

Sustainability Report 2024



ZURICH®

Contents

About This Report	3	5.1 Customer experience and customer-centric solutions	53
Executive message on sustainability	5	5.1.1 Revenues from sustainable solutions	54
1. Introduction	7	5.1.2 Innovating for our customers	56
2. Creating positive impact for stakeholders	9	5.2 Customer retention	57
2.1 Sustainability is about the way we do business	9	5.3 Fair and transparent advice and engagement	57
2.1.1 Our purpose	9	5.3.1 Customer communication	58
2.1.2 Assessing materiality	10	5.3.2 Continuously measuring and improving claims management	58
2.1.3 Our Sustainability and Value-Based Intermediation Takaful Policies	13	5.4 Digital confidence and trust	59
2.1.4 Our targets and ambitions	14	5.4.1 Data and Responsible AI Commitment	59
2.2 Managing risks and opportunities	15	5.4.2 Cybersecurity	61
2.3 Involving our stakeholders	19	5.4.3 Business resilience	62
2.3.1 Supply chain	20	6. Our people: Let's grow together	63
2.3.2 Responsible tax	20	6.1 Attracting and retaining talent for a sustainable future	63
2.3.3 Community Investment	21	6.1.1 Attraction	64
3. Governance: Sustainability is embedded in our governance framework	24	6.1.2 Learning and development	65
3.1 Governance around climate-related risks and opportunities	25	6.1.3 Engagement	66
3.2 Impact of climate-related performance on remuneration	26	6.1.4 Retention	67
4. Our planet: Drive positive impact	27	6.2 A positive work environment	67
4.1 Strategy	28	6.2.1 Our commitment to diversity, equity, inclusion and belonging	68
4.1.1 Our approach to climate change risk	28	6.2.2 Our approach to wellbeing	69
4.1.2 Managing climate risks	28	6.3 Respecting human rights	71
4.1.3 Natural catastrophe modeling: current exposure to physical risk ¹	32	6.4 Prevention of bribery and corruption	74
4.1.4 Portfolio level scenario-based climate risk analysis	34	6.4.1 Anti-Bribery and Anti-Corruption	74
4.1.5 Portfolio level scenario-based climate risk analysis – Underwriting	37	6.4.2 Training and awareness	75
4.1.6 Portfolio level scenario-based climate risk analysis – Investment Management	41	6.4.3 Protected advice	75
4.1.7 Portfolio level scenario-based climate risk analysis – Conclusion	44	7. Appendix	77
4.2 Risk Management	45	7.1 Our targets and ambitions	77
4.2.1 Integration of climate risk within the overall risk management framework	45	7.2 TCFD reference table	78
4.2.2 Managing risks from climate-related natural catastrophes	45	7.3 Assurance scope	79
4.2.3 Portfolio level, scenario-based climate risk analysis	46	8. Independent assurance report	82
4.3 Metrics and targets	48	9. Index tables	90
4.3.1 Our targets	48	9.1 Planet - taking action today to safeguard tomorrow - Indicator index 2024	90
4.3.2 Our performance metrics	48	9.2 GRI index 2024	91
5. Our customers: Their needs are at the heart of everything we do	52	9.3 SASB index 2024	96
		9.4 WEF IBC index 2024	98

About This Report

Sustainability is an integral part of Zurich Malaysia's value system, and we are committed to making our business more resilient while helping our customers prepare for the future. We have seamlessly integrated sustainability across our strategy and operations.

To bring our sustainability ambitions to life, we will continue to leverage technology, innovation, learning, partnerships, and governance as key enablers of implementation and scaling impact. Every part of our business has a role to play. As an advocate, adviser, and role model, we aim to empower individuals, small and medium-sized enterprises (SMEs), and organizations to act today and create a brighter tomorrow.

As of the end of December 2024, we manage and administer approximately RM15 billion in investments on behalf of our customers. This Sustainability Report outlines how we take climate-related matters into account whilst managing customer investments. It includes information about our governance, strategy, and risk management practices to address climate change risks and opportunities, as well as carbon emission metrics related to our assets.

This inaugural sustainability report for Zurich Malaysia aims to enhance customer understanding and awareness of climate-related risks and opportunities, enabling informed decisions regarding investments and savings in our insurance and takaful funds.

This statement encompasses the management and performance of Zurich Life Insurance Malaysia Berhad ("ZLIMB"), Zurich General Insurance Malaysia Berhad ("ZGIMB"), Zurich Takaful Malaysia Berhad ("ZTMB"), Zurich General Takaful Malaysia Berhad ("ZGTMB"), Zurich Holdings Malaysia Berhad ("ZHMB"), Zurich Services Malaysia Sdn Bhd ("ZSM") and Zurich Shared Services Malaysia Sdn Bhd ("ZSSM"), collectively referred to as "Zurich Malaysia". Unless stated otherwise, the data presented is from Zurich Malaysia.

The Zurich Group's Sustainability Commitment

Zurich Malaysia is part of the Zurich Group which is headquartered in Zurich, Switzerland, where it was founded in 1872.

Sustainability is at the core of our organization. We continuously seek to identify new challenges and opportunities, investing our resources where we can make the most significant impact. We strive to understand the environment and capture the opportunities it presents for our business. We believe taking an integrated approach is the key to our success, meaning we place sustainability at the core of our organization and stakeholder interactions. We are conscious of the impact we have on people and the planet, and we keep this in mind in our own operations, investment portfolio, and underwriting. We have set high expectations to embed sustainability globally, combining top-down and bottom-up initiatives to engage all regions. Through this hybrid approach, we ensure all countries contribute toward common goals.

Since 2021, our Group's climate risk related disclosures align with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures ("TCFD").

Managing our own operations is a crucial part of our sustainability strategy to meet our emissions goals and lead by example within our business and with our suppliers. In March 2021, the Zurich Group publicly announced new science-based emissions reduction targets, committing to net-zero operations by 2030.

Sustainability is a complex and interconnected topic that we cannot address alone. Therefore, we have signed several global initiatives to advance our work in collaboration with industry and global peers.

- Business Ambition for 1.5°C Pledge
- Principles for Responsible Investment
- United Nations-convened Net-Zero Asset Owner Alliance
- United Nations Environment Program Finance Initiative ("UNEP FI") Principles for Sustainable Insurance
- United Nations Global Compact
- The World Economic Forum ("WEF") Good Work Alliance

About This Report (continued)

The Zurich Group's Sustainability Commitment (continued)

Our Malaysian Journey^{1,2,3}

As the only global brand in the market authorized to hold four insurance and takaful licenses, Zurich Malaysia offers a diverse range of coverage, from life and general insurance products to Shariah-compliant family and general takaful plans. With a commitment to safeguarding and caring for what matters most, we stand as a trusted partner, ensuring peace of mind and financial security, empowering Malaysians to embrace a future filled with optimism.

Zurich General Insurance Malaysia Berhad caters to the protection needs of individuals and business owners through a broad spectrum of general insurance solutions, including motor, travel, property, financial and personal lines, SMEs, and large industrial risks. Zurich Life Insurance Malaysia Berhad offers a comprehensive range of life insurance products, including medical, health, savings, and investments solutions to address customers' financial security needs.

Additionally, Shariah-compliant family and general takaful solutions are available through our sister companies, Zurich General Takaful Malaysia Berhad and Zurich Takaful Malaysia Berhad. Supported by a combined network of nationwide branches, dedicated employees, agency force, distributors, and reputable partners, we are committed to delivering what matters, when it matters, to our customers. For more information on Zurich Malaysia's sustainability initiatives, please visit www.zurich.com.my.

Reporting Period

This statement covers the period from 1 January 2024 to 31 December 2024, unless stated otherwise.

Reporting Principles and Framework

This statement is guided by the following standards and guidelines, particularly in the preparation of non-financial data:

- Bank Negara Malaysia Policy Document on Climate Risk Management and Scenario Analysis ("CRMSA") (BNM/RH/PD 028-124)
- Taskforce on Climate-related Financial Disclosures ("TCFD")*
- Global Reporting Initiative ("GRI") Standards 2021
- Sustainability Accounting Standards Board ("SASB") Standards

* While the TCFD has now disbanded after fulfilling its remit, the principles remain valid and further information can be found on its [website](https://www.tcfdd.org/).

