and offices with greater than 10-year lease terms, with more than 100 employees – All strategic data centers – Suppliers performing services with the highest level of criticality
	– Percentage change in demand is the estimated impact on size and composition of demand for insurance products due to the drivers of physical and transition climate risk, compared with a 2035 baseline. – Percentage change in expected losses is the estimated impact on claims due to the drivers of physical and transition climate risk, compared with a 2035 baseline.	Impacts to asset valuation for listed equities, corporate credit and real estate, which represents approximately 35 percent of the assets under management. Sovereign bonds are assessed qualitatively.	Changing exposure to natural catastrophes.
Medium Term 3 – 10 years (until 2035)	Quantitative	Qualitative	Quantitative
Long Term 10 – 30 years (until 2050)	Qualitative	Quantitative	Quantitative

1 For details on modeling approaches, methodologies and key assumptions, see section 3.2.3 Portfolio level, scenario-based climate risk analysis on pages 158 to 159.

Scenarios used
The scenarios underpinning the analysis of our underwriting and investment activities are drawn from the Network for the Greening of the Financial System (NGFS) suite and are chosen to allow us consider a broad range of risks and opportunities of varying degrees of physical and transition risk and determine the resilience of our strategy in both net-zero aligned and high physical risk future states. The emissions pathways of the selected scenarios correspond broadly to representative concentration pathways (RCP) 2.6 and 6.0.

The scenarios used to understand physical risk impacts to our own operations are broadly aligned with those used for our underwriting and investment analysis in terms of RCP assumed (RCP 2.6 and 8.5), meaning we consider similarly varying degrees of physical risk.

Figure 15
NGFS scenario framework[1]



* Used scenarios.
1 Scenario used from NGFS: www.ngfs.net/ngfs-scenarios-portal
2 Nationally Determined Contributions.

Current policies
This scenario assumes that only currently implemented policies continue, leading to high physical risks. Emissions grow until 2080 leading to about 3°C of warming and severe physical risks. This includes irreversible changes like higher sea level rise. The assumed levels of physical risk impact productivity, suppress economic activity and ultimately result in declines in GDP. Overall levels of transition risk in this scenario are low.

Net-zero 2050
An ambitious scenario that limits global warming to 1.5°C by 2100 through the immediate implementation of stringent climate policies and innovation, reaching net-zero by 2050. Some key jurisdictions reach net-zero for all greenhouse gases by this point. CO2 removal is used to accelerate decarbonization but kept to a minimum. Physical risks are relatively low but transition risks owing to regulation, carbon pricing, technological changes and climate abatement costs are higher but still on a low level.

3.1.5 Portfolio level scenario-based climate risk analysis: Underwriting

Sierra Signorelli
CEO Commercial Insurance

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Underwriting analysis
– The results for our Property & Casualty (P&C) business show an increased impact in the scenario year under both current policies as well as a net-zero 2050 scenario. However, impacts are still considered to be of low materiality to the Group. No material changes in response are, therefore, deemed necessary.
– Medium-term demand impacts to our Life Protection business are broadly stable owing to several factors, including changes in geographic mix and the later assumed calculation date. Loss analysis by 2035 shows low losses but with the potential for higher losses if transition risk gives rise to high levels of unemployment.

Key analysis findings
Outcomes from our medium-to-long-term climate risk scenario analysis are presented below.

Medium term

Figure 16

Potential climate change-related impacts to our underwriting portfolio under current policies and net-zero 2050 scenarios with strategically aligned responses

			Demand impacts		Loss impacts	
Sector	Line of business	Portfolio weight	Current policies	Net-zero 2050	Current policies	Net-zero 2050
All sectors	Retail and commercial motor	High	Medium risk	Medium risk	High risk	High risk
All sectors	Property	High	Low risk	High risk	Medium risk	Low risk
Construction	–	Medium	Low risk	Medium growth	Low risk	Medium risk
Financial services	–	Medium	Low risk	Low risk	Low risk	Low risk
Agriculture	–	Medium	Low risk	Low growth	Low risk	Medium risk
Heavy industry and mining	–	Low	Low risk	Low risk	Low risk	Low risk
Fossil fuels	–	Low	Low growth	High risk	Low risk	Low risk
Power	–	Low	Low risk	Low growth	Low risk	Low risk
All sectors	Life protection	High	Medium risk	High risk	Low risk	Low risk

Portfolio weight (% of GWP)
- High (>10%)
- Medium (5–10%)
- Low (<5%)

Impact thresholds
- High risk (relevant for consideration Group response)
- Medium risk
- Low risk
- Low growth
- Medium growth
- High growth

Definition of terms used:
- Sector: Industry group of the customer base except for transport, which was considered together with the total motor book, and property, which was considered across industry due to the overarching impact of physical risk associated with climate change.
- Weight in underwriting portfolio: Indicates how much the sector/geography/line of business being considered contributes to the overall underwriting portfolio.
- Demand impacts: High, medium and low risk relate to the potential decline in premium volume due to the various scenarios whereas high, medium and low growth indicate that there is a potential increase in premium due to the changing landscape driven by transition.
- Loss impacts: High, medium and low as above relate to the potential increase in losses in each sector if no strategic or mitigating action is taken as part of the underwriting strategy.

Overall **impacts to P&C demand and losses** in 2035, under the scenarios considered as modeled and with assumptions made, are estimated to be of **low materiality in both scenarios**. In general, the diversification of our P&C business in terms of geographic footprint, industry mix and line of business limits our potential impacts. Under both scenarios our existing portfolio management processes allows us to flexibly respond to potential climate risks and opportunities, mitigating modeled impacts that result from the static balance sheet approach, that does not allow for any portfolio changes over the scenario period. Analysis to date does not suggest material impacts to fee income received from Farmers Group Inc. through to 2035.

Current policies: a closer look

P&C

Physical risk is assumed to dominate in the current policies scenario. In that scenario, two main transmission channels can lead to impacts on our insurance portfolio. Firstly, the scenario assumption that increasing physical risk will lead to a general modest suppression of economic growth and a reduction of retail purchasing power is expected to also reduce demand for insurance. Secondly, climate change driven changes in severity and frequency of severe weather events can increase losses in our property and, to a lesser degree, motor books.

With increases in physical climate risk being a long-term trend, both impacts remain small over the scenario timeline. **Compared to previous results**, the latest analysis shows **lower loss impacts for our property portfolio**, reflecting our management actions around **exposure reduction and climate change-related adjustments to expected losses in our natural catastrophe models**.

A notable shift in the latest results is the prediction of increased motor losses compared to previous assessments. This is driven by the assumption of higher EV penetration even under a current policies scenario, which is reflective of increased sales trends over the last few years.

Life

The scenario assumption is that increasing physical risk will lead to a general modest suppression of economic growth and hence a fall in demand for life protection insurance. Climate change-driven changes in temperatures are assumed to increase claims losses based on their impact on specific causes of death or disability claims.

Our Life protection is primarily based on retail sales but with a material proportion relating to corporate business. For retail business, we are assuming that demand will change in line with overall GDP impacts in each relevant economy. The effect of risk varies by country. For corporate business the model attributes different industry size impacts by scenario. In a steady state this gives rise to a lowering of demand for corporate insurances. However, this may not fully allow for opportunities related to growing sectors and their changing need for life protection for their workforces.

Our high level assessment of loss impacts suggest low effects by 2035. We note the potential for rising temperatures giving rise to increasing claims from sources such as cardiovascular disease. Given our geographic footprint and protection coverage types, we do not model major additional claims from acute weather events.

Net-zero 2050: a closer look

P&C

Under the net-zero scenario, insurance demand can be impacted through three categories:

– Through direct increases or decreases of insured activities, such as construction of renewable projects.
– Through changes in economic growth directly related to the transition, such as a growth in total electricity production.
– Through contagion of transition effects to the overall economy.

The net-zero 2050 scenario is predicated on an immediate transition over the next 10 years, with the period of highest transition risk occurring before the 2035 scenario year. Due to the speed of scenario developments, changing the scenario horizon to 2035 from 2030 as in previous assessments, results in a discernible change in results.

Particularly, by 2035, the scenario moves beyond a transitory increase in investment activity that drives insurance demand through growth opportunities in construction insurance for renewable energy projects and retrofit projects that upgrade buildings to net-zero standards. By 2035, the scenario hypothesizes that a **significant part of required transition investments have been completed**, particularly in the power sector, where investment activity returns below current levels.

Outside of the construction space, industrial production and with it insurance demand is expected to continue to grow, reflecting economic and demographic developments both driven by and unrelated to transition efforts. However the high carbon prices under a net-zero scenario combined with a lower demand for industrial goods such as cement, steel and chemicals due to improvements in material efficiency and circularity, depress industrial growth compared to a current policy scenario. Growth in specific transition relevant materials such as copper or cobalt will not be sufficient to compensate the overall reduction in industrial output.

Combined with the general contagion of carbon prices on economic growth, company net revenues and country GDP, our model output therefore provides a **more negative insurance demand outlook under the net-zero scenario** compared to our baseline scenario or the current policies scenario over the scenario time horizon. To note is that a large part of this negative impact will be driven by our static balance sheet approach. While this approach is useful to isolate climate effects and simplify modeling, it overestimates negative impacts as it disregards organic changes of our portfolio that would track shifts in economic activity and automatically capture growth from transition relevant activities that are not yet present at scale today.

The rapid uptake of new low-carbon technologies under the net-zero scenario will also come with increased risk of insurance losses. This applies to new technologies in renewables, carbon capture and storage for power and industry, hydrogen for industry, as well as new construction materials and techniques in the construction sector, which are difficult to price due to the lack of historical claims data. Due to the uncertainty of technological developments, we are not able to fully quantitatively model potential loss developments. From qualitative workshop discussions that are part of our scenario assessment process, the speed of change has been consistently assessed as a driver that might exacerbate transition risk impacts, as skills and supply chains might not keep up with the required technological change, leading to more disruption and losses. However based on current trends, this situation seems unlikely to unfold as companies and governments are increasingly aware of the trade-offs and risks, and deploy mitigating actions to control the speed and quality of deployed technologies. By maintaining our careful approach to underwriting new technologies and working with customers to understand their challenges and build up experience over time, we also expect that we would be able to maintain adequate pricing and risk selection to retain profitability through this transition period.

An area where this dynamic is already unfolding is the motor sector, with the increasing uptake of electric or alternatively fueled vehicles. Combining the expected EV growth of the net-zero scenario with current EV loss trends results in a pronounced negative impact in our scenario modeling. However as our understanding of EV specific loss drivers is already improving and being reflected in pricing models, we can expect that the move to EVs will not have sustained impact on our overall motor portfolio profitability.

Life

For the Life business, modeling shows transition impacts by 2035 are sufficient to give greater overall demand falls than under the current policies scenario. However, by that stage it is noticeable that in the LATAM region the beneficial impacts of the net-zero policies in reducing physical risk outweigh the additional demand suppression from transition risk. This balance of physical risk and transition risk will vary depending on the choice of model year.

For the loss analysis on the Life business we note that, by 2035, modeling suggest lower levels of temperature increase under the net-zero scenario than the current policies scenario. This in turn leads to lower expected losses on the portfolio.

Long-term

P&C and Life

In the long term (beyond 2035 to 2050), under the current policies scenario, the **severity and frequency of acute and chronic physical risks** are expected to **steadily increase**, however with regional differences in speed and severity (e.g., coastal areas, wildfire zones). Quantitative modeling over these timelines is no longer sensible, as socioeconomic, political and technological developments will have a material impact on insurance loss trends and those developments are much less predictable over longer time periods. Given our business is concentrated in developed countries with a fairly high adaptive capacity, it is reasonable to assume that even for a 2050 time horizon, insurability will be more or equally determined by political and market developments rather than pure physical risk. Our existing accumulation and portfolio management processes already enable us to monitor developments and evolve our risk appetite as physical and political changes arise.

Under the net-zero scenario, by design, transition activities will have been successfully concluded by 2050, thereby diminishing further transition risks. Under the scenario parameters we can expect a peak of transition risks around 2030 with a gradual reduction of transition risk thereafter, as more of the economy becomes aligned with a net-zero pathway. While transition risks will remain elevated until 2050 in many regions, depressing GDP growth, they are not expected to increase beyond the levels modeled for 2035.

While not quantitatively modeled, we expect this outcome would be markedly different under a delayed transition scenario, where after lower short-term transition risk a higher peak is expected around 2040, as potentially more change needs to happen in a shorter time period.

Responses

Under both scenarios our existing portfolio management processes allows us to flexibly respond to potential climate trends. Relying on those processes will allow us to respond to emerging climate-related risk drivers the same as for other risk drivers. Generally depressed economic growth and inflationary pressures predicted under both scenarios are risks we are equipped to deal with in line with general market and insurance cycles.

Given this flexibility to adapt and our existing risk management processes, the static balance sheet approach employed in scenario modelling will overestimate longer-term impacts on our portfolio. Using this static balance sheet approach is a conscious choice to limit model complexity, better isolate climate trends and provide an indication on potential worst case impacts. As we are aware of its limitations when considering strategic implications of our model output we still consider it to be appropriate as the starting point to discuss responses.

Life

Whilst our Life protection portfolio includes some longer-term contracts, our corporate business is primarily short term in nature. The business is also diverse in terms of geographic footprint and (for corporate business) industry mix. For longer-term business, we **remain vigilant to the potential for long-term trends** affecting mortality and morbidity trends. We will continue to develop our climate-related loss analyses and use these to inform our pricing and underwriting.

P&C

In general, the **diversification of our P&C business in terms of geographic footprint, industry mix and line business limits our potential exposure**. Our ability to annually re-underwrite and adapt our pricing and risk selection criteria to emerging trends allows us to **respond to emerging climate trends and balance near-term market movement** against mid-term strategic scenario possibilities.

Our ongoing focus on natural catastrophe modeling and accumulation management will continue to prepare us for future developments of physical climate risk.

The actions outlined in our climate transition plan to deepen our understanding of the technologies, barriers and dependencies involved in the transition pathways of different industries, will also prepare us for the potential risks and opportunities expected under a net-zero scenario. Where we see profitable opportunities arising, we will continue to develop new insurance solutions for nascent technologies which present new risks and therefore require innovative approaches to insurance. By engaging early, we collect crucial data to identify and mitigate technological risks.

Impact areas for consideration	Response	Progress
Physical impact of climate change continues to drive potential risk in the property book	We continued to develop our best-in-class catastrophe modeling and accumulation management.	Completed our initiative on rebalancing capacity deployment within our North American business. Maintaining sound exposure management across our key peril regions will remain an ongoing focus, as will further rebalancing as part of ongoing business using in-house climate science experts and external advisors.
Monitor profitability trends associated with EV	Under all considered scenarios the uptake of EVs will increase, requiring continued focus on monitoring profitability trends associated with EVs to adjust our propositions appropriately. Additionally, we are seeking to optimize claims networks for emerging technology and expanded focus on technological advancements in driving and vehicles.	Our share of EVs in the overall motor portfolio is consistent with our footprint and local EV market trends, showing that our evolving motor propositions adequately capture the growing EV penetration.
Potential impacts on carbon-intensive sectors under a net-zero scenario and associated sectorial shifts	Continue to balance risk across the portfolio and understand the risks associated with transition trends and technologies	The actions outlined in our climate transition plan to deepen our understanding of the technologies, barriers and dependencies involved in the transition pathways of different industries and supplement our overall portfolio and performance management processes. Where we see profitable opportunities arising from transition trends, we will continue to develop new insurance solutions for nascent technologies which present new risks and therefore require innovative approaches to insurance.

Case study

Together with Aon we have launched a pioneering clean energy insurance facility, providing comprehensive coverage globally for blue and green hydrogen projects with capital expenditures of up to USD 250 million. The initiative is the result of extensive research that both parties have conducted over the past two years around the specific needs and challenges of our customers when developing blue and green hydrogen projects. We, as the lead insurer, and Aon, as the exclusive broker, aim to accelerate the development of clean hydrogen projects. Clean hydrogen has immense potential as an eco-friendly alternative to fossil fuel and we strongly believe it can play a critical role in the energy transition.

The new multi-line clean energy insurance facility offers comprehensive coverage through a single integrated policy, encompassing construction, delay in start-up, operational cover, business interruption, marine cargo limits, and third-party liability. It also includes coverage for carbon capture, utilization, and storage (CCUS) technologies, providing customers with a complete suite of solutions across the entire value chain of hydrogen production.

Green hydrogen is produced by splitting water into hydrogen and oxygen via electrolysis powered by renewable energy. Blue hydrogen is derived from natural gas and uses carbon capture technologies to reduce its carbon intensity. It represents a bridge technology until green hydrogen is available in sufficient quantities and at competitive prices.

3.1.6 Portfolio level scenario-based climate risk analysis: Investments

Stephan van Vliet
Group Chief Investment Officer

TCFD E

Proprietary investment portfolio analysis

- Our analysis indicates that climate change-related risk to asset valuation would not pose a major risk to our capital position. This conclusion considers equity, credit and real estate, which represent approximately 35 percent of our assets under management.
- Under the net-zero 2050 scenario, the accumulated impact for our investment portfolios is limited. However, we observe higher transition risks, leading to a greater modeled impact on valuations for carbon-intensive sectors. These increased climate-related impacts can be attributed to several potential market changes, such as regulatory shifts, carbon pricing, technological advancements, climate mitigation costs, increased demand for low-carbon products and services, and decreased demand for fossil fuel-related products and services.
- Under the current policies scenario, we observe low or moderately low physical risks for our investment portfolios, as physical risks are estimated to materialize and impact the asset valuation more profoundly further out in the future compared with the maturity patterns of climate transition risks. The model indicates high physical exposures for a few sectors, such as agriculture and activities in tropical regions, but where our investment asset exposure is limited.
- Our analysis of sovereign bonds indicates mildly inflationary outcomes under both current policies and net-zero 2050 scenarios.

Key analysis findings

Outcomes from our medium-to-long-term climate risk scenario analysis are presented below.

Medium term

The net-zero scenario will see the largest negative near-to-medium-term impact, due to rapid transitioning over the next few years which will be disruptive for economic activity. However, the economic impact is likely to turn positive over time, as large-scale investments in new technologies generate both stronger demand and productivity gains, as economic activity and energy systems adjust to higher carbon prices. Some challenges are still likely to remain over the medium to long term, however, in particular around the larger costs associated with achieving the "last mile" of emission reductions. The current policies scenario, sees a permanent and negative impact on economic activity that will materialize over the medium to long term, including beyond the 2050 horizon, but near-term impact is likely to be relatively limited.

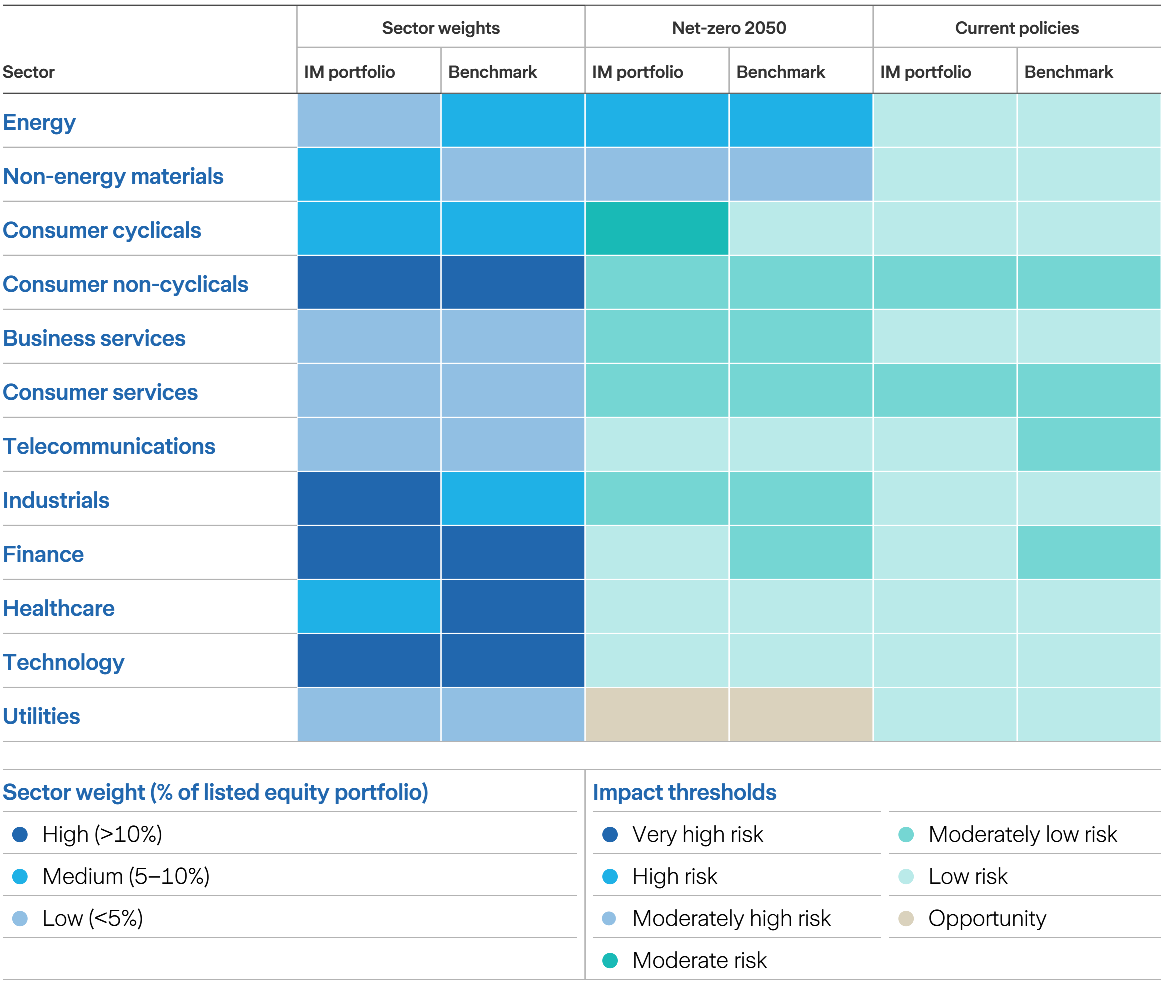
Long term

Listed Equities

Overall, the impacts on our global equity portfolio are slightly smaller than those of a broad market benchmark, especially in the current policies scenario. This can be explained by several factors, including geographic exposure, different sector weighting and specific security exposure.

Figure 17

Estimated impact on listed equity portfolio across net-zero 2050 and current policies scenarios in comparison to a well-diversified global equity benchmark[1]



1 The sector heatmap is calibrated to highlight relative impact per industry sector. Aggregate scenario level impacts are assessed in relation to our definition of financial materiality.

Under the net-zero 2050 scenario, we observe elevated transition risks of carbon-intensive sectors such as energy, non-energy materials, and consumer cyclicals, where the impact on valuation is significantly higher than for lower carbon-intense sectors. These sectors face greater impacts compared to low-carbon sectors by, for example, the increase of carbon pricing mechanisms and demand changes which can result in lower profit margins. Conversely, opportunities arise for sectors that can contribute to and benefit from the transition to a low-carbon economy, particularly utilities. Those stand to gain from the demand creation resulting from the introduction, development and deployment of renewable energy solutions. Compared to previous assessment cycles, we note that some sectors both within our equity portfolio and within the benchmark are now experiencing altered asset valuation impacts, which can mostly be explained by model updates. The primary factors driving these changes include updates to the marginal abatement cost curves to reflect the latest technological expectations, revisions to the core oil and gas model, and improvements in growth models. Lower abatement costs diminish the competitive edge of low-carbon intensity players while reducing costs for high-carbon intensity sectors, leading to lower valuation impacts for carbon-intensive sectors like energy and lower opportunity impacts for sectors such as utilities. Changes in oil and gas modeling now incorporate a higher global oil price and demand curve, replacing previous regional differences. For gas, the model now distinguishes between three global regions with varying gas prices. Those changes are leading to increased impacts in particular for energy. Additionally, the updated growth model better captures the lifecycle of companies, reflecting three distinct phases: growth, transition, and terminal. This refinement has resulted in increased impacts, particularly for consumer cyclicals and energy.

For lower-carbon sectors, such as services, finance, and healthcare, we observe low impacts on asset valuations. This result is sensible given their limited direct exposure to climate-related transition risks via their emission intensity profile. However, for finance, the indirect exposure through the financing of higher-emitting sectors is not accounted for in the asset class valuation modelling. In scenarios involving increased carbon pricing, stricter climate-related regulations, or advancements in low-carbon technologies, the finance sector could encounter more significant exposure to climate transition risks, necessitating mitigation measures. Although not shown directly in the outcome of the analysis, all sectors, including low-carbon sectors, could potentially be severely impacted by a rapid transition to a low-carbon economy, as it can lead to energy scarcity, rising energy prices, and economic bottlenecks. On the other hand, many sectors could potentially benefit from the transition to a low-carbon economy, by taking measures to meaningfully decrease GHG emission or increase exposure to low-carbon solutions and services offerings.

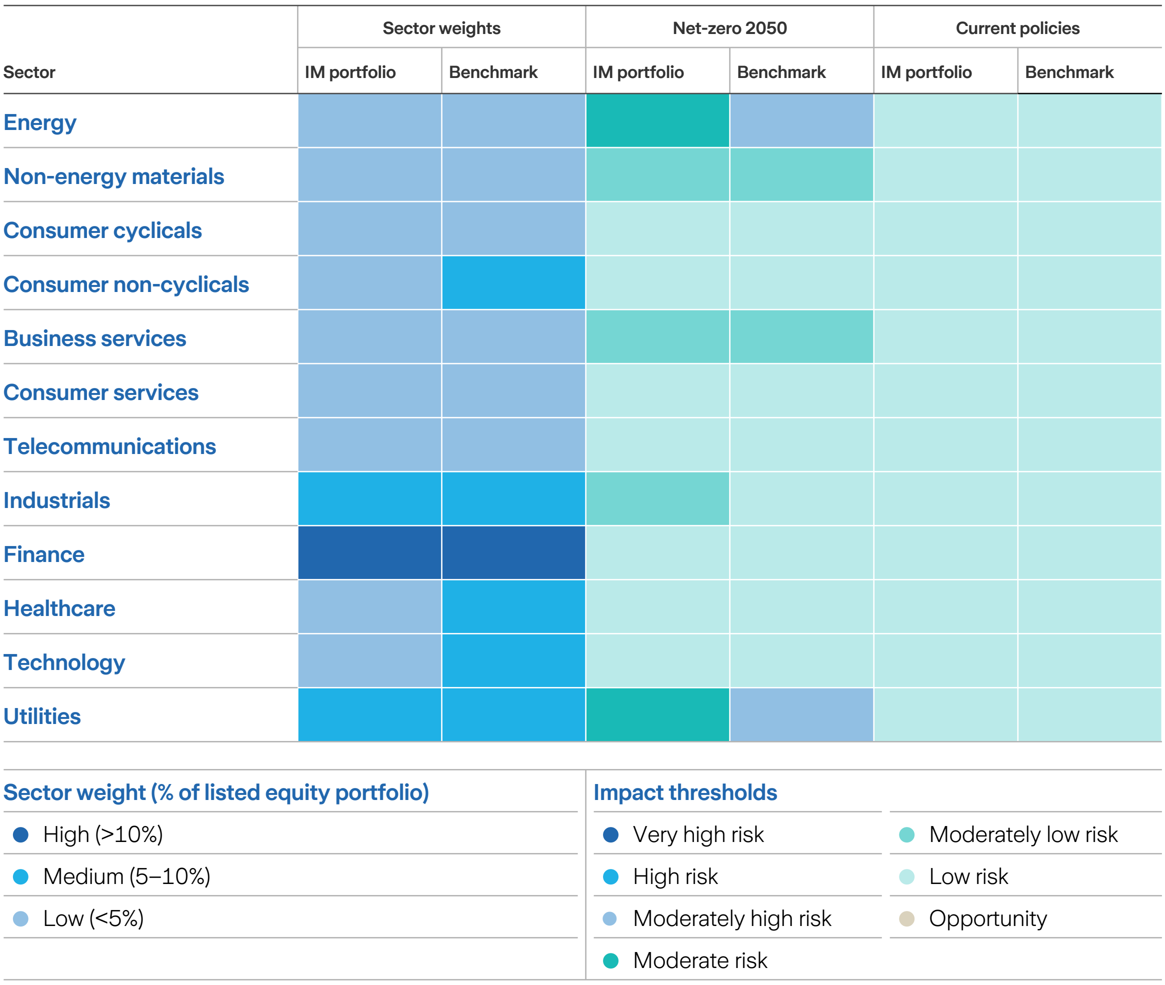
Under the current policies scenario, physical climate-related risks are estimated to have a low to moderately low impact on asset valuations, in contrast to the higher transitional risks observed under the net-zero 2050 scenario. This difference occurs because the most significant physical impacts of climate change are projected to occur further in the future, beyond the time span covered by the model, making them less immediate compared to transitional risks. However, the 1.5°C temperature limit was breached in 2024, which is much earlier than many climate scientists have predicted, we need to be aware that physical climate-related risks may materialize faster than previously expected. The potential impacts on our portfolio will therefore need to be monitored closely going forward.

Corporate Credit

The outcome of the model shows that our corporate credit portfolio has lower impact levels than the benchmark in general.

Figure 18

Estimated impact on corporate bond portfolio across net-zero 2050 and current policies scenarios in comparison to a well-diversified global benchmark[1]



1 The sector heatmap is calibrated to highlight relative impact per industry sector. Aggregate scenario level impacts are assessed in relation to our definition of financial materiality.

We observe notably lower climate-related impacts for our global credit portfolio compared to our listed equity portfolio. This discrepancy can be attributed to the shorter maturity of the credit portfolio, as bonds typically mature before the most severe climate-related risks come into effect. This may lead to an underestimation of the long term climate-related exposure, as the climate risk from bonds bought after the maturity of the initial portfolio is not captured. Assessed against previous year's reporting, we note only minor changes in the asset valuation of the portfolio.

Compared to our listed equity portfolio, the 'Finance' sector has a higher weighting in our corporate credit portfolio. The model only considers direct climate risks for the finance sector, excluding potential material indirect impacts through portfolio-related activities. Therefore, we will closely monitor these indirect risks to ensure that any potential impact on valuation is adequately addressed over time. Under the net-zero 2050 scenario, our corporate credit portfolio exhibits similar patterns as our listed equity portfolio, with carbon-intensive sectors facing higher transition risks and thus greater modeled impacts on valuation compared to low-carbon sectors. For utilities, our corporate credit portfolio is more weighted toward climate transition laggards, while our listed equity portfolio has higher exposure to climate transition leaders. This discrepancy explains the significant divergence in asset valuation impacts between the equity portfolio, which is estimated to benefit from opportunities in a net-zero 2050 scenario, and the credit portfolio, which is expected to face moderate detrimental impacts. Additionally, the benchmark has a higher exposure to utilities than our credit portfolio, which accounts for the higher impacts observed in the benchmark compared to our credit portfolio. For business services and industrials, we anticipate slightly higher transition risks for our corporate debt portfolios compared to the benchmark. This is because our portfolio has relatively high exposure to entities within these sectors that offer services associated with higher greenhouse gas emissions, and thus higher transition risks, such as waste management and environmental services. However, these sectors have a low overall weighting in our portfolio.

Under the current policies scenario, we observe low impact levels on asset valuation. The bonds in our corporate credit portfolio tend to mature before the strongest climate-related risks materialize. However, as physical risks will most likely materialize earlier than previously anticipated, the potential impacts to our portfolio will be closely monitored.

Sovereigns

The climate change-related risks on our sovereign debt exposure are analyzed differently than the other asset classes[1] highlighted above.

Sovereign bond impacts reflect the macroeconomic effects of changes in energy consumption, energy costs, physical risks of climate change, and the response of central banks to those shocks. A significant upward move in inflation will result in higher nominal government bond yields, implying a negative price and asset valuation impact.

The two NGFS scenarios considered differ markedly with respect to their inflationary consequences. The current policies scenario has a relatively limited inflationary impact over the time period considered. While labor productivity is expected to suffer in a hotter world, which would put upward pressure on prices and inflation, this effect is only expected to develop slowly. There are also likely to be offsetting changes in demand and economic activity in the worst affected regions, resulting in relatively minor overall inflation impact. By contrast, the net-zero 2050 scenario is seen as inflationary, with inflation set to overshoot central bank inflation targets by a significant amount over the earlier scenario period, primarily driven by the introduction of a rapidly rising price of carbon, but also reflecting strong investment demand and potentially disruptive changes to energy systems. While this will exert upward pressure on government bond yields, the impact is seen to be transitory, as central banks retain their inflation targets, preventing a more severe and persistent inflationary outcome from developing. This means that the overall average impact on yields is estimated to remain relatively limited, particularly for securities with a longer maturity. That said, periods with heightened volatility, both in inflation and nominal government bond yields, should not be ruled out. While not modeled under the asset only view presented here, we note that adverse pricing impacts from rising yields on our sovereign bond portfolios will be materially offset by a similar effect on the discounted value of our liabilities.

Real Estate

We continue to observe only minor exposure to climate change-related risks in our real estate portfolio. Given the almost unchanged regional and sectoral portfolio diversification between 2022 and 2023, the changes in valuation impact compared to previous reporting are primarily driven by changes in model variables. Impacts in real estate in Q4 2023 and Q1 2024 are mainly driven by changes in the marginal abatement cost curves.

The impact valuation levels have slightly increased for the real estate portfolio, with the most substantial impact occurring under the net-zero 2050 scenario. More than 80 percent of our direct real estate investments are in Europe with an overweight in Switzerland and Germany. Under the different scenarios, our portfolio is most exposed to rising temperatures in Southern Europe, where residents will become more reliant on electricity to power ventilation, fans or air conditioning to stay cool under warmer temperatures. Under the net-zero 2050 scenario this could be subject to, among others, risks associated with carbon price introduction, if electricity consumption is relying on carbon-intense sources. In order to mitigate climate-related risks of our real estate portfolio, buildings in our portfolio are to be constructed with more low-carbon materials and become more energy efficient, with both heating and cooling of buildings deriving from low-emitting sources and technologies (such as heat pumps).

As part of its investment decision process we also rely on physical risk inputs provided by Zurich Resilience Solutions (ZRS).[2] This location-specific analysis helps identify potentially underperforming Real Estate assets in riskier, less resilient geographies, and enables a more accurate view on potential future adaptation requirements and mitigating measures.

Responses

Our strategic response to the climate change-related risks we observe in this analysis is our long-term commitment to decarbonize our investment portfolio to net-zero GHG emissions by 2050, consistent with a maximum temperature rise of 1.5°C above pre-industrial levels. To support our net-zero commitment, we have set interim targets for engagements, climate solutions investments and emission reductions and have further strengthened our policy toward high emitting sectors.

We will continue with several key actions to remain resilient to identified risks:

- As climate change-related risks can rapidly evolve and materialize faster than expected, we will conduct regular monitoring and active management of the risks.
- We will continue to address risks associated with carbon-intensive sectors through a bottom-up approach with our emission reduction targets, outlined in the section 1.2 Climate transition plan (see on page 125) around our 2030 interim targets, and fossil fuel exclusion policies, and we will continue with efforts to deliver our long-term commitment to decarbonize our investment portfolio to net-zero GHG emissions by 2050, consistent with a maximum temperature rise of 1.5°C above pre-industrial levels.

1 Impacts on government bond yields are derived using the national institute global econometric model (NiGEM*) model. NiGEM* is a global macroeconomic model and models the effect of climate shocks on macroeconomic variables such as GDP, inflation, debt issuance, and central bank policy rates. These macroeconomic factors are key drivers of interest rate risk for sovereign bonds, and default risk for each sovereign issuer. The price impact for individual sovereign debt securities in the portfolio are then derived.
2 ZRS provides an end-to-end analysis encompassing a portfolio-level climate risk analysis, through to location-level climate risk assessments.

- The oil and gas policy implemented in 2023 for private debt investments helps us further to mitigate exposure to climate risk. Zurich will not provide private debt financing of projects in the Arctic[1] and in new oil and gas upstream projects.[2] We further specified investment boundaries for mid- and downstream projects, subject to local governance.
- As part of our ongoing commitment to impact investing and our target to help avoid the emission of 5 million metric tons of CO2e per year, we will invest in climate solutions across different asset classes to finance climate mitigation and adaptation.
- While increasing the resilience of our portfolio against climate transition risks, our decarbonization strategy also contributes to limiting the physical climate risks showcased in the current policies scenario, which may materialize in our portfolio over the long term.
- Our structured and disciplined investment management approach is carefully crafted to match liabilities, minimize unrewarded risks, and remain stable throughout the macroeconomic cycle. The resulting portfolio is highly diversified across asset classes, sectors and geographies.
- We will continue to apply our security selection process, which takes into account good ESG practices and climate risks as part of our responsible investor approach and our long-standing practice of ESG integration. On an issuer level, both transition risks and opportunities are reflected through thorough ESG integration.
- We retain a focus on the rapid decarbonization of our Swiss real estate portfolio and are continuing with our energy optimization project in Switzerland.

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3.1.7 Portfolio level scenario-based climate risk analysis: Own operations and supply chain

Own operations and supply chain

- Based on the impacts observed, we believe that executing our sustainable operations strategy and in-force risk management processes, which focus on building business resilience and monitoring the supply chain, are sufficient to mitigate climate change risk.

Key analysis findings

Outcomes from our medium-to-long-term climate risk scenario analysis are presented below.

Medium term

The findings in the medium-term analysis substantially mirror the findings in the long-term analysis.

Long term

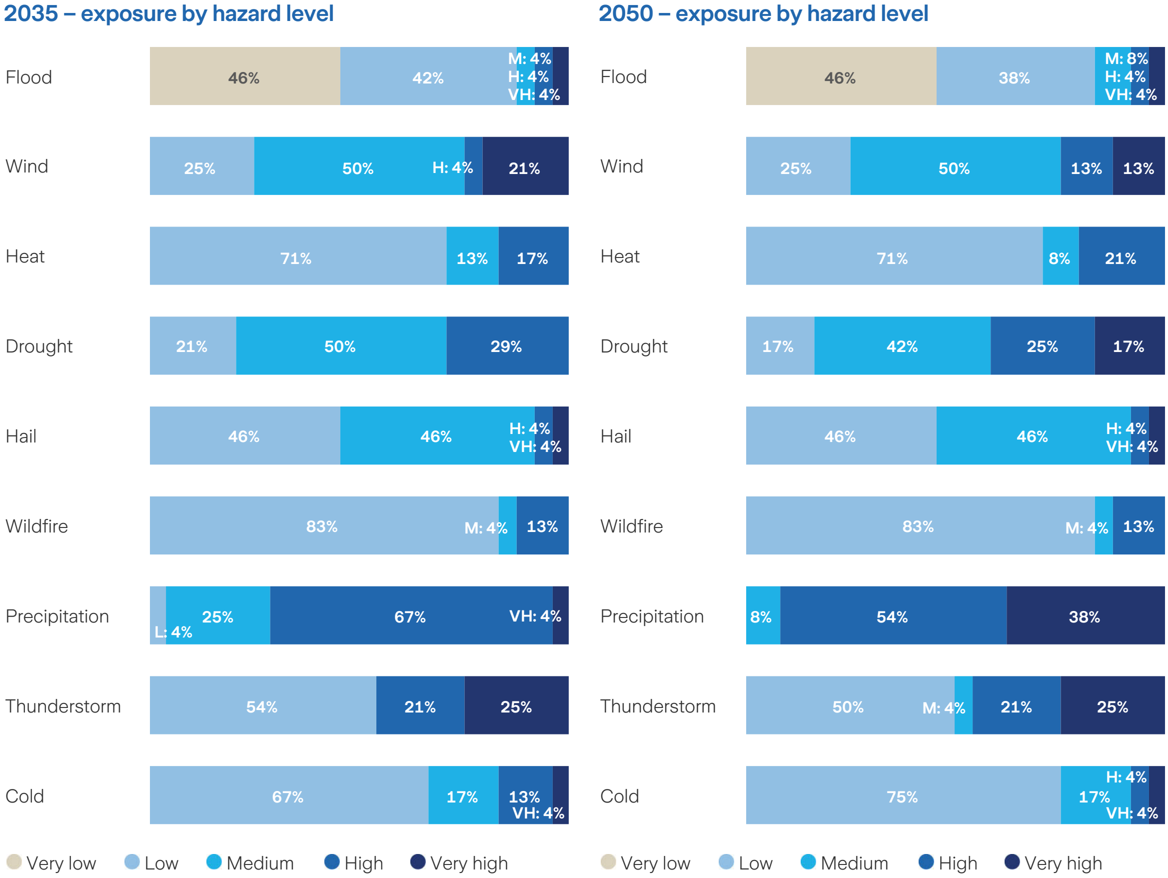
When considering physical and transition risk, and to test our hypothesis that we are operationally resilient to medium- and long-term impacts of climate change, we place a focus on the higher physical risk scenario and consider locations with high exposure levels and above.

In 2050, for offices and strategic data centers (locations) the **most prominent perils** (impacting at least 25 percent of locations) remained consistent with the medium-term analysis: **drought, precipitation, thunderstorms and wind**. The number of locations with high or very high hazard levels increased slightly for drought and precipitation. For wind and thunderstorms, the total number of locations with at least high exposure levels remained the same. Precipitation has the highest exposure across both time frames and increases from medium to long term by 18 percent.

1 Defined as anything north of 66 degrees latitude with the exception of the Norwegian continental shelf.
2 For more information on our oil and gas policy, see 1.4 Our exclusions and positions on page 131, and www.zurich.com/sustainability/governance-and-positions/our-positions

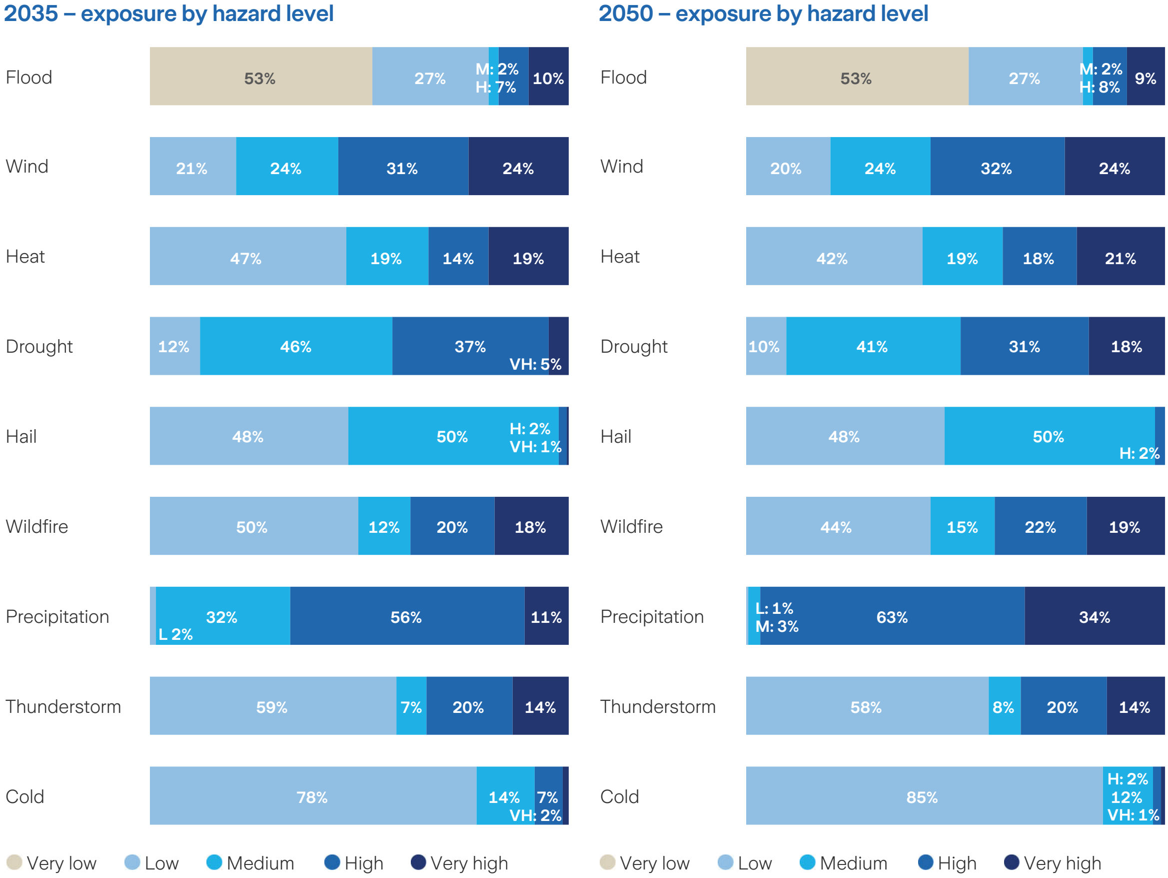
Figure 19

Our exposure by hazard level for offices and strategic data centers



For **suppliers**, the results were fairly consistent with the office and strategic data center analysis. However, additionally, heat and wildfire also represented prominent hazards. This is largely attributed to the **concentration of locations in India**. While hazard levels remained fairly consistent (i.e., changing by only a few percentage points), supplier locations exposed to high or very high precipitation levels increased in 2050 by 45 percent.

Figure 20
Our exposure by hazard level for suppliers



Critical processes performed at in-scope office locations are included in business continuity plans, which contain appropriate recovery strategies aligned to a “loss of premises” scenario. These plans are reviewed and updated on an annual basis to address any changes in the threat landscape (e.g., energy crisis, pandemic, etc.), therefore the process evolves with our understanding of climate risks.

Certain supplier locations within our supply chain are already exposed to high and very high physical risks and there is a degree of concentration risk in certain high risk locations due to several suppliers providing critical services in close proximity to another. Despite this, suppliers have shown high levels of resilience and we have not directly experienced material service outages due to the risk mitigation and business resilience measures adopted by us and our suppliers.

An analysis of transition risk exposure for our direct operations, which included a deep dive into the potential impacts arising from the introduction of global carbon taxes has not revealed any likely material impacts in either time frame given the low carbon intensity of the operations of the insurance sector and our approach to continuously improve the way we manage operational sustainability risks and opportunities.

Our analysis showed that suppliers of critical services within our supply chain are not exposed to significant transition risks. This finding aligns with our prior expectations, as these suppliers do not operate in carbon-intensive sectors or industries and are not significantly negatively impacted with the shift toward a lower-carbon economy, including regulatory changes, shifts in market dynamics, or advancements in green technologies. Consequently, their lower exposure to these risks supports the stability and resilience of our supply chain.

Responses

- Our business resilience program is designed to ensure continuity of business services, even under operational stress.
- Backup data centers provide resilience for all regional strategic data centers and recovery capabilities are tested on an annual basis.[1]

3.1.8 Portfolio level scenario-based climate risk analysis: Conclusions

Our annual portfolio-level scenario-based climate risk analysis considers material business activities across underwriting, investments and our operations.

1 Large range impacts affect cities, regions or countries; distance between data centers >500km.

– The most impacted sectors and LoB across our P&C business remain consistent with previous analysis – motor, property, construction and fossil fuels. We note that analysis outcomes demonstrate a strong sensitivity to assumptions made. Model updates and change to our medium-term quantification time horizon have the effect of influencing demand impacts in both scenarios (e.g., decreased upside across construction). Impacts remain non-material on aggregate, with no broad adaptations deemed necessary to in-force responses which we can adapt to balance near-term market movements against the mid-term strategic scenario expectations.
– Impacts within our life protection analysis remain largely consistent with previous cycles. The use of a later model date shows differences in the level of impact of physical and transition risk, hence showing model sensitivity. Our mix of long- and short-term contracts remains broadly unchanged, and our approaches to risk management for both types of business remain appropriate.
– Similar outcomes are noted across our proprietary investments where analysis of key asset classes demonstrates a largely unchanged risk profile, with physical risk having impact in few sectors to which we have limited exposure and where transition risk primarily impacts carbon-intensive sectors. In line with previous assessments, observed impacts do not suggest material risk to our capital position. We believe that our multi-faceted responsible investment strategy is adequately flexible to adapt to climate-related risks highlighted by this analysis and will continue to strengthen our practices to help us remain resilient to emerging risks.
– Our analysis suggests existing business continuity planning, internal risk policies, monitoring and supplier due diligence processes are sufficient to address observed physical risk impacts across operating locations and supply chain. Further, analysis suggests we are not exposed to material transition-related financial impacts or service disruption under the scenarios considered.

In line with previous cycles, analysis outcomes suggest that our customer-focused approach and diversified portfolios, supported by strong risk management practices, continue to provide the resilience and flexibility necessary to be able to adapt to the climate change impacts observed. Analysis outcomes do not suggest impacts to access to capital over the medium term.

We caveat these conclusions by acknowledging the hypothetical nature of the underlying scenarios, the uncertainty inherent in scenario modeling over the timeframes considered and the somewhat conservative modeling of physical and transition risk. As the effects of climate change gradually increase over the coming decades, adaptation efforts at the individual, company and state level will increase and provide resilience against expected impacts. This is likely to reduce societal and economic losses. However, outcomes will be influenced by highly uncertain political, societal and technological developments. On the other hand, exceeding tipping points, such as accelerated melting of Antarctic ice sheets or permafrost thawing, could lead to large-scale discontinuities in the global climate systems and accelerate the impacts from physical climate risk. We believe our strategy of continually analyzing changing risk profiles and retaining customer focus gives us the flexibility required to maintain our resilience and continue to meet the needs of our customers as climate-related risk profiles evolve.

3.1.9 Other climate risk assessment outcomes: litigation risk and reputational consequences

Our management of climate risk considers both litigation risk and reputational consequences.

Litigation risk: We closely monitor developments potentially impacting litigation-related risks and take actions to address them proactively.

Reputational consequences: We recognize the heightened public scrutiny that accompanies our climate-related ambitions and that any failure (real or perceived) to deliver on our objectives and targets could have an impact on our reputation. We believe our approach and clearly defined supporting activities, as outlined in our transition plan, our strong internal focus on delivery, monitoring through the governance structures described in Chapter 2. Governance (see pages 134 to 136) and transparent public disclosure on progress, mitigate this risk.

3.2 Risk management

Peter Giger
Group Chief Risk Officer

TCFD | SASB | E

The processes used by the organization to identify, assess and manage climate-related risks

3.2.1 Integration of climate risk within the overall risk management framework

We consider impacts from climate change to be drivers for other risks, such as market or natural catastrophe risks, which are managed within our existing risk management framework. Our approach to managing climate risk is embedded in our multi-disciplinary, Group-wide risk management framework, following the same objectives of informed and disciplined risk taking. The risk management framework is based on a governance process starting from the Board that sets forth clear responsibilities for taking, managing, monitoring and reporting risks.

These responsibilities are:

– To identify, assess, manage, monitor and report risks including (but not limited to) climate change, that can have an impact on the achievement of our strategic objectives, we apply a proprietary Total Risk Profiling™ methodology. This considers our planning horizon and allows us to classify risks according to their materiality based on the estimated severity and the likelihood of the risk materializing. This creates a relative rating for all risks, including specific aspects of climate risk (e.g., physical and transition risks), and, by definition, the prioritization of risk mitigation. Further, it supports the definition and implementation of mitigating actions. At Group level, this is an annual process involving the ExCo and the direct reports to the CEO, followed by regular reviews and updates by management.

– To take the longer-term nature of climate change into account, we complement our Total Risk Profiling™ methodology with portfolio-level scenario-based climate risk analysis. This provides an outlook on long-term risk developments relevant to our underwriting and investment portfolios as well as to our operations, as outlined in the strategy section (see pages 137 to 157). The details of our risk management framework and analysis by risk type are outlined in the risk review (see pages 222 to 254).

3.2.2 Managing risks from climate-related natural catastrophes

As outlined in the strategy section (see pages 137 to 157), changes in physical risks related to long-term[1] climate change could, over time, impact us through the property-related business via affected severity and probability of climate-related natural catastrophes and weather-related events. The risk is in most parts mitigated by the flexible nature of our underwriting portfolio, with contracts that are typically renewed annually. We recognize that the climate has been changing already in the past decades with impacts such as land-ice melt and rise in sea levels, that need to be considered in our assessment of physical risk. It is, however, clear that climate science indicates the greatest changes in physical risks related to climate change will occur over the longer term. We have established sophisticated natural catastrophe modeling capabilities to manage our underwriting selection, so that accumulations stay within intended exposure limits. The resulting view of natural catastrophe risk also underpins profitability assessments and strategic capacity allocation and guides the type and quantity of reinsurance we buy. To be globally consistent, natural catastrophe exposures are modeled centrally.

Third-party models provide a starting point for the assessment of natural catastrophe risk. However, they are generally built for the market average and need validation and adjustment by specialized teams to reflect the best view of risk. We have been a leader in natural catastrophe model validation since 2005 when we developed our proprietary 'Zurich View' of risk. This gives us nearly two decades of experience in applying a structured and quantitative approach to optimize our risk view. To arrive at the 'Zurich View', which also aims to reflect the impact of climate change that happened until today already, models are adjusted in terms of frequency, severity and event uncertainty.

Adjustment factors address potential losses from non-modeled, property-related exposures or secondary perils to the extent not covered by the third-party models. Every catastrophe event provides an opportunity to learn from our own claims experience and the modeling framework provides a place to capture the new insights. We constantly review and expand the scope and sophistication of our modeling and strive to improve data quality by leveraging technology.

We supplement internal know-how with external knowledge (e.g., the Advisory Council for Catastrophes). We are a shareholder in PERILS AG, Switzerland, a catastrophe exposure and loss data aggregation and estimation firm. We are also a member of the open-source initiative Oasis Loss Modeling Framework and rejoined the Global Earthquake Model Foundation as a governor sponsor in 2023.

Catastrophe models based on historical data do not capture potential, much longer-term shifts of extreme weather events related to climate change. However, when combined with general circulation models (GCMs), which build representations of the Earth's physical climate systems, catastrophe models can help us understand the risk of future climate conditions. The quality of GCMs continues to evolve as scientific understanding of the Earth's climate systems increases and as progress is made in computing power and artificial intelligence. This science is evolving, and we have strengthened our catastrophe modeling team with dedicated resources to create methodologies to integrate forward-looking aspects into our modeling approach.

3.2.3 Portfolio level, scenario-based climate risk analysis

Assessments of the resilience of our business model to potential climate risks over time periods extending beyond the financial cycle are performed using scenario analysis. Assessment granularity and time frames can be tailored to the specific requirements of the assessment.

An **integrated modeling approach**, leveraging a third-party model, is adopted for the **analysis of our underwriting and proprietary investment portfolios** to ensure, as much as possible, the consistent use of assumptions. To quantify impacts on our assets, the model adopts a **bottom-up approach to coherently analyze the exposures of businesses, industries and corporate sectors to physical and transition risk**. To provide a map of vulnerabilities, it uses asset-level data on relevant risk drivers, including carbon emissions, abatement options, exposure to physical risks (including location-based exposure to acute physical risks), exposure to the greening of the economy, dependency on fossil fuels and competitiveness. Data underpinning the assessment of impacts on our assets are used in conjunction with premium and loss data to model impacts on our insurance business in a bespoke process.

To complete our analysis, we consider potential impacts to our **own offices, strategic data centers, and supply chain**.[2] Our quantitative physical risk analysis **focuses on changing exposure levels** at key locations over the medium to long

1 This refers to time periods up to 10 years and even out to 30 years, as mentioned in section 3.1.4 Portfolio level scenario-based climate risk analysis on pages 142 to 144.
2 The risk assessment of our own operations and supply chain excludes certain businesses such as Farmers Group, Inc., Cover-More, Joint Ventures and other small subsidiaries.

term in an effort to determine robustness of our resilience program to the impacts observed. Transition risk is assessed both qualitatively and quantitatively. Risk drivers are qualitatively evaluated for relevance, materiality and likelihood, with a focus on potential mitigation or adaptation costs impacting operating budgets. Our quantitative analysis adopts a bottom-up approach consistent with that adopted for our investment analysis and assumes significant negative impacts to supplier valuations as an indicator of additional operating cost and/or critical service disruption risk.

Given the flexibility of our business model, in both our underwriting and asset portfolios and the static balance sheet approach adopted, scenario-based climate risk analysis is performed in the full recognition that it represents a theoretical "what if" analysis. It is a useful approach which can serve to stretch management thinking about the much longer-term outlook and consider the resilience of our strategy, but it does not provide insights from an immediate solvency, financial or capacity management perspective

Data sources, assumptions and limitations

– We adopt a static, balance-sheet approach to better isolate potential medium- and long-term impacts of climate change. This implies quantified impacts assume no strategic reaction from us to the risks identified, and no movements in pricing to adapt to changing conditions.
– The analysis of our investments considers overall financial impacts by 2050, by discounting the cash-flow estimates from the asset modeling component to net present value terms, and in that way brings forward all future impact. This is a suitable way to assess and compare impact, both across scenarios and time horizons, but it is important to stress that the actual impact on economic activity and cash flows will be realized in the future, and that the timing will differ markedly depending on the scenario. Moreover, if realized impacts are not appropriately reflected in asset prices, when they occur, this can lead to volatility in both economic activity and asset prices over time.
– Scenario analysis leverages a third-party model which utilizes third-party data, including the latest available emissions data. This is supplemented with internal data, including year-end financial data.
– Modeled impacts of acute physical risks on expected losses are, to every extent possible, based on our own natural catastrophe modeling. We work with a third-party model which enables us to search publicly available hazard data by type of hazard. We will expand our in-house modeling to cover a wider range of physical risks and this will be included in our own catastrophe modeling results.
– While the bottom-up approach adopted by the underlying model facilitates granular analysis of climate change-related risk, the model depends on certain assumptions, namely:
  – The assumption of smooth transitioning, as capital moves from carbon-intensive to low-carbon activities without bottlenecks or frictions (e.g., costs are passed to consumers), leads to a muted 'cost of transition', despite the carbon prices assumed in the underlying scenarios.
  – The assumption of perfect information, where action is only taken once new policies are in place, omits an important uncertainty effect.
  – Complex hazards such as inland floods, severe convective storms, tropical and extra-tropical storms including coastal flooding are assessed by catastrophe models that rely on simplified assumptions.

For further details on our risk management process and supporting committees:
▶ See the risk review on pages 222 to 254.

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3.3 Targets and metrics

We use numerous indicators across our underwriting and investment activities, as well as our own operations, to monitor, assess and manage climate-related impacts to, and of, our business. This section outlines the main targets underpinning our climate strategy and lists the key performance indicators (KPIs) we track.

> The metrics and targets used to assess and manage relevant climate-related risks and opportunities

3.3.1 Our targets

Our commitment to **net-zero focuses primarily on supporting emissions reduction in the real economy**. We believe we can best achieve this by focusing our **approach on engagement** with customers and investee companies, and accompanying their transition. This reflects our principle, which holds that the financial service industry's most effective contribution to fighting climate change derives from assisting, incentivizing, and asking our investee companies, customers, suppliers and other stakeholders to embark on their own decarbonization pathways. We hold ourselves accountable to the same expectations through leading by example with our own operations.

Outlined below are the principal targets we have set to align our business activities with the net-zero commitment. Those targets are also described in our climate transition plan (see section 1.2 Climate transition plan on pages 125 to

128) and our targets and ambitions (see section 1.3 Our targets and ambitions on pages 129 to 130), which provide a transparent picture of our progress toward set targets and positions.[1]

Table 3
Our targets to net-zero commitment

Area	Definition	Targets & ambitions
Reduction of financed emissions	**Reduce** the **intensity of emissions** (scope 1 & 2) of **listed equity and corporate bond investments**, in terms of metric tons of CO_2e per USD million invested (base year 2019).[1]	2025: 25% 2030: 55%
	Reduce the **intensity of emissions** of **direct real estate investments**, in terms of kilograms of CO_2e per square meter (base year 2019).	2025: 30% 2030: 45%
Reduction of insurance-associated emissions intensity	**Reduce** the **intensity of insurance-associated emissions** (IAE)[2] in our large corporate customer portfolio by 20 percent (base year 2022)	By 2030: 20%
Reduction in operational carbon emissions[3]	Total emissions: absolute **reduction in all operational emissions** (base year 2019)	Total emissions: – By 2025: 60% – By 2029: 70%
	Scope 1 & 2: reduction in emissions from the fleet and onsite heating as well as from purchased electricity, heat and steam (e.g., district heating), base year 2019).	Scope 1 & 2: – By 2025: 62% – By 2029: 80%
	Scope 3: reduction in operational emissions, resulting from air, rental and rail business travel, employee commuting, strategic data centers, printed paper, waste, as well as indirect energy impacts (base year 2019)	Scope 3: – By 2025: 60% – By 2029: 67%
Investment engagement	**Engage** with top 65 percent **emitters of financed emissions that have not set science-based targets** (base year 2019).	2025: 65%
	Engage directly with **high-emitting companies** which currently do not have credible science-based targets.	2030: 20
Insurance engagement	**Engage** with **our large insurance customers who contribute most heavily to our portfolio emissions**[4] on their transition-related objectives, opportunities and challenges.	Sept 24 - Sept 25:[5] 65 By 2030: 450
Climate solutions	Allocation to **climate solutions investments**	2025: increase 2030: 6% of AuM[6]
	Avoid 5 million metric tons of CO_2e emissions per year through impact investments.	Ongoing (ambition)

1 Attributed with enterprise value methodology and matched based on most recently available emission data.
2 IAE is determined by scope 1 & 2 for our customers' emissions using the Partnership for Carbon Accounting Financials (PCAF) insurance-associated emissions methodology for commercial lines, covering customers with revenues greater than USD 1 billion.
3 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 Zurich Kotak and Travel Guard are excluded since they were not reflected in the CO_2e emissions baseline in 2019.
4 As determined by scope 1& 2 for our customers' emissions using the PCAF insurance-associated emissions methodology for commercial lines, covering insurance customers with revenues greater than USD 1 billion.
5 In the 12 months following the publication of our climate transition plan in September 2024.
6 Estimated based on AuM 2023, equivalent to approximately USD 10 billion. Any portfolio activity will be subject to market conditions and potential other constraints.

3.3.2 Our performance metrics

This section highlights the key metrics we use to measure and manage climate-related risks and opportunities. They represent a combination of metrics derived from the SASB and WEF IBC standards expanded with further metrics of our own, in line with guidance from the TCFD.

Underwriting

Z E

Insurance-associated emissions (IAE)
To provide transparency on our Commercial Insurance portfolio carbon footprint, we are leveraging the accounting method for IAE, published by the Partnership for Carbon Accounting Financials (PCAF) in November 2022. We also report portfolio IAE intensity, which aligns with the Weighted Average Carbon Intensity (WACI) metric proposed by the CRO Forum.

1 Please note that target 2025 and target 2030 is always defined as using year-end 2024 and 2029 values, respectively (e.g., reduction of financed emissions). By 2030 target (e.g., for reduction of IAE intensity) is defined as using year-end 2030 value, similar by 2025 target (e.g., for operational carbon emissions) is defined as using year-end 2025 value.

In scope for reporting is our portfolio of large corporate customers, defined as customers with revenues greater than USD 1 billion. Lines of Business not covered by the current PCAF standard are excluded from the calculation. Excluded per PCAF attribution factor for commercial lines are agricultural government schemes, structured trade credit, CAR/EAR engineering lines, surety, and insurance contracts purchased by public entities.

With this reporting scope we **cover our large commercial customers**, representing USD 7.4bn of gross written premium and equating to 25 percent of our total Commercial Insurance gross written premium in the baseline year of 2022.

To provide a measure for the quality of emission data used for our IAE reporting, we provide a weighted average quality score aligned with PCAF methodology. Our score of 2.9 (1 being best, 5 being worst) is driven on the one hand by the inclusion of large non-listed companies in our reporting scope, where the availability of reported emissions is lower and industry emission factors have been used (predominantly quality score 4). On the other hand we have not assigned quality score 1 to any of our data, as our currently available data sets do not yet include information if customer emissions have gone through external verification as required by PCAF for score 1. In practice, many externally reported emission figures will likely have been verified. Capturing this additional data requires further analysis and would be included in future updates if appropriate data sets become available.

Figure 21
Insurance-associated emissions

$$\text{Insurance-associated emissions (IAE)} = \frac{\text{insured's premium}}{\text{insured's revenues}} \times \text{insured's emissions}$$

$$\text{IAE intensity (WACI)} = \frac{\text{insured's premium}}{\text{portfolio premium}} \times \frac{\text{insured's emissions}}{\text{insured's revenue}}$$

- **Insured's premium**: For the purpose of IAE calculation, premium is defined as gross written premium (the total amount to be paid by the insured to the re/insurer for the policy written in the period). For multi-year contracts, an annualized premium value shall be used. Gross premium shall also be used for Fronting Policies.
- **Insured's revenue**: Total amount of income generated by the insured customer through the sale of goods or services.
- **Insured's emissions**: Total scope 1 & 2 emissions[1] of the customer either based on company-specific reported emissions or sector-specific estimations.
- **Portfolio premium**: Sum of all insurance premiums within the scope of the calculation.