1. [The Zurich Story | Tell Me About Zurich | Zurich Malaysia](#)

2. [What We Stand For | Zurich Malaysia](#)

3. [Client Service Charter | Zurich Malaysia](#)

Executive message on sustainability



We focus on sustainability as an important part of our business strategy.

Junior Cho
Country Chief Executive Officer
Zurich Malaysia

At Zurich Malaysia, many decisions are driven by our ambition to become more sustainable every year, responding to customer expectations and the growing demand for social and environmental engagement. Our shareholders also emphasize sustainability, requiring us to achieve growth and profits while advancing our sustainability priorities.

That's why we continue to focus on sustainability as a vital part of our business strategy.

During the 2024-2025 financial cycle, we will accelerate innovation in the products and services we offer to customers and deliver on our sustainability targets in the areas of Planet, Customers, and People.

Planet Sustainability

We focus on achieving net-zero outcomes, as a low-carbon economy positively impacts climate and society. Reducing emissions is central to our efforts.

Customer Sustainability

To meet our customers' evolving needs, we continuously expand our range of sustainable products and services. These offerings are designed to support activities that generate positive environmental or social impact and help mitigate climate risks.

Our sustainable solutions, including insurance and takaful products, add-on coverages, investment products and services, generated RM10.5 million in revenue during 2024 (RM11 million in 2023).

We are determined to handle customer data responsibly as gaining and retaining customer trust is essential to our business operations.

In 2024, we strengthened our privacy management capabilities and further deployed Artificial Intelligence (AI) to improve customer service. Our AI Assurance Framework helps mitigate risks associated with these technologies, ensuring they are used responsibly and effectively.

People Sustainability

Our focus on People Sustainability reflects our aim to actively support our employees in remaining employable for the long term while addressing customer and societal needs. At Zurich Malaysia, we provide a wide range of opportunities for employees to grow and develop their skills and careers. We also prioritize the physical, mental, financial, and social wellbeing of our employees, alongside our commitment to diversity, equity, inclusion, and belonging.

Sustainability is an integral part of our value system. We are committed to making our business more resilient and helping our customers prepare for the future. We recognize that there is always more we can do and our Sustainability and Value-Based Intermediation Takaful Policies* will continue to evolve.

In this report, we share the progress we have made in 2024 across our Planet, Customer, and People focus areas, detailing both our quantitative targets and our qualitative ambitions.

* The Sustainability and Value-based Intermediation Takaful Policy apply specifically to ZTMB and ZGTMB. The Sustainability Policy, however, is applicable to all other Zurich Malaysia entities. For the purposes of this report, we will collectively refer to these as the Sustainability and Value-based Intermediation Takaful Policies, as applicable.

Executive message on sustainability (continued)

Sustainability performance highlights 2024¹

Planet

- 84%

Reduction CO₂e emissions from our own operations²

2023: -70%

- 98%

Reduction in scope 1 and 2 CO₂e emission³

2023: -99%

- 73%

Reduction in scope 3 emission⁴

2023: -48%

Customers

RM 10.5m

Sustainable revenues⁵

2023: RM 11m

3.6 point

Increase in transactional Net Promoter (tNPS)⁶

2023: 4.5 point

60.6%

Customer retention⁷

2023: 61.0%

People

57.4%

internal hires⁸

34.6%

Female share in senior management⁹

51,730

Total learning hours

1. Please note that parentheses around percentages or points indicate a reduction.

2 3 4. Compared to our 2019 baseline.

5. Based on our internal definition.

6. tNPS is a specific indicator that is calculated as part of the NPS program – with NPS being the global best practice standard for customer experience measurement.

7. Customer retention rate for all insurance business operates in Zurich Malaysia.

8. As of 2024, we have evolved the definition of this metric to include internal career opportunities generated for entry-level roles (career level A), international moves, re-hires, and changes in employment types from temporary to permanent. Entry-level roles (career level A) remain excluded from 'external hires' as these positions are, by nature, filled by external career starters.

9. Senior management represents the combination of career levels D and E.

1. Introduction

Sustainability is a long-term endeavor.

As an insurer, trust is vital to our success. We build this trust by doing the right things in the right way and being transparent about the impacts of our actions. Zurich Malaysia continues to embed sustainability across our business through accountable, transparent, measurable initiatives. We incentivize sustainable actions alongside financial performance by including sustainability targets in management target cards and variable remuneration for senior positions, including the Executive Committee (ExCo).



Sustainability is more than transparent reporting - it is the synergy between open disclosure and purposeful actions. It's through this balanced approach that we build trust, drive meaningful progress, and achieve tangible results to pave the way for a resilient future.

Chin Yuen Leng
Chief Financial Officer



On reporting, we strongly believe in the need to disclose clear, comprehensive, and high-quality information on our performance, against key sustainability indicators. We advocate for harmonization and rationalization of sustainability reporting frameworks. The year 2024 has seen significant developments in this area, transitioning from industry-led voluntary initiatives to more standardized frameworks, regulatory requirements, and governmental actions. Noteworthy milestones include the implementation of new legal requirements in Malaysia under the Bank Negara Malaysia (BNM) regulations, Malaysia's National Sustainability Reporting Framework (NSRF) and the publication of the IFRS S1 and S2 standards by the International Sustainability Standards Board (ISSB).

While these developments are welcome, the challenge now is to ensure interoperability between different standards and crucially for companies to strike a balance between resources allocated to reporting and taking concrete actions towards sustainability. Reporting can be a valuable catalyst, but it is the synergy between reporting and action that paves the way for a sustainable future, where transparency fuels progress and tangible results become evident. For that, we continue to be guided by our Sustainability Policy and Value-Based Intermediation Takaful Policies focused on our customers, our planet and its people. These policies serve as the cornerstones to build a resilient organization that responds to the needs of our time.

Figure1

Sustainability and Value-based Intermediation Takaful Policies



1. Introduction (continued)

2024 sustainability highlights

Zurich Malaysia is proud to share some of the sustainability actions and outcomes we have accomplished in 2024.

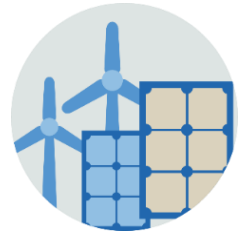


Confirmation on the resilience of our strategy

We performed our first portfolio-level scenario-based climate risk analysis, focusing on our underwriting and investments. The outcomes of this analysis suggest that our customer-focused approach and diversified portfolios, supported by strong risk management practices, continue to provide the resilience and flexibility necessary to adapt to the observed impacts of climate change. These outcomes are used to determine appropriate responses and confirm the resilience of our strategy.

A focus on our climate resilience offering

In 2024, Zurich Resilience Solutions (ZRS) expanded the reach of its Climate Resilience offering and began a collaboration with KPMG to provide advisory services to address physical and transition risks, associated with climate change¹. ZRS offers risk assessment services, plans review services, and recommendations for risk improvement to help customers achieve a “risk neutral” exposure.



Providing new opportunities to our people

Our commitment to offering new opportunities and development areas for our employees underscores our emphasis on internal hires. For instance, the Talent Acquisition team regularly publishes vacancies on SharePoint and communicates these opportunities to employees on a regular basis. This approach encourages employees to review and apply for internal positions easily. Such initiatives are made possible through consistent communication efforts using internal channels like the intranet, and fostering strong communication between HR teams and managers.

Including non-financial targets in executive incentive plans

As we enter the 2024-2025 financial cycle, our long-term incentive plan (LTIP) includes operational CO₂e emissions as one of the key factors, highlighting the importance we place on non-financial targets.



Broadening the support to our customers

We continue to upskill and cross-train underwriters and recruit additional expertise as needed, building our talent pipeline to better support our customers.

1. This advisory service builds on more than a decade's experience in Zurich's natural hazards assessment methodology, expanding to climate change and addressing needs beyond immediate insurance/takaful requirements.

1. Introduction (continued)

Basis for presentation

This inaugural sustainability report for Zurich Malaysia is based on good practices, emerging regulations, standards and reporting frameworks, providing insights into the most material topics for our business and stakeholders. In 2024, we are reporting based on the requirements of BNM's Climate Risk Management Scenario Analysis (CRMSA), incorporating recommendations set out by the Task Force on Climate-related Financial Disclosure (TCFD) and following guidance from the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) standards for the insurance and takaful industries.