Also while we aim to align the reporting years of premium and customer emissions, there is a systematic lag in emission reporting and to calculate the full IAE for our in-scope portfolio, we need to rely on previous year emission data for some customers.

1 We do not deem the quality and availability of customer scope 3 emissions to be sufficient to allow for stable reporting and therefore do not include them in our calculation.

We are using S&P Global to source the emission data required. For customers where publicly reported emissions data is not available, estimates have been taken based on average industry carbon intensities, also provided by S&P Global, multiplied by the customer's revenues. Customer revenues are also provided by S&P Global and supplemented by internal data where no match with S&P data could be found.

Interpretation of the IAE figures and progress over time needs to be mindful of the limitations in data quality and availability. Company-reported emissions are currently only available for around 30 percent by premium of our in-scope portfolio, with the remainder relying on emission estimates. While we consider average industry intensities scaled by customer revenue a reasonable proxy for customer emissions, over time we aim to continually replace estimations with actual emissions as more customers start their own reporting. This might however lead to year-over-year volatility in our reporting, as actual reported emissions differ from previously applied estimations.

Z E

Commercial Insurance IAE intensity target
Supporting our commitment to align our insurance portfolio to net-zero by 2050 we have set an interim target to reduce the **IAE intensity** of our portfolio of large corporate customers, defined as customers with more than USD 1 billion in revenues, **by 20 percent by 2030** from a 2022 baseline.

This scope has been chosen as our focus is on creating real-world impact, so we prioritize engagement with customers who can make the greatest contribution to emission reductions and where our direct relationship means we have a greater degree of influence. Despite still being low overall, the availability of reported emissions also tends to be higher for larger companies, allowing for greater certainty in target reporting and achievement.

To arrive at our target value, we have modeled the expected carbon intensity of our portfolio, taking into account various business growth scenarios and existing customer decarbonization targets and, in the absence of explicit targets, the nationally determined emission reduction pathways of our customers' countries of residence, where available.

The baseline for our intensity target is based on 2022 premium data and the latest available emission data at the time of determining the target. While largely based on 2022 emission data, the use of some 2021 emission data was required given the time lag in reporting and updates by data providers.

Table 4
Insurance-associated emissions: Baseline and target

Insurance-associated emissions from large corporate customers (revenues greater than USD 1 billion)	Unit	2022 (baseline)	Target (if applicable)
Absolute IAE (scope 1 & 2)	million metric tons CO2e	1.7	
IAE Intensity (scope 1 & 2)	t CO2e / USDm	234	20% reduction by 2030
PCAF weighted average data quality score	1 - 5	2.9	

Z E

Engagement
We engage our insurance customers to better understand where they are in their transition, their needs and priorities, and to deepen our understanding of the technologies, barriers and dependencies involved in their industries' transitions. The insights we gather help inform how we support our customers, our approach to investments, and our understanding of likely decarbonization pathways. Our focus is on creating real-world impact, so we prioritize engagement with customers who can make the greatest contribution to emission reductions and where our direct relationship means we have a greater degree of influence.

Starting in September 2024, we are engaging with **65 insurance customers within 12 months** on their transition-related objectives, opportunities and challenges. We will continue to expand our engagement efforts, so that **by 2030 we will have engaged with 450 of our large insurance customers** who contribute most heavily to our portfolio emissions.[1] For the purpose of progress reporting against our target, we consider an engagement to have started after the first content discussion with the customer has taken place.

As we engage with our customers on an ongoing basis, we look at their transition plans along four criteria (ACDC framework):

1. Alignment with the Paris Agreement and net-zero targets.
2. Commitment, including what near-term plans and significant investments are in place.
3. Delivery, including what progress has been made so far against targets.
4. Communication, in particular transparent and regular disclosures.

As we build our understanding of and evaluate our customers' plans, we will prioritize our support and capacity for those customers who are actively transitioning.

Table 5
Engagement: Baseline and target

Engagement	Unit	2024	Target (target year)
Engagements conducted	Number of customers	N/A[1]	450 of our large insurance customers who contribute most heavily to our portfolio emissions (2030)
Engagements conducted	Number of customers	N/A[1]	65 of our large insurance customers who contribute most heavily to our portfolio emissions: Sept 24 - Sept 25

1 First reporting in 2025.

SASB E

Revenues from energy efficiency and low-carbon technologies[2]
Our products related to **energy efficiency and low-carbon technology, separately priced,** amounted to **USD 644.2 million** for the year 2024 (USD 424 million in 2023). The increase in revenue was mainly driven by our repair vs replace solutions in North America (USD 243.8 million), reporting sustainable revenues on **electronics and home warranty,** where repair is the priority. Our total EV solutions contribute USD 271.2 million, mainly coming from the EMEA region with solutions in 2024 on mid-market EV's. Renewable energy solutions from North America and EMEA contribute USD 108.3 million.

For more information on our sustainable solutions, please see section 4.1.1 Revenues from sustainable solutions on pages 181 to 183.

1 Determined by scope 1& 2 for our customers' emissions using the PCAF (Partnership for Carbon Accounting Financials) insurance-associated emissions methodology for commercial lines, covering customers with revenues greater than USD 1 billion.
2 Revenues capture gross written premiums and other fee services.

Investment Management

In 2024 we **successfully met all of our 2025 interim climate targets**,[1] aligning with our net-zero commitment in engagement, climate solutions investments, and portfolio decarbonization. This marks a **major milestone** as it is the first time we have set and achieved a five-year climate target, showcasing our capability to contribute to the 30-year journey toward net-zero. Our recently updated Responsible Investment White Paper[2] highlights the interlinkage of our targets in a new chapter on climate action, illustrating how our engagements and financing of climate solutions drive decarbonization.

Engagement for the transition

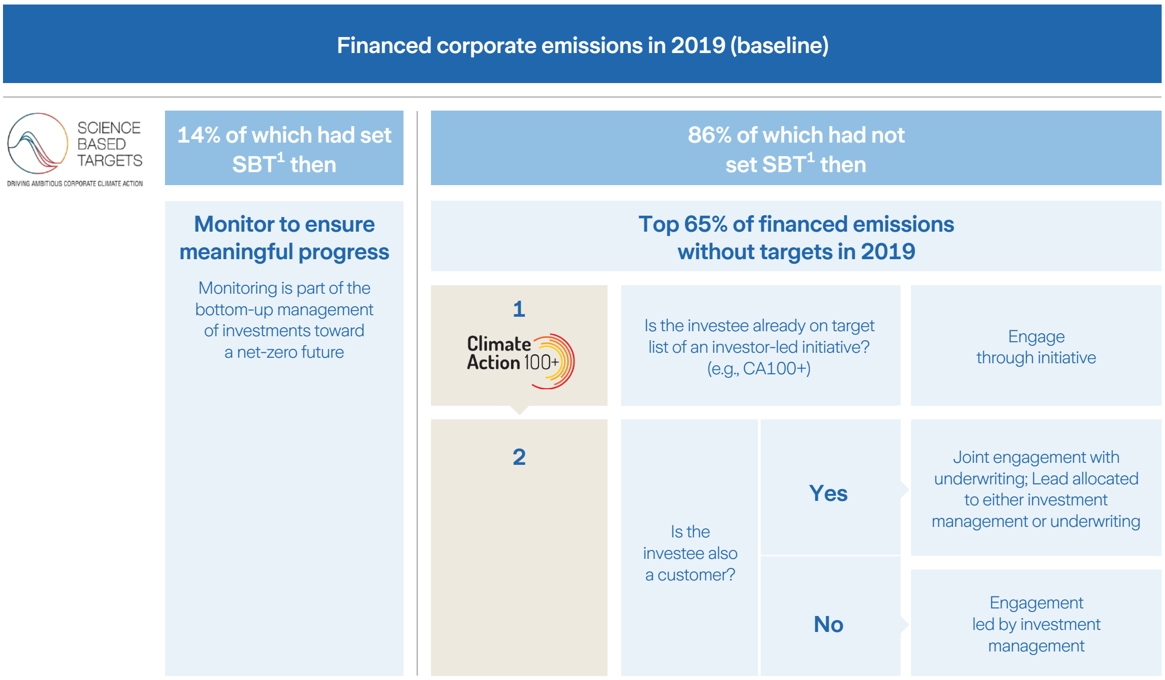
Company engagement

Engagement is a **key mechanism for investors** seeking to mitigate systemic climate risks and work toward net-zero. As asset owners, we are uniquely placed to encourage company behavior and the decarbonization of the real economy.

In our 2019 - 2025 engagement we saw **multilateral engagement**, through initiatives such as Climate Action 100+, as a key way to amplify our positive impact, especially on climate change issues as we work to decarbonize our portfolio without simply divesting from high-emitting sectors.

Figure 22

Our engagement approach



1 Science-based targets.

1 Please note that target 2025 and target 2030 is always defined as using year-end 2024 and 2029 values, respectively (e.g., for reduction of financed emissions).
2 https://edge.sitecorecloud.io/zurichinsur6934-zwpcorp-prod-ae5e/media/project/zurich/dotcom/sustainability/docs/responsible-investment-at-zurich.pdf

Table 6
Engagement progress

	2024	2023
Engagement started	65%	60%
Engagement not started	0%	5%
=Target	**65%**	**65%**
Started engagements undertaken…		
Collectively	25%	25%
Bilaterally	40%	34%
… with outcome		
Failed[1]	16%	16%
Ongoing[2]	31%	24%
Succeeded[3]	18%	20%

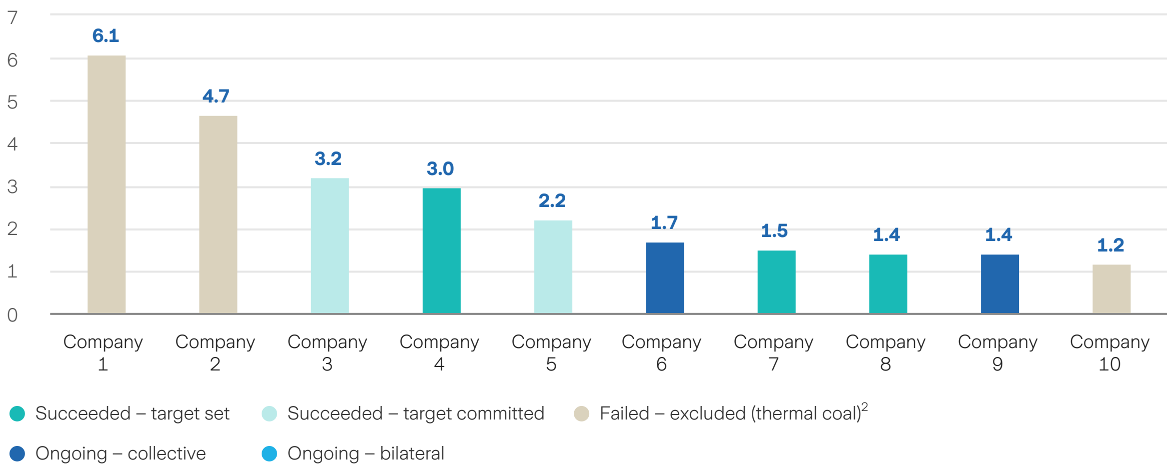
Note: All percentages correspond to percent of financed emissions in 2019 (baseline) without net-zero targets, cumulative progress since December 31, 2019.

1 Engagement considered as failed under the thermal coal, oil sands and oil shale policy if it became clear the company would neither move under the 30 percent threshold nor set net-zero targets and was hence excluded; or that a company approached under the net-zero program refuses to set science-based net-zero targets.
2 Engagement considered as ongoing includes when a first contact is established with the company to engage in a meaningful conversation.
3 Engagement considered as succeeded if a company has publicly committed to science-based net-zero targets (under SBTi) or an equivalent scientific verification body, referring to Zurich only as a contributor to the outcome.

In 2024, we **closed** our **bilateral net-zero engagement campaign having reached the 2025 target to have engaged with top 65 percent emitters of financed emissions that have not set science-based targets** (as shown in Table 6). We focused on companies with **heavy emissions** to understand the company's **current emission intensity** and their **transition plans**. In cases where the company had not yet established such a plan, we urged the company to set up a transition plan with preferably externally validated targets. In 2024, we successfully kicked off a number of engagements. This in close collaboration with our local investment management teams. In 2024, some companies were not able to submit validated science-based targets within 24 months of committing to do so under the Science Based Targets initiative (SBTi). This resulted in a lower ratio of successful engagements for 2024.

Figure 23
Engagement progress for top 10 emitters without science-based targets (SBT)[1]

Financed emissions %

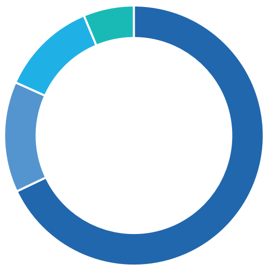


1 Company grouping according to our proprietary methodology, which considers ownership and operational control structures (corresponding to financed emissions using 2019 baseline data).
2 Failed engagement under thermal coal program means the company was added to the restricted list and hence equity exposure was divested and credit exposure put in run-off.

Figure 24

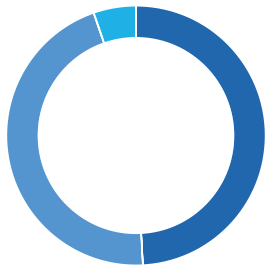
Top 10 emitters without science-based targets (SBT) by sector and region[1]

Top 10 emitters by sector



Utility	67.9%
Government owned, no guarantee	13.8%
Metal and mining	12%
Energy	6.3%

Top 10 emitters by region



EMEA	49.2%
APAC	45.6%
Americas	5.3%

1 Corresponding to financed emissions in 2019 (baseline data).

Case study

Our objective for our bilateral engagements is to encourage emissions-reduction-target disclosure beyond 2030, and external verification. A Latin American metal mining company is part of our top 65 percent financed emissions and therefore a company to engage with as part of our 2025 engagement target. The following case study provides details on that specific engagement on climate transition.

The company currently focuses on integrating its near-term 2030 targets to reduce operational greenhouse gas emissions by 70 percent. The methods include, among others, implementing 100 percent clean energy matrix and electrifying its various transportation vehicles. Within the next year, the company is planning to develop and publish targets for beyond 2030. The target scope will expand to further operational emission activities, such as refinery activities. Via the engagement letters and during the engagement call, we encouraged the company to develop ambitious targets and to seek external verification of both their existing and future targets, e.g., by SBTi. We further encouraged the company to set targets for their scope 3 emissions.

We agreed to have a conversation again next year on the progress of their target setting process, including external verification of targets, in particular for the targets beyond 2030.

We will continue monitoring and engaging with the company on climate transition. We appreciated the company's openness and willingness to exchange during the engagement call.

Z E

Asset manager engagement and policy advocacy

While bilateral corporate engagement – the most common form of investor engagement to date – is an important tool for addressing the financial risks of climate change, we aim to complement this approach with other, more systematic forms of engagement like asset manager engagement and policy advocacy.

As an asset owner, one of the most important and impactful engagement opportunities we have is to engage with our asset managers to support greater climate action and 1.5°C alignment. This engagement impacts the wider set of stakeholders and hence can have a wide market impact. In 2024, we supported the Net-Zero Asset Owner Alliance (NZAOA) efforts on asset managers' engagement. We seek for asset managers to better align their investment strategies with net-zero targets, focusing on achieving more impactful climate outcomes through effective stewardship. During several meetings between asset managers and the NZAOA, we had active discussions around the specifics of fossil fuel engagement approaches and strategies, and engagement reporting expectations. We confirmed that the 'Alliance's engagement expectations' is being used to shape an asset manager's new stewardship approach.

Achieving a net-zero investment portfolio and real-world change requires close collaboration with our own asset managers. Besides our continued efforts on engagement, we also focused on our asset managers that manage private assets or execute voting rights on listed equity on our behalf. For private asset managers, we defined the requirements in delivering net-zero strategies and developed a tailored approach focusing on specific climate-related expectations.

We further **strengthened our asset manager engagement process** to systematically address climate-related stewardship to now also include and analyze how our asset managers have exercised their voting rights regarding climate-related proposals. For managers falling short of our expectations, we initiated engagements to ensure they align with the standards outlined in the NZAOA proxy voting guidance document.

In 2024, we made significant strides in policy advocacy, contributing to a global investor statement and participating in key consultations on sector and national regulations. By signing the '2024 Global Investor Statement', we aimed to underscore the urgency of aligning financial flows with the Paris Agreement goals and to advocate for stronger climate policies. As part of the NZAOA, we engaged in policy dialogues with the U.S. State Department and the UK government. Additionally, as members of the Investment Leaders Group, we were invited to collaborate with climate finance negotiators from Canada, Australia, and New Zealand, influencing the climate finance discussions at the 29th UN Climate Change Conference (COP29).

E

Financed emissions

We calculate three types of financed GHG emissions defined by the underlying investment: Corporates, which includes listed equity and corporate bonds, direct real estate and sovereign debt.

In 2021, we set interim targets for 2025 following the guidance of the NZAOA for the asset classes of listed equity, corporate bonds and direct real estate. Since the announcement, we have been working on local objective setting, implementation and data improvements. We have translated the global portfolio target into regional and local implementation. This allows us to capture factors such as local market considerations, sector diversification, and past and projected pathways of emissions.

We strongly believe that simply divesting from companies with carbon-intense footprints is less effective than engaging with them to support the shift to sustainable practices. The findings from our engagement efforts, as described above, will guide us through portfolio construction and rebalancing actions, benchmark changes and, where relevant and as a last resort, divestments.

Table 7

Assets under Management: corporate portfolio[1]

	In scope AuM (USDbn)		
	2024	2019	Difference
Zurich Corporate portfolio[2]	**46.6**	**58.5**	**(20)%**
By investment asset class			
Listed equity	6.9	10.6	(35)%
Corporate bonds	39.7	47.9	(17)%
By region			
APAC	5.5	4.5	23%
EMEA	30	38.2	(22)%
Americas	11.1	15.9	(30)%
By sector			
Utilities	3.2	4.4	(27)%
Government-owned company	1.5	2.7	(44)%
Energy	1.5	2.1	(29)%

1 AuM covers companies listed equity and corporate bonds.
2 in scope AuM decreased in line with total AuM.

Table 8

Absolute and relative emissions of the corporate portfolio[1]

	Absolute financed emission (million metric tons CO2e)[2]			Relative emission intensity (metric tons CO2e/1 million market value)			
	2024	2019 (baseline)	Difference	2024	2019 (baseline)	Difference	Target
Zurich Corporate portfolio	**2.9**	**7.9**	**(63)%**	**62**	**136**	**(54)%**	**(25)%**
By investment asset class[3]							
Listed equity	0.4	1.0	(62)%	52	90	(41)%	
Corporate bonds[3]	2.5	7.0	(64)%	64	146	(56)%	
By region							
APAC	0.7	1.8	(63)%	120	400	(70)%	
EMEA	1.7	4.5	(63)%	56	118	(53)%	
Americas	0.6	1.7	(66)%	52	105	(51)%	
By sector							
Utilities[3]	0.9	2.7	(66)%	288	616	(53)%	
Government-owned company	0.3	1.4	(79)%	200	529	(62)%	
Energy[3]	0.5	0.7	(27)%	311	305	2%	

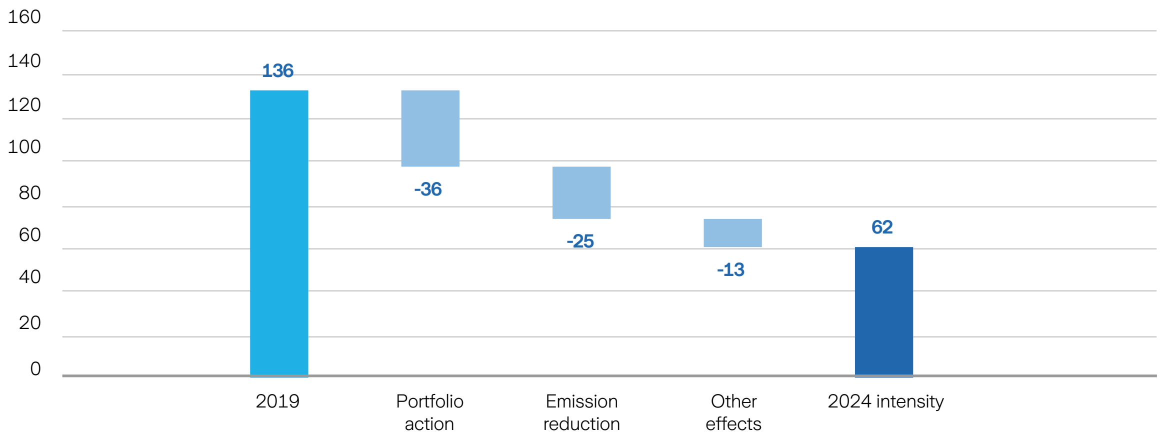
1 In order to provide a comprehensive overview, details incl. prior year data are shown in appendix 6.4 Emissions profile on pages 210 to 211.
2 Financed emissions cover scope 1 and 2 of underlying companies (listed equity and listed corporate credit) attributed with enterprise value methodology and matched based on most recently available emission data.
3 Emission reporting for Zurich-validated green bonds in the utility and energy sectors was refined in 2022 to reflect the nature of the financed projects. Please see the green bond validation methodology in our white paper: www.zurich.com/-/media/project/zurich/dotcom/sustainability/docs/responsible-investment-at-zurich.pdf

In 2024, we reached our interim 2025 decarbonization target for corporate bonds and listed equity as we reduced our financed CO2e emissions by 54 percent against the target of a 25 percent reduction. Our absolute financed emissions declined over the same period by 63 percent.

Figure 25

Breakdown of reduction in financed emissions

Intensity change attribution (in metric tons CO2e/1 million metric value)



This reduction in financed emissions was mainly driven by **changes in portfolio composition** and **structural emission reductions** of our portfolio companies.

Portfolio activities are estimated to contribute half of the intensity reduction over the past five years. Portfolio activities are changes in our portfolio composition, when we allowed high-emitting positions to mature without reinvesting in the same issuer or by actively divesting from high-emitting positions and reinvested capital in new positions of lower-emitting companies. We also observe an expected further meaningful drop in emissions from companies in run-off under the thermal coal/oil sands policy due to maturing assets in 2024.

Real world emission reduction reported by our portfolio companies are estimated to contribute one-third of our emission intensity reductions. Our analysis suggests that a notable 15 percent of these reductions are achieved by just 10 issuers. While most of these companies are in the utility sector, others operate in energy, metals and mining, and building materials.

Other effects mainly refer to currency effects and timing lags but can also include data updates.

Uncertainties and dependencies

Our experience demonstrated the need to consider both absolute and relative indicators when measuring the emission performance of portfolios. Relative indicators are sensitive to changes in company valuation, whereas absolute emissions are sensitive to strategic shifts in asset allocation. It is important to reiterate that capital market price changes have a significant impact on reported financed emissions based on the formula applied, resulting in the sensitivity of reported targets. In the long run, it remains our view that alignment with the NZAOA methodology will provide us with a stable and robust metric describing the trajectory of our emission reduction pathway, but we expect a high level of volatility of intensity and financed emissions numbers driven by the current political sentiment and potential for financial market volatility.

Further, it is important to note that the real economy is not moving at the pace at which we have reduced our financed emissions. In fact, the current nationally determined contributions under the Paris Agreement would still put the world at 2.1°C-2.4°C above pre-industrial levels, which is far above the ambition of the Paris agreement of 1.5°C. This means that the financial markets' emissions reductions are largely a result of portfolio reallocation, shifting capital to more sustainable investments and hence divesting from heavy-emitting companies. While we can regard the reductions as a testament to portfolio reallocation and as an important demonstration to the rest of the investment ecosystem that decarbonization is possible, the actions must be pursued with urgency in the real economy. Moreover, we should also be cautious about projecting achievements to the future.

Furthermore, more of our financed emissions of listed equity and corporate bonds have committed or set targets under SBTi compared to our baseline. The % of financed emissions in run-off under our coal / oil sands policy remains stable.

Table 9
Corporate portfolio emissions with commitments or in run-off[1]

	% of financed emissions with SBTi[1]			% of financed emissions in run-off under coal/oil sands policy
	2024	2019 (baseline)	Difference	2024
Zurich Corporate portfolio	**24.8**	**14.3**	**73%**	**4.4**
By investment asset class				
Listed equity	21.2	22.6	(6)%	
Corporate bonds	25.3	13.2	92%	
By region				
APAC	5.6	1.2	384%	17.1
EMEA	35.3	22.9	54%	0.3
Americas	16.7	5.3	218%	1.7
By sector				
Utilities	17	14.4	18%	12.3
Government-owned company	40.3	5.4	641%	3.9
Energy	0	0	0%	0.5

1 Committed or set targets under SBTi.

Table 10
Absolute and relative emissions of the sovereign bond portfolio

	In Scope AuM 2024 (USD bn)	Absolute financed emissions 2024 (million metric tons CO2e)[1]	Relative emission intensity 2024 (tons Co2e / mUSD)[2]
Zurich Sovereign Portfolio	**43.9**	**7.6**	**159**

1 Scope 1 (production-based approach) excluding Land Use, Land-Use Change and Forestry (LULUCF) – USD GDP-PPP.
2 Based on Nominal Value.

In 2024, we expanded our emissions measurement of our proprietary portfolio, now **covering** also our **sovereign bond portfolio**. For 2024, the CO2e emissions financed by our global sovereign debt portfolio amounted to 7.6 million metric tons CO2e. This corresponds to a carbon intensity of 159 tCO2e / mUSD.

We use a methodology aligned with the accounting methodology recommended by NZAOA, which is based on the current version of the PCAF's Global GHG Accounting and Reporting Standard. While we measure the financed emissions for sovereign bonds, these assets are not covered by an emission reduction target.[1]

We **measure and report absolute emissions** for our proprietary portfolio for listed equity, corporate bonds, direct real estate and sovereign bonds, **covering approximately 60 percent of the total portfolio**.

For our **direct real estate portfolio**, we successfully **reduced our relative emission intensity by 30 percent** in accordance, i.e., **meeting our 2025 interim target one year early**. Our target includes scope 1 and 2 emissions, the so called 'operational emissions'.[2]

Table 11
Assets under Management: real estate portfolio

	In scope AuM (USDbn)		
	2023[1]	2019 (baseline)	Difference
Zurich global real estate portfolio	**10.0**	**11.7**	**(14)%**
By region[2]			
APAC	0.1	NA	NA
EMEA	8.1	10.0	(19)%
Americas	1.8	1.7	6%

1 Real estate emissions are only available with a four-quarter lag. Emissions in 2024 will be reported in the 2025 sustainability report. Includes investment portfolio buildings only, as own-use buildings are part of our operational emissions target.
2 Direct real estate holdings form the base for the emission reduction targets.

Table 12
Absolute and relative emissions of the real estate portfolio

	Absolute emissions[1,2] (metric tons CO2e)			Relative emissions intensity[3] (kg CO2e/sqm)			
	2023	2019 (baseline)	Difference	2023	2019 (baseline)	Difference	Target
Zurich global real estate portfolio[4]	**34,491**	**53,181**	**(35%)**	**15.2**	**21.6**	**(30%)**	**(30%)**
By region[5]							
APAC	589	NA	NA	59.5	NA	NA	
EMEA	24,761	41,153	(40%)	17.1	22.9	(25%)	
Americas	9,141	12,028	(24%)	11.3	18.0	(37%)	

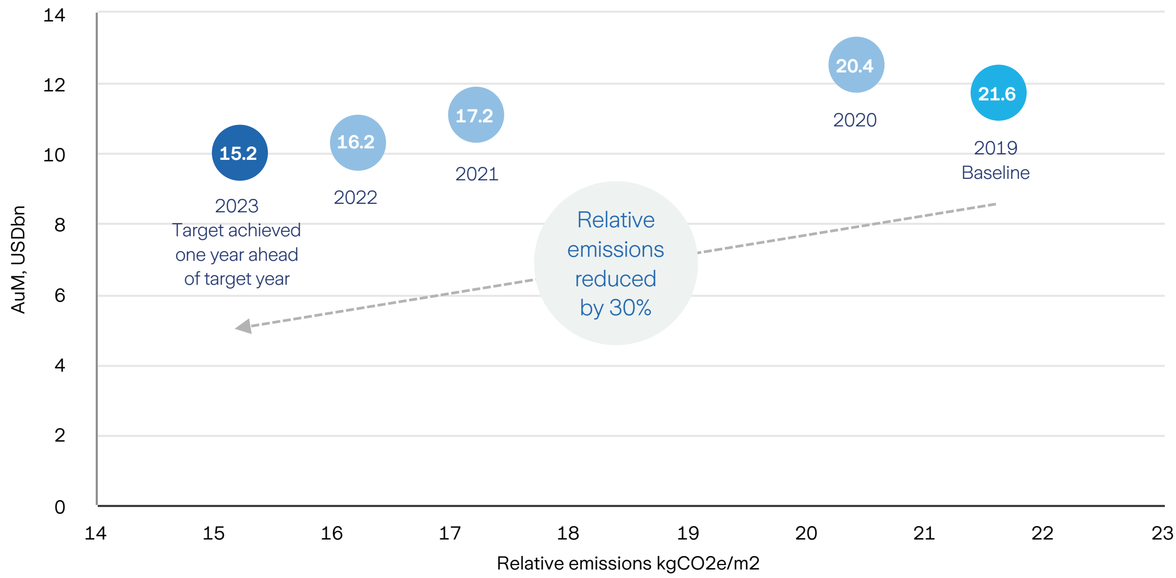
1 The CO2e emissions are calculated according to the location-based method. In cases where the data is available or properties use onsite/offsite renewable energies, the market-based methodology is applied.
2 The emission factors are retrieved from the International Energy Agency (IEA, 2020) with the exception of Switzerland for local calculation references (Intep, REIDA 2022 and local authorities) which are aligned with IEA.
3 The relative emissions intensity is calculated based on gross floor area (GFA) of the buildings.
4 Real estate emissions are only available with a four-quarter lag. Emissions in 2024 will be reported in the 2025 sustainability report. Includes investment portfolio buildings only, as own-use buildings are part of our operational emissions target.
5 Direct real estate holdings form the base for the emission reduction targets.

At year-end 2023, we **achieved a 30 percent reduction**, meeting our reduction target one **year ahead of target year**. This marks an improvement compared to the 25 percent reduction achieved in the prior year. The incremental reduction in 2023 compared to 2022 is 6.2 percent resulting in a decrease to 15.2kg CO2e per square meter. This is primarily driven by further decreases in the relative emissions in Switzerland (8.6 percent) and Germany (0.6 percent). In terms of absolute emissions, Switzerland and Germany achieved reductions of 1,160 metric tons CO2e and 601 metric tons CO2e, compared to 2022. These positive results are attributed to the ongoing capital expenditure program in Switzerland and additional energy optimization measures in Germany. Additionally a number of buildings were sold in 2023.

1 Sovereign bonds: disciplined ALM practices and, in some cases, insurance regulation requires us to hold substantial amounts of minimum-risk assets denominated in local currency to back local liabilities. We do not generally manage any multi-currency sovereign bond portfolios that would allow ESG factors to influence issuer selection.
2 Scope 1 emissions, also known as direct emissions, are defined as emissions from sources that exist "on site" of an asset. These include primarily emissions from onsite heating systems. A common example of scope 1 emissions for real estate is natural gas and oil burned onsite. Scope 2 emissions are defined as emissions that are related to purchased electricity, heat, steam or cooling. This energy is consumed by the assets but generated offsite.

Figure 26

Relative emissions compared to assets under management from 2019 to 2023



The above graph illustrates the decline in relative emission intensity and AuM from 2019 to 2023. The 14 percent reduction in AuM relative to the baseline year of 2019 can be attributed to strategic asset allocation, particularly over the past two years, as well as devaluations resulting from challenging market conditions. Additionally, relative emissions have decreased to 15.2 kg CO2e per square meter, a change facilitated by the aforementioned initiatives.

The completeness of our emission data – measured by the coverage ratio[1] – increased slightly from 82 percent for 2022 to 83 percent for 2023.

1 The coverage ratio is the GFA in square meters (m2) of completed properties for which data is collected as a percentage of the total GFA area in m2 of all completed properties in the portfolio.

Figure 27
Emission reduction target-setting methodology and scope: Listed equity and corporate bonds

Absolute emissions[1]	Relative emissions (intensity)	Key
$\Sigma_{i=1}^{n}\left(\frac{C_i}{EV_i} \times I_i\right)$	$\frac{\Sigma_{i=1}^{n}\left(\frac{C_i}{EV_i} \times I_i\right)}{\Sigma_{i=1}^{n} I_i}$	I: Current value of investment on issuer i EV: Enterprise value of issuer i C: Carbon emissions* of issuer i * Carbon emissions = scope 1 and scope 2 emissions

In 2021, we announced our initial set of interim targets (2025). The targets cover the following:

– Listed equity, listed corporate debt and direct real estate.

We chose to calculate corporate-financed emissions and the resulting relative emissions intensity using the protocol's preferred approach, which is based on enterprise value, not revenue.

While a revenue-based carbon intensity measure is a good way to compare companies based on their size and underlying technology, in line with the NZAOA methodology, we believe the enterprise value approach is a better way to convert a corporation's operational emissions (scope 1+2) into the "financed emissions." This can be attributed to a company's underlying equity and/or debt investors, who are ready to take additional responsibility for the emissions. To calculate corporate financed emissions, we use the following methodology:

– Scope 1+2 emissions in line with the GHG protocol, which are provided by S&P Trucost.
– Enterprise value is defined as the sum of market capitalization of common stock at fiscal year end, the market capitalization of preferred equity at fiscal year end, and the book values of debt and minorities' interests minus the cash and cash equivalents held by the enterprise. When enterprise value is not available (for example for financial companies), it is substituted with market capitalization. Enterprise value data is provided by S&P Trucost.

Market value is defined as the market value of listed equity and listed corporate debt at fiscal year end. While all financial data (enterprise value and market value) is calculated as of December 31 of the reporting year, we use the latest available corporate emission data available as of January each year, when portfolio level financed emissions are calculated on an annual basis. This means that emissions data is systematically lagging. For example, financed emissions for 2024 will be largely based on full-year 2023 emissions data, as full-year 2024 emissions data will only be made available by investees in the first half year of 2026, and tends to flow to data providers via CDP submissions in the fourth quarter of a given year.

1 In line with PCAF Global GHG Standard, see: carbonaccountingfinancials.com/files/downloads/PCAF-Global-GHG-Standard.pdf

Figure 28
Emission reduction target-setting methodology and scope: Sovereign bonds

We follow the NZAOA-provided approach to measure the financed emissions of our sovereign bond portfolio: 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.

Absolute approach:

$$\sum \text{sovereign emissions } (tCO_e^2) \times \frac{\text{exposure to sovereign bonds (USD)}}{\text{PPP – adjusted GDP (international USD)}}$$

Where exposure to sovereign bonds is in Nominal Value.

Intensity approach:

For production emissions:

$$\sum_{i=1}^{n} W_i = W_i \frac{\text{sovereign production emmision } (tCO_e^2)_i}{\text{PPP – adjusted GDP (international USD)}_i}$$

W_i: weighted exposure of sovereign bonds for sovereign "i"in a portfolio consisting of "n"securities based on Marked Value

PPP: Purchasing Power Parity

Green certified buildings

We **successfully reached our ambition of increasing the proportion of green-certified buildings to 30 percent** within our global real estate portfolio by the end of 2025 **one year early**.

Table 13
% green certified buildings in total real estate[1]

	% green certified buildings						Target
	2024	2023	2022	2021	2020	2019	2025
Zurich Global Real Estate Portfolio	**35%**	**23%**	**22%**	**19%**	**22%**	**25%**	**30%**
APAC	17%	0%	0%	0%	0%	0%	
EMEA	34%	21%	23%	20%	23%	28%	
Americas	48%	34%	17%	19%	18%	17%	

1 Market-value weighted and based on balance sheet investments, incl. buildings used by Zurich.

Investments in **green-certified buildings rose to 35 percent in 2024** (USD 4.5 billion, see Table 14), up from 23 percent in 2023, thereby achieving our ambition of 30 percent one year ahead of schedule. This increase is mainly driven by more certified buildings in Germany, where the number of certified buildings rose from 17 to 32. The intention is to sustain this elevated standard of certified buildings in the forthcoming years.

TCFD E

Climate solutions

As a large asset owner, we will leverage our investments to help mitigate climate change and adapt to it. We define climate solutions as investments in economic activities, technologies, or projects that contribute to the mitigation (including enabling activities) of climate change by reducing greenhouse gas emissions, facilitate the transition to a low-carbon, climate-resilient economy or enhance the resilience of people and assets against the effects of climate change.

We leverage our knowledge and proven investment process from impact investing and real estate investments and count environmental impact investments and green certified buildings toward our climate solutions investments. For further information on our impact investment approach, see pages 174 to 176.

Our ability to invest in climate solutions varies annually based on market conditions, available opportunities, and balance sheet capacity.

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Table 14
Climate solutions

	2024	2023	2022	2021	2020	2019 (baseline)	Difference (to baseline)	Target / Ambition
Climate solution investments (USDm)	**10,442**	**9,272**	**8,192**	**8,203**	**8,054**	**7,408**	**41%**	**upward trend**
of which environmental impact investments[1]	5,936	5,792	4,640	5,115	4,424	3,662	62%	
of which green certified buildings[2, 3]	4,506	3,480	3,552[5]	3,088	3,631	3,747	20%	
Million metric tons CO2e avoided through climate-related impact investments[4] (ambition)	3.9	4.5	3.2	4.6	2.9	2.8		5

1 Values refer to the environmental share of our impact investments displayed in Table 16: Impact investing portfolio on page 176.
2 Green certified buildings based on balance sheet investments, incl. buildings used by Zurich.
3 Values refer to the share of green certified buildings of our global real estate portfolio displayed in Table 13: % green certified buildings in total real estate on page 172.
4 Impact numbers for 2021 and following include methodology upgrade, as explained in our impact measurement methodology paper: www.zurich.com/-/media/project/zurich/dotcom/sustainability/docs/zurich-impact-measurement-framework.pdf
5 The reevaluation in Austria affected the 2022 year and the value has dropped from USD 4,035m to USD 3,552m.

Case study

Private infrastructure debt investments are particularly suited for impact investing: By investing in infrastructure, impact investors can achieve a dual objective of generating financial returns while contributing to positive social and environmental outcomes. An example is the transition to a low-carbon economy, which requires large investments in new infrastructure. Specific renewable energy or energy efficiency projects can play a vital role and be easily evaluated against specific impact objectives, such as avoiding CO2e being emitted to the atmosphere.

One example is Zurich's debt investment in a portfolio of solar parks in Spain. The portfolio of 23 ground-mounted solar parks can produce 180,000 megawatt hours annually,[1] which is enough energy to power around 9,000 homes supporting the growth of Spain's renewable energy sector and the contribution toward clean energy generation. The solar parks are owned by a developer with extensive expertise in the renewable energy market in Spain.

The rationale for investment in the transaction includes the attractive risk–return profile, the geographically diversified nature of the portfolio of the underlying solar energy generation assets, and the favorable regulatory environment that ensured stability of cash flows and limited exposure to electricity market price fluctuations. Moreover, Zurich's investment in a well-established, long-term solar energy asset that facilitates the avoidance of 1,300 metric tons CO2e emissions annually, shows our commitment to the transition of the economy to a low-carbon energy model and therefore climate change mitigation.

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Other Responsible Investment KPIs

We aim to create value for both our company and for society as a whole. As part of this approach, we expect our asset managers to integrate sustainability factors and monitor accordingly i.e., to reflect the risks and opportunities associated with it when choosing assets for our portfolios. We have implemented a global set of policies and investment processes across our entities to provide a consistent approach. Through ESG integration, we price and manage financially material sustainability risks and opportunities. Investments may also enable economic activities that can have positive impacts on our environment and society. We use various third-party data providers that supply information on the most material ESG risks and opportunities, as well as adverse impacts and ongoing controversies per company in the context of the sector they operate in. We have integrated sustainability information, including climate data, into our systems and have information about the performance of our portfolios.

The following section shows the progress we have made with our responsible investment strategy in 2024 and in the past. Our responsible investment strategy is aimed at successfully managing our proprietary investment assets, while mitigating costs to the environment and delivering benefits to society. Our strategy is based on three pillars:

- **ESG integration: into the investment process** across asset classes and alongside traditional financial metrics while **generating superior risk-adjusted, long-term financial returns**.
- **Impact investing**: build an impact investing portfolio that makes a **positive contribution to the environment and society**, to improve the lives of 5 million people and to help avoid the emission of 5 million metric tons of CO2e per year. Additionally, we target to allocate 5 percent of invested assets to impact investments by 2025.
- **Advancing together**: make responsible investment mainstream through interaction with other industry participants and engaging with policy makers to build markets in which **sustainability risk is priced efficiently and decarbonization is incentivized**.

Summary ESG integration and impact investment portfolio

Table 15

Investment portfolio managed by responsible investors

	2024	2023	Change (2024 to 2023)	2022	2021	2020	2019
Assets managed by responsible investors[1]	99.8%	99.8%	0 pts	99.6%	99.6%	99.6%	98.2%
Total amount of impact investments (USD millions)	8,460	7,882	7%	6,328	7,037	5,770	4,555
% of Investment portfolio	5.3%	4.6%	0.7 pts	3.8%	3.3%	2.5%	2.2%
Investment portfolio (USD millions)[2]	**160,645**	**171,200**	**(6)%**	**168,478**	**211,334**	**226,389**	**204,803**

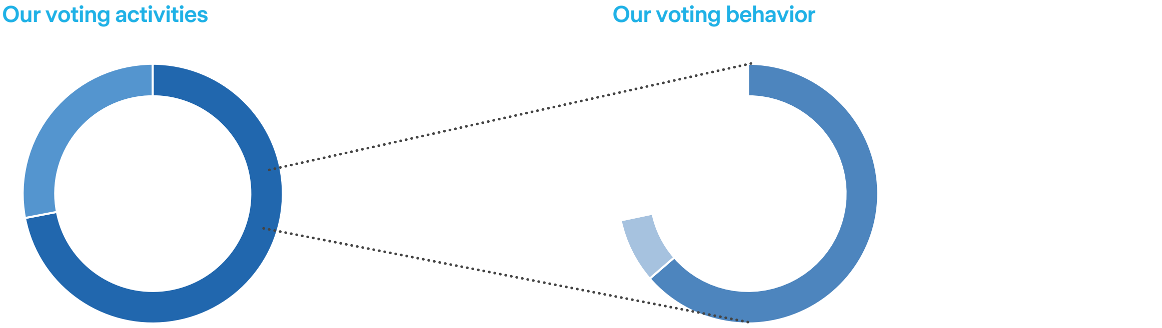
1 A United Nations supported PRI signatory or asset manager that fulfills our minimum requirements for ESG integration. See our responsible investment white paper: www.zurich.com/-/media/project/zurich/dotcom/sustainability/docs/responsible-investment-at-zurich.pdf
2 Investment portfolio is calculated 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.

1 Corresponding to 127 megawatt (MW) of generation capacity.

ESG integration – Proxy voting

As part of our active ownership strategy, we require all our managers for listed equities to exercise their voting rights on directly held equities. For our in-house asset management, we seek that outcomes of engagements are linked to the proxy voting process to form a consistent active-ownership approach. This means that where engagement as part of our net-zero ambition fails and companies refuse to set targets after due dialogue, we will vote against board members at shareholder meetings.

Figure 29
Proxy voting



Votes cast[1]	72%
No votes cast	28%

Voted with management[1]	63%
Voted against management[1]	8%

1 Not all votes cast can be allocated to "with" or "against" management. Those explain the difference between our votes cast of 72% and our voting behavior of 71%.

In 2024, we voted on 72 percent of our in-scope equity (externally and internally managed). Approximately 70 percent of our equity investments are in scope for proxy voting.[1] The share of voted equity dropped due to changes in the investment style, moving direct active equity management into equity fund investments. We measure the votes we cast based on assets under management. Reasons for not casting a vote are a combination of portfolio turnover, cost/benefit considerations and voting restrictions (such as demands to vote in person, share blocking or requirements that increase the cost of voting).

Case study

Companies issuing climate transition plans often seek investor validation through 'Say on Climate' proposals. At the beginning of this year, a major European energy and petrochemical company of which we are a shareholder scaled back its emissions reduction commitment, now targeting a lower figure than originally stated. This reversal raised concerns about the company's progress on transitioning to a net-zero economy. At its 2024 Annual General Meeting (AGM), we, along with an important portion of shareholders, voted against the "Say on Climate" proposal, which sought approval for the company's progress and updated plans. We opposed the proposal in order to convey to the company that they have not made enough progress toward meaningful climate action. Our opposition is meant as a message on the urgent need for tangible action from high-emitting companies.

As shareholders we can also communicate our dissatisfaction with the company's climate actions by voting against board members at its AGM. In 2024, we voted against the Directors or members of the ESG board of several companies with whom we have been engaging for several years but who still do not show strong and credible commitments toward net-zero. For example, we voted against the Board of Director of a European steel company who has been involved in severe environmental controversies and does not show strong commitment to CO2e emission reduction. We expect the company to set and execute a tangible decarbonization plan in line with the Paris agreement.

Impact investing

Build an impact investing portfolio that makes a positive contribution to the environment and society, with the ambition to help avoid the emission of 5 million metric tons of CO2e per year, and to **improve the lives of 5 million people**. The latter we have **reached for the first time** in 2024.

We further achieved our commitment to **investing 5 percent** of our proprietary investment portfolio to **impact investments, one year ahead of target year.** In 2024, our impact investment portfolio grew to a **total of USD 8.5bn, equivalent to 5.3 percent of our proprietary investment portfolio (see Table 15).** The increase was driven by a strong momentum in issuances of Sustainability bonds by supranational and non-financials. Achieving our target further demonstrates our ability to grow our allocation to climate solutions and investments benefiting society. Going forward, we are focussing our efforts on climate solutions investments and the environmental angle of impact investing.

1 For further details, see our proxy voting policy: www.zurich.com/-/media/project/zurich/dotcom/sustainability/docs/zurich-proxy-voting-policy-and-guidelines.pdf

We are proud that our impact investment approach won two awards in 2024 recognizing our thought leadership as an institutional investor in this area.

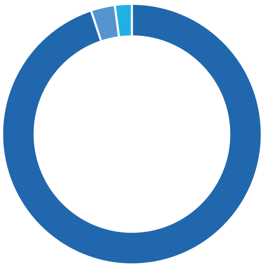
Environmental Finance IMPACT Awards 2024 Winner Re/insurer of the year

INSURANCE ASSET RISK AWARDS 2024 Responsible investor of the year – re/insurer

In 2024, as part of the Insurance Development Forum, we helped create a blueprint[1] to guide insurance sector investments in resilient infrastructure, as part of our impact investing efforts. This blueprint aims to develop a pipeline of infrastructure projects that meet the insurance sector's investment needs. This initiative reflects our commitment to enhancing the resilience of at-risk communities in emerging and developing economies against climate change and natural disasters.

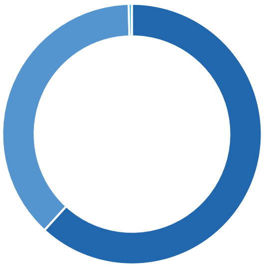
Figure 30
Impact metrics

3.9 million metric tons CO2e emissions avoided



Green, Social and Sustainability bonds	94.9%
Impact infrastructure private debt	3%
Impact private equity	2.1%

5.3 million people benefited by positive contribution to their lives and livelihoods



Green, Social and Sustainability bonds	61.8%
Impact infrastructure private debt	37.8%
Impact private equity	0.4%

In 2024, our **impact investing portfolio of USD 8.5 billion** helped **avoid a total of 3.9 million metric tons of CO2e emissions** and **benefited 5.3 million people**.[2] The above mentioned increase of issuance of Sustainability bonds supported us in achieving our target as it resulted in a higher exposure toward social impact intense issuers such as supranational.

As in the previous year, we see the majority of 'avoided emission' coming from our Green, Social and Sustainability bond portfolio, while private equity is also a large contributor to 'people benefited'. The decrease in avoided emissions, particularly in Renewable Energy projects, is linked to grids operating at lower carbon intensities, resulting in a reduced impact when replacing traditional energy sources. Additionally, there has been a decrease in funding for nature-based solution projects, such as forestation, which usually have significant carbon sequestration potential. Recent years have also experienced volatility in this area.

We further see a lower allocated amount to nature-based solution projects (e.g., forestation projects), which typically have high carbon sequestration potential.

In recent years we have seen volatility in the impact metrics. This is driven by reported impact numbers but also the underlying portfolio constructions.

After engaging in impact reporting for several consecutive years, we have witnessed positive changes in the landscape, including a notable increase in standardization and clarity. The dedication to precision in both reported and actual impact measures reflects heightened efforts by impact managers, particularly in measuring the real impact post-project development. Additionally, we have noticed a growing trend where impact asset managers exercise conservatism in defining the scope of reported projects.

1 www.insdevforum.org/press-release-insurance-development-forum-announces-plans-to-facilitate-investments-in-resilient-infrastructure-in-developing-emerging-markets/
2 Please see: www.zurich.com/investment-management/responsible-investment/impact-investment for more details on impact investing approach. Impact numbers for 2021 and following include methodology upgrade, as explained in our impact measurement methodology paper: www.zurich.com/-/media/project/zurich/dotcom/sustainability/docs/zurich-impact-measurement-framework.pdf

Furthermore, our own impact portfolio has undergone transformations due to bond maturities and exits in portfolio companies. These shifts have contributed to the fluctuation in impact numbers on a portfolio level from year to year. Despite this volatility, we view these developments as positive news for the industry, recognizing that enhanced measurement practices lead to more effective impact management.

Table 16
Impact investing portfolio

	2024	2023	Change (2024 to 2023)	2022	2021	2020	2019
Total amount of impact investments (USD millions)	**8,460**	**7,882**	**7%**	**6,328**	**7,037**	**5,770**	**4,555**
Total amount of impact investments - environmental share	70%	73%		73%	73%	77%	80%
Total amount of impact investments - social share	30%	27%		27%	27%	23%	20%
Green, Social & Sustainability bonds (USD millions)	7,502	6,857	9%	5,247	5,846	4,677	3,645
Impact private equity (USD millions)	210	216	(3)%	213	211	189	163
Impact infrastructure private debt (USD millions)	748	808	(7)%	867	980	904	747

Z E

Advancing together
Responsible investment will only have an impact if this approach becomes mainstream. Supporting sector initiatives and joining member-led organizations to advance responsible investment practices forms an integral part of our approach.

We have signed the UN-backed Principles for Responsible Investment (PRI)[1] as well as the Principles for Sustainable Insurance (PSI) and collaborate with several industry initiatives and research bodies. For instance, we are a founding member of the UN-convened Net-Zero Asset Owner Alliance (NZAOA),[2] co-chairing its Policy and Transition Finance work tracks the past two years, demonstrating leadership in addressing climate change by committing to ambitious targets but also benefiting from having access to resources, tools and expertise provided by the UN and other partners.

Our long-standing commitment to the Green and Social Bond Principles[3] underscores our dedication to the Green, Social and Sustainability bond market. Our leadership role was reaffirmed with our reelection in 2024 to the Executive Committee of the Green and Social Bond Principles, ensuring continued alignment to foster a Green, Social and Sustainability bond market that enables capital raising and investments for new and existing projects with environmental benefits.

We are also a founding member of the Investment Leaders Group (ILG),[4] facilitated by the Cambridge Institute for Sustainability Leadership (CISL), working on developing and promoting best practices for responsible investing. The latest efforts were around nature where ILG's research aims to empower investors to understand how shifts in market sentiment, induced by awareness of present and future environmental and specific nature risks, could affect global financial markets in the short term.

In 2024, Zurich also became the Convener of the Advisory Board of the Operating Principles for Impact Management (OPIM).[5] As a leading institutional asset owner in impact investing, we can play an important role to help and grow the market by being inspirational to fellow asset owners.

TCFD GRI E

Own operations and supply chain

We are actively managing our operational emissions[6] in alignment with four core principles:

Transparency
We report on the carbon dioxide equivalents (CO_2e) of the following sources of emissions to track progress toward our science-based targets for reducing emissions, in line with efforts to limit global temperature rise:

- Scope 1 emissions from fleet and onsite heating in our workplaces.
- Scope 2 emissions from purchased electricity, heat and steam in our workplaces.
- Scope 3 emissions from air, rental and rail business travel, employee commuting, strategic data centers, printed paper, waste, as well as indirect energy impact.

1 www.unpri.org/
2 www.unepfi.org/net-zero-alliance/
3 www.icmagroup.org/sustainable-finance/
4 www.cisl.cam.ac.uk/business-action/sustainable-finance/investment-leaders-group
5 www.impactprinciples.org/
6 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 Zurich Kotak and Travel Guard are excluded since they were not reflected in the CO_2e emissions baseline in 2019.

Accountability

We set clear targets on our operational emissions (see Table 17 on page 178), including a target in our LTIP.[1]

We have been **carbon neutral since 2014** through the use of high quality offsets, which we apply only after prioritizing emissions reductions. In 2021 we launched **our path to net-zero operations with our first carbon removal purchases**.[2]

We also set an internal price on carbon. In 2024, the price was USD 55 per metric ton which we aim to progressively increase through to 2030. The price is applied to actual emissions to determine the value of our carbon fund which supports our carbon neutrality and net-zero carbon commitments, and other innovative solutions to drive down emissions from operations, as well as those from other sources related to our business.

Collaboration

We can only be successful if we address sustainability risks and opportunities together. In addition to cross-functional collaboration, which is required internally to deliver our operational sustainability agenda, we focus on: employee engagement, engagement with our supply chain, and other external stakeholders such as universities, and NGOs to share knowledge, promote research and improve our understanding of evolving operational sustainability risks and opportunities.

Continuous improvement

Our operational sustainability is based on a model of continuous improvement of processes which is essential as best practices in sustainability are regularly advancing. Our efforts are heavily focused on improving data quality through opportunities such as data automation and improving control processes. We are also working to align with the financial reporting boundary (see Table 18 on page 179).

Please see the table below for progress on our targets for our own operations against a 2019 baseline.[3]

1 For more details on our governance framework, see chapter 2. Governance on pages 134 to 136.
2 For further details about our approach to net-zero in our operations, visit our website: www.zurich.com/sustainability/planet/sustainable-operations
3 Our environmental reporting methodology follows the GRI Standard, which is based on the requirements of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. For more details on methodology, visit our website: www.zurich.com/sustainability/planet/sustainable-operations

Sustainable operations
Table 17
Absolute carbon emissions coming from our own operations[1]

		2024	2024 Progress against baseline in %	2023[2]	2023 Progress against baseline in %	2019 (baseline)	Target reduction by 2025	Target reduction by 2029	Target reduction by 2030
Absolute carbon emissions	**Total**	**56,795**	**(69)**	**60,066**	**(67)**	**180,805**	**(60)**	**(70)**	**Net-zero**
Absolute reduction in all operational emissions	Final	52,090							
	Initial estimate[3]	4,705							
Scope 1 + 2 emissions	**Total**	**18,374**	**(62)**	**19,807**	**(59)**	**48,290**	**(62)**	**(80)**	**Net-zero**
Fleet emissions	Final	14,470		15,524		20,285			
Onsite heating	Initial estimate[3]	2,000		2,341		3,794			
Electricity emissions	Initial estimate[3]	25		62		20,630			
District heating emissions	Initial estimate[3]	1,880		1,880		3,581			
Scope 3 emissions	**Total**	**38,420**	**(71)**	**40,259**	**(70)**	**132,515**	**(60)**	**(67)**	**Net-zero**
Printed paper	Final	2,117		1,384		2,435			
Strategic data center	Initial estimate[3]	0				6,847			
Energy and fuel-related emissions	Initial estimate[3]	4,383		4,697		11,731			
Waste	Initial estimate[3]	100		192		808			
Business travel emissions	Final	15,174		14,861		41,018			
Air travel emissions[4]	Final	14,091		13,599		39,435			
Rental car emissions	Final	618		841		1,241			
Rail emissions	Final	465		422		342			
Employee commuting emissions	Final	16,647		19,125		69,676			

1 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 Zurich Kotak and Travel Guard are excluded since they were not reflected in the CO2e emissions baseline in 2019 which was used to set the LTIP target. Data in the table shown as metric tons of CO2e.
2 https://edge.sitecorecloud.io/zurichinsur6934-zwpcorp-prod-ae5e/media/project/zurich/dotcom/sustainability/docs/zurich-environmental-performance-data-2023.xlsx
3 Initial estimate only refers to the year 2024. Emissions related to facilities data (electricity, heating and waste) and data centers are impacted by a time lag and are therefore estimated. Final data will be published by Q2 2025 on our website.
4 DEFRA emissions factors for air travel are held flat to the 2022 factor set given subsequent updates incorporated load factors which were impacted by the pandemic. This would have inflated air emissions by an estimated 20 percent and would not reflect an accurate view of our travel activity.

We have included estimated emissions for the purpose of presenting a total operational footprint for 2024,[1] comparable to previous years' performance.[2]

In 2024, we achieved a reduction in total operational emissions over the previous year following two years of rebound since the COVID-19 pandemic-induced decline. Against our 2019 baseline, the reduction was 69 percent. The strongest reduction was in our employee commuting emissions which was primarily due to data quality improvements. We are continuously improving the calculation approach, reducing dependencies on assumptions, and expanding automation. For example, we are able to capture actual commutes taken and link them to the commuting profile of the individual (if that commuter chose to provide the details of their commute). We also continued to progress on our transition to electric vehicles,[3] adding more than 900 electric vehicles during 2024, totaling 49 percent of the global car fleet. If we add the count of hybrids, this covers 61 percent of the car fleet. Air travel emissions increased by 4 percent compared to 2023, as we continue to prioritize the needs of our customers and partners.

While print has increased slightly since 2023, emissions have disproportionately increased due to a change in the calculation methodology for the underlying DEFRA emissions factors.

1 Cover-More, Farmers Group, Inc. and its subsidiaries, our joint ventures with Banco Sabadell and Banco Santander, smaller businesses like Real Garant and Orion, as well as third party vendors are excluded as well as our new acquisitions Zurich Kotak and Travel Guard.
2 Final figures will be presented upon conclusion of the reasonable assurance audit in Q2 2025.
3 Including battery electric vehicle and plug-in hybrid.

In 2024, we expanded our emissions measurement for entities which were not included in the baseline in 2019. Estimations have been prepared for those.[1] Scope 3 emissions, in particular employee commuting and business travel, represent the highest emissions sources in our estimates.

Table 18

Absolute carbon emissions estimated for entities not included in the baseline

In metric tons CO2e	2024
Absolute carbon emissions	**9,482**
Scope 1 emissions	1,034
Scope 2 emissions	2,628
Scope 3 emissions	5,821

1 Those include Cover-More, our joint ventures with Banco Sabadell and Banco Santander, smaller businesses like Real Garant and Orion, as well as third party vendors and our new acquisition, Zurich Kotak. The acquisition of Travel Guard is not included due to the late closing in December 2024.

4. Our customers

Building a brighter future together with our customers.

2024 was a year of accelerated progress where we focused our efforts on driving business growth through customer focus. This means building customer loyalty to become the insurer of choice.

We deepened our understanding of customers and their needs through advanced data analytics and insights, and connected the dots between customer loyalty and financial performance. This is allowing us to support the net-zero transition by providing relevant insurance products and specialized risk advice that in turn helps our customers become more resilient, and it is significantly improving our ability to deliver our customer promise: Your needs at the heart of everything we do.

Our work is guided by Zurich's Customer Experience and Broker Experience standards, powered with the responsible use of technology, including Generative AI, and through continually building customer capabilities – now reaching more than 65 percent of employees across the organization – to ultimately build meaningful relationships with our customers. In this way, we continue to build a brand that is closer than ever to our customers.

> At Zurich, we don't just cover, we care. Our commitment to a customer-first approach means we consider the unique needs of our customers, as we design propositions and experiences, making it easy for customers to interact with us both digitally through customer apps or portals and in-person, depending on their preference.

Conny Kalcher
Group Chief Customer Officer

4.1 Customer experience and customer-centric solutions

Listening to our customers

We measure improvements to the retail customer experience through Transactional Net Promoter Score (TNPS)[1] and to the commercial customer experience through Relationship Net Promoter Score (RNPS)[2] and broker surveys. We periodically assess each country to evaluate our progress, set targets for improvement and define actions to be taken – obtaining a global view on how our customers experience our brand to date. In 2024, we surveyed 1.5 million customers, evidencing continued high levels of customer satisfaction and a 3.7 point increase in our global TNPS score. This increase is as a result of our continuous employee training, digitization and personalization, improving experiences for our customers in our helpdesk, purchase and website touchpoints.

Customer experience

Zurich's Customer Experience (CX) and Broker Experience (BX) standards for retail and commercial insurance set and raise the bar for the experiences that we want our customers to have. They cover a range of touchpoints across the customer journey with the aim to go above and beyond local laws and regulations to address our customers' evolving needs and expectations. These standards foster the development of sustainable products and services, and of behaviors that consider customers' physical, mental, financial and social wellbeing.

In 2024, we progressed on the most material topics in relation to our consumers and end users.[3] We continue to rollout across retail markets our mobile-first customer portal, **Zurich One**. The portal delivers on a wide range of functionalities, for example, secure access to customer policies and claims and self-services such as personal data updates. The portal development is delivering on our CX Standards by addressing increased transparency, speed in service and accessibility of policies. Following the initial launch in 2023 of the web-based version in Switzerland and the app version in Italy, in 2024 we launched the app version in Switzerland. The portal has maintained an average app store rating of 4.7 out of 5. The web version is now available in Indonesia. Equally, we are improving the digital experience of more than 10 million customers that engage with us globally through our portals and apps.

1 TNPS provides us with feedback on our performance in the eyes of our customers and delivers insight on how specific interactions affect their experience. TNPS excludes Zurich Kotak business due to onboarding of the business onto our customer platform.
2 RNPS delivers insight on the overall customer experience, with or without specific interactions.
3 For further information, see section 1.1.2 Assessing materiality on pages 124 to 125.

Customer-centric solutions

In 2024 we continued to roll out the Zurich Customer Centricity program, a customer-focused distribution and sales approach that applies extensive customer data analytics and segmentation to improve our understanding and anticipate customer needs and aspirations, helping deliver more relevant and personalized propositions. The program is now active in 13 countries, accounting for 57 percent of our retail customer base[1] globally.

4.1.1 Revenues from sustainable solutions

Measuring our sustainable solutions through our internal definition

Since the establishment of our own definition of sustainable solutions in 2021, every sustainable solution must undergo a thorough assessment and meet our **stringent criteria** to be included and reported as sustainable revenue. All sustainable solutions brought forward by the countries that meet our criteria are approved on a quarterly basis by our dedicated advisory group.

The term sustainable solution refers to insurance products, add-on coverages, investment products and advisory services that are designed or adapted to support activities that generate a positive environmental or social impact and contribute to the mitigation of climate risks.

In 2024, we enhanced the description of the solutions to provide more clarity and detail in the examples. This is updated in the table below showing examples of revenues from sustainable solutions across the three categories (environmental, social and investment).

Table 19
Internal definition of revenues from sustainable solutions

Revenues from sustainable environmental solutions	Solutions related to technologies and/or activities that have an impact on reducing greenhouse gases, preserve or enhance biodiversity as well as enable the responsible use of natural resources. These solutions aim to mitigate and support resilience against the adverse impact of environmental-related risks on our customers.	Examples include: – Insurance coverage for electric vehicles. – Carbon capture solutions. – Risk prevention services that contribute to more customer awareness and resilience to the adverse impacts of climate change e.g., flood resilience.
Revenues from sustainable social solutions	Solutions that enhance the social or financial inclusion and address the needs of vulnerable groups including those that reduce inequalities and help close the gender gap and other inequities. Solutions designed to incentivize physical and mental healthy lifestyles, preventive medical care and safe behavior.	Examples include: – Life protection for customers with existing chronic diseases such as diabetes or cancer. – Life protection policies sold in a bundle with LiveWell. – Micro-insurance for low-income customers, e.g., insurance for smallholder farmers.
Revenues from sustainable investment solutions	Investment products with a dedicated responsibility approach which goes beyond simple exclusions or the integration of ESG factors from a pure risk mitigation perspective.	Examples include: – Unit-linked products tailored to the needs of customers with sustainable preferences. Focused on sustainable environmental and social factors, e.g., ESG funds, as well as transitional aspects.