The report covers data from January 1 to 31 December 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 the footnotes in the respective tables. Detailed index tables related to SASB and WEF IBC, alongside references to the Global Reporting Initiatives (GRI) can be found at the end of this Report.

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

2. Creating positive impact for stakeholders

2.1 Sustainability is about the way we do business

We believe social responsibility and care for our planet are aligned with shareholders' interests. For us, sustainability is both a business opportunity and an urgent global imperative. That is why we have integrated sustainability across our business, both globally and locally. We will continue to use the levers we have as a global insurer to make a positive impact on the world. Sustainability is about how we do business.

Sustainability reporting captures our progress toward our qualitative ambitions and quantitative targets. Based on our Sustainability and Value-Based Intermediation Takaful Policies, we cluster our reporting into three main focus areas: Planet, Customers, and People. These focus areas reflect our aim to achieve outcomes that benefit the Planet, Customers, and People in the long term.

2.1.1 Our purpose



Living up to our purpose of creating a brighter future together will strengthen our core business and positively impact our performance as an underwriter, investor, and employer. With changing customer expectations and an increasing demand for social and environmental engagement, sustainability is becoming a driver for value creation. Our purpose inspires us to leverage our business model to scale positive impact for the Planet, Customers and People, and to build partnerships that can drive transformative changes.

2. Creating positive impact for stakeholders (continued)

2.1.2 Assessing materiality

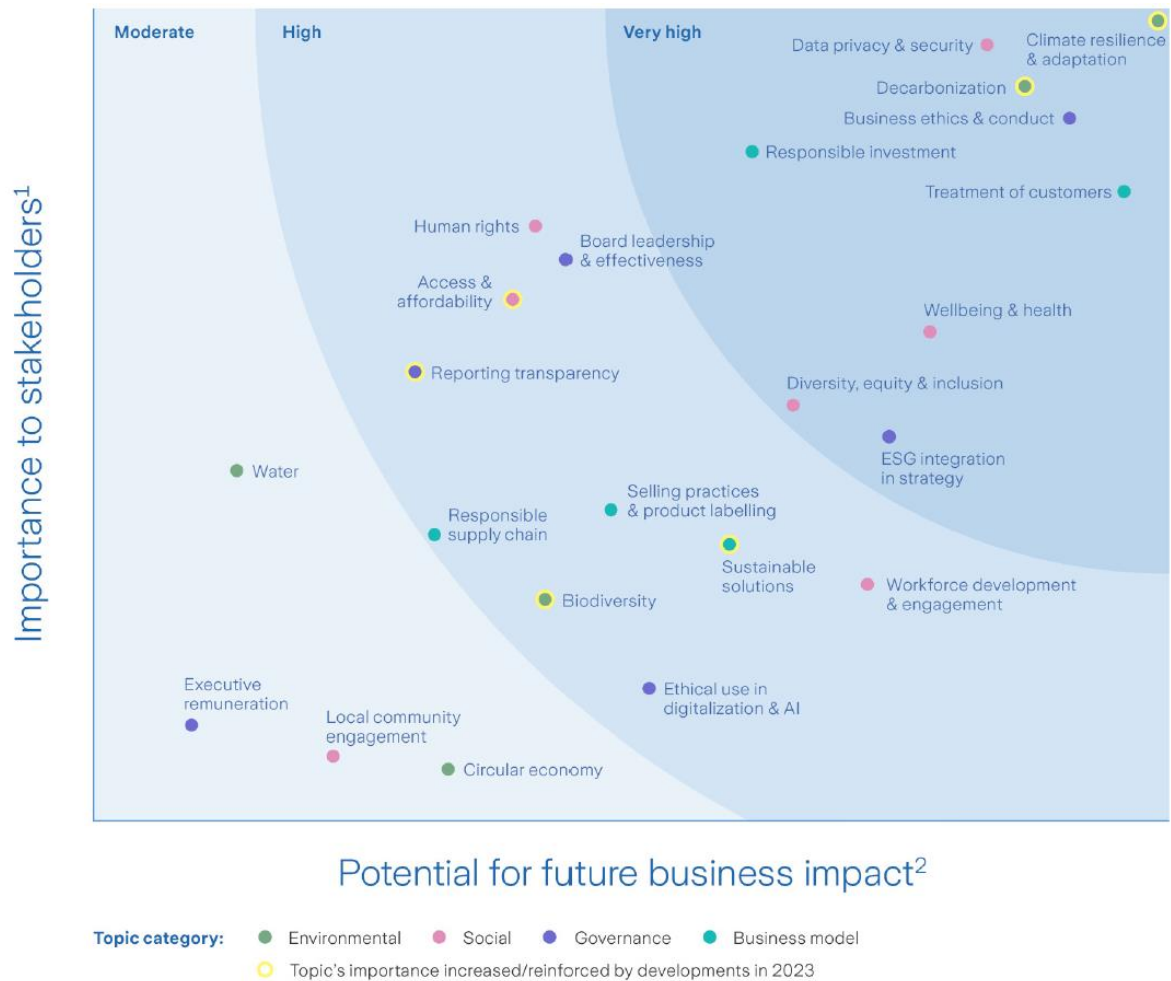


As our sustainability efforts continue to evolve, we strive to clearly understand key issues, risks, and opportunities. The Materiality Matrix 2023 of Zurich Group, which includes critical inputs for our Sustainability Framework, reflects this effort. Numerous strategic foresight interviews with key leaders across the organization have helped translate specific materiality issues into the priorities and targets that underpin our overall approach to sustainability.

Figure 2

[Materiality matrix 2023](#)

Zurich Group materiality matrix includes highlighted topics seen as significant developments in 2023.



¹ External view (2022) based on stakeholders' expectations for Zurich and their perceived importance of the topic.

² Internal view (2022) based on surveys and interviews with Zurich leaders and employees.

2. Creating positive impact for stakeholders (continued)

2.1.2 Assessing materiality(continued)

Confirmation of the material topics.

The section below highlights existing material issues.

Decarbonization

Topic definition: Reducing greenhouse gas emissions across all economic sectors in line with the Paris Agreement.

Summary of key development:

- BNM has set a strategic path for financial institutions towards sustainability. As part of its broader effort to support Malaysia's transition to a low carbon economy, on 1 April 2021, BNM introduced the Climate Change Principles-Based Taxonomy policy document to encourage the integration of climate risk assessments and sustainable investment practices.

[Read more about our commitment to net-zero and our targets:](#)
4.3.1 Our targets, page 48.

Climate Resilience & Adaptation

Topic definition: Responding to the physical impacts of climate change through actions that build systemic resilience and effective adaptation of our business model and the companies and communities we serve.

Summary of key development:

- Severe heatwaves and historical flooding have cemented climate adaptation and resilience as critically important for countries, companies, cities, and individuals - especially as ongoing emissions will continue to accelerate climate change and its physical impacts for decades.

[Read more about our climate resilience:](#)
4. Our planet: Drive positive impact, pages 27 to 51.
Our Climate Resilience offering, page 56 under 5.1.2 Innovating for our customers.

Topics of importance.

The section below highlights topics of importance for Zurich.

Sustainable Solutions

Topic definition: Insurance and takaful products, add-on coverage, investment products, and advisory services designed or adapted to support activities that generate positive environmental or social impacts and contribute to mitigating climate risks for our customers.

Summary of key developments:

- Zurich Group has targets on scaling climate solutions investments across asset classes including green bonds, private equity funds, impact infrastructure private debt and real estate.
- Zurich Group's Sustainability Framework, places a clear strategic emphasis on growing revenue from sustainable solutions, making it a priority and opportunity for Zurich Malaysia.
- More people and companies are asking how an insurer can actively contribute to sustainability and/or mitigate the climate crisis. Therefore, services that support a more sustainable life and/or business are increasingly coming into focus and will likely contribute to customer growth and retention in an increasing number of markets.

[Read more about our sustainable solutions:](#)
5.1 Customer experience and customer-centric solutions, page 53.