Several products incentivize health, safety, and/or environmentally responsible actions/behaviors for our customers. Here are some examples:

LiveWell by Zurich[2] enhances holistic health and wellbeing by focusing on physical, mental, social and financial health. In promoting positive living habits, the **LiveWell app has helped improve users' quality of life, enrolling more than 595,000 users to date**. For example, after joining LiveWell, users who completed guided meditations slept 37 minutes more per night and 'low activity' users increased daily steps from under 3,000 to over 5,500. In 2024, LiveWell expanded its services by enhancing in-app health scans and increasing access to telehealth, mental and other counseling services. These efforts led to LiveWell receiving the Frost & Sullivan's 2024 Global Customer Value Leadership award[3] for advancing accessible mental health solutions.

1 Excluding the customers of our joint venture with Banco Santander. Zurich Kotak and Travel Guard are also excluded due to ongoing onboarding onto our customer platform.
2 LiveWell by Zurich is accessible as a health and wellbeing app and ecosystem to support users integrate holistic wellness into their life. It is also offered to our employees as part of our global mental wellbeing program, see section 5.1.3 Wellbeing on pages 198 to 199.
3 www.frost.com/uncategorized/livewell-awarded-frost-sullivans-2024-global-customer-value-leadership-award-for-advancing-equitable-and-accessible-mental-health-solutions/

Our joint venture with Banco Sabadell as part of accident and health insurance, offers additional services to people over the age of 60. For example, **home care services and an accompaniment service**, including access to day centers, excursions, rehabilitation and physiotherapy.

Our repair versus replacement offering in Germany is supporting a change in customer behavior. By offering an extended warranty solution past the two-year standard, the solution **prioritizes repair of electronics over their replacement.** When a claim is submitted, customers are encouraged to repair their device or take a refurbished device in the first instance before seeking a new one, thus reducing the additional carbon created by producing and shipping new 'replacement' devices.

Our car cover insurance in Chile **encourages drivers to drive less**, through a **variable pricing scheme** that rewards drivers for using their vehicle less, i.e., the less they drive the less they are charged. This insurance encourages customers to think more about whether they need to drive or can use alternative solutions at the same time as keeping their premium low.

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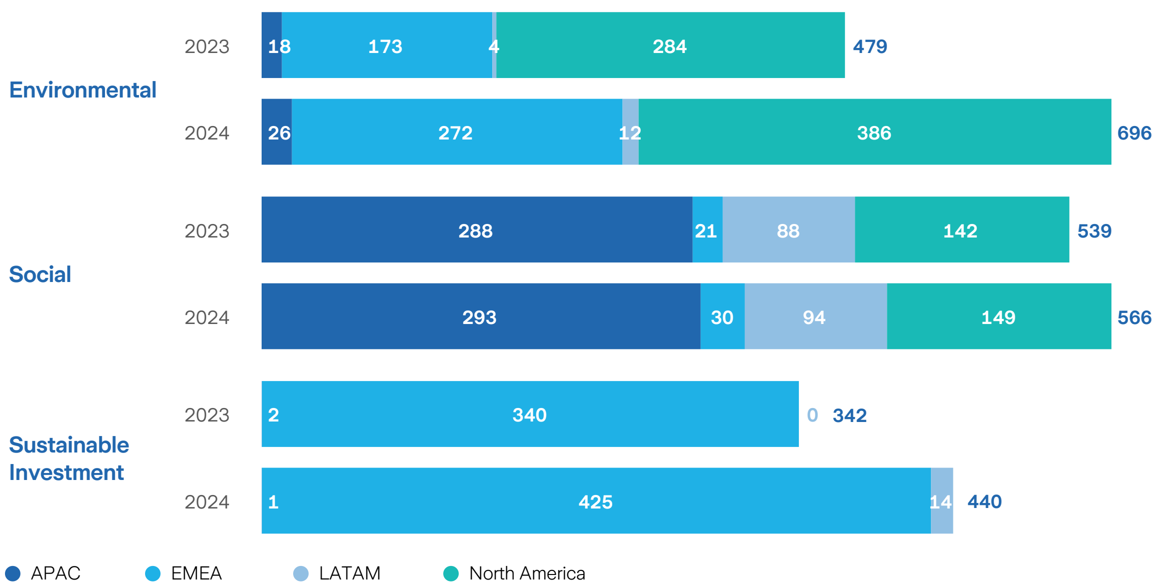
Sustainable solutions meeting our internal criteria generated USD 1.7 billion in revenues (2 percent of our total gross written premiums, fees and net flows) during 2024 (USD 1.4 billion in 2023) an increase of 25.2 percent. We continue to **strive** to create new solutions that help our customers on their journey to becoming more sustainable.

Since 2023 we have **increased the number of approved solutions** across our environmental, social and sustainable investment categories from 335 to 402 in 2024, mainly driven by our environmental category with 41 new solutions approved.

Revenues from sustainable solution split by region and sustainable category

Figure 31
Revenues from sustainable solutions split by region and sustainable category
In USD millions

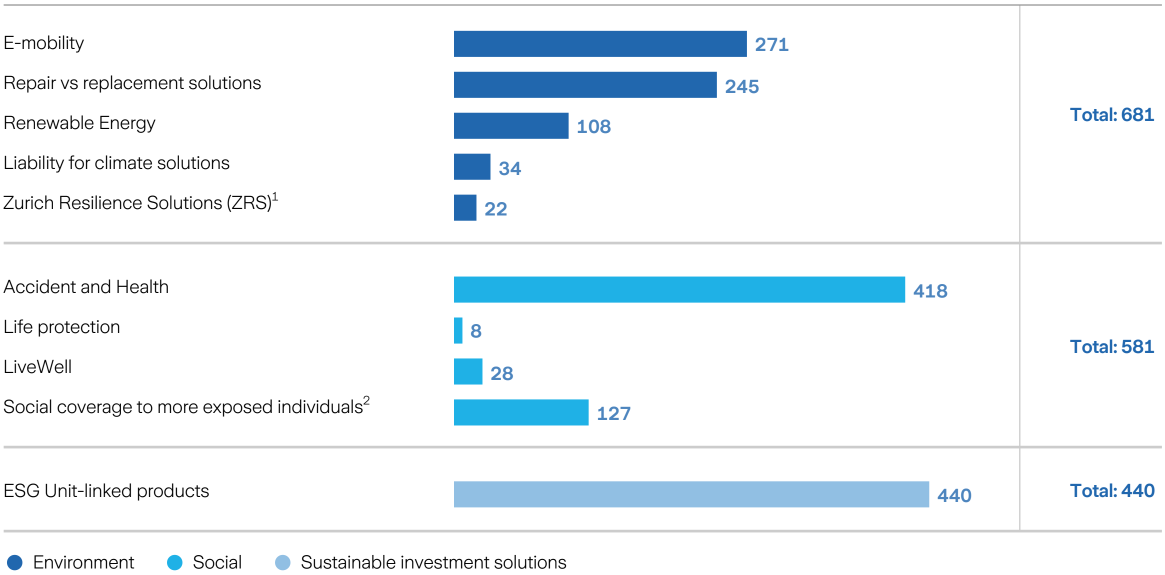


EMEA contributes USD 726.8 million (42.7 percent), increasing its revenue from sustainable solutions by 192.9 million. Contributions are mainly coming from two sustainable categories, namely sustainable investments and environmental solutions. EMEA's contribution reflects the invested asset geographical split, with the majority of our investments and unit-linked business being invested in our European countries. The environmental category is contributing USD 271.9 million mainly through our EV solutions across Spain, Switzerland, Germany and the UK.

North America contributes USD 535.2 million (31.4 percent), increasing the revenue generated from sustainable solutions by USD 108.8 million compared with 2023. Contributions are mainly coming from solutions, where repair takes priority over replacement for electronic devices and appliances. In almost all cases the devices are repaired.

APAC contributes USD 320.5 million (18.8 percent) and LATAM contributes USD 119.9 million (7 percent) to our sustainable revenues in 2024. Both regions have a strong performance in the social category providing for 91.5 percent and 78.5 percent respectively of their sustainable revenues for 2024. For example, Japan is providing solutions on personal accident cover, both for the elderly and low income individuals, with Brazil providing accident and health cover to more exposed individuals.

Figure 32
Revenues from sustainable solutions by product category
In USD millions



1 ZRS predominantly consists of environmental solutions, and was therefore allocated to the environmental category with the following split, USD 12.3 million for environmental and USD 9.2 million for social solutions.
2 Social coverage to more exposed individuals predominantly consist of social solutions, and was therefore allocated to the social category with the following split, USD 102.6 million for social solutions and USD 24.2 million for environmental.

Our environment solutions totaling USD 680.6 million for 2024 cover a number of categories. For example, e-mobility provides a holistic solution for EVs that includes coverage outside of the car itself, including, theft of charging cables and damages to home infrastructure (home charging) as well as coverage for the production of the batteries. With our repair vs replace solutions, where priority is given to repairing appliances to reduce the amount of waste going to landfill sites, or if a replacement is needed, it is sourced from the most energy efficient models. Renewable energy solutions provide liability, construction and/ or property cover, for the production of renewable energy (e.g., solar and wind). In EMEA, for example, Portugal has enhanced its home and buildings cover for customers using solar power renewable energy in 2024, to cover electrical hazards, damage from breakage or falling from the roof as well as acts of vandalism and increased costs associated with reconstruction.

Social solutions across North America, APAC and LATAM countries with a total of USD 581.4 million in 2024, are providing affordable accident and health cover to more exposed individuals. These people find it difficult to obtain insurance owing to the nature of their work (e.g., gig and truckers) and/or are households that have low income (those earning less than the national average in some countries) or owing to their age find it difficult to obtain cover. Our social coverage solutions to more exposed individuals are following the same approach as the accident and health category by providing tailored coverage to those who have low income or are socially disadvantaged.

Sustainable investments solutions coming from our ESG unit-linked products are contributing USD 440.4 million to our total sustainable revenues for 2024. These solutions are mainly coming from the EMEA region with Germany's savings and pension plan, Switzerland's Green bonds and Zurich Carbon Neutral World Equity Fund. Switzerland also increased its offering of sustainable investments solutions in 2024, to include Carbon Neutral bonds denominated in USD and EUR.[1] These solutions seek to increase the share of sustainable investments, establish a strong focus on clean technology companies and move away from investing in fossil fuel-linked companies.

4.1.2 Innovating for our customers

We believe insurance can make a **significant contribution** to the goal of net-zero and a low-carbon future, helping our customers on their own transition journey. We work with customers and collaborate with public and private organizations to **develop innovative solutions** that enhance their resilience and help to prevent and/or minimize the damage and harm that can come from climate-related perils. Our insurance and risk management solutions are developing alongside the release of new technologies, business models and approaches that are needed to help our customers transition to a climate-neutral economy. Our expertise helps with the management of the associated risks during implementation. We use capital markets to search for and fund solutions seeking to reduce and/or remove pressing social or environmental issues. Below are some examples that explain how and what we are doing to help our customers on this transition journey.

1 For further information, see section 4.1.2 Innovating for our customers – Unit linked business on pages 184 to 185.

Our social solutions focus on providing affordable and accessible personal accident and health cover, to more exposed individuals and/or those that would not ordinarily be able to obtain insurance, either owing to their age, pre-existing or new health conditions, or societal status. With these solutions we are able to improve and enhance the social benefits of affordable insurance cover, through helping an aging population, covering diseases that other providers do not and reducing the potential exposure to livelihoods.

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Climate Resilience by Zurich Resilience Solutions (ZRS)

Climate change is the most pressing business and societal challenge of our time. With the world experiencing severe weather events with increasing severity and frequency, it is becoming more important for organizations to tackle the present day and future climate risks confronting them. Additionally, organizations must fulfil the growing obligations and expectations, from both regulators and society at large, to identify, manage and report on their climate risks in order to demonstrate their business resilience and economic sustainability.

The ZRS team works with organizations around the world to build resilience against the present and future impacts of climate change. As our specialized risk advisory business, ZRS helps organizations identify, assess and adapt to risks such as climate change. For example, we worked with the City Council of Madrid to identify and quantify its exposure to short- and long-term climate risks, particularly with regards to extreme heat and its impact on people. By better understanding the likelihood of an extreme heat event, and the severity of its impact, the City Council is able to prioritize the adaptation measures required to reduce risk and make its city safer.

We believe that understanding exposure to climate risk is an essential step for our customers to protect their business, assets and people. In 2024, ZRS launched Climate Spotlight, an interactive digital solution to help organizations assess their exposure to climate risks up to the year 2100. It is available through two customer products, Climate Spotlight Core and Expert, which have been designed to meet the needs both of mature and young organizations with varying priorities, resources and budgets to tackle climate-related risks. Both products provide a present-day and future-looking climate risk analysis which is accessed via an intuitive dashboard and downloadable risk report, providing insights that can be used to inform climate adaption decisions and complete climate risk reporting. This analysis leverages our proprietary climate data, which is developed using the Intergovernmental Panel on Climate Change (IPCC)[1] scenarios. This data is used by our insurance, operations and investment business, and is consistent with the hazard view used in the calculation of our solvency position for the natural catastrophe risk as part of the SST calculation, see section 3.1.3 Natural catastrophe modeling: current exposure to physical risk on page 141 for further information.

We combine these state-of-the-art analytics with on-site risk assessments from climate risk specialists, to provide practical recommendations organizations need, in order to adapt their physical assets and on-site operations to climate change. For example, working with a global logistics company, our climate risk experts undertook climate risk assessments at critical port terminals. The outcomes fed into the terminal's maintenance schedules and potential investments into upgrading physical resilience measures on key infrastructure.

This end-to-end approach from portfolio-level risk analysis, down to location-based risk assessments, is a key differentiator in the market and supports customers with site adaptations as well as their climate-related reporting obligations.

Serving customers through digital applications and real-time support

Zurich Integrated Benefits & International Life continues to enhance the customer experience through digitization, increasing accessibility and financial wellbeing. In the Middle East, the MyZurichLife app allows customers to easily and securely manage their insurance and helps financial advisers provide quick support, fostering close and trusted relationships. The app has achieved 30,000 downloads and around 15,500 logins per month to date. As a result of consistent positive feedback, additional services are being introduced – notably the new **Zurich Digital Advice tool**, which uses advanced data analytics to help customers simulate future scenarios and build a holistic plan to achieve personalized financial goals within an hour. Accurate data and timely insights enable customers to simplify complex financial choices and make informed decisions confidently.

World Travel Protection (WTP), a cornerstone of our travel insurance and assistance business, provides comprehensive travel risk mitigation as well as medical and security assistance services for leisure and corporate travelers. From pre-trip intelligence briefings and real-time alerts during geopolitical events, natural disasters and other risks, to medical evacuations and access to doctors and hospitals, WTP helps to keep travelers informed and supported every step of their journey. In 2024, nearly 38,000 real-time alerts were generated, over 137,000 cases managed and 1,350 evacuations were conducted resulting in safer and healthier travelers. These services are delivered through security personnel and practicing clinicians supported by leading technology and a robust global network of 85,000 providers in our global command centers, which operate 24/7.

Z E S

Unit-linked business

We continue to integrate responsible investment in the unit-linked Life business. It is our ambition to provide our customers with a range of responsible investment solutions that not only meet our high quality standards, but also the sustainability preferences of our customers. Underlying this ambition is a combination of Group-wide and local initiatives.

1 www.ipcc.ch/

The Zurich Carbon Neutral Fund initiative offers a well-diversified investment portfolio combined with a low-carbon investment strategy. Seeking alignment with the 1.5°C goal of the Paris Agreement, the financed emissions are being compensated through carbon offsetting.[1] These funds are available to our customers in nine countries.

This initiative began with the launch of our flagship **Zurich Carbon Neutral World Equity Fund** in 2021. The positive feedback from our customers and distributors has encouraged us to expand the Zurich Carbon Neutral Fund range. In 2024, we introduced **four additional solutions aligned with the Zurich Carbon Neutral investment approach**. We have expanded our equity fund offering to include two additional funds covering US Equity and European Monetary Union Equity. In addition, we now have two corporate credit offerings covering Corporate Bonds denominated in USD and EUR.[2] These new solutions mark an important step in expanding our Carbon Neutral fund range and building a comprehensive multi asset portfolio offering for the benefit of both our investment and unit-linked insurance customers.

Introducing these additional solutions, has achieved a significant milestone reaching over EUR 1.8 billion in Assets under Management. As of December 31, 2024, the Zurich Carbon Neutral Funds generated net inflows of EUR 106.5 million.

4.2 Customer attraction and retention

Our Retail business serves over 75 million customers across our business, and remains stable with a customer retention rate at 79.4 percent[3] (2024) and 81.6 percent (2023), despite economic pressure due to continued rate increases. To guide our focus on our customer ambition "to become the insurer of choice for our customers by earning their loyalty", we are introducing the Net Revenue Retention KPI, a new internal metric that closely measures the financial impact of our customer strategy. This metric provides us with a holistic customer-based rather than policy-based view of our business, and helps us to identify and understand the drivers of customer loyalty to inform business decisions, providing us with the information needed to serve our customers better and build meaningful relationships with them.

Our Corporate Life and Pensions (CLP) business has over 52 thousand customers across our business, representing millions of individual workers and, in some places, their family members. In 2024, CLP's retention rate[4] is 90.6 percent, a decline from 93.5 percent in 2023. This decrease, was primarily attributable to a one-time data quality exercise in Switzerland, which removed customers who were inactive due to factors such as company liquidation. Excluding this impact, the 2024 retention rate is 93.2 percent, consistent with 2023. CLP continued winning new customers in 2024, which led to an overall **growth in the customer base by 1.1 percent.** This result is due to many factors, including its proven relationship management model, both with distributors and customers. Each established distribution partnership is assigned a senior relationship manager with years of experience in employee benefits. Our strategic customer relationships benefit from dedicated specialists, both locally and globally. In addition, CLP has a number of successful product innovations and new distribution agreements in 2024. In Australia, owing to increased demand from customers, the local Corporate Care proposition was refreshed to add more inclusive benefits covering women's health, employee wellbeing and mental health. In Germany, our freedom of service entity was selected as the exclusive protection provider for mid-market customers of a major distributor. Similarly in the UK, CLP was selected for the first time as provider of income protection coverage for a major distributor's SME portfolio recognizing the quality of our solution through its design and pricing. Our global financing solutions achieved the largest geographical footprint in the industry, as recognized by global distributor WTW, and benefit from a particularly effective approach to captive cessions, owing to our successful collaboration with commercial insurance. CLP continues to invest in technology platforms so that it can both reach new customers and serve existing customers better and more efficiently. For example, we are upgrading our quotation platform to a new technology stack with an open architecture. This allows us to integrate better with internal and third-party digital platforms, growing our market share with brokers and customers like SMEs who prefer these channels.

In **Commercial Insurance**, our continued pursuit of customer satisfaction remains at the forefront of our strategic initiatives. The portfolio has grown to over 1 million customers across our business. In 2024, despite changing market conditions, we steadfastly adhered to our customer value proposition and maintained our commitment to our Customer Experience and Broker Experience Standards. These standards underpin our desire to meet and exceed our customers' expectations and are evidenced both through our strong premium retention metrics as well as through external market recognition. The 2024 SAMA Excellence awards[5] recognized Zurich's global customer relationship management as outstanding, not only in the insurance sector, but across industries, making us a two-time winner of this prestigious award. The **retention ratio[6] remained strong** at 88.2 percent compared to 88.6 percent in 2023. This has been achieved whilst preserving a consistent approach to underwriting discipline and maintaining a proactive approach to risk selection. Our relentless focus on delivering exceptional customer experiences underscores our promise to support and serve our valued clients effectively, regardless of market dynamics.

1 For the year 2024, carbon offsetting was made through 100 percent removal-based projects. For example, we work with a carbon offsetting cooperative scheme for farmers in Uganda. The project aims to achieve long-term emission reductions by combining carbon sequestration with improvements in rural livelihoods.
2 The additional Equity funds are the Zurich Carbon Neutral US Equity Fund and the Zurich Carbon Neutral European Economic and Monetary Union (EMU) Equity Fund. The additional Credit funds are the Zurich Carbon Neutral US Corporate Bond Fund and the Zurich Carbon Neutral Euro Corporate Bond Fund.
3 The customer retention rate is calculated based on retail core customers, excluding our affinity partners in Brazil, Germany, Indonesia P&C, as well as the joint ventures with Banco Sabadell and Banco Santander. Zurich Kotak and Travel Guard are also excluded due to ongoing onboarding onto our customer platform. When calculating the customer retention rate, the attrition of customers in employer-sponsored plans (e.g., life insurance plans) due to turnover (voluntary or involuntary) is not applicable. Additionally, the split between voluntary and involuntary laps was not made.
4 Indonesia, Malaysia, North America and Portugal, are excluded due to ongoing onboarding onto our customer reporting system, Zurich Horizon.
5 www.strategicaccounts.org/en/awards/
6 Premium retention rate for Commercial excluding our Crop, Programs, Direct market, Group Captives and Surety business in North America.

4.3 Fair and transparent advice

4.3.1 Customer experience and communication

As we refine and standardize the customer experience, we equally acknowledge that each customer is a unique individual who can be exposed to different triggers at different stages of their life. In a world where digital and physical boundaries are blurring, the human touch becomes even more valuable in customer experience. That is why we deployed a new Customer Communication Strategy in 2023, addressing the way we work with our customers in one-to-one interactions. Our strategy has materialized in 2024 through two components, namely the Zurich Tone of Voice Framework and the Zurich Customer Empathy Program.

The Zurich Tone of Voice Framework provides a set of rules and guidance which provide increased warmth, clarity and conciseness in our communication with our customers about what we offer and any actions a customer needs to take. Throughout 2024, 15 countries have adopted the framework, and are focused on embedding the rules and guidance within key customer-facing documents, with the support of dedicated training and AI tools. This will expand to cover other customer documents and communications.

To support frontline employees in achieving emotional connections with our customers and truly understanding their needs and communication styles, we have developed the Zurich Customer Empathy Program, an award-winning training[1] that helps our customers feel seen, valued, and understood. In 2024, the training was completed by more than 11,700 employees globally, reaching 18.5 percent of our total workforce, directly impacting TNPS scores in key customer touchpoints.

In line with our Code of Conduct, we strive to manage the risk of poor outcomes for our customers and conduct our business in a way that treats them fairly. We believe that clear and transparent advice is critical to mitigating the risks that our customers face throughout their journey with us and we enable them to make informed decisions and choices for themselves. Our Code of Conduct[2] outlines key behaviors that guide and inspire us to work with the highest ethical, legal and professional standards. We have a global Customer Facing Conduct (CFC) framework in place to support strong customer management in all our countries.

The CFC framework is designed to support countries in identifying, evaluating and mitigating the risks related to customer facing conduct. It also supports in developing detective and preventive control activities in existing processes across the customer lifecycle. These activities help to maximize the likelihood of fair and positive outcomes for our customers in alignment with the changing needs of our customers, new business models and the evolution of expectations and requirements from regulators and other stakeholders.

4.3.2 Continuously measuring and improving claims handling

Claims is a key component of our value proposition and sits at the heart of insurance. When an insured incident occurs, our dedicated claims team is there to support our customers in their most important time of need. Whether it is a personal motor claim or a large commercial property fire, every claim within our retail and commercial business presents an opportunity to not only pay out or provide a service to our customers, but to consider whether there is an opportunity to utilize a more sustainable claims solution or support future resilience. We want to continue building these solutions to support the growing number of sustainable products and services that we can offer our customers.

Empathetic and competent claims management is critical to providing first-class customer service. We strive to put the customer at the heart of everything we do and to make the claims experience as transparent, personal, and responsive as possible. In 2024, we won awards recognizing our market-leading claims services, for example the UK Claims Team won best team award at the Insurance CX Awards. Malaysia won Travel Insurance Initiative of the year by Insurance Asia. Quoros Innovation Awards recognized Brazil as the bronze winner for the Social Sustainable and Responsible category. Equally, Global Brokers Surveys consistently consider that we perform at peer average or above. As a result of our continuous efforts, evidenced by the different recognitions and interactions with our customers, our claims TNPS score improved by 1.7 points. There has also been a 4.3 percent increase in the number of responses from our customers, showing that our customers have a stronger willingness to communicate their claims experience to us. This also represents an opportunity for us to use customer feedback to elevate service levels and deliver fair and positive outcomes for our customers.

Our Global Claims Blueprint continues to give guidance to countries on the claims capabilities that are required to deliver operational, technical and service excellence. In 2024, we introduced new references to sustainability within our Global Claims Proposition, one of which states: "Where you elect to reinstate your building, we will always endeavor to rebuild based on improving resilience within the scope of cover afforded under your policy." To achieve this, in collaboration with global adjusters, we are modifying our adjusting templates to incorporate references to relevant building materials, construction methods or differences in building code, which may give rise to an improved sustainability outcome or at the very least highlight the options and the choices that are available for the customer.

Here is a closer look at some of our initiatives. In Brazil, we have continued our collaboration with our motor repair body shops that have been certified with an independently accredited Green Seal. In 2024 in recognition of a shortage of skilled labor in the local market, they have partnered with the Instituto Divina Providencia and the body shops to sponsor

1 https://excellenceawards.brandonhall.com/winners/
2 For further details, see section 5.2.2 Training and awareness on page 200.

a training program, targeting the unemployed, primarily women as certified panel beaters. The body shop solution has influenced other countries in LATAM, namely Chile and Argentina that are working with local businesses to develop and implement a similar approach, where we aim to have a consistent form of Green Seal accreditation and provide similar sustainable practices in our motor repair body shops. Spain has partnered with 'Centro Zaragoza', an automotive research institute of national and international reference. This company evaluates more than 200 environmental and operational factors to certify body shops with a 'sustainable seal'. In Malaysia we have partnered with Car Medic[1] which disposes of scrap vehicles in ways that minimize pollution risks. Part of Car Medic's end-of-life vehicle treatment includes 'depollution', the safe removal of fluids and other scheduled waste (engine, filter and transmission oils, coolant, etc), preventing fuel, spare part oil and other chemical contamination. This exercise helps to prevent harmful fluids arising from the salvage and dismantling of a vehicle being left behind to contaminate the environment. This arrangement supports local businesses, enables more sustainable practices, and raises awareness of sustainable measures that can be put in place, such as reducing water consumption, safe handling of waste and the use of green parts.

Educating our customers and brokers and training our people on sustainable practices remains equally important, as we continue to recognize that we all have a part to play. In 2024, our claims team in the UK in collaboration with ZRS, delivered events to over 400+ customers addressing ESG topics such as climate resilience and forever chemicals, including Per-and Polyfluoroalkyl Substances (PFAS).[2] In May 2024, our team in Mexico held a broader session for 45 of their brokers and agents on our claims proposition, which included sharing insights on sustainability within claims and the impact of climate change. Similar educational sessions have taken place in Australia, and more recently sustainability has been explored through a regulatory and legal lens with our brokers in France with support from our claims legal panel.

We continue to collaborate with some of our largest global claims partners to understand the energy efficiency associated with a repair, replacement or reinstatement option. We expect these types of practices and solutions to continue evolving, supporting our ability to offer more informed choices to our customers and improved claims sustainability insight.

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4.4 Digital confidence & trust

One of our goals is to make people and organizations more **resilient** by fostering confidence in a digital society. We are determined to be transparent about data management and our data privacy policy, as this is a critical factor for **customer trust.**

In 2024, we further strengthened our global data privacy platform and continued developing our artificial intelligence (AI) solutions, including generative AI, as well as our AI Assessment Framework.

We frequently educate our employees and senior management on our **data privacy policy and our data commitment**. Our annual data privacy training was assigned to all employees[3] in 2024, with a global completion rate of 99.9 percent. The completion rate was above 99.6 percent in all regions. The training highlights the importance of observing privacy rights and using personal data in a legal and transparent manner. The 2024 data privacy e-learning for all employees included additional content for employees in Underwriting, Claims and HR to provide more function-specific content.

In addition, our annual **information security awareness** training encompassing a broad spectrum of information security topics and behaviors relevant to all employees[4] reached a completion rate of 99.8 percent. This annual education is supported throughout the year with smaller, supplemental offerings in the form of tip sheets, bite-sized learning campaigns, live events with subject matter experts, and more. Topics include working remotely and securely, creating robust passwords, social engineering, and the many forms of phishing. Employees learn to identify and report phishing attempts and gain insights into how cybercriminals use new technologies, for example, AI and what measures they can take to protect both company and personal data. Information security awareness training is reviewed and updated annually to remain on top of the latest developments with cyber threats, and aligned with our policies and controls.

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4.4.1 Data and Responsible AI Commitment

In July 2024, in order to reflect the increased maturity and relevance of AI for our business operations, including the importance of Responsible AI (RAI) to our company and culture as well as meeting our customers' evolving expectations, we relaunched and expanded our Data Commitment from 2019 to Data and Responsible AI Commitment.[5]

Privacy Framework and Tool

In 2024, we continued the implementation of the global data privacy platform, enabling consistency and standardization of the privacy management processes. This central platform enables the execution of comprehensive data privacy impact assessments, as well as compliance and the mitigation of risks, including the maintenance of the records

1 https://carmedic.com.my/about-us/
2 PFAS are widely used, long-lasting chemicals, components of which break down very slowly over time.
3 Excludes employees on a long-term leave during the training window, new joiners who joined after the cut-off date for the annual training assignment, and employees who left the company before the assignment due date, as well as Farmers Group, Inc. and its subsidiaries.
4 Excludes employees on a long-term leave during the training window, new joiners who joined after the cutoff date for the annual training assignment, and employees who left the company before the assignment due date, as well as Orion.
5 www.zurich.com/sustainability/governance-and-positions/data-privacy-and-protection

processing activities. In addition, it includes the inventory and evaluation of risks associated with AI solutions and the management of data incidents. Consequently, our global data incident management framework has been enhanced to handle privacy incidents swiftly and more effectively for the data entrusted to us by our customers, while adhering to regulatory requirements.

The worldwide implementation of this process ensures that all countries utilize a unified tool for reporting data incidents, significantly improving our capacity to comprehend the impact and scope of incidents, particularly those involving third parties at an earlier stage.

Training and awareness

In 2024, we further enhanced training and awareness activities tailored to our employees based on their exposure to the data privacy risk. Our annual data privacy conference, complemented with targeted training and awareness sessions for key personnel, promotes a consistent understanding of various data privacy and responsible AI-related topics and emerging trends across our business. This conference brings together experts and internal cross-functional teams to explore the latest developments in data privacy through key notes speeches, presentations, workshops and panel discussions.

In addition, our information governance and data compliance networks offer a continuous forum for sharing experiences, discussing case studies, and developing collaborative solutions. Network calls take place every quarter covering relevant internal and external updates, such as the rollout of internal frameworks and the implementation of business-led projects and tools.

To provide the information governance and data compliance networks with the best practices, a Data Privacy and Records Management Guidance has been issued. This comprehensive document is shared with the local information governance and data privacy teams to foster a common understanding among our experts.

Our ambition is to harness the transformative power of AI in a safe and responsible way to drive growth, enhance operational efficiency, and deliver exceptional value to our customers.

We believe that AI enhances our customers' journey by providing better services and experiences. Our approach to a safe, responsible and customer-centric use of AI technologies is based on the following guiding principles:

- Safety: Our use of AI is governed by our risk management framework including data privacy and protection, and taking into consideration industry best practices. We operate AI models and their data in safe and protected environments.
- Transparency: We disclose to our customers when they are interacting with AI, with clear labels or disclaimers, and can explain AI outcomes.
- Accountability: In line with our Code of Conduct, we are committed to acting with integrity and doing the right thing, including appropriate Customer Facing Conduct and responsible use of AI.
- Reliability: Our use of AI is subject to human oversight that identifies and mitigates potential risks, including the prevention of harmful biases.

During 2024, we embedded and further refined our internal AI governance tools and processes, as set out in our AI Assessment Framework (AIAF). Our AIAF is closely aligned with the Organisation for Economic Co-operation and Development (OECD) AI principles[1] and supports our global organization to assess the usage of AI and to mitigate related risks accordingly, in line with our Responsible AI Commitment.