2. Creating positive impact for stakeholders (continued)

2.1.2 Assessing materiality(continued)

Topics of importance. (continued)

The section below highlights topics of importance for Zurich. (continued)

Nature & Biodiversity

Topic definition: Preservation and regeneration of nature to ensure well-functioning ecosystem services that underpin the natural capital all economies depend on.

Summary of key developments:

- The growing acknowledgment of nature and biodiversity's significance has been widely accepted by society, the scientific community, and increasingly among businesses, especially following the adoption of the Kunming-Montreal Global Biodiversity Framework.
- The publication of the recommendations by the Taskforce on Nature-related Financial Disclosures (TNFD) marks a crucial step in supporting the implementation of the Global Biodiversity Framework.
- There is a continued progression in the maturation of assessment and disclosure frameworks, alongside endeavors to incorporate nature into transition planning.

Reporting Transparency

Topic definition: Regular reporting to all stakeholders on sustainability performance and execution of strategy in line with regulatory requirements and recognized frameworks.

Summary of key developments:

- BNM is in the process of implementing reporting requirements related to disclosure and due diligence of sustainability-related topics across a company's value chain, significantly increasing the external reporting expectations and auditability of a growing number of non-financial KPIs.
- Similarly, greenwashing regulations are triggering more allegations and penalties for companies, making accurate disclosure of environmental performance more important than ever. Increased scrutiny is creating potential for reputational impacts and even extends beyond the typical boundaries of a company to its value chain partners.

[Read more about our approach to sustainability reporting:](#)

[1. Introduction, pages 7 to 9](#)

Access & Affordability

Topic definition: Enhancing financial inclusion of society by offering fairly-priced and effective products and solutions that are easily accessible, targeting a wide audience to help close protection gaps.

Summary of key developments:

- Structural changes to the typical employee-employer relationship are quickly evolving, with hybrid work becoming an increasing proportion of the workforce, creating new risks and opportunities for adapting traditional social safety nets to expand access and relevance of insurance/takaful.
- Inflation pressures have been driving challenges to the affordability of insurance and takaful due to the cost of living and the underlying inflation of the goods and assets covered by our claims payouts.

[Read more about our approach to developing innovative solutions enhancing resilience for our customers:](#)

[5.1.2 Innovating for our customers, page 56.](#)

2. Creating positive impact for stakeholders (continued)

2.1.3 Our Sustainability and Value-Based Intermediation Takaful Policies

Since 2022, we have been working to integrate sustainability across our strategies locally. This builds on our progress to date and aims to meet the current and future needs of our stakeholders. As an advocate, adviser and role model, we want to empower individuals and organizations to act today and create a better tomorrow.

Figure 3

Our three focus areas – Planet, Customer and People highlighting our ambitions and targets



Planet: Mitigate and adapt to climate change

- Net-zero operations by 2030, investments and underwriting by 2050
- Interim 2025 target set for operations and investments¹
- Interim targets for underwriting set in 2024



Customer: Support transformation towards a sustainable future.

- Grow sustainable revenue
- Increase impact investments to 5% of invested assets
- Deliver digital sustainability



People: Future proof our people and enable more to thrive

- Increase share of internal hires
- Create values-aligned work environment embracing DEIB²
- Support people to protect their physical, mental, financial, and social wellbeing

- Planet: We will focus on achieving net-zero outcomes while improving the resilience of our planet and society.
- Customers: We work closely with our customers to grow solutions that support their transition to a net-zero future, encouraging sustainable lifestyles to thrive today and flourish tomorrow.
- People: As a global employer and provider of protection solutions to millions of people, we actively support our people to remain employable for the long term, while addressing customer and societal needs.

In practice, these three focus areas are intertwined. For example, our innovative underwriting and claims solutions offer positive results for customers that can also benefit people and the planet.

To bring our sustainability ambitions to life, we will continue to use technology, innovation, learning, partnerships and governance as key enablers of implementation and scaling impact. Every part of our business has a role to play.

¹ More details in section 2.1.4 Our targets and ambitions on page 14.

² Diversity, Equity, Inclusion and Belonging, read more in section 6.2.1 Our commitment to diversity, equity, inclusion and belonging.

2. Creating positive impact for stakeholders (continued)

2.1.4 Our targets and ambitions

To execute our Sustainability and Value-Based Intermediation Takaful Policies, we have set both qualitative ambitions and quantitative targets¹. In line with our aim to be transparent, we report yearly on our progress against those ambitions and targets. Please note that parentheses around percentages or points indicate a reduction.

Underwriting

Revenues from sustainable solutions

(in RM mil)



Our people

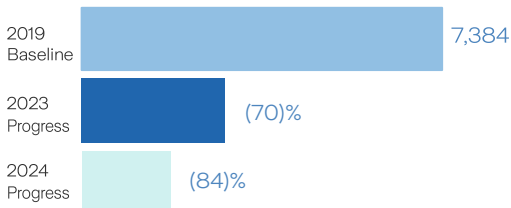
Internal hires



Own operations

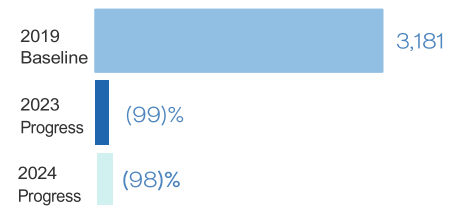
Reduction in all operational emissions

(compared to 2019)



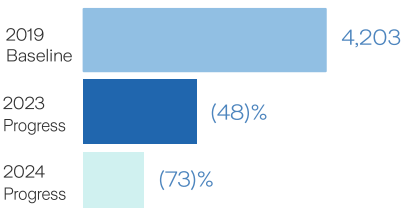
Reduction of scope 1 and 2 emissions

(compared to 2019)



Reduction of scope 3 emissions²

(compared to 2019)



¹ See [page 77](#) of the Appendix for more details on our targets and ambitions.

² Resulting from air business travel, employee commuting, printed paper and waste.

2. Creating positive impact for stakeholders (continued)

2.2 Managing risks and opportunities

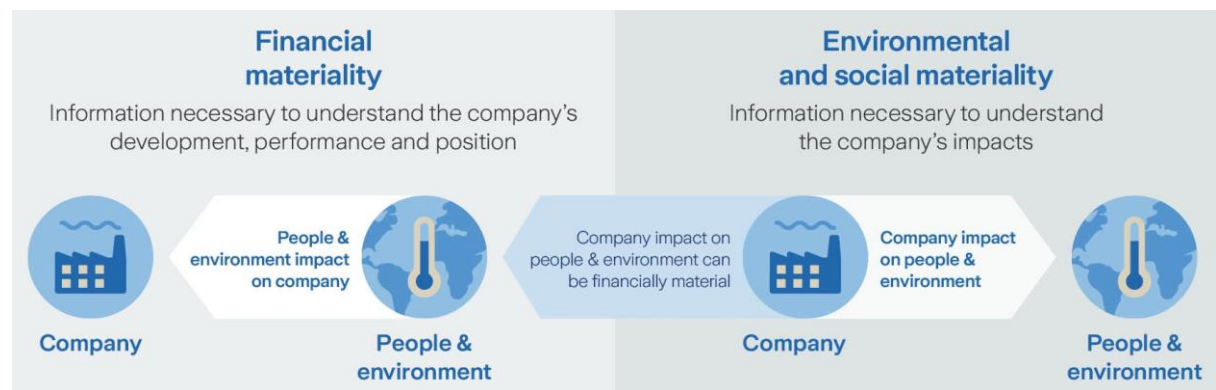


Sustainability risks are identified as one of the risk types in our risk taxonomy and are managed under our risk management framework, which also supports the identification of potential business opportunities. We define sustainability risks as those risks arising from events or conditions related to topics or trends relevant to our Sustainability and Value-based Intermediation Takaful Policies, which may adversely impact the achievement of our business strategy or targets.

To conduct effective sustainability risk management, we follow Zurich Group's Enterprise Risk Management (ERM) framework. We utilize various approaches to identify, assess, respond to, and report on these risks according to their perspective and time horizon. In terms of perspective, sustainability risks are managed using the concept of "double materiality", which includes both outside-in and inside-out perspectives. Regarding time horizon, sustainability risks can be current or emerging, the latter referring to when risk-based strategic insight is required over a time horizon extending beyond the financial cycle. Examples include risks associated with climate change and societal topics, such as human rights (child labor and forced labor) or banned weapons. Sustainability risks are also drivers of other risks in Zurich's risk taxonomy.

Figure 4

Our Enterprise Risk Management (ERM) framework¹



Enterprise Risk Management (ERM) framework

The ERM framework covers the following key risk management steps in the context of sustainability risks:

Risk identification and assessment

For each focus area of our Sustainability and Value-based Intermediation Takaful Policies (Planet, Customer and People), we identified the risks and opportunities to set priorities during the current financial cycle. For example, in the focus area of Planet, we use natural catastrophe modeling to efficiently manage our exposure to physical risks², such as flood, windstorm, and wildfires. For transition risks³, we monitor loss trends associated with electrical vehicles to reflect appropriate pricing and optimize our claims network for emerging technologies.

Emerging sustainability risks are identified and assessed at least annually through the update of the Zurich Emerging Risk Radar. For key risks that extend beyond the financial cycle, scenario analysis highlighting both risks and opportunities is performed. For further information on scenario-based climate risk analysis, see the Planet chapter ([pages 27 to 51](#)). The identification and assessment of current sustainability risks are conducted in line with the Total Risk Profiling™ methodology standard (TRP), which considers the frequency and severity of risks in terms of impact on earnings, capital, reputation, and liquidity.

¹ The diagram illustrates the double materiality perspective, as introduced by the European Commission in the "Guidelines on reporting climate-related information", https://ec.europa.eu/finance/docs/policy/190618-climate-related-information-reporting-guidelines_en.pdf

^{2 3} To learn more on physical and transition risks, see section 4.1.2 Managing climate-related risks, [page 28](#).

2. Creating positive impact for stakeholders (continued)

2.2 Managing risks and opportunities (continued)

Risk response

For emerging risks, risk response can include sustainability risk positions, which describe Zurich's appetite for a particular sustainability risk. These positions may also trigger the development of new policies (see Group-wide exclusion policies, [page 17](#)), guidelines, products, and services¹ (for example, enabling our customers to manage their sustainability risks), processes, projects or other management actions depending on the kind of risk response (e.g., risk transfer, risk mitigation or acceptance of the risk).

For current risks, the risk response could entail a new sustainability priority. An example of a risk response is Environmental, Social and Governance (ESG) integration in our investment management activities. We believe that proactively integrating sustainability risks and opportunities in our investment decisions across asset classes, alongside traditional financial metrics, and state-of-the art risk management practices, will support us in achieving superior, risk-adjusted, and long-term financial returns.

For more information on risk monitoring, please refer to our risk review on [page 45](#).

Risk reporting

Emerging and current sustainability risks are reported internally and externally as required by laws and regulations.

Figure 5

Our Enterprise Risk Management (ERM) framework



Managing sustainability risks in underwriting

We have established an approach to identify and assess the potential impact of sustainability issues in our wider value chain, particularly those arising from the activities of our customers. Using our proprietary risk-profiling methodology, we prioritize key areas of concern at the Group level. This prioritization takes into account our overall Sustainability and Value-based Intermediation Takaful Policies and the Zurich Code of Conduct².

In addition, we have both underwriting-specific and procurement policies to avoid being complicit in potential adverse human rights impact by identifying and excluding customers with a verified record of human rights violations without evidence of remedial actions, such as forced or

compulsory labor, child labor, bribery or corruption.

For projects in high-risk sectors such as mining, oil and gas, and hydroelectric dam construction, sectors, underwriters must perform dedicated screening for environmental impacts on protected areas and specific human rights abuses, such as relocation of local communities without due process.

Specifically, our policy/certificate prohibits us to insure oil and gas drilling, and production in the Arctic³ due to the environmentally sensitive nature of the local ecosystem. Furthermore, we do not insure new greenfield oil exploration projects unless meaningful company net-zero transition plans are in place.

¹ Read more about our sustainable solutions in section 5.1 Customer experience and customer-centric solutions, [pages 53 to 56](#).

² www.zurich.com/about-us/corporate-governance/code-of-conduct

³ Defined as anything north of 66 degrees latitude except for the Norwegian continental shelf.

2. Creating positive impact for stakeholders (continued)

Our group-wide exclusions and policies¹

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 way²:

Coal, oil sands, and oil shales

We do not underwrite or invest³ 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 mining⁴.
- 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.

We continue to screen new customers and investee companies and will only consider companies that are already below these limits or have near-term commitments in place to bring them below the limits, with annual reviews of progress. If, during 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/takaful for companies involved in thermal coal activities by 2030 for OECD and EU27 countries and by 2040 for the rest of the world.

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 the rest of the world by 2040.

Oil and gas

To the extent permissible under law or regulation, we exclude the following from our activities:

- New single-site Property & Casualty (P&C) insurance policies and takaful certificates 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^{5,6}.

Within our insurance/takaful 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 commitments⁴. 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 managed⁷.

¹ Both Group-wide exclusion policies/certificates result from previous assessments and have been in force for several years.

² For further information and the detailed position please visit www.zurich.com/sustainability/governance-and-positions/our-positions

³ On investments, we do not include met coal, as we do not have the data to screen companies for that.

⁴ Enhancement to existing position are applicable from 2025 onwards

⁵ Considered as anything north of 66 degrees latitude, with the exception of the Norwegian Continental Shelf.

⁶ For insurance/takaful, this applies to any policy/certificate in the following lines that have exposure to those arctic operations: Construction, Operational property covers, Marine and General liability.

⁷ 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.

2. Creating positive impact for stakeholders (continued)

Our Group-wide exclusion policies (continued)

Oil and gas (continued)

For our investments in private debt¹, 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, to set science-based emissions target. In line with our guidelines, we exclude any thermal coal-related assets in these portfolios. Furthermore, these portfolios will not finance oil and gas assets that are not aligned with science-based or government-issued regional/national 1.5°C pathways.

Banned cluster munitions and anti- personnel land mines

We do not establish new business relationships² 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.

Our sustainability in the business transaction process is embedded in our underwriting process and guidelines. This commitment is subject to the same governance and assurance procedures as Zurich's underwriting guidelines to maintain policy/certificate documentation and to track process adherence.

¹ Excluding Collateralised Loan Obligations (CLOs) and Real Estate.

² Business dealings include the provision of insurance/takaful products and services and direct investments.

2. Creating positive impact for stakeholders (continued)

Figure 6

Our process to manage sustainability risks in underwriting



Underwriters are required to perform sustainability assessments for customers identified as having a high risk of violating Zurich's policies, based on company level third-party information and guidance on sensitive industry and country combinations where third-party information is not available.

While these inputs provide the first materiality assessments, decisions on how to proceed with a customer rely on individual assessments by the relevant underwriters, with support from the global Underwriting sustainability desk, if required. These assessments leverage both customer information, such as sustainability reports and policies, as well as external media reporting on negative environmental and human rights-related impacts associated with the customer.

Based on the assessment outcome, the customer will either be cleared for business, restricted for business or temporarily cleared under the condition of ongoing engagement if more information is needed.

Sustainability assessments depend on the customer's disclosure of issues or coverage of sustainability issues through media reporting. New sustainability issues and relevant information can emerge over time. Therefore, sustainability assessments are required for new business and existing customers to address potential issues as soon as relevant information becomes available.

2.3 Involving our stakeholders

The success of our sustainability approach greatly depends on the willingness of our stakeholders to be involved in and contribute to our ambitions. We interact with customers and employees, detailed on pages [52 to 62](#) and [63 to 75](#), respectively. In addition, we strive to involve our investors, suppliers, and vendors, and the communities in which we operate in diverse ways. We frequently interact with groups such as regulators - BNM, NGOs, and industry associations - Life Insurance Association Malaysia (LIAM), Persatuan Insurans Am Malaysia (PIAM) and Malaysian Takaful Association (MTA).

2. Creating positive impact for stakeholders (continued)

2.3.1 Supply chain



Due to the nature of our business, we are predominantly a consumer of services. Compared to other industry sectors like manufacturing, the environmental, social, human rights¹, and governance risks associated with our supply chain are low. Nonetheless, we are committed to effectively managing these issues.