Besides our customer Data and Responsible AI Commitment, we are focused on providing our workforce with the technical skills needed to be fit for the future. Globally 7,421 employees have undertaken our Digital Mastery Program at various levels to enhance their understanding of Digital, Data and AI. In addition over 11,700 employees have completed the Zurich Customer Empathy program created to help our customer facing employees master the different empathy attributes, recognize different personality types and communication styles, and effectively apply these skills in daily work to enhance empathetic communication.

While technological advances in AI continued to grow throughout 2024, we further expanded our portfolio of around 200 AI use cases and strengthened our ability to leverage Generative AI (GenAI) to solve business problems and unlock the significant amount and value of unstructured data that we own as an insurer. One example of a GenAI use case is an internally developed tool (ProgramIQ) that helps the underwriter proof check local policy wordings have been drafted correctly and are consistent across countries. It does this by extracting the coverages from each policy and showing them side by side in a common language and currency. With that it strengthens underwriting governance, improves efficiency, and provides greater contract certainty for our customers.

For all usage of GenAI, we have been running pilots and proof of value assessments globally to develop the use cases and provide training and guidance dedicated to the safe and responsible use of this technology. We aim for adoption of

1 https://oecd.ai/en/ai-principles

AI / GenAI in our core businesses, and to use and reuse the technology to augment improvement in productivity, operational efficiency and enable the delivery of the best outcome for our customers.

Our GenAI solutions are managed through a group-wide platform, that includes a focus on customer data privacy in the design as well as embedding key components of RAI and cybersecurity. Through this platform we can understand and measure the energy consumption of GenAI models, including projections of consumption patterns and the proposition of alternative, equally suitable models, helping to foster a sustainable use of this technology.

Management of AI risk is also being embedded in our third-party governance and our model risk frameworks, thus providing for a multi-stakeholder oversight. Our AI inventory serves as a key asset in enabling global visibility of the solutions we are developing and deploying across the organization. In combination with other key components of our AIAF, we are well positioned to continue to generate business value through enabling safe and compliant RAI innovation.

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4.4.2 Cybersecurity

Over the last decade, cybercriminals have progressed beyond simple phishing scams and basic malware to increasingly more sophisticated tactics. The proliferation of advanced persistent threats, ransomware attacks, and data breaches continues to elevate both the risk and magnitude of financial loss, reputational damage, and regulatory fines. Additionally, nation-state-backed cyberespionage has become a significant concern, with adversaries seeking to steal intellectual property, disrupt critical infrastructure, or undermine national security. The increasing frequency and severity of these attacks continues to highlight the need for organizations to invest in robust cybersecurity countermeasures to protect entrusted customer data, corporate reputation and other valuable assets.

Organizations such as ours that handle large amounts of sensitive data, are targets for cybercriminals seeking financial gain or to disrupt critical services. The increasing sophistication of attacks, coupled with the growing complexity of IT environments and their associated supply chains necessitate more institutional governance that includes proactive threat detection, automated prevention, incident response plans, and ongoing employee training to mitigate these risks.

Cyber resilience remains a core focus for us, with key initiatives and continuous improvement efforts encompassing the following:

Focus on assessing and enhancing cyber maturity and measurements

With objectively measured year-over-year improvement against comprehensive and industry-leading frameworks, our pursuit of the U.S. National Institute of Standards and Technology (NIST) Cyber Security Framework (CSF) maturity benchmarks offers a comprehensive, standardized, and risk-based approach toward cybersecurity that we believe to be essential for global financial services companies. By adopting NIST CSF principles, we have strengthened our defenses, protected our customers' data, and maintained our reputation in the face of evolving cyberthreats. We are also dedicated to maintaining the highest security standards as evidenced by our peer-group leading CSF maturity rating.

Modernize security platforms while simplifying respective operations

The shift from siloed data center hosted workloads to public cloud IT services has resulted in the emergence of new solutions such as endpoint and network detection and response to mitigate cyber risk at scale with both speed and agility unlike what was available previously. Where appropriate, a shift toward cloud-centric security solutions that are geared to both legacy and traditional as well as cloud-native workloads represents an optimal pathway to efficiently balance the risk mitigations of today with the information technology needs of tomorrow.

Maintain attentiveness toward basic cyber hygiene

Basic cyber hygiene refers to the fundamental practices and habits that individuals and organizations can adopt to protect themselves from cyberthreats. Methodical attention to organizational policies, procedures, and their respective technical control via automated guardrails helps to enhance our environments' resilience to commodity threats and helps to be compliant with widely accepted standards and best practices.

Routinely practice response and recovery for infrequent yet impactful events

Cyber resilience means that in the event of a cyber disruption, critical business operations can ideally sustain, or otherwise be restored with minimal service interruption. Preparations and advancements in this space were noted as part of our coordinated reaction, response and recovery during this year's unprecedented CrowdStrike operational incident that impacted millions of Windows devices worldwide. While not a traditional cyber event caused by malicious intent, many of the same principles around IT integrity and availability were demonstrated in our rapid recovery, such as assembling the Crisis Management Team and communicating with key stakeholders both locally and globally, directly supporting the prioritization of recovery efforts, which successfully mitigated any material operational losses stemming from the event.

As the cyberthreat landscape becomes increasingly complex, we remain committed to maintaining a proactive and adaptive stance. By leveraging our state of the art Cyber Fusion Center, with 24/7/365 monitoring capabilities, employing cutting-edge technologies, automating critical processes and adhering to industry-leading security standards, we are dedicated to fortifying our cyber defense, response, and recovery capabilities. Our goal is to not only detect and mitigate threats promptly but also to build a resilient infrastructure that can withstand the evolving challenges of the digital age.

4.4.3 Business resilience

In the first quarter of 2024, we concentrated on refining the scope of countries and our business resilience programs, by focusing on only those most critical business processes subject to resilience measures, allowing us to further build resilience in those critical processes. This was implemented by an enhanced business resilience scoping and impact assessment, enabling us to identify critical business processes that require recovery capabilities in an aligned and consistent way. Countries and Group functions conducted an impact assessment using an enhanced rating scale across the financial, reputational and customer impact categories. The reputational and customer impact category rating scale was provided centrally to the countries, whereas the financial impact category rating is determined by the countries or Group function as a direct financial loss figure that represents the maximum amount they are willing to accept as a result of operational disruption to determine rating scale. This provides us with a relative local view of criticality and equally a comparable view at a Group level. Alongside financial and reputation parameters, the impact on our customers is a key metric used to identify the refined scope for resilience activities.

This was combined with increased effective use of the global digital platform by our countries and Group functions to complete their Business Impact Analysis (BIA) and Business Continuity Planning (BCPs) for critical business processes. Greater transparency has been achieved with the global implementation of the platform and regional level governance reviews are an effective way to understand gaps and areas of improvements in the business continuity planning across the organization.

We are continually enhancing our response and recovery capabilities through regular testing and scenario-based exercises conducted at different levels of the organization. In the third quarter of 2024, the Group Crisis Management Team (CMT), including members of our ExCo, conducted a scenario-based exercise. The exercise provided the Group CMT with the opportunity to test the decision-making process in relation to a crisis event, rehearse the response to internal and external communications and test the effectiveness of our strategic management on events impacting the organization's ability to service and protect customers. The 2024 exercise highlighted the importance of having resilience solutions in place to minimize disruption to our customers through continuity planning in our operations and trained and exercised incident response teams to manage and minimize the impacts of potential incidents. The exercise highlights the importance of the business resilience framework and observations are fed into the continual improvement cycle key initiatives for 2025.

5. People

We're actively supporting the long-term employability of our people, while addressing customer and societal needs.

For us being a responsible and impactful business is more than a story we tell. It's a principle that informs every action we take. It's who we are.

When our people are at their best, we excel in delivering exceptional experiences to our customers and business partners, while also positively contributing to society. We provide employees with a range of opportunities to grow and develop their skills to remain up to date, so they can be employable for the long term.

We are optimistic, caring and reliable. With forward thinking, results-orientation and a sense of togetherness, we bring our purpose to life to create a brighter future together. Our distinct culture, guided by our values, and our positive work environment that supports our people to thrive and deliver on our strategy.

Our people are at the core of what we stand for. By supporting their long-term employability, continuous upskilling and reskilling as well as a culture of inclusivity and resilience, we engage our people and empower them to thrive, thereby driving sustainable growth and strength for our business and society.

Jolanda Grob
Group Chief People Officer

5.1 Our people

As a global employer and provider of protection solutions to millions of people, we also focus on the sustainability of our employees. **Our people are at the core of our business**: they are the driving force behind our business success and bring our commitments to life. Our industry requires expertise, adaptability, empathy and innovation to deliver exceptional customer experiences and sustained business results. The engagement and skills of our people are pivotal in understanding and meeting our customers' needs, and we rely on their knowledge, creativity and commitment to deliver on our strategic priorities.

Aspiring to sustainable people practices is the essence of our people vision, and this aspiration is embedded into our Sustainability Framework. We support the development of our people's skills and careers so they remain employable, now and in the future, enabling the continued success of our business. We also sustain a distinct culture and a positive work environment that attracts, engages and retains our people. We value and respect our people's contribution and care for each other, supporting them to thrive.

In 2024, we progressed on the most material topics in relation to our own workforce:[1]

- Training and skills development: We continuously **enhance the quality, relevance and variety of our training and skills development** approach for our people, thereby increasing the levels of expertise, efficiency and productivity across the organization.
- Diversity, equity, inclusion and belonging: We strive to sustain a work environment in which **our voices and perspectives are diverse, our behaviors are inclusive, our actions drive equity and our people feel a strong sense of belonging**, so they can be at their best and help drive the company's performance, now and in the future.
- Inclusive representation: We support an **inclusive workforce** where all individuals, and their diverse perspectives, are valued and respected. We invest in the development of our people, and foster an environment where everyone has

1 For more information, see section 1.1.2 Assessing materiality on pages 124 to 125.

the opportunity to thrive and succeed throughout their career. This commitment strengthens our ability to serve our customers, enhances our business resilience, and drives superior performance.

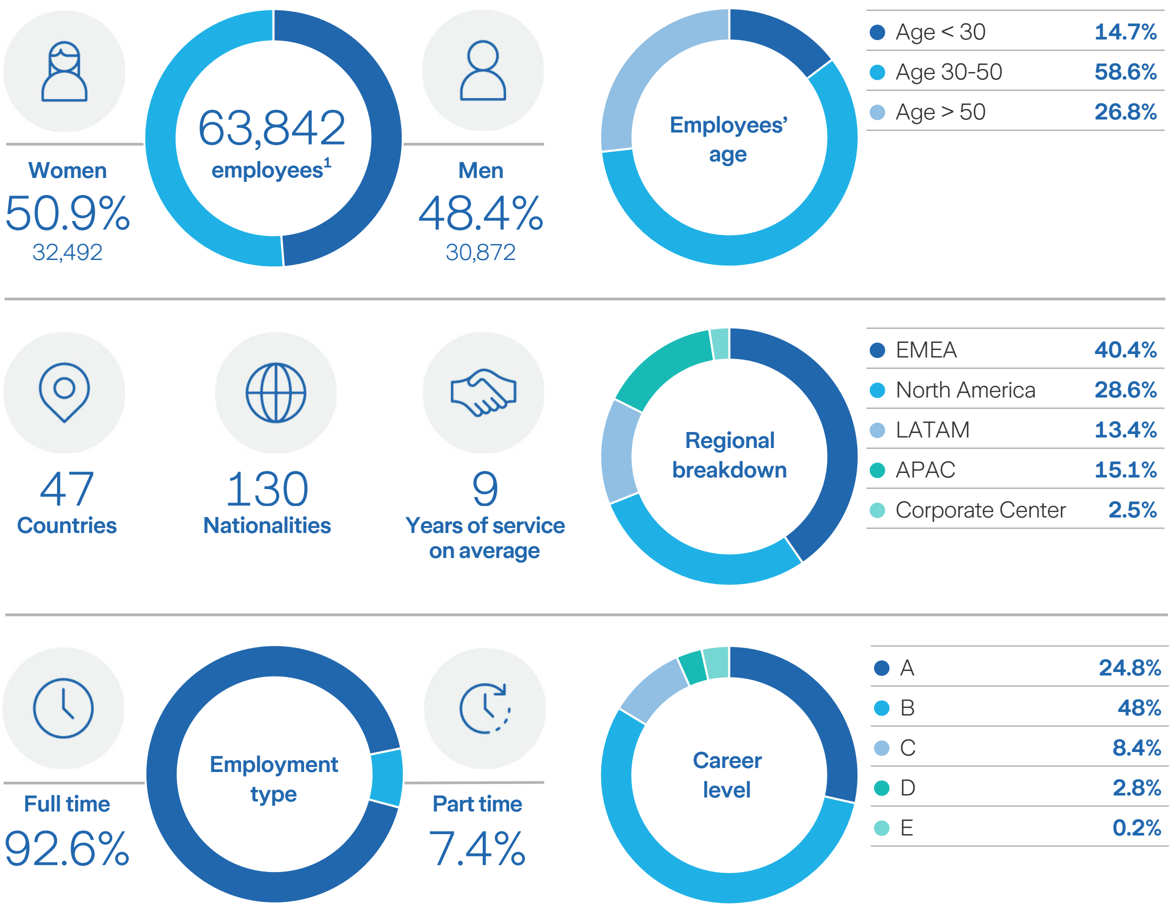
– Work flexibility: We are dedicated to support our **employees to thrive** by promoting flexible working. We rely on our Group-wide FlexWork@Zurich principles and encourage our employees to work in a way that achieves optimal results and fosters innovation and collaboration to respond to changing customer needs, while helping to maintain a healthy work-life balance.

Our commitment to a sustainable future depends on our ability to maintain the required balance between focusing on internal hiring and offering development opportunities to our existing workforce, and attracting specific skills and workforce segments from the external world. We annually assess our human capital risks via our Total Risk Profiling™ methodology, which supports business management across the Group in the identification, assessment and management of risks that the entity or activity under assessment faces. We engage in annual people risk assessment and quarterly follow-up on actions identified to mitigate the risks and deliver on our business growth plans at the required pace.

WORLD ECONOMIC FORUM S

In 2024, our headcount increased to 63,842 employees (4.5 percent increase compared to 61,067 in 2023, as a result of inorganic growth). 94.5 percent of the workforce has permanent contracts and 5.5 percent has temporary contracts.

Figure 33
Our workforce



1 Calculated as of December 31, 2024, on an headcount basis of 63,842 employees only (equivalent of 62,393 FTE (Full Time Equivalent) as part of own workforce; total numbers include 0.7 percent 'undisclosed gender', that is, employees with no declared gender).

Our internal grading system defines the following progression by career level:

– **Career level A** comprises all entry level and low specialization roles.
– **Career level B** includes frontline managers and technical staff.
– **Career level C** includes middle managers and highly specialized technical staff.
– **Career level D** comprises senior executives and senior experts.
– **Career level E** incorporates the most senior roles such as country CEOs and other senior business leaders.

Senior management comprises career levels D and E together. **Middle management** refers to career level C.

5.1.1 Careers and work

Throughout 2024, we continued to successfully develop and retain employees with key skills and capabilities, in line with changes in the world of work and evolving customer expectations. Our programs, processes and initiatives remained available to all eligible employees, independent of their form of employment (e.g., full-time or part-time, permanent or temporary).

Approach

We continuously **enhance the quality, relevance and variety of our training and skills development** approach for our people, thereby increasing the levels of expertise, efficiency and productivity across the organization.

Actions

We attract the right talents and skills as we continue to be an employer of choice to grow careers. We continue to place significant emphasis on supporting our apprenticeship, trainee and internship programs globally, offering opportunities for people at any stage of their careers. As part of our commitment, we employ more than 1,600 apprentices, trainees and interns a year with particularly strong programs in Switzerland, the UK and North America. We also partner with the Global Alliance for Youth to strengthen the employability of youth through workplace-based learning. In 2024, 14.7 percent of our workforce and 34.8 percent of our new hires were aged 30 or younger.

WORLD ECONOMIC FORUM S

Table 20

New hires

	Career level (%)[1]							
	A	B	C	D	E	Senior management	Total % 2024	Total # 2024
Dimension								
Region								
APAC	19.3	15	21.5	22	0	20	18.9	1,970
EMEA	35.4	26.7	29.6	31	30	30.9	32.7	3,422
LATAM	19.7	15.7	14.2	7	0	6.4	23.3	2,434
North America	24.3	41.1	29.2	28	40	29.1	23.6	2,464
Corporate Center	1.3	1.5	5.5	12	30	13.6	1.5	159
Gender								
Female	56.5	52.5	39.8	30	10	28.2	51.3	5,359
Male	43	46.6	58.8	61	90	63.6	46.8	4,886
Undisclosed gender[2]	0.5	0.9	1.5	9	0	8.2	2	204
Age Group								
Age < 30	60	21.8	1.8	0	0	0	34.8	3,638
Age 30-50	35	67.2	79.6	76	50	73.6	51.9	5,419
Age > 50	5	11	18.6	24	50	26.4	13.3	1,392
Employment Type								
Full-time	91.4	96.5	97.1	95	100	95.5	94.3	9,849
Part-time	8.6	3.5	2.9	5	0	4.5	5.7	600
Nationality								
National	60.3	46.7	50.4	45	20	42.7	62.7	6,555
Non-national	6.9	8	14.6	20	40	21.8	8.1	845
Undisclosed nationality[3]	32.8	45.4	35	35	40	35.5	29.2	3,049
Total (% 2024)	**32.9**	**32.9**	**2.6**	**1**	**0.1**	**1.1**	**100**	**N/A**
Total (# 2024)	**3,434**	**3,433**	**274**	**100**	**10**	**110**	**N/A**	**10,449**

1 Excludes 'unranked' employees who are not assigned to any career level, comprising employees in Germany (not ranked due to locally applicable restrictions preventing the use of this data), Zurich Kotak (due to recent acquisition), Orion, sales force teams (due to their higher volatility), and individual cases with late job assignments on year end hires. The total includes all new hires, including 'unranked'. In 2024, 29.4 percent of new hires are 'unranked'.
2 'Undisclosed gender' refers to employees with no declared gender.
3 'Undisclosed nationality' refers to employees for whom we do not hold nationality/citizenship information, mostly from North America.

We listen to our people regularly and focus our actions on what drives their engagement. Our annual Zurich Experience Survey (ZES)[1] had an excellent 85 percent response rate in 2024 (up 3 percentage points versus ZES 2023). We have been reassured that our employees' perception of personal and professional development, as well as career opportunities not only performs above our industry peers, and at or above high performing organizations, but also continues to drive the engagement of our people. Our engagement score was 1 percentage point better than that of high performing companies and 4 percentage points better than other global finance and insurance peers working with the same provider.[2]

1 The annual ZES was administered in May 2024 across the Group, excluding Farmers Group, Inc., Cover-More, Zurich Kotak and Orion. In 2023, we enhanced our continuous listening approach and rolled out a new, annual engagement survey, the ZES, along with other employee lifecycle surveys, wellbeing measures and pulse surveys. This allows us to collect richer insights about employees' perceptions of their work experience at Zurich, as well as better understand their levels and drivers of engagement.
2 All benchmarks are from our external provider's client companies.

We prioritize internal over external hires, whenever possible. By promoting accelerated internal mobility among our people, we support their professional and personal development, upskilling, reskilling (e.g., GTO Reskilling Program)[1] and career diversification. About two-thirds of our internal mobility represents vertical moves, and our promotions continue to reflect a balanced gender split; 57.5 percent of all promotions were females (compared to 50 percent in 2023). The remaining third is a combination of horizontal mobility (58.9 percent opportunities taken up by females), international mobility (38.5 percent females), and other forms of internal mobility such as rehires (that is, all newly contracted employees who were former Zurich employees prior to re-joining, 57 percent females), changes in employment contract from temporary to permanent (56.8 percent females).

We continue to build out our leadership pipeline to support career growth through vertical, lateral or international moves. Our managerial and leadership development approach is clustered around four key areas:

1. Leadership development designed and delivered in our countries.
2. Identification and development of emerging future leaders across the Group.
3. Talent development in core areas.
4. Executive development and succession planning.

In 2024, our internal hiring rate for senior management was 72.2 percent, a decrease compared to 84.3 percent in 2023. External hires enhance our critical skill supply, and also represent an opportunity to increase the diversity of backgrounds and perspectives of our workforce globally. Overall, our approach contributes to our people remaining employable, now and in the future, irrespective of their seniority, gender, age, or any other personal characteristics.

Table 21

Internal hires[1, 2]

	Career level (%)							
	A	B	C	D	E	Senior management	Total % 2024 – Independent of career level	Total % 2023 – Independent of career level
Dimension								
Gender								
Female	100	68.8	80.4	80	66.7	79.7	75	76.2
Male	100	63.5	79.5	72.4	43.8	70.1	70.2	70.8
Undisclosed gender[3]	100	54.8	42.9	–	–	–	52.9	100
Age Group								
Age < 30	100	62.9	74.3	100	–	100	73.7	72.1
Age 30-50	100	66.2	79.5	72.1	14.3	70.5	71.4	71.6
Age > 50	100	73.8	80.9	78	66.7	76.6	78.1	82.2
Total Internal Hiring (% 2024)	**100**	**66.4**	**79.6**	**73.7**	**47.4**	**72.2**	**72.8**	**73.4**

1 Internal hiring rate is the proportion of internal mobility in comparison to the aggregated sum of internal mobility and external hiring. It is calculated by dividing the total number of internal mobility (reflected by horizontal, vertical or international moves, re-hiring of former Zurich employees, or changing employment contract types from temporary to permanent contracts) by the aggregated total of internal mobility plus external hiring. The internal hiring rate of career level A excludes external hires, as these positions are, by nature, mainly filled by external career starters, meaning the internal hiring rate of career level A is always 100 percent. The total % for 2024 (independent of career level) is also calculated without taking career level A external hires into account.
2 Excludes 'unranked' employees who are not assigned to any career level (15.8 percent of our workforce), comprising employees in Germany (not ranked due to locally applicable restrictions preventing the use of this data, 8.3 percent of our workforce), Zurich Kotak (due to recent acquisition, 2.8 percent of our workforce), Orion (0.3 percent of our workforce), and sales force teams (due to their higher volatility, 2.6 percent of our workforce).
3 'Undisclosed gender' refers to employees with no declared gender.

We offer varied opportunities to our people for professional and personal development, as well as career advancement. While we know that most impactful learning occurs on the job (e.g., via feedback, internal mobility, secondments, part-time assignments), we also invest in coaching, mentoring and formal learning, including accredited education and support for degree programs and certifications with the partnering institutions. The insights we collect via the Performance and Development Cycle (PDC)[2] inform the strategic training needs and focus area across the Group on specific development and upskilling. In addition, our internal career development tool, MyJourney, offers insights into our strategic skills needs as we compare the skills our employees possess with the skills we need to be successful today and tomorrow.

Our global learning platform, MyDevelopment, offers more than 32,000 courses, including the full library of LinkedIn Learning. Through technical academies we aim to build capabilities that are core to our business. In 2024, we further enhanced our Customer and Commercial Insurance Academies,[3] and strengthened our Digital Academy with custom content relating to AI, data and automation. We also launched the Zurich Sustainability Academy, our one-stop shop for building the foundational knowledge on what sustainability means for us and for the insurance sector.

1 For more information on our GTO Reskilling Program, please visit our website: www.zurich.com/sustainability/highlights
2 The PDC is a clearly defined approach that annually guides all employees through goal setting, regular career and progress conversations, and a year-end review. At the end of 2024, 57,625 employees managed this process through our supporting system, MyPDC (6,217 employees were out of scope from Cover-More, Zurich Kotak, Chile sales force, Orion, some entities in Germany, Austria and others, 9.5 percent of our workforce). By the end of 2024, out of 52,625 employees eligible to conduct their year-end performance review in MyPDC, 91.3 percent completed the review. Our PDC approach captures the entire annual process in MyPDC in a single form, with separate sections for goal setting, career development review (incl. drafting of individual development and training plans), progress conversations and year-end performance review.
3 In 2024, our Commercial Insurance and Customer Office Academies received eight gold, one silver, and one bronze Brandon Hall Group Excellence Awards to recognize the exceptional training programs that promote learning and development opportunities across our organization. See more: https://excellenceawards.brandonhall.com/winners/

The "Sustainability and Insurance Fundamentals" course in 2024 was taken by 722 employees. The additional intermediate level learning modules aimed for our global sustainability practitioners cover themes such as Sustainability Risks, Impacts & Opportunities, Decarbonization, and topics linked to Building a More Resilient Society.

Table 22

Average learning hours[1, 2]

	Career level[3]						
	A	B	C	D	E	Senior management	Total average # 2024
Dimension							
Gender							
Female	20.1	19.1	19.3	16.4	8.6	16	19.5
Male	21.1	16.2	17	11.3	7.3	11.1	18.2
Undisclosed gender[4]	21.9	20.5	22.5	11.6	0	11.6	20.7
Age Group							
Age < 30	23.5	15.7	16.4	0.4	0	0.4	22.2
Age 30-50	19.6	18.1	18.4	12.5	7.7	12.4	18.7
Age > 50	14	15	15.8	12.5	7.2	12.1	15.2
Total average # 2024	**20.5**	**17.6**	**17.9**	**12.9**	**7.6**	**12.6**	**18.9**

1 Hours tracked on our global learning platforms (i.e., physical, digital as well as mandatory and voluntary training sessions).
2 Reporting on average learning hours excludes Farmers Group, Inc., Cover-More and Zurich Kotak (due to recent acquisition, 2.8 percent of our workforce). The average learning hours per person in Farmers Group, Inc. is 36.1 hours.
3 Excludes 'unranked' employees who are not assigned to any career level (15.8 percent of our workforce), comprising employees in Germany (not ranked due to locally applicable restrictions preventing the use of this data, 8.3 percent of our workforce), Zurich Kotak (due to recent acquisition, 2.8 percent of our workforce), Orion (0.3 percent of our workforce), and sales force teams (due to their higher volatility, 2.6 percent of our workforce). The total includes all employees, including 'unranked'.
4 'Undisclosed gender' refers to employees with no declared gender.

In 2024, our employees dedicated over 1.1 million hours to online learning, as in 2023.[1] This translates to an average of 18.9 hours per employee, a decrease from 20.2 hours in 2023 due to the increased number of employees. This is primarily due to the shorter length of available learning content; the individual learning consumption (i.e., the number of courses started or completed) per employee increased since 2023. Our learners' Net Promoter Score for all our courses is 42 for 2024, 4 points higher than in 2023.

Our learning approach not only embraces formal learning but increasingly shifts toward applied learning experiences that are crucial for professional growth and development. These include:

- **Learning through collaboration**: We have a number of platforms that facilitate communication and collaboration. These include leveraging our AI assistants, such as ZuriChat, Microsoft Copilot and others where employees can ask questions, solve problems and share knowledge in novel ways.
- **Peer learning and mentoring**: Interactions with colleagues and mentors provide rich and meaningful opportunities for informal learning, which can be more contextually relevant than formal training.
- **On-the-job learning**: Provides engaging learning moments for our employees, applying theoretical knowledge and frameworks to real-world situations. For instance, communities of practice allows an exchange of knowledge on specific expertise, or our My70Percent initiative which encourages employees to consider exploring on-the-job assignments outside of their everyday role.
- **Job shadowing**: Observing experienced colleagues in their roles also allows employees to acquire new skills. For instance, the UK's Zurich Ride the Rails initiative encourages employees to shadow colleagues in different functions to learn more about the business and develop cross-functional relationships.

In 2024, we spent more than USD 41 million on learning (compared to USD 39 million in 2023), an average of USD 644 per employee, as in 2023.

We continue to retain talent and skills, measured by both our people's intention to stay working for us as well as actual turnover rates. Employees' willingness to recommend Zurich as a great place to work, as measured in the ZES 2024, is 5 percentage points better than those in high performing companies and 8 percentage points better than other global finance and insurance peers, as is their intention to stay working for us (3 percentage points better and 5 percentage points better, respectively). Total employee turnover decreased to 12.9 percent compared to 14.3 percent in 2023. Over the years, we observed minimal variance in the entry and exit patterns based on gender. In 2024, 52.8 percent of the individuals voluntarily or involuntarily departing our organization were female (compared to 53.6 percent in 2023).

Our employees under 30 years of age continue to have a higher voluntary turnover rate compared to other age groups, in line with external market trends. As we remain focused on getting insights from various sources, our aim is to continuously improve and remain an attractive employer for all who look to start and develop careers, not just in core technical insurance roles.

1 Reporting on learning hours excludes Farmers Group, Inc., Cover-More, Zurich Kotak and Orion.

Table 23
Turnover[1]

	Career level (%)[2]								Total
	A	B	C	D	E	Senior management	Voluntary turnover (%)	Involuntary turnover (%)	turnover (%) 2024
Dimension									
Region									
APAC	14.5	12.1	10.2	8.7	0	9	10.2	2.6	12.8
EMEA	11.9	8.8	8	10.6	20	10.9	5	4.5	9.5
LATAM	15.1	16.3	10.2	10.1	0	9.5	7.4	7.8	15.2
North America	20.5	17.1	12.5	11.7	7.5	11.5	8.5	8.4	16.9
Corporate Center	3.4	6.7	9.9	9.8	6.7	9.5	3.2	5	8.2
Gender									
Female	14.2	14.1	9.9	7.8	11.1	7.9	7.4	5.9	13.2
Male	16.3	12.2	10.6	11.7	8.7	11.5	6.5	5.9	12.4
Undisclosed gender[3]	28.2	20	0	10	0	10	13.1	8	21.2
Age group									
Age <30	17.6	19.1	12.3	66.7	0	66.7	12.7	5.1	17.8
Age 30-50	14.1	12.6	8.9	8.5	0	8.2	7.4	4.7	12.1
Age >50	13.9	12.4	13.1	12.7	13	12.7	3.2	8.9	12.1
Employment type									
Full-time	14.4	13	10	10.3	9.5	10.3	7	5.6	12.6
Part-time	22.8	17.7	16.5	13.7	0	13.2	7.3	9.7	17
Nationality									
National	12.3	10.2	8.6	10.6	9.2	10.6	5.8	4.6	10.5
Non-national	12.8	10.9	9.2	7.9	10.3	8.2	6.3	4.9	11.2
Undisclosed nationality[4]	22	17.2	12.5	12.2	7.5	11.9	9.1	8.3	17.4
Total (% 2024)	**15**	**13.2**	**10.3**	**10.4**	**9.3**	**10.4**	**7**	**5.9**	**12.9**

1 Total turnover is calculated as the sum of number of voluntary leavers and the number of involuntary leavers, divided by the average headcount of the selected year. Voluntary turnover refers to employees deciding to leave the company, e.g., for personal reasons. Involuntary turnover refers to cases where the decision to leave is not entirely made by the employee, e.g., retirement and mutual agreement. Reporting excludes temporary employees and interns.
2 Excludes 'unranked' employees who are not assigned to any career level (15.8 percent of our workforce), comprising employees in Germany (not ranked due to locally applicable restrictions preventing the use of this data, 8.3 percent of our workforce), Zurich Kotak (due to recent acquisition, 2.8 percent of our workforce), Orion (0.3 percent of our workforce), and sales force teams (due to their higher volatility, 2.6 percent of our workforce). The total includes all employees, including 'unranked'.
3 'Undisclosed gender' refers to employees with no declared gender.
4 'Undisclosed nationality' refers to employees for whom we do not hold nationality/citizenship information, mostly from North America.

Case study

Zurich Italy's digital skills revolution

To tackle the challenges of an aging workforce and to bridge the skills gap between unemployed young people and the digital needs of businesses, Zurich Italy founded the Generation program, now in its third year.

The offering is simple: Young adults aged 19-29 attend a completely free 18-week intensive training program with Zurich, with the opportunity to join Zurich as an intern for an initial six months at the end.

So far the program has been a huge success. 95 percent of first year students are still working full time with Zurich today, as we need digitally savvy employees. Their highly sharpened digital skills, along with additional softer skills learned on the program, position them to provide constructive feedback on how to streamline and improve digital and data-based business processes and ways of working.

It's a win-win. This program benefits not only Zurich but also local communities, where young people may have the capability and desire but lack the opportunity to access such professional opportunities. It is opening the doors to a broader pool of talents and redefining the future of work at Zurich.

5.1.2 Diversity, equity, inclusion and belonging

We value diverse perspectives, aim to foster a sense of belonging and always look to uphold fairness. We encourage open communication and collaboration by creating a connected community where collective ideas flourish. Guided by our Board of Directors,[1] and in compliance with all applicable laws and regulations, we strive to integrate diversity, equity,

1 The Governance, Nominations and Sustainability Committee assists the Board in setting an appropriate tone at the top to promote key values and behaviors, and to ensure a sound and open culture.

inclusion and belonging (DEIB)[1] in all countries in which we operate by taking targeted actions and assuming leadership accountability to increase and benefit from diversity within the workforce, to offer equal opportunities and to foster inclusion and belonging.