We adopt Zurich Group's third-party governance framework (TPGF), which provides a framework of minimum standards that apply to the onboarding and management of third parties which we work with, including suppliers. The TPGF adopts a risk-based approach to establish onboarding and management measures, such as third-party due diligence processes that are relevant and proportionate to the nature and risk of any particular transaction.

2.3.2 Responsible tax



We recognize that the tax we pay is an important part of our wider economic and social impact, and plays a key role in the development of the communities where we operate.

Being a responsible taxpayer means we consider effective and efficient tax compliance a key objective. We allocate significant resources to ensure Zurich Malaysia's tax affairs are sustainable, well-governed and transparent.

Our approach to tax is defined through our Zurich Group's tax strategy, guided by the Zurich Code of Conduct. We are committed to paying the right amount of tax at the right time in Malaysia where we create value and to complying with all local laws and regulations.

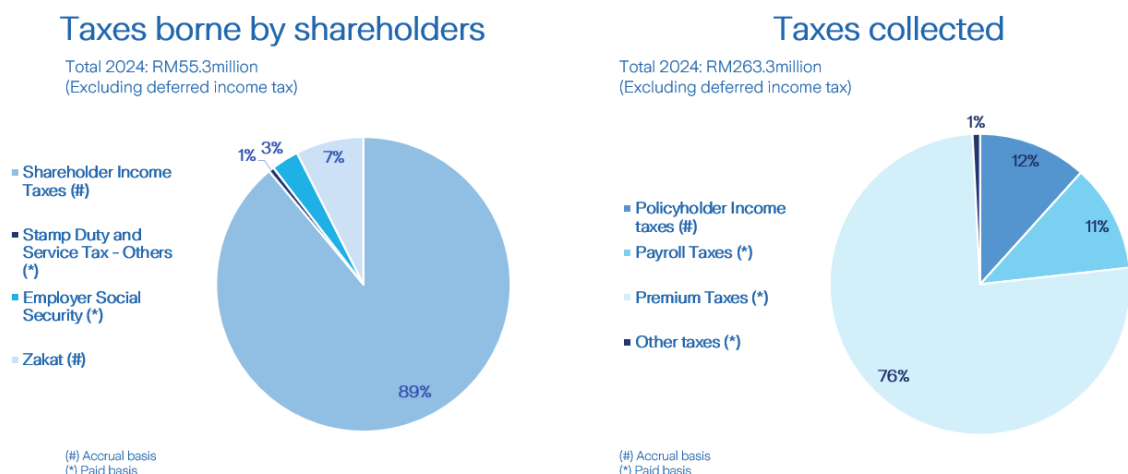
At Zurich Malaysia, we typically pay two categories of tax:

Taxes borne by shareholders: these relate to the tax burden arising from our own activities, including shareholder income tax, stamp duty and zakat.

Tax collected: these are taxes Zurich Malaysia is legally obliged to collect on behalf of the tax administration, including insurance premium and takaful contribution taxes and payroll-related taxes.

Figure 7

Taxes borne by shareholders and taxes collected



¹ For more information on our commitment to human rights, including human rights due diligence and human rights risk assessment, please see 6.3 Respecting human rights on pages 71 to 73.

2. Creating positive impact for stakeholders (continued)

2.3.3 Community Investment



At Zurich Malaysia, our community investment initiatives are primarily supported by the Z Zurich Foundation (the Foundation), a charitable organization funded by various members of our Group. The Foundation's mission is to create a brighter future together for vulnerable people. Its ambition for the past strategic cycle was to positively impact at least 11 million people worldwide by 2024, a milestone we proudly achieved by mid-2023.

Our Community Investment Commitment

Zurich Malaysia is passionately committed to creating a brighter future by improving lives and building stronger communities. Caring for the community is at the heart of everything we do. By supporting those in need, promoting sustainability, and fostering resilience, Zurich Malaysia empowers people to live better today and tomorrow.

2024 Highlights

- **Urban Climate Resilience Program**

In 2024, Zurich Malaysia continued its journey of empowering communities through meaningful initiatives aligned with our purpose. Supported by the Foundation, we launched the Urban Climate Resilience Program in Melaka and Kuala Lumpur. By partnering with global organizations such as C40 Cities (C40) and Resilient Cities Network (RCN), and collaborating closely with local municipal councils, this multi-year initiative aims to tackle urban climate challenges and build a sustainable future for generations to come.

- **Housing Security**

We addressed housing security for underserved communities by collaborating with Epic Homes to build safer and more durable homes for Orang Asli families. Additionally, we engaged volunteers and stakeholders in environmental protection through a beach cleanup activity as part of our Climate Month efforts.

- **Volunteerism**

To celebrate the spirit of volunteerism, we proudly recognized the Top Volunteer for 2024 at the Community Hero Award, an initiative by the Z Zurich Foundation. This recognition highlights the dedication and passion of individuals who make meaningful contributions to society.

- **Employee and Volunteer Efforts**

In 2024, Zurich Malaysia's community investment efforts soared to new heights, driven by the unwavering dedication of our employees and volunteers. With increased volunteer participation and hours, as well as impactful employee-led fundraising efforts, we successfully raised funds to build two houses for Orang Asli families with Epic Homes.

- **Government Collaboration**

Our commitment was further amplified by the government through EPIC Homes, under the Malaysia Madani Home Sponsorship Program, which matched our sponsorship with an additional two houses. Consequently, this collective effort resulted in the construction of four homes under the Zurich build initiative in 2024. This remarkable achievement underscores the power of collective action and the profound impact we can create together.

2. Creating positive impact for stakeholders (continued)

2.3.3 Community Investment (continued)

- **Environmental Stewardship**

Zurich Malaysia has always believed in creating meaningful impact, not just in financial security but also in environmental stewardship. Zurich Cares, an initiative fully funded by Zurich Malaysia in partnership with Tropical Rainforest Conservation & Research Centre (TRCRC) in Merisuli, Sabah, aligns perfectly with our vision of a greener future.

Since 2022, a total of 4,500 Endangered Rare and Threatened (ERT) species of Dipterocarpaceae and 50,263 Fast-Growing species (FGS) were planted. This initiative is about more than just planting trees; it is about reviving entire ecosystems, preserving biodiversity, and protecting the livelihoods of communities that depend on these forests. Zurich Cares is more than just a corporate initiative - it's a movement towards a healthier planet. Every tree planted is a symbol of hope, resilience, and responsibility.

- **Empowering Communities Through Islamic Social Finance**

In alignment with our commitment to sustainability and social responsibility, we utilized zakat as a vital Islamic social finance instrument to create a positive impact within the community. Through strategic allocation and management, our zakat distribution aims to address immediate needs while empowering long-term development.

The efforts align with one of the Value Based Intermediation of Takaful (VBIT) underpinning thrust of Community Empowerment which is intended to improve the life quality of communities and their surrounding environment.

From a broader perspective, this initiative supports the realization of *Maqasid al-Shariah* (the objectives of Shariah), which ultimately aims to serve benefits and prevent harm in human life. It encompasses the preservation of religion, life, lineage, intellect, and wealth, ensuring a holistic approach to societal well-being.

- **Zakat Distribution**

In 2024, we disbursed a total of RM779,177 (2023: RM677,465) in zakat funds to eligible recipients (asnaf) across various categories. These funds were carefully allocated to support essential needs such as education, financial literacy, and personal development, benefiting underprivileged individuals and communities.

- **Program Inspirasi Pendidikan Kewangan Belia Negara**

A portion of the zakat funds was distributed to the Program Inspirasi Pendidikan Kewangan Belia Negara, designed to enhance financial literacy among youth from the B40 (low-income) group. The program directly benefited 120 students of Universiti Kebangsaan Malaysia (UKM), equipping them with critical knowledge on:

- Financial Literacy: Understanding the principles of saving, budgeting, and responsible financial behavior.
- Personal Financial Management: Practical tools and strategies to manage finances effectively, fostering self-reliance and future resilience.

By funding this initiative, we have contributed to breaking the cycle of poverty and promoting financial empowerment among vulnerable groups.

- **Majlis Berbuka Puasa dan Bantuan Bakul Rahmah**

Our zakat funds also were utilized to support Majlis Berbuka Puasa dan Bantuan Bakul Rahmah during Ramadan, organized for asnaf students at University Sains Islam Malaysia (USIM). 200 Bakul Rahmah were distributed, each containing ready-to-eat food, dates, drinks and RM50 cash. In addition, 500 Iftar meals were distributed to students for breaking their fast, fostering a sense of community and care. This initiative reinforces the values of compassion and solidarity within the community.

2. Creating positive impact for stakeholders (continued)

2.3.3 Community Investment (continued)

- Support to Universiti Malaya (UM) B40 students

Financial assistance was also provided to 55 B40 students from Universiti Malaya (UM) to support them with tuition, living expenses, and housing rent, ensuring they can focus on their education. Beyond meeting immediate needs, we also funded professional certification programs to enhance students' job prospects. Additionally, zakat funds improved student activity spaces by providing computers with the latest software, fostering a conducive learning environment. This underscores our commitment to both immediate assistance and long-term growth for students from underserved communities.

Our zakat distribution reflects our broader mission of supporting sustainable community development through Islamic social finance. We remain committed to leveraging zakat and other financial instruments to foster education, financial stability, and long-term empowerment for underserved communities.

Table 1

Employee-led fundraising and volunteering, charitable cash contribution and Islamic Social Finance

Employee-led fundraising and volunteering	Unit	2024	2023	Difference
Fundraising and donations ¹	RM	33,499	13,304	152%
Total time volunteered by workforce	Hours	3,319 ²	3,123	6%
Workforce actively volunteering (% of total headcount)	Percentage	11%	9%	2%
Charitable cash contributions				
Tropical Rainforest Conservation & Research Centre (TRCRC)	RM	923,422	1,476,579	(37)%
Islamic Social Finance				
Zakat distribution	RM	779,177	677,465	15%

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

² 9% of the total 3,319 volunteer hours by the workforce are self-declared by the employees.

3. Governance: Sustainability is embedded in our governance framework

The local boards of Zurich Malaysia's respective entities hold ultimate responsibility for ensuring long-term sustainable value delivery. They set our values and standards, and establish an effective control framework. As part of its strategic responsibility, the board approves our sustainability strategy and objectives, including non-financial targets with a material impact on the company. The board is supported by its Board Committees within their respective core mandates:

- The Risk Management and Sustainability Committee (RMSC) recommends the sustainability strategy and objectives to the board, and exercises oversight on sustainability-related matters, including sustainability reporting.
- The Nomination and Remuneration Committee evaluates the remuneration architecture, including incentive plans linked to appropriate performance criteria supporting the execution of the strategy.



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

Alan Ho
General Counsel



3.1 Governance around climate-related risks and opportunities

3.2 Impact of climate-related performance on remuneration

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

The implementation of the sustainability strategy and objectives in the businesses and functions is facilitated by the Sustainability Council (SC). The SC comprises CEOs and senior executives who are direct reports of the CEOs. The SC ensures that our approach to sustainability is effectively integrated into our business practices, upholding our code of conduct, purpose, and values. The Country Chief Operations Officer, who reports to the CEO, is responsible for driving Zurich Malaysia's Sustainability Framework and VBIT Policies, acting as a sounding board for strategic alignment of sustainability priorities to assure a consistent approach and to facilitate oversight. He is also responsible for monitoring progress regarding the sustainability priorities and targets, and reporting to the RMSC and the CEO.

In addition, the Sustainability Council is supported by internal Sustainability Teams, which play a crucial role in advancing our sustainability objectives. Externally, we have been an active participant in the Joint Climate Change Committee (JC3) and its Subcommittees since September 2019. This regulator-industry platform fosters collaborative efforts to enhance climate resilience within Malaysia's financial sector. We also engage in initiatives through the Persatuan Insurans Am Malaysia (PIAM), Life Insurance Association Malaysia (LIAM) and Malaysian Takaful Association (MTA), promoting the exchange of knowledge and expertise.

3. Governance: Sustainability is embedded in our governance framework (continued)



Figure 8

Sustainability is embedded in our governance framework

*SMS: Shariah Management Services



3.1 Governance around climate-related risks and opportunities

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

As outlined above, sustainability, including environmental topics such as climate and nature is integrated into our governance structure.

In particular, the RMSC has been mandated by the Board to oversee our approach and conduct regarding sustainability. Oversight of sustainability risks, including those associated with environmental topics such as climate change and nature loss, is achieved through regular updates from the Head of Sustainability Risk and Chief Operations Officer, who present updates on material topics to the RMSC quarterly. The RMSC receives regular performance updates on climate-related targets, while the ExCo sponsor for Sustainability confirms the consolidated set of material actions arising from scenario-based climate risk analysis and reports them to the RMSC. Throughout 2024, the RMSC was engaged on several strategic topics, including operational emissions, transition planning, and sustainability performance management.

3. Governance: Sustainability is embedded in our governance framework (continued)

3.1 Governance around climate-related risks and opportunities (continued)

Each ExCo member and CEO direct report is accountable for sustainability within their assigned function or business, including responsibilities for climate and nature. This accountability includes assessing and managing climate-related risks and opportunities, managing progress against climate-related corporate targets and engaging with the value chain on climate-related issues. Furthermore, environmental topics, including climate change, are considered as part of mergers and acquisitions and divestment due diligence and decision-making processes.

3.2 Impact of climate-related performance on remuneration



Sustainability-related actions, including those supporting the transition to net-zero, are integrated into the annual objectives for employees, including ExCo members, where relevant. The corresponding achievements are considered in the individual performance assessment and 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 increasing 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 in our listed equity and corporate bond holdings. The LTIP is used for a defined group of our most senior positions.

Both the STIP and LTIP are further described in our remuneration policy¹.

¹ For more information on our remuneration policy, please refer to our Zurich Malaysia annual reports <https://www.zurich.com.my/about-zurich/the-zurich-story/our-business-performance>.

4. Our planet: Drive positive impact

Our planet

Taking action today to safeguard tomorrow.

We focus on enabling a positive socio-economic and environmental transition, while building resilience to evolving risks. A stable climate and healthy, diverse natural environment are critical for continuing human and economic development. Our Sustainability and Value-based Intermediation Takaful Policies expand our environmental focus beyond climate. Environmental challenges, including nature loss and climate change, can impact all sectors of the real economy we insure and invest in, ultimately affecting a company's long-term value significantly. Understanding, measuring and managing these impacts - while seizing opportunities arising from the transition to a net-zero world - is essential for creating sustainable value for our stakeholders. We aim to use our underwriting and investment activities, our operations, the collective skills and experience of our workforce, and an engaging, collaborative approach with our stakeholders to address these challenges and create long term value.



When integrating sustainability into our business, we see mitigation and adaptation to climate change as one of our key priorities.

Teresa Wong

Chief Risk Officer, P&C and Head of Sustainability Risk



4.1 Strategy

4.2 Risk management

4.3 Metrics and targets



This section outlines our understanding of the potential impacts of climate risk on our underwriting, investment activities and operations, including the supply chain. It represents our assessment of the resilience of our strategy to climate change risk.

Also outlined is the governance we have established to make climate and sustainability an executive-level responsibility, our climate risk management processes, and the metrics and targets we have implemented to track delivery of our stated targets. While climate change is the focal point of this section, we are dedicated to environmental aspects in a broader sense such as revenues resulting from sustainable solutions, see Chapter 5. Our customers: Their needs are at the heart of everything we do ([pages 52 to 62](#)).

4. Our planet: Drive positive impact (continued)

4.1 Strategy



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

Our approach to climate change focuses on supporting companies and people through the transition to a net-zero economy. This demonstrates our commitment to using every lever of our business, from underwriting and investments to our operations, to accelerate this transition.

4.1.1 Our approach to climate change risk

Understanding and managing the impact of climate change is an important aspect for maintaining our short- and long- term profitability. Our approach to climate risk is part of our risk management process and is managed consistently with other risks to which the Group is exposed. We acknowledge that while some impacts of climate change are felt today, others may take decades to manifest. Therefore, we employ various approaches and tools to achieve a holistic understanding of potential impacts. Assessments of the evolving physical and transition risk landscape are integrated into our underwriting and investment strategies.