Approach

We strive to sustain a work environment in which **our voices and perspectives are diverse, our behaviors are inclusive, our actions drive equity and our people feel a strong sense of belonging**. We support an **inclusive workforce**, where all individuals, and their diverse perspectives, are valued and respected. We invest in the development of our people, and foster an environment where everyone has the opportunity to thrive and succeed throughout their career. This commitment strengthens our ability to serve our customers, enhances our business resilience, and drives superior performance.

Actions

We maintain a distinct culture where people feel they belong. Our cultural differentiator, as measured in the ZES 2024, is our people's strong sense of belonging to our diverse, tolerant and inclusive company. Employees' sense of belonging is also the number one global driver of engagement. The vast majority of our employees believe that their teams have a climate where diverse perspectives are valued and they can be their authentic selves at work (1 resp. 2 percentage points better than those in high performing companies; 2 resp. 5 percentage points better than other global finance and insurance peers). In 2024, we ranked fourth among insurance companies in the Forbes World's Best Employers award,[2] and several of our countries continue to receive Top Employer, Great Place to Work, EDGE or other certifications and awards, validating employees' perception.

We value diversity, and we embrace individual perspectives, experiences, insights and ideas. We view diversity broadly to include gender, gender identity, sexual orientation, disability, ethnicity, race, as well as diversity of viewpoints, backgrounds, experiences and geography. We fully benefit from the differing skills and abilities of all of our people. We encourage exchange, raise awareness, strengthen respect and inclusion by supporting our employee resource groups (ERGs)[3] across the organization. Our ERGs provide thought-provoking and developmental programs throughout the year from which everyone can benefit. We encourage engagement in these groups in order to strengthen our community. In North America, for instance, one in three employees is a member of at least one ERG. Our Women's Innovation Network (WIN) is our biggest ERG with several thousand members across all continents.

We encourage representation of genders across the organization. At the end of 2024, 41.7 percent of our Board of Directors (compared to 50 percent in 2023), 50 percent of our Executive Committee (compared to 33.3 percent in 2023) and 50.9 percent of our employee population were female (compared to 52 percent in 2023). In addition, we monitor gender representation across multiple dimensions, including career levels and age groups. Our initiatives have helped drive improvements in gender representation since 2017, particularly in senior management. At the end of 2024, female employees represented 32.1 percent of senior management (compared to 30.3 percent in 2023), and we have seen progress across the Group in the external hiring, promotion and attrition of women in senior management. The share of females in senior management was at hiring 28.2 percent, internal hiring 44.7 percent (incl. promotions 45.2 percent) and voluntary leavers 34.7 percent.[4]

In addition, across the Group,[5] 43.3 percent of our people managers (compared to 42.5 percent in 2023) and 54.1 percent of our individual contributors were female (compared to 53.9 percent in 2023). We also have initiatives in place to develop women's science, technology, engineering, and mathematics (STEM) careers, with several senior IT appointments in 2024. At the end of 2024, 30.2 percent of our employees working in IT or engineering roles were female (compared to 33.3 percent in 2023).

Figure 34
Gender representation highlights

People in senior management		People managers		People in IT/STEM roles	
2024 Women	32.1%	2024 Women	43.3%	2024 Women	30.2%
2023 Women	30.3%	2023 Women	42.5%	2023 Women	33.3%
2024 Men	67.1%	2024 Men	56.5%	2024 Men	69.5%
2023 Men	69.4%	2023 Men	57.3%	2023 Men	66.6%

1 www.zurich.com/careers/deib
2 www.forbes.com/lists/worlds-best-employers/
3 Our Group-wide ERGs are: WIN (Women's Innovation Network), ZurichNEXT (promoting intergenerational dialogue), Pride@Zurich (alliance of LGBTQ+ employee networks) and YouMatter (supporting employee wellbeing). Countries have in addition several other local ERGs.
4 At the end of 2024, 44.7 percent of our succession plans across the entire workforce (excluding Cover-More and Orion) included female nominees.
5 Excludes Orion, as well as Zurich Kotak, due to recent acquisition.

We continue to support the development of female talents to accelerate their readiness for leadership positions. Most of our countries engage in programs and initiatives such as the Ellevate program in Switzerland.

Case study

Empowering women and transforming leadership at Zurich Switzerland

Zurich Switzerland's "Ellevate" program was developed to address the need for a robust female leadership succession pipeline in Switzerland, providing visibility, networking, and career advancement opportunities for women in the organization.

Launched in January 2024, the 24-month program is built on three core principles: leap, engage, and empower. Research found that while women are often over-mentored, they are under-sponsored, so the focus of "Leap" is to pair participants with sponsors who actively advocate for their career progression. Quarterly "Engage" events are intended to provide a platform for open discussions of critical issues, with the CEO and other senior leaders. Ellevate aims to "Empower" female talents by creating a supportive physical and virtual community where they can learn from and support each other.

Additionally, Ellevate integrates a "talent brokerage" system where development needs and aspirations are shared with the talent acquisition team and used as part of Zurich's internal-first approach to recruitment. Success is measured through subjective feedback, tracking career progress and identifying insights to address the unspoken barriers that women often face.

Ellevate is not just seen as a development initiative but a crucial step toward gender balance and organizational growth.

We value generational diversity in our workforce by supporting the employability of individuals at all stages of their careers and providing flexibility for smooth transitions to new opportunities. Our early-in-career programs are successful in recognizing internal talent and developing employees' skills for future needs of our organization via workshops, coaching sessions and experience-based project work. These prepare participants for leadership opportunities within the company. For our mature workers, several of our countries are piloting phased retirement and knowledge transfer programs.

Additionally we stand for all other aspects of diversity, including intersectionality, creating opportunities for all. Related to lesbian, gay, bisexual, transgender, intersex, queer/questioning, asexual and many others[1] (LGBTQ+), for instance, we have an active global employee resource group, and we have been recognized as a **Top Global Employer for the LGBTQ+ community** by Stonewall since 2018.

WORLD ECONOMIC FORUM S

We advocate for gender pay equality, fairness and pay transparency, and actively promote pay equity and equal opportunity in all countries where we operate. We regularly monitor our processes to ensure that we meet this commitment and our aspiration to a future with no gap. We already pay 100 percent of our workforce at or above local minimum wage. As part of the annual remuneration cycle, the majority of our businesses with 100 or more employees[2] perform an equal pay analysis in order to regularly measure the gender pay gap, and to ensure a continued focus on gender pay equity. This process has successfully generated engaged conversations across our organization, and our leaders are fully dedicated to promote pay equity across genders or any other demographic (which may apply locally). In 2024, we analyzed in depth the equal pay results, allowing us to set a **global gender pay equity target in 2025**.

We proactively respond to new requirements, as new legislation is being implemented related to pay equity and pay transparency.[3] We report on gender pay requirements in countries where we are legally required to do so, in accordance with local laws, regulations, related methodology and communication requirements. In 2024, we enhanced our tools and processes to improve our ability to monitor and measure pay equity across the Group, in alignment with local and regional pay transparency legislation. A new tool is being rolled out in two phases. Our EU countries impacted by the EU Pay Transparency Directive are part of the first phase of implementation in 2024. Other countries will be part of the second phase of implementation in 2025.

5.1.3 Wellbeing

The wellbeing of our employees reflects our ambition to be a sustainable employer. We support our employees' physical, mental, financial and social health through proactive guidance and resources. We continue to strengthen our credentials in this space by providing guidance and solutions to cultivate a work environment in which they can thrive. We have developed a global holistic wellbeing framework[4] that provides our people with tools and resources to stay healthy and empowered. We aim to support measures that allow employees to grow in all dimensions of wellbeing and be their best selves every day and everywhere.

1 Such as non-binary and pansexual.
2 Cover-More Argentina and Cover-More Australia will be onboarded in 2025; Zurich Kotak onboarding plans are under development.
3 To find out more about our "Equal Pay for Equivalent Work" analysis, see: www.zurich.com/en/careers/deib/equity
4 www.zurich.com/careers/wellbeing

Approach

We are dedicated to support our **employees to thrive** by promoting flexible working, as we know there is a strong link between flexibility, inclusion and productivity. We rely on our Group-wide FlexWork@Zurich principles and encourage our employees to work in a way that achieves optimal results and fosters innovation and collaboration to respond to changing customer needs, while helping to maintain a healthy work-life balance.

Actions

In the ZES 2024, the vast majority of our employees say Zurich cares about their health and wellbeing (4 percentage points better than those in high performing companies and 5 percentage points better than other global finance and insurance peers), and that they are able to balance their work and personal lives (on par with high performing companies and 3 percentage points better than other global finance and insurance peers).

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Physical wellbeing

We recognize that individual lifestyles differ, every family is unique and balancing responsibilities is important to all of us. We continuously evolve our policies to better reconcile work and family life, for instance, by supporting greater flexibility in childcare and eldercare. Our FlexWork@Zurich principles serve as the basis of our commitment to fostering work-life balance and empowering our employees to optimize their productivity. Through these principles, we offer flexible working arrangements that accommodate individual lifestyles, e.g., flexible hours, hybrid working, purchase options for additional paid time off, unpaid leave support (two weeks up to six months), try out part-time on a “pilot” basis (for one to three months) or switching to part-time, adjusted availability, or job sharing roles. We also support healthy lifestyles through health-promotion activities and competitions via health centers and sports clubs, or sponsor sport events.[1]

Social wellbeing

We embrace a culture of dialogue and inclusion. Listening to employees and addressing concerns and needs is part of what we do, and our annual ZES gives us actionable feedback. Several of our countries engage in local programs designed to look after employees’ social health such as supporting various employee resource groups, encouraging local cultural celebrations and team building activities, or organizing lunch & learn sessions about inclusive language or inclusive leadership.

Mental wellbeing

Our global mental wellbeing program is focused on comprehensive measures to prevent mental health problems, such as identification of risk factors in our operations, monitoring of mental health, awareness raising on risk factors and mental health issues, and some concrete prevention activities (e.g., stress management courses, adjustments to ways of working, return-to-work programs) are implemented. Access to our health app LiveWell is becoming part of our Employee Benefits packages provided to the employees of our commercial customers, as well as in some countries offering it to our employees.[2] Several of our countries have measures in place to care for employees when the need arises (e.g., mental health first aid, extensive mental aid), or implement solutions such as dependent care (e.g., on-site childcare, financial support, emergency care, holidays care, referral services) or offer options for special leave (maternity/paternity leave beyond legal requirements and/or elderly care leave) in line with local value proposition and legal requirements. To give back to society and the communities in which we live as well as to manage mental wellbeing in an impactful way, all our businesses actively encourage volunteering.[3]

Financial wellbeing

Our global total rewards framework ensures that all plans and programs align to a common set of guiding principles, the Zurich Remuneration Rules, while providing the flexibility to adapt to local market practices.[4] Through our expertise, we support the financial wellbeing of our people through financial education (e.g., budgeting, financial literacy), retirement planning, access to discount schemes, income protection solutions, and, in some markets, financial advisors.

5.2 Prevention of bribery & corruption

WORLD ECONOMIC FORUM G

5.2.1 Group anti-bribery and anti-corruption policy

We invest in controls to prevent and detect, among other risks, any bribery or corruption. We have put in place strong and effective controls and we monitor financial, legal and regulatory developments to conduct business in an ethical and compliant manner.

We take a risk-based approach for the development and implementation of our Group Anti-Bribery and Anti-Corruption Framework (the Framework). The Framework is designed to prevent and detect acts of bribery and corruption. The Group Policy Anti-Bribery and Anti-Corruption (Group Policy ABC)[5] sets out the minimum requirements and obligations, with which our subsidiaries worldwide, including their board members[6] and employees, need to comply. It also provides related guidance regarding anti-bribery and anti-corruption compliance that our businesses should adopt.

1 For detailed health & safety KPIs, incl. number and rate of fatalities as a result of work-related injuries, see the 2024 WEF index table on our website: www.zurich.com/sustainability/strategy-and-reporting/reporting/sustainability-report
2 For more information on the LiveWell app, see section 4.1.1 Revenues from sustainable solutions on page 181.
3 For more information, see section 5.6 Community investment on page 205.
4 For more information on local minimum wage requirements, see the 2024 WEF index table on our website: www.zurich.com/sustainability/strategy-and-reporting/reporting/sustainability-report
5 The Group Policy ABC requires the appointment of an anti-bribery and corruption officer (ABCO) for each country. The ABCO’s duty is to monitor compliance with the Group Policy ABC and the applicable local anti-bribery and anti-corruption framework. The ABCO also supports business management in maintaining the local anti-bribery and anti-corruption framework and reviewing it regularly to ensure that it appropriately addresses bribery and corruption risks in the country.
6 Subject to Group and local governance requirements.

The Group Policy ABC sets out minimum requirements in relation to the following topics, among others:

– Associated persons' due diligence.
– Third-party payment due diligence.
– Incentives.
– Gifts, entertainment and other advantages.

We perform due diligence in accordance with our Group Policy ABC before selecting a party to be an Associated Person.[1] The due diligence must be appropriate to the anti-bribery and anti-corruption risk the relationship with the Associated Person may present. Higher risk Associated Persons receive periodically recurring due diligence.

On third-party payments, our Group Policy ABC requires the establishment of documentation which provides, among other things, a business rationale for the relationship. It also requires our employees to be alert to potential anti-bribery and anti-corruption red flags[2] that may be associated with improper third-party payments. Such red flags are to be addressed through a so-called third-party payment due diligence process.

The Compliance function is mandated to provide assurance to internal stakeholders (business management, board and audit committees) that compliance-related risks are managed effectively, and that controls are designed adequately and operating effectively. In addition, Compliance supports businesses in the countries in managing compliance-related risks appropriately and remediating gaps in operative compliance controls. It is important to note that anti-bribery and anti-corruption is part of the compliance risk universe[3] and subject to independent assurance, advice and enablement by Compliance in accordance with the Zurich Compliance Charter and Zurich Compliance Program.

Assurance activities conducted by the Compliance and Audit functions in 2024 confirmed the overall assessment that our controls around anti-bribery and anti-corruption are well designed and working effectively.

WORLD ECONOMIC FORUM G

5.2.2 Training and awareness

Fostering a culture of compliance among all our employees is important. To achieve this, it is critical to encourage general awareness and understanding of potential areas of bribery and corruption risk, applicable laws, and our policies.

We frequently educate our employees and Board members on topics related to compliance and ethics. This begins with mandatory Code of Conduct training.[4] This annual training raises awareness of what it means to do the right thing. It helps employees and managers feel more confident in making ethical decisions in their day-to-day work. It also helps employees to spot and report possible bribery and corruption incidents. In 2024, almost all our employees[5] completed the training, resulting in a global completion rate of 99.99 percent. The completion rate was above 99.9 percent in all regions.[6] In addition, all 12 members of our Group Board completed the training. Employees whose roles expose them to potentially greater bribery and corruption-related risks are also required to undergo enhanced training on how to identify and respond to potential bribery and corruption risks.

The Compliance function develops the training in line with the Group Policy ABC and in consideration of local risks, regulations and requirements for each jurisdiction. The training is reviewed on an annual basis to incorporate new developments and requirements. This keeps our employees and management at the forefront of the prevention of bribery and corruption and helps us fulfil our ambition of being a responsible and ethical business.

5.2.3 Protected advice

Anti-bribery and anti-corruption is a risk which affects all business lines. Comprehensive regulatory requirements – some with extraterritorial reach including the U.S. Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act – as well as a high level of regulatory scrutiny and extensive criminal enforcement with large penalties, fines or settlements drive up the inherent anti-bribery and anti-corruption risk for our company.

As outlined above, our employees are all subject to our Group Policy ABC[7] and our Code of Conduct,[8] and we provide them with training and other resources which aim to prevent and detect potential misconduct. If employees suspect misconduct, we want them to feel comfortable reporting their concerns and feel supported by the organization when doing so.

WORLD ECONOMIC FORUM G

There are multiple channels for our employees and other stakeholders to report alleged wrongdoing or suspected or actual illegal, fraudulent, improper or unethical conduct ("integrity concerns") to people managers, Compliance, HR or Legal. They can also use the Zurich Ethics Line (ZEL) to report integrity concerns anonymously, either via telephone or online via a web form. We do not tolerate retaliation against any employee or other person reporting an integrity concern

1 Associated Persons are individuals or entities who perform services for, to, or on behalf of, an organization and may include: brokers, insurance agents and intermediaries, distributors, subcontractors, employees of outsourcing partners, our employees, Group entities or subsidiaries, independent non-executive directors, joint venture partners, outsourcers, including external asset managers, other consortia members, other (non-insurance) agents in the process of conducting business, suppliers and service providers (e.g., property management companies).
2 Anti-bribery and anti-corruption red flags include, but are not limited to, the following: The recipient of the payment is a public official or a close relative of a public official, the transaction value appears to be high in relation to the goods or services provided, the payment is being made to a country that is different to the country in which the recipient is located or the services are/were rendered, etc.
3 The compliance risk universe captures common global compliance risk themes.
4 The code of conduct training includes the topic of anti-bribery and anti-corruption.
5 In 2024, the code of conduct training was also shared with various business partners depending on country requirements.
6 Excludes employees on a long-term leave during the training window, new joiners who joined after the cut-off date for the annual training assignment, and employees who left the company before the assignment due date.
7 www.zurich.com/en/about-us/corporate-governance/code-of-conduct/we-care-about-business-integrity
8 www.zurich.com/about-us/corporate-governance/code-of-conduct

in good faith. The ZEL is available globally and offers support in a total of 25 languages. All integrity concerns are reviewed by a triage committee comprising representatives of Compliance, HR and Legal.

Further, as part of our commitment to prevent and fight bribery and corruption, we signed in late 2023, the Call-to-Action[1] on the 20th anniversary of the UN Convention against Corruption (UNCAC). This was put forward as an appeal by companies to governments to intensify efforts to tackle corruption affecting business communities around the world, and to join forces in this endeavor. The Call-to-Action urges governments to underscore anti-corruption and good governance as fundamental pillars of a sustainable and inclusive global economy and embrace them as important tenets of the 2030 Agenda for Sustainable Development. Concretely, this Call-to-Action, signed by companies across the world, was submitted at the 10th Conference of the States Parties to the UN Convention against Corruption (CoSP10) to serve as basis for governments' discussions and decisions on this matter.

WORLD ECONOMIC FORUM S

5.3 Human rights

We respect the protection of international human rights within our sphere of influence and work hard to avoid being complicit in human rights abuses. When interacting with employees, customers, investees, shareholders, suppliers, the public at large or any other stakeholder, we aim to promote the following best-practice standards to manage potential adverse human rights impact:

- United Nations Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy' Framework".
- OECD Guidelines for Multinational Enterprises.
- United Nations Global Compact.

These principles are embodied in our Code of Conduct, which applies to our employees and Board members.[2] We endeavor to work with third parties such as consultants, advisers, suppliers and agents who share our values, and we expect our business partners to adhere to the spirit of our code and embrace high standards of business conduct.

We assess possible adverse human rights impacts within our sphere of activity, which includes our role as an employer, as an insurer, and as an investor as well as our own operations and supply chain and our position within society.

Our responsibility as an employer

We strive to maintain an environment free from all forms of discrimination and harassment. We do not tolerate harassment, discrimination or bullying in the workplace, whether based on race, ethnicity, color, age, sex, gender, gender identity or expression, sexual orientation, national origin, religion, disability, pregnancy, veteran status, or any other relevant characteristics protected under applicable law. This applies regardless of an individual's duties or positions within the organization.

We offer multiple channels for employees and others to speak up and raise concerns, including to people managers, Compliance, HR and Legal, as well as the Zurich Ethics Line (ZEL).[3]

We strive to build an inclusive and equitable workplace that empowers everyone to achieve their full potential. We are developing policies, practices and ways of working that support diversity, inclusion, equity and belonging. We recognize the right of employees to freedom of association and collective bargaining and to freely form and join groups for the promotion and protection of employment interests.[4]

Our employees generally work in low-risk environments and are not exposed to significant health and safety hazards. Nevertheless, we adopt a systems-based approach to managing health and safety risks in a structured and consistent way across all our operations and have a global program in place to ensure we continually improve our health and safety performance.[5]

Our responsibility as an insurer

Our approach to managing sustainability risks in business transactions has a particular focus on transactions where the insured customer may have an established track record of human rights violations, or is implementing projects that are particularly prone to potential human rights and environmental issues, such as mining or oil and gas projects.[6]

Human rights issues that are considered under our policy are:

- Child labor.
- Forced labor and compulsory labor.

1 www.unglobalcompact.org/take-action/action/anti-corruption-call-to-action
2 More information in section 5.2.2 Training and awareness on page 200.
3 More information in section 5.2.3 Protected advice on pages 200 to 201.
4 An illustrative example is the Zurich European Forum (ZEF). It was established in 1996 with the aim to open an honest and transparent dialogue and consultation with our European employee representatives on transnational topics of interest. Today, ZEF is composed of 29 delegates from 13 countries. In addition to its quarterly Steering Committee meetings, ZEF also meets in plenary session once a year in Zürich with the participation of the Group CEO, EMEA CEO, Global Chief People Officer, and a group of corporate and European leaders depending on the topics to discuss. Over the course of this year, this employee representative body has covered a wide range of topics from workload and sustainability to digitalization and artificial intelligence. It has played an important role in the region for almost 30 years, continuously engaging in a dialogue on social, strategic and financial topics that are of relevance for us where the employee representatives voice their opinions and concerns, which also fosters and deepens trust levels throughout the workplace.
5 For further information, see section 5.1.3 Wellbeing on pages 198 to 199 and the WEF Index table (see: www.zurich.com/sustainability/strategy-and-reporting/reporting/sustainability-report).
6 For further information, see: www.zurich.com/sustainability/governance-and-positions/our-positions

- Involuntary relocation of local communities, inappropriate use of force or adverse impacts on vulnerable indigenous people. Evidence of such violations can include, but is not limited to, the absence of right of free, prior and informed consent for Indigenous Peoples (FPIC).
- Poor health and safety conditions.
- Instances of bribery and corruption.

Through our underwriting guidelines and checklists, we apply a clear guidance on underwriting decisions including clear referral processes.

Our responsibility as an investor

We implemented a global set of policies and investment processes across the organization, which aim at ensuring a consistent approach on the integration of ESG topics, as part of our responsible investment strategy.[1] We proactively integrate ESG factors in our investment decisions. Material ESG factors include, but are not limited to:

- Climate change risks (transition risks, physical risks and litigation risks).
- Activities negatively affecting biodiversity or increasing water stress.
- Deforestation, land degradation, and depletion of natural resources.
- Raw material sourcing.
- Environmental and health impacts of hazardous chemicals, waste and pollution.
- Exposure to banned cluster munitions and anti-personnel land mines.
- Human rights including labor rights in the supply chain.
- Community impact.
- Human capital: health and safety and labor management.
- Product safety.
- Corruption and bribery matters.
- Breaches of regulation, international norms and conventions.

Working with suppliers

When working with suppliers,[2] we apply our Supplier Code of Conduct which sets a clear expectation that our suppliers respect human rights. Each year, we conduct an annual human rights risk assessment to identify potential adverse impacts on human rights within our supply chain. The labor standards and workplace practices operated by our suppliers are a critical factor in the likelihood of adverse human rights impacts occurring. In 2024, our findings indicate that our supply chain has a low-risk exposure to such issues. We also carried out an additional assessment concerning child labor, following the same approach adopted in 2023.[3] The assessment confirmed that there remains no reasonable suspicion of child labor within our supply chain.

The first step in our human rights risk assessment is to analyze the human rights set out in the United Nations Declaration of Human Rights, and seek to identify which, if any, of these fundamental human rights could be adversely impacted in our tier-one supply chain, i.e., those suppliers with whom we have a direct buying contract.

We then seek to identify the goods and services categories and countries where the potential risk of adverse impacts to human rights issues is highest. To identify high-risk goods and services categories, we consider data and reports from reputable NGOs and our own internal expert judgement. Our assessment is based upon the prevalence of human rights issues reported and an assessment of working practices at industry or sector level. Our assessment of high-risk countries is based on:

- The reported prevalence of human rights issues.
- The degree of respect for worker rights, based upon local laws and actual practices.
- The extent of political freedom and civil liberties.
- The extent of corruption.

We share the findings of this assessment internally, provide relevant training, carry out risk-based due diligence on suppliers and use a software tool that uses artificial intelligence to screen news reports, social media posts and NGO reports to monitor potential ESG-related (including human rights) supply chain issues.

1 For further information on our approach relating to responsible investment, see: www.zurich.com/-/media/project/zurich/dotcom/sustainability/docs/responsible-investment-at-zurich.pdf
2 For further information, see 5.4 Sustainable sourcing on page 203.
3 Pursuant to the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor.

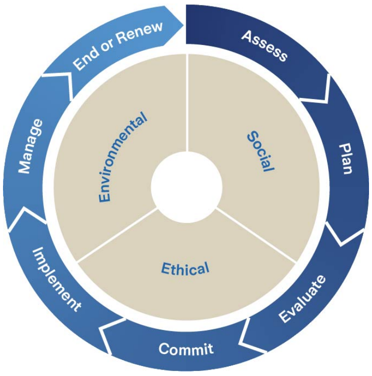
5.4 Sustainable sourcing

Approach

Due to the nature of our business, we are predominantly a consumer of services. Compared with other industry sectors such as manufacturing, the risks associated with the environmental, social, human rights,[1] and governance impact of our supply chain are low. Nonetheless, we are striving to effectively manage such issues. As part of this, we have established a sustainable sourcing program,[2] which aims to **enhance the resilience of our supply chain**, supports our commitment to net-zero and creates a positive social impact.

It comprises three pillars, which address environmental, social and ethical factors. Its objective is to embed these factors throughout the sourcing cycle, align suppliers with our values and be transparent about our expectations. We have developed a supplier code of conduct (SCOC)[3] to lay a clear foundation for systematically integrating responsible business conduct in our supply chain and provide online training videos for suppliers to familiarize themselves with our expectations.

Figure 35
Sustainable sourcing program



We aspire to use our influence as a buyer of goods and services to accelerate the adoption of sustainable business practices among our suppliers by asking them to comply with this code. We evaluate supplier alignment with the SCOC and request selected suppliers to complete a self-assessment. We review the self-assessment results and internally audit a sample of the responses. As of 2024, we confirmed that **73 percent[4] of our managed procurement spend (MPS)[5] is with suppliers that meet or exceed the key expectations of our SCOC**, following a self-assessment.

Actions

Throughout 2024, we have continued to engage and support our suppliers to improve their sustainability performance. In particular, we have held online and in-person events with our suppliers to educate them on our sustainability ambitions and promote the tools and resources that we have provided to use within their own businesses. Our tools and resources include a carbon emissions calculator, training videos and policy statement templates. The tools are designed to address common areas in which multiple suppliers fall short of our expectations and support us to drive up supply chain standards. We are proud that some suppliers have started their own climate action using our free tools as a result of the engagement activities carried out by our teams. We will continue to work with our suppliers to address these areas in the short to medium term. Where our engagement fails and suppliers cannot or refuse to embed the minimum standards, we will review the relationship and examine appropriate measures, including phasing it out to protect our commitment to doing the right thing.

To ensure our colleagues are equipped with the necessary knowledge and skills to successfully engage suppliers on sustainability topics we provide access to a learning academy. The content includes internally produced online courses covering climate change, human rights, social procurement and supplier due diligence processes. The completion rate of the supplier due diligence training for employees working within the Procurement function for calendar year 2024 is 99.4 percent.[6]

Net-zero supply chain

To complement our net-zero goals for our own operations, we are looking to our supply chain to set emissions reduction and net-zero targets, consistent with local law. Our goal is for 75 percent of our MPS to be with suppliers that have science-based emissions reduction targets by 2025 and net-zero targets by 2030. As of the end of 2024, **59.4 percent[7] of our MPS is with suppliers who have set science-based targets** and **51.9 percent[8] of our MPS is with suppliers who have set net-zero targets**. We aim to use our influence and press for change, expecting suppliers to set their own targets. In 2024, we were again recognized with Supply Chain Engagement Leader status by CDP[9] for the second consecutive year.

5.5 Responsible tax

We aim to manage tax costs and risks to benefit our customers, employees, shareholders, and society as a whole. This commitment is part of our goal to be a responsible corporate citizen in all the communities where we operate.

Acting as a responsible taxpayer is one way of contributing to the economic and social development of these communities. We view tax compliance as a key objective and dedicate significant resources to ensure that our tax activities are managed in a sustainable, well-governed, and transparent manner.

1 For more information on our commitment to human rights, including human rights due diligence and human rights risk assessment, see section 5.3 Human rights on pages 201 to 202.
2 www.zurich.com/sustainability/planet/sustainable-sourcing
3 www.zurich.com/en/sustainability/governance-and-policies/-/media/project/zurich/dotcom/sustainability/docs/sustainable-sourcing-supplier-code-of-conduct-2021.pdf?v=4
4 According to the 2023 baseline of managed procurement spend, excluding suppliers no longer active in the year of reporting.
5 MPS means the spend of approximately USD 2 billion annually managed centrally by Zurich's Procurement and Vendor Management function on goods and services that are required to enable Zurich to maintain and develop its operations.
6 Based upon a completion deadline of January 24, 2025.
7 We consider a supplier to have science-based targets when their emission reduction targets are approved by the SBTi, a similar scientifically accredited body or otherwise require a reduction of at least 42 percent in scope 1 and 2 emissions.
8 We consider a supplier to have net-zero targets when their net-zero target is approved by the SBTi, a similar scientifically accredited body or otherwise has a public target to neutralize any residual scope 1 and 2 emissions.
9 CDP is a not-for-profit charity that runs the global disclosure system for individuals and organizations to manage their environmental impacts.

We pay taxes in the countries where we operate, adhering to local laws and regulations. The location of our subsidiaries and branches is based on business needs. We do not engage in aggressive tax planning or artificial structures that lack business purpose or economic substance. We own only a small number of entities in low or zero-tax jurisdictions, involved in insurance, reinsurance, and asset management. We are committed to refraining from using so-called 'tax havens' for tax planning and do not shift value created elsewhere to non-cooperative jurisdictions.

Our approach to tax is outlined in our tax strategy,[1] which aligns with our Code of Conduct.[2]

1 To find out more about our tax strategy, please visit: www.zurich.com/sustainability/governance-and-positions/being-a-responsible-taxpayer
2 www.zurich.com/about-us/corporate-governance/code-of-conduct

5.6 Community investment

Our community investment activities[1] are mainly delivered by the Z Zurich Foundation (the Foundation), a charitable organization funded by various members of the Group. Over its current strategic cycle, from 2024 – 2027, the Foundation has the ambition to create brighter futures and more opportunities for 25 million vulnerable people.

The Foundation's highlights for 2024 include:

- Significant developments in all four focus areas: Adapting to climate change, enabling social equity, improving mental wellbeing, and responding to crisis. The Foundation launched new multi-year programs to assist communities across the globe alongside like-minded organizations. For example, building on the collaboration with Junior Achievement US which started in 2023, the Foundation approved further support for this organization to further scale and deepen support to American youth that will transform the educational landscape. The extension of the project builds on the success of the initial program aiming to create new opportunities and empower the next generation to take control of their future. It will be rolled out in over 12,000 schools across the U.S., impacting more than 2.3 million students by 2029, as well as thousands of educators and Zurich volunteers.
- Over USD 41.7 million[2] investment in community programming across the Foundation's strategic areas of work. In addition, the Foundation collaborated closely with our teams to engage our customers and distributors in social impact initiatives.
- Formalization of its humanitarian response approach, enabling more efficient support to the most vulnerable affected by climate and conflict-related catastrophes. In 2024, the Foundation made over 30 donations to disaster relief initiatives across the globe, e.g., for the significant flooding in Brazil and Spain, as well as the major hurricanes in the United States. For these disasters, the Foundation collaborated closely with our local teams and charitable organizations on the ground to provide comprehensive support to people impacted by these catastrophic events.

Table 24
Employee-led fundraising and volunteering

	2024	2023	Difference
Fundraising and donations (USD millions)[1]	3.8	3.0	26.5%
Total time volunteered by workforce (hours)	199,469	146,433	36.2%
Workforce actively volunteering (% of total headcount)	24.1%	20.3%	18.9%

1 Includes fundraising and donations of our employees, but excludes Z Zurich Foundation matching.

2024 was a record year for us in terms of employees volunteering. For the first time ever, our employees have recorded close to 200 thousand hours of volunteering, including volunteering time of our customers and brokers when done together with our employees.

While the Foundation is the main vehicle by which we deliver on our global community investment strategy, members of the Group also drive community support actions and actively engage with charity organizations to address local needs and priorities.

Table 25
Charitable cash contributions
In USD millions

	2024	2023	Difference
Charitable cash contributions by members of the Group[1]	18.2	17.8	2%
Charitable cash contributions by Z Zurich Foundation[2]	54.5	49.6	10%

1 Charitable cash contributions capture contributions from members of the Group to charitable initiatives and organizations, excluding the Foundation. It is at the discretion of the individual countries to define what they deem eligible in their respective context. As such there are no limitations or exclusions (e.g., religious or political purposes) as there are for contributions executed by the Foundation.
2 Charitable cash contributions capture our contributions to the Foundation. The donations are made by various members of the Group.

Charitable contributions by members of the Group to charitable initiatives and organizations in 2024 increased compared with 2023. We have decided to increase our financial support to the Foundation so it can adapt its response to those most in need in our societies, as those needs grew significantly across all focus areas in 2024. The rise in our contributions is reinforced by foreign exchange rate effects due to the strengthening of the Swiss franc against the U.S. dollar in 2024.

1 Our Group and employees contribute through fundraising, volunteering and cash contributions whereas the Foundation carries out community investment activities.
2 The final and audited 2024 figures will be disclosed in the Foundation's Impact Report, which will be published in June 2025. To find out more about the Foundation's work in 2024, please refer to the Group overview on pages 26 to 27.

6. Appendix

6.1 Our yearly progress on our targets and ambitions

The table below shows **our progress over the years** compared to our qualitative ambitions and quantitative targets we set to execute our Sustainability Framework. Please note that **target 2025** and **target 2030** is always defined as using **year-end 2024 and 2029 values**, respectively (e.g., reduction of financed emissions). **By 2030 target** (e.g., for reduction of IAE intensity) is defined as **using year-end 2030** value, similar **by 2025 target** (e.g., for operational carbon emissions) is defined as using **year-end 2025** value. Please also note that parentheses around percentages or points indicate a reduction.

Table 26
Our yearly progress on our targets and ambitions

Investment management

Our areas of focus	Our progress 2020 to 2024: 2020	2021	2022	2023	2024	Our targets: 2025	2030	2050	Targets / ambitions without a deadline
Reduction of financed emissions									
Reduce emissions intensity of listed equity and corporate bond investments (metric tons CO2e/USD million invested, compared to 2019)	(6)%	(21)%	(12)%	(43)%	(54)%	**(25)%**	**(55)%**	**Net-zero investment portfolio**	
Reduce emissions intensity of direct real estate investments (kgCO2e/m², compared to 2019)	(6)%	(20)%	(25)%	(30)%		**(30)%**	**(45)%**		
Engagement									
Engage companies producing 65% of portfolio emissions and lacking targets aligned with Paris Agreement (PA)		46%	54%	60%	65%	**65%**			
Engage directly with high-emitting companies which currently do not have credible science-based targets							**20**		
Climate solutions									
Allocation to climate solution investments	+9%	+11%	+17%	+25%	+41%	**Annual increase**			
Allocation to climate solutions investments (based on % AuM)[1]							**6%**		
Avoid CO2e emissions through climate-related impact investment organization (ambition per year)		4.6 million metric tons CO2e	3.2 million metric tons CO2e	4.5 million metric tons CO2e	3.9 million metric tons CO2e				**Avoid 5 million metric tons CO2e**
Impact investment									
Share of total invested assets in impact investments	2.5%	3.3%	3.8%	4.6%	5.3%	**5%**			
People to benefit from a positive contribution to their lives and livelihood (ambition per year)		3.6 million people	4.7 million people	4.6 million people	5.3 million people				**5 million people**

1 Estimated based on AuM 2023, equivalent to approximately USD 10 billion. Any portfolio activity will be subject to market conditions and potential other constraints.

Underwriting

Our areas of focus	Our progress				Our targets			
	2021 to 2024				2025	2030	2040	2050
Revenues from sustainable solutions (in USDm)	2021[1]: 289	2022[2]: 801	2023: 1,360	2024: 1,702	Annual increase			
Engagement with large corporate customers who contribute most heavily to our portfolio emissions[3]						450		
Reduction in IAE intensity in our large corporate customer portfolio[3] (compared to 2022 baseline)						(20)%		Net-zero UWR portfolio

1 2021 amounts were calculated under IFRS 4 'Insurance Contracts' and not remeasured to IFRS 17 'Insurance Contracts'.
2 Due to the adoption of IFRS 17 'Insurance Contracts' in 2023, the measurement of revenues from sustainable solutions in our Life business was remeasured and aligned to net flows.
3 Determined by scope 1& 2 for our customers' emissions using the PCAF (Partnership for Carbon Accounting Financials) insurance-associated emissions methodology for commercial lines, covering customers with revenues greater than USD 1 billion.

Own operations and supply chain

Our areas of focus	Our progress					Our targets		
	2020 to 2024					2025	2029	2030
Absolute reduction in all operational emissions[1] (compared to 2019)	2020: (60)%[2]	2021: (73)%	2022: (70)%	2023: (67)%	2024: (69)%	(60)%	(70)%	Net-zero operational emissions
Reduction of scope 1 and 2 emissions[1] (compared to 2019)	2020: (41)%[2]	2021: (56)%	2022: (56)%	2023: (59)%	2024: (62)%	(62)%	(80)%	
Reduction of scope 3 emissions[1,3] (compared to 2019)	2020: (67)%[2]	2021: (80)%	2022: (74)%	2023: (70)%	2024: (71)%	(60)%	(67)%	
% of MPS[4] that is with suppliers having science-based targets[5]				2023: 52.1%	2024: 59.4%	75% with science-based targets[5]		
% of MPS[4] that is with suppliers having net-zero targets[6]				2023: 49.4%	2024: 51.9			75% with net-zero targets[6]

1 Cover-More, Farmers Group, Inc. and its subsidiaries, our joint ventures with Banco Sabadell and Banco Santander, smaller businesses like Real Garant and Orion, as well as third party vendors are excluded as well as our new acquisitions Zurich Kotak and Travel Guard.
2 The 2020 numbers were restated as a number of data quality improvement opportunities were revealed during the assurance process. For a detailed overview, see: www.zurich.com/-/media/project/zurich/dotcom/sustainability/docs/Zurich-environmental-performance-data-2021.xlsx
3 Resulting from air, rental and rail business travel, employee commuting, strategic data centers, printed paper and waste, as well as indirect energy impact.
4 MPS means the spend of approximately USD 2 billion annually managed centrally by Zurich's Procurement and Vendor Management function on goods and services that are required to enable Zurich to maintain and develop its operations. According to the 2023 baseline of MPS, excluding suppliers no longer active in the year of reporting.
5 We consider a supplier to have science-based targets when their emission reduction targets are approved by the SBTi, a similar scientifically accredited body or otherwise require a reduction of at least 42 percent in scope 1 and 2 emissions.
6 We consider a supplier to have net-zero targets when their net-zero target is approved by the SBTi, a similar scientifically accredited body or otherwise has a public target to neutralize any residual scope 1 and 2 emissions.

Customer data

Our areas of focus	Our progress
	2020 to 2024
Keep customers' data safe	Never sell customers' personal data. Not share customers' personal data without being transparent about it. Put customers' data to work so Zurich can better protect them and so they can get the most out of life.

Our people

Our areas of focus	Our progress				Our targets
	2021 to 2024				2025
Internal hires	2021: 68%	2022: 71.2%	2023[1]: 73.4%	2024: 72.8%	Annual increase

1 As of 2023, we included Farmers Group, Inc. and Cover-More. The internal hiring rate of career level A excludes external hires, as these positions are, by nature, mainly filled by external career starters, meaning the internal hiring rate of career level A is always 100 percent. The total % for 2024 (independent of career level) is also calculated without taking career level A external hires into account.

6.2 Material topics and subtopics reference table

Table 27
Material topics and subtopics reference table

Topic	Subtopic	Page	Section
Climate change (E1)	Climate change mitigation	137	Chapter 3. Our planet
	Climate change adaptation	137	Chapter 3. Our planet
Own workforce (S1)	Equal treatment and opportunities for all	196	Section 5.1.2 Diversity, equity, inclusion and belonging
	Working conditions	191	Section 5.1 Our people
	Other work-related rights	201	Section 5.3 Human rights
	Training and skills development	193	Section 5.1.1 Careers and work
Consumers and end-users (S4)	Information-related impacts for consumers and/or end-users	180 and 186	Sections 4.1 Customer experience and customer-centric solutions and 4.3 Fair and transparent advice
	Access to (quality) information	186	Section 4.3 Fair and transparent advice
Business conduct (G1)	Corporate culture	199	Section 5.2 Prevention of bribery & corruption
	Protection of whistleblowers	200	Section 5.2.3 Protected advice

6.3 TCFD reference table

Table 28

TCFD reference table

The sections listed in the table below are the main source of information on a given thematic area. There may be additional information in other parts of the sustainability report.

Thematic area	Recommended disclosure	Page	Section
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	135 to 136 136	2.1 Governance around climate-related risks and opportunities 2.2 Impact of climate-related performance on remuneration
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	135 to 136 136	2.1 Governance around climate-related risks and opportunities 2.2 Impact of climate-related performance on remuneration
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	137 137 to 139	3.1.1 Our approach to climate change 3.1.2 Managing climate risk
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	137 to 139 139 to 142	3.1.2 Managing climate risk 3.1.3 Natural catastrophe modeling: current exposure to physical risk
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	142 to 144 144 to 148 149 to 154 154 to 156 156 to 157 157 to 157	3.1.4 Portfolio level scenario-based climate risk analysis 3.1.5 Portfolio level scenario-based climate risk analysis: Underwriting 3.1.6 Portfolio level scenario-based climate risk analysis: Investments 3.1.7 Portfolio level scenario-based climate risk analysis: Own operations and supply chain 3.1.8 Portfolio level scenario-based climate risk analysis: Conclusions 3.1.9 Other climate risk assessment outcomes: litigation risk and reputational consequences
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	157 to 159	3.2 Risk management
	b. Describe the organization's processes for managing climate-related risks.	157 to 159	3.2 Risk management
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	137 to 139 139 to 142 157 to 159	3.1.2 Managing climate risk 3.1.3 Natural catastrophe modeling: current exposure to physical risk 3.2 Risk management
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	159 to 179	3.3 Targets and metrics
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	159 to 179 206 to 207	3.3 Targets and metrics 6.1 Our yearly progress on our targets and ambitions
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	159 to 160 206 to 207	3.3.1 Our targets 6.1 Our yearly progress on our targets and ambitions

6.4 Emissions profile

Table 29

Emissions profile

	In scope AuM (USDbn)							Absolute financed emissions (million metric tons CO2e)[1]						
	2024	2023	2022	2021	2020	2019 (baseline)	Diff (2024 to baseline)	2024	2023	2022	2021	2020	2019 (baseline)	Diff (2024 to baseline)
Zurich Corporate Portfolio	**46.6**	**49.6**	**47.7**	**63.1**	**64.3**	**58.5**	**(20)%**	**2.9**	**3.8**	**5.7**	**6.8**	**8.3**	**7.9**	**(63)%**
By investment asset class														
Listed equity	6.9	6.7	6.4	10.5	10.6	10.6	(35)%	0.4	0.4	0.5	0.7	0.8	1.0	(62)%
Corporate bonds	39.7	43.0	41.2	52.6	53.8	47.9	(17)%	2.5	3.4	5.1	6.0	7.5	7.0	(64)%
By region														
APAC	5.5	5.3	5.0	6.0	5.1	4.5	23%	0.7	0.9	1.3	1.8	1.8	1.8	(63)%
EMEA	30.0	32.0	29.5	40.7	42.5	38.2	(22)%	1.7	2.2	3.2	3.9	4.8	4.5	(63)%
Americas	11.1	12.4	13.2	16.3	16.7	15.9	(30)%	0.6	0.8	1.2	1.1	1.6	1.7	(66)%
By sector														
Utilities	3.2	4.0	4.0	4.8	4.7	4.4	(27)%	0.9	1.4	2.2	2.9	2.7	2.7	(66)%
Government-owned	1.5	1.9	1.7	2.2	2.6	2.7	(44)%	0.3	0.5	0.9	0.8	1.3	1.4	(79)%
Energy	1.5	1.8	1.9	2.5	2.7	2.1	(29)%	0.5	0.5	0.7	0.8	1.0	0.7	(27)%

1 Financial emissions cover scope 1+2 of underlying companies (listed equity and listed corporate credit) attributed with enterprise value methodology and matched, based on most recently available emission data.
2 Committed or set targets under SBTi.

	In scope AuM (USDbn)						Absolute emissions (metric tons CO2e)					
	2023	2022	2021	2020	2019 (baseline)	Diff (2023 to baseline)	2023	2022	2021[3,4]	2020[3,4]	2019 (baseline)	Diff (2023 to baseline)
Zurich global real estate portfolio[6,7]	**10.0**	**10.3**	**11.1**	**12.5**	**11.7**	**(14)%**	**34,491**	**37,110**	**39,362**	**50,669**	**53,181**	**(35)%**
APAC	0.1	0.1	NA	NA	NA	NA	589	555	NA	NA	NA	NA
EMEA	8.1	8.3	9.4	10.8	10.0	(19)%	24,761	27,183	27,897	37,244	41,153	(40)%
Americas	1.8	1.8	1.7	1.7	1.7	6%	9,141	9,372	11,465	13,425	12,028	(24)%

3 The CO2e emissions are calculated according to the location-based method. In cases where the data is available or properties use onsite/offsite renewable energies, the market-based methodology is applied.
4 The emission factors are retrieved from the IEA, (2020) with the exception of Switzerland for local calculation references (Intep, REIDA 2022 and local authorities) which are aligned with IEA.
5 The relative emissions intensity is calculated based on GFA of the buildings.
6 Real estate emissions are only available with a four-quarter lag. 2024 emissions will be reported in the 2025 sustainability report. Includes investment portfolio buildings only, as own-use buildings are part of our operational emissions target.
7 Direct real estate holdings form the base for the emission reduction targets. There are no applicable figures for the APAC region available.

	Relative emission intensity (metric tons CO2e/1 million market value)								% of financed emissions with SBTi[2]							
	2024	2023	2022	2021	2020	2019 (baseline)	Diff (2024 to baseline)	Target	2024	2023	2022	2021	2020	2019 (baseline)	Diff (2024 to baseline)	% of financed emissions in run-off under coal/oil sands policy 2023
	62	**77**	**119**	**108**	**128**	**136**	**(54)%**	**(25)%**	**24.8**	**21.8**	**23.3**	**19.9**	**19.5**	**14.3**	**73%**	**4.4%**
	52	57	84	71	74	90	(41)%		21.2	22.2	25.9	25.1	27.8	22.6	(6)%	
	64	80	125	115	139	146	(56)%		25.3	21.8	23.0	19.3	18.7	13.2	92%	
	120	164	261	292	355	400	(70)%		5.6	6.3	6.5	1.2	1.6	1.2	384%	17.1%
	56	68	108	95	113	118	(53)%		35.3	32.8	35.7	32.4	31.3	22.9	54%	0.3%
	52	63	89	70	98	105	(51)%		16.7	8.6	8.2	6.1	4.3	5.3	218%	1.7%
	288	358	547	600	565	616	(53)%		17.0	16.8	19.3	16.7	17.9	14.4	18%	12.3%
	200	262	518	375	498	529	(62)%		40.3	40.1	27.5	26.5	24.3	5.4	641%	3.9%
	311	290	383	310	384	305	2 %		0.0	0.0	0.0	0.0	0.0	0.0	0%	0.5%

	Relative emission intensity (kg CO2e/sqm)[5]						
	2023	2022	2021	2020	2019 (baseline)	Diff (2023 to baseline)	Target
	15.2	**16.2**	**17.2**	**20.4**	**21.6**	**(30)%**	**(30)%**
	59.5	56.0	NA	NA	NA	NA	
	17.1	17.9	18.2	21.3	22.9	(25)%	
	11.3	12.4	15.3	18.1	18.0	(37)%	

6.5 Career level distribution of our workforce

WORLD ECONOMIC FORUM S

Table 30

Career level distribution of our workforce

	Career level (%)[1]						Total % 2024	Total # 2024
	A	B	C	D	E	Senior management		
Dimension								
Region								
APAC	20.6	12.3	10.9	11.1	3.7	10.7	15.1	9,625
EMEA	39.7	36.1	34.5	37.7	23.9	36.9	40.4	25,822
LATAM	20.5	9.7	9.1	6.2	6.4	6.3	13.4	8,537
North America	18.6	39.7	37.6	24.4	24.8	24.4	28.6	18,235
Corporate Center	0.6	2.2	7.9	20.5	41.3	21.7	2.5	1,623
Gender								
Female	62.8	50.1	38.5	32.6	24.8	32.1	50.9	32,492
Male	37	49.6	61.3	66.6	75.2	67.1	48.4	30,872
Undisclosed gender[2]	0.2	0.3	0.3	0.8	0	0.7	0.7	478
Age group								
Age <30	30.6	9.5	0.7	0.1	0	0.1	14.7	9,364
Age 30-50	49.5	64.1	66.3	54.1	27.5	52.5	58.6	37,395
Age >50	19.9	26.4	33	45.8	72.5	47.3	26.8	17,083
Employment type								
Full-time	89.6	94.8	95.1	95.9	96.3	95.9	92.6	59,133
Part-time	10.4	5.2	4.9	4.1	3.7	4.1	7.4	4,709
Nationality								
National	70.6	51.6	48	52.5	32.1	51.3	61.6	39,301
Non-national	5.9	6.7	11.2	21.7	43.1	23	7.3	4,633
Undisclosed nationality[3]	23.4	41.7	40.7	25.8	24.8	25.7	31.2	19,908
Total (% 2024)	**24.8**	**48**	**8.4**	**2.8**	**0.2**	**3**	**100**	**N/A**
Total (# 2024)	**15,850**	**30,635**	**5,373**	**1,777**	**109**	**1,886**	**N/A**	**63,842**

1 The breakdown by career level excludes 'unranked' employees who are not assigned to any career level (15.8 percent of our workforce), comprising employees in Germany (not ranked due to locally applicable restrictions preventing the use of this data, 8.3 percent of our workforce), Zurich Kotak (due to recent acquisition, 2.8 percent of our workforce), Orion (0.3 percent of our workforce), and sales force teams (due to their higher volatility, 2.6 percent of our workforce). The total includes all employees, including 'unranked'.
2 'Undisclosed gender' refers to employees with no declared gender.
3 'Undisclosed nationality' refers to employees for whom we do not hold nationality/citizenship information, mostly from North America.

6.6 Swiss legal requirements (CO Art. 964b)

Table 31

Swiss Code of Obligations reference table

The sections listed in the table below are the main source of information on a given matter. There may be additional information in other parts of the sustainability report.

Legal requirements	Section	Page
General information required to understand our business	Our performance	8
	Our global business	9
	Our business mix	10 to 11
	Our business model	14 to 15
	Our strategy	16 to 18
Environmental matters (incl. CO2 goals)	Sustainability performance highlights 2024	117
	1.1 Our approach to sustainability	124 to 125
	1.2 Climate transition plan	125 to 128
	1.3 Our targets and ambitions	129 to 130
	1.4 Our exclusions and positions	131
	3. Our planet, in particular:	137 to 179
	– 3.1 Strategy	137 to 157
	– 3.2 Risk management	157 to 159
	– 3.3 Targets and metrics	159 to 179
	4.1.1 Revenues from sustainable solutions	181 to 183
Social matters	Sustainability performance highlights 2024	117
	1.1 Our approach to sustainability	124 to 125
	1.3 Our targets and ambitions	129 to 130
	1.4 Our exclusions and positions	131
	1.5 Stakeholder overview	132 to 133
	4. Our customers	180 to 190
	5.4 Sustainable sourcing	203
	5.5 Responsible tax	203 to 204
Employee-related matters	Sustainability performance highlights 2024	117
	1.1 Our approach to sustainability	124 to 125
	1.3 Our targets and ambitions	129 to 130
	1.5 Stakeholder overview	132 to 133
	5. People	191
	5.1 Our people	191 to 199
Human rights matters	1.1 Our approach to sustainability	124 to 125
	1.5 Stakeholder overview	132 to 133
	5.3 Human rights	201 to 202
	5.4 Sustainable sourcing	203
Corruption matters	1.1 Our approach to sustainability	124 to 125
	5.2 Prevention of bribery & corruption	199 to 201
References to national, European or international regulations	1. Introduction and strategy	120 to 121

6.7 Assurance scope visualization

Table 32

Assurance scope

The below reference table gives an overview of the metrics which have been externally assured for the year ended December 31, 2024 unless otherwise stated. The assurance degree (reasonable, limited) and the framework or standard used are detailed for each metric.

Where	Assured metric Table / figures / KPI	Title	Assurance degree	Annual report	Framework/Standard
Chapter 3 Our planet: Drive positive impact					
	Figure 11	Annual Expected Loss for top five peril regions	Limited	140	Zurich Insurance Group's methodology[1]
	Figure 13	Probable Maximum Loss by top three peril regions	Limited	141	SASB Standards
	KPI	Revenues from energy efficiency and low-carbon technologies	Limited	162	SASB Standards
	Table 4	Insurance-associated emissions: Baseline	Limited	162	Zurich Insurance Group's methodology[1]
	Table 5	Engagement: Baseline	Limited	162	Zurich Insurance Group's methodology[1]
	Table 6	Engagement progress	Limited	164	Zurich Insurance Group's methodology[1]
	Figure 23	Engagement progress for top 10 emitters without science-based targets (SBT)	Limited	164	Zurich Insurance Group's methodology[1]
	Figure 24	Top 10 emitters without science-based targets (SBT) by sector and region	Limited	165	Zurich Insurance Group's methodology[1]
	Table 7	Assets under Management: corporate portfolio	Limited	166	Zurich Insurance Group's methodology[1]
	Table 8	Absolute and relative emissions of the corporate portfolio	Limited	167	Zurich Insurance Group's methodology[1]
	Table 9	Corporate portfolio emissions with commitments or in run-off	Limited	168	Zurich Insurance Group's methodology[1]
	Table 11	Assets under Management: real estate portfolio (year-end 2023)	Limited	169	Zurich Insurance Group's methodology[1]
	Table 12	Absolute and relative emissions of the real estate portfolio (year-end 2023)	Limited	169	Zurich Insurance Group's methodology[1]
	KPI	Coverage ratio real estate portfolio (year-end 2023)	Limited	170	Zurich Insurance Group's methodology[1]
	Table 13	% green certified buildings in total real estate	Limited	172	Zurich Insurance Group's methodology[1]
	Table 14	Climate solutions	Limited	172	Zurich Insurance Group's methodology[1]
	Table 15	Investment portfolio managed by responsible investors	Limited	173	Zurich Insurance Group's methodology[1]
	Figure 29	Proxy voting	Limited	174	Zurich Insurance Group's methodology[1]
	KPI	People benefited and emissions avoided through impact investment portfolio	Limited	175	Zurich Insurance Group's methodology[1]
	Figure 30	Impact metrics	Limited	175	Zurich Insurance Group's methodology[1]
	Table 16	Impact investing portfolio	Limited	176	Zurich Insurance Group's methodology[1]
	Table 17	Absolute carbon emissions coming from our own operations	Reasonable	178	GRI Standards
	Table 18	Absolute carbon emissions estimated for entities not included in the baseline	Reasonable	179	Zurich Insurance Group's methodology[1]

1 Regarding performance indicators in line with Zurich Insurance Group's methodology, a description of the methodology is included in the relevant sections of the sustainability report.

Where	Assured metric: Table / figures / KPI	Title	Assurance degree	Annual report	Framework/Standard
Chapter 4 Our customers: Their needs are at the heart of everything we do					
	Figure 31	Revenues from sustainable solutions split by region and sustainable category	Limited	182	Zurich Insurance Group's methodology[1]
	Figure 32	Revenues from sustainable solutions by product category	Limited	183	Zurich Insurance Group's methodology[1]
	KPI	Retail – customer retention rate	Limited	185	SASB Standards
	KPI	Commercial Insurance – Premium retention rate	Limited	185	Zurich Insurance Group's methodology[1]
	KPI	Corporate Life and Pensions – customer retention rate	Limited	185	SASB Standards
	KPI	Employees completing data protection and privacy training	Limited	187	Zurich Insurance Group's methodology[1]
	KPI	Employees completing information security awareness training	Limited	187	Zurich Insurance Group's methodology[1]
Chapter 5 Our people: Let's grow together					
	KPI	Total Group headcount	Limited	192	Zurich Insurance Group's methodology[1]
	Figure 33	Our workforce	Limited	192	Zurich Insurance Group's methodology[1]
	Table 20	New hires	Limited	193	WEF IBC metrics
	KPI	% of all promotions are women	Limited	194	Bloomberg GEI methodology
	Table 21	Internal hires	Limited	194	Zurich Insurance Group's methodology[1]
	Table 22	Average learning hours	Limited	195	WEF IBC metrics
	KPI	Total number of hours training registered on MyDevelopment	Limited	195	WEF IBC metrics
	KPI	Average training expenditure per full time employee	Limited	195	WEF IBC metrics
	KPI	Total expenditure on training	Limited	195	WEF IBC metrics
	Table 23	Turnover	Limited	196	WEF IBC metrics
	KPI	% of individuals voluntarily or involuntarily departing the organization are women	Limited	195	Bloomberg GEI methodology
	KPI	% of our people managers are women	Limited	197	Bloomberg GEI methodology
	KPI	% of our individual contributors are women	Limited	197	Bloomberg GEI methodology
	KPI	% of our employees working in IT or engineering roles are female	Limited	197	Bloomberg GEI methodology
	KPI	Employees completing anti-corruption training overall and by region	Limited	200	WEF IBC metrics
	KPI	Completion rate of the supplier due diligence training (%)	Limited	203	Zurich Insurance Group's methodology[1]
	KPI	% of MPS with suppliers in compliance with or exceeding our SCOC	Limited	203	Zurich Insurance Group's methodology[1]
	KPI	% of MPS with suppliers that have science-based emissions reduction targets	Limited	203	Zurich Insurance Group's methodology[1]

1 Regarding performance indicators in line with Zurich Insurance Group's methodology, a description of the methodology is included in the relevant sections of the sustainability report.

Where	Assured metric		Assurance degree	Annual report	Framework/Standard
	Table / figures / KPI	Title			
Chapter 5 Our people: Let's grow together					
	KPI	% of MPS with suppliers that have net-zero targets	Limited	203	Zurich Insurance Group's methodology[1]
	Table 25	Charitable cash contributions	Limited	205	Zurich Insurance Group's methodology[1]
Appendix					
	Table 30	Career level distribution of our workforce	Limited	212	WEF IBC metrics
WEF IBC index					
	KPI	Financial assistance received from the government	Limited	WEF Index table	WEF IBC metrics

1 Regarding performance indicators in line with Zurich Insurance Group's methodology, a description of the methodology is included in the relevant sections of the sustainability report.

7. Independent assurance report

Shape the future
with confidence

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To the Executive Committee of

Zurich Insurance Group Ltd, Zurich

Zurich, 19 February 2025

Independent Assurance Report on selected Indicators in the Annual Report 2024

We have been engaged to perform assurance procedures to provide limited and reasonable assurance on selected indicators (including GHG emissions) included in Zurich Insurance Group Ltd and its consolidated subsidiaries' (the Group´s) Sustainability Report, integrated in the Annual Report 2024 for the year ended 31 December 2024 (the Report).

Our limited and reasonable assurance engagement focused on selected indicators (including GHG emissions) as presented in Appendix 6.7 - table 32 in the Report.

We did not perform assurance procedures on other information included in the Report, other than as described in the preceding paragraph, and accordingly, we do not express a conclusion or opinion on that information.

Applicable criteria

The Group defined as applicable criteria (the Applicable Criteria):

- Global Reporting Initiative Standards (GRI) complemented by Zurich Insurance Group's methodology for environmental indicators 2024 for indicators listed under 'Reasonable assurance' section in the Appendix. A description of the methodology is available under 'Zurich's path to net-zero operations' at: https://www.zurich.com/sustainability/planet/net-zero-in-operations, 'Overview of operational emissions targets and results'.
- SASB Insurance reporting standard for indicators listed under 'SASB standard indicators' section in the Appendix. The guideline is presented on the SASB webpage at: https://www.sasb.org/standards/download/.
- World Economic Forum's (WEF) Metrics of Sustainable Value Creation for indicators listed under 'WEF IBC metrics' section in the Appendix. The guideline is presented on the WEF webpage at: https://www.weforum.org/stakeholdercapitalism/our-metrics.
- Zurich Insurance Group's own methodology for indicators listed under 'Indicators based on Zurich Insurance Group's own methodology' section in the Appendix. A description of the methodology for these selected indicators is included in the relevant sections of the sustainability indicators as listed in the Appendix.
- Partnership for Carbon Accounting Financials (PCAF) for indicators listed under 'Indicators based on PCAF methodology'. The guideline is presented on the PCAF webpage at https://carbonaccountingfinancials.com/en/standard#a
- Bloomberg GEI methodology for indicators listed under 'Indicators based on Bloomberg GEI framework'. The guideline is presented on the Bloomberg GEI webpage: Companies Take Action on Diversity and Inclusion in Bloomberg's 2023 Gender-Equality Index

Inherent limitations

The accuracy and completeness of selected indicators (including GHG emissions) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the non-financial matters indicators is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the emissions factors and the values needed to combine e.g. emissions of different gases. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Our assurance report should therefore be read in connection with Zurich Insurance Group's Sustainability Report section of the Report, its definitions and procedures on non-financial matters reporting therein.

Responsibility of the Management

The management is responsible for the selection of the Applicable Criteria and for the preparation and presentation, in all material respects, of the selected indicators (including GHG emissions) in accordance with the Applicable Criteria. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the Report that are free from material misstatement, whether due to fraud or error.

Independence and quality control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies the *International Standard on Quality Management 1*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Limited assurance:

Our responsibility is to express a conclusion on the selected indicators based on the evidence we have obtained.

Reasonable assurance:

Our responsibility is to express an opinion on the presentation of the selected indicators (including GHG emissions) based on the evidence we have obtained. We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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We conducted our limited and reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform this engagement to obtain limited and reasonable assurance about whether the selected indicators (including GHG emissions) are free from material misstatement, whether due to fraud or error.

Summary of work performed

Limited assurance:

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Our limited assurance procedures included, amongst others, the following work:

- Assessment of the suitability of the Applicable Criteria and their consistent application
- Interviews with relevant personnel to understand the business and reporting process, including the sustainability strategy, principles and management
- Interviews with the Group's key personnel to understand the sustainability or non-financial reporting system during the reporting period, including the process for collecting, collating and reporting the indicators and non-financial information
- Checking that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Applicable Criteria
- Analytical review procedures to support the reasonableness of the data
- Identifying and testing assumptions supporting calculations

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Reasonable assurance:

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about the Indicators in scope of reasonable assurance. The procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error, in the Indicators in scope of reasonable assurance. In making those risk assessments, we considered internal controls relevant to Zurich Insurance Group's preparation of the Indicators in scope of reasonable assurance.

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Our reasonable assurance procedures included, amongst others, in addition to the procedures listed above for the limited assurance engagement, the following work:

- Site visits (physical or virtual) in selected countries to (visually) inspect operations, perform inquiries and inspect documents on a sample basis
- Testing, on a sample basis, of underlying source information to check the accuracy of the data
- Identification and testing of assumptions supporting calculations
- Evaluation of the overall presentation, structure and content of the environmental disclosures

We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Conclusion – limited assurance
Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected indicators in the Report of Zurich Insurance Group Ltd have not been prepared, in all material respects, in accordance with the Applicable Criteria.

Opinion – reasonable assurance
In our opinion, the selected indicators (including GHG emissions) in scope of reasonable assurance in the Report of Zurich Insurance Group Ltd are presented, in all material respects, in accordance with the applicable criteria.

Ernst & Young Ltd

Mark Veser (Qualified Signature) Executive in charge	Yana Toengi (Qualified Signature) Partner