Natural catastrophe management

To manage our short-term climate risks, we engage with reinsurance/retakaful brokers to assess our P&C portfolio exposure to flood (the most material climate risk exposure in Malaysia). The output of the analysis is used to structure a prudent reinsurance/retakaful program to protect the business from adverse natural catastrophe events.

Read more about natural catastrophe modeling:

Natural catastrophe modeling: current exposure to physical risk, pages 32 to 33.

Portfolio level scenario-based climate risk analysis

Our scenario-based climate risk analysis is our most prominent and detailed outside-in risk evaluation. Leveraging scenarios developed by the Network for Greening the Financial System (NGFS) and considering our core underwriting and investment portfolios, this analysis allows us to understand potential risks associated with the transition to a net-zero or delayed-transition economy over time horizons extending beyond the financial cycle. This is fundamental for formulating appropriate strategic responses and evaluating the resilience of our strategy. This analysis also helps identify business lines where we have opportunities to support industries in their transition to net-zero or delayed-transition. We recognize that the analysis is a theoretical "what if" exercise, useful for stretching management thinking about the medium to long-term outlook, but not for immediate solvency, financial or capacity management insights.

Read more about portfolio level scenario-based climate risk analysis:

4.1.4 to 4.1.7 pages 34 to 44.

4.1.2 Managing climate risks

We broadly categorize climate risks as physical and/or transition risks and outline the potential impacts of these risks on our business. In sections 4.1.5 to 4.1.7 ([pages 37 to 44](#)), we discuss our assessment and the expected impact of climate-related physical and transition risks. We outline our understanding of how climate change risk could impact our business activities, mainly focusing on the impact on demand (revenues) and losses (claims) from an insurance/takaful perspective and on assets from an investment perspective.

4. Our planet: Drive positive impact (continued)

4.1.2 Managing climate risks (continued)

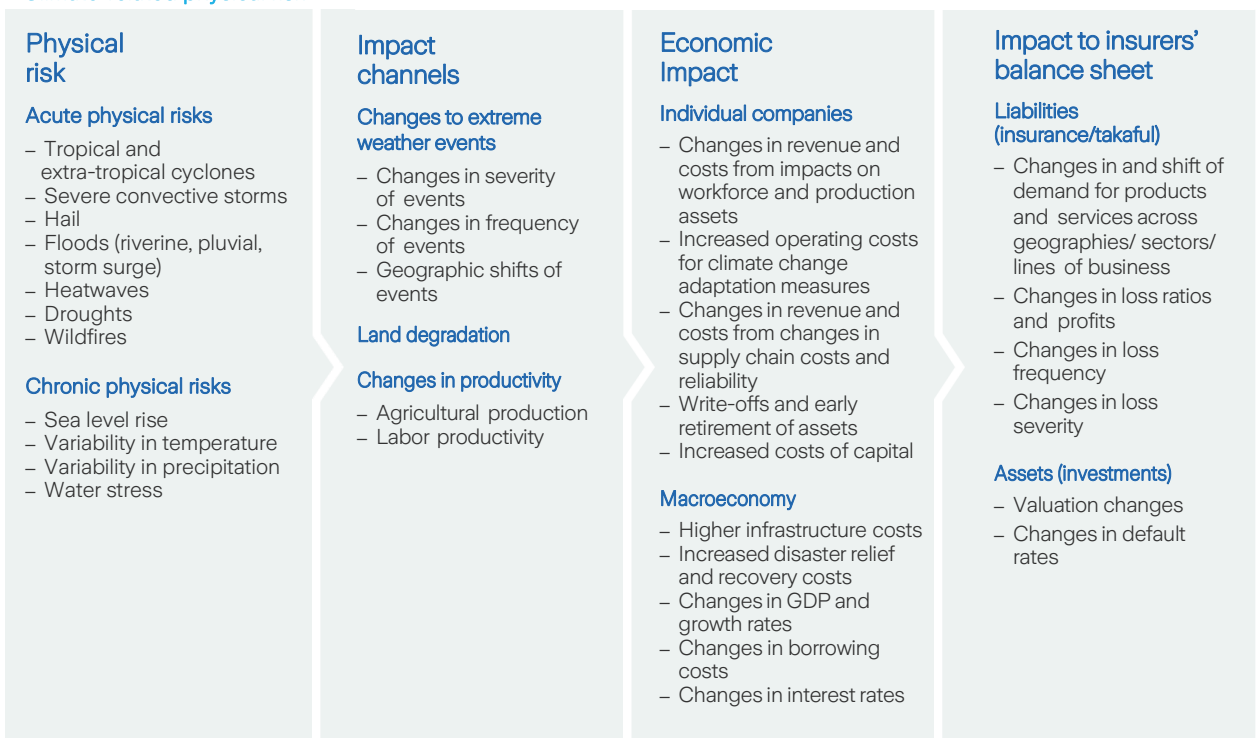
The section below should be read as an overview of expected effects of both physical and transition risks, while the scenario analysis provides more details on how each of these risks is expected to unfold and impact our business under different scenarios.

Physical risks



Figure9

Climate-related physical risk



Greenhouse gas (GHG) emissions are leading to an increase in global surface temperatures, driving changes in climate and weather systems across the globe. Changes in extreme weather events can be attributed to human-induced increases in global surface temperatures, with research suggesting that continuing trends in emissions will further exacerbate the situation.

These developments will bring negative economic and societal impacts as extreme weather events increase in severity and frequency or undergo geographic shifts. The scientific understanding of how weather events will respond to climate change varies greatly, but we assume that further temperature increases will accelerate sea-level rise due to thermal expansion and melting of glaciers and ice sheets. It will also lead to more extreme temperatures, heatwaves and droughts, impacting agricultural production and human productivity. As the warming atmosphere will also intensify evaporation, more extreme precipitation and variability in the global water cycle is seen as highly likely.

There is less certainty around how other weather events will react to climate change, such as tropical and extra-tropical cyclones, severe convective storms and hail. Secondary effects of climate change can also have negative impacts, such as extreme heat and drought leading to more wildfires, or the combination of sea-level rise and changes in hurricane intensity or tracks leading to higher storm-surge damage.

4. Our planet: Drive positive impact (continued)

4.1.2 Managing climate risks (continued)

Impact to demand and loss profiles

Up to 2035, we expect changes driven by climate change to become increasingly relevant. However, these changes stop short of becoming a dominant loss driver over and above what is currently embedded into our risk appetite. We expect the inherent volatility and natural variability of extreme weather events and socioeconomic trends will continue to have a stronger influence on loss experience. Natural variability comes both from random fluctuations of extreme but rare events and multi-year variations in regional climate systems such as the northeast monsoon season or the El Niño Southern Oscillation. This variability is also embedded in historical loss trends and considered in our pricing and capital management.

Socioeconomic trends, such as an increase in asset values and accumulation through population growth and concentration in urban areas, also contribute to increases in losses over time. The impact of such trends is considered in pricing and modeling, such that annual policy/certificate renewals provide mitigation against increasing physical risks for short-tail business and mitigate transition risk to the underwriting portfolio.

Through certain lines of business, we can be directly impacted by the changes in physical risk caused by climate change, particularly through increases in severity and frequency of natural catastrophes, such as tropical cyclones, flood or hail, which can lead to higher losses by customers covered by our property or motor policies/certificates. Other lines are less sensitive to physical risk and, within these, only a minority of our losses are driven by natural catastrophes (see section 4.1.3 Natural catastrophe modeling: current exposure to physical risk, [pages 32 to 33](#)).

Impact through valuation changes

Buildings may be at risk of suffering significant damage costs from the impact of climate change due to their fixed locations. We are exploring ways to assess physical risks for properties using our accumulation database to track and analyze our exposure to flood by mapping the location of our property risks and understanding our total capacity deployed. The valuation of assets in our investment portfolio can also be affected by direct and indirect exposure to physical risk.

Businesses will be directly affected by the impact on costs and revenues, and the potential for supply chain disruptions and asset write-offs. The vulnerability of the country to physical risk, including costs associated with infrastructure and adaptation measures, disruptions and vulnerability to extreme weather events, may also impact the valuation of sovereign debt.

Transition risks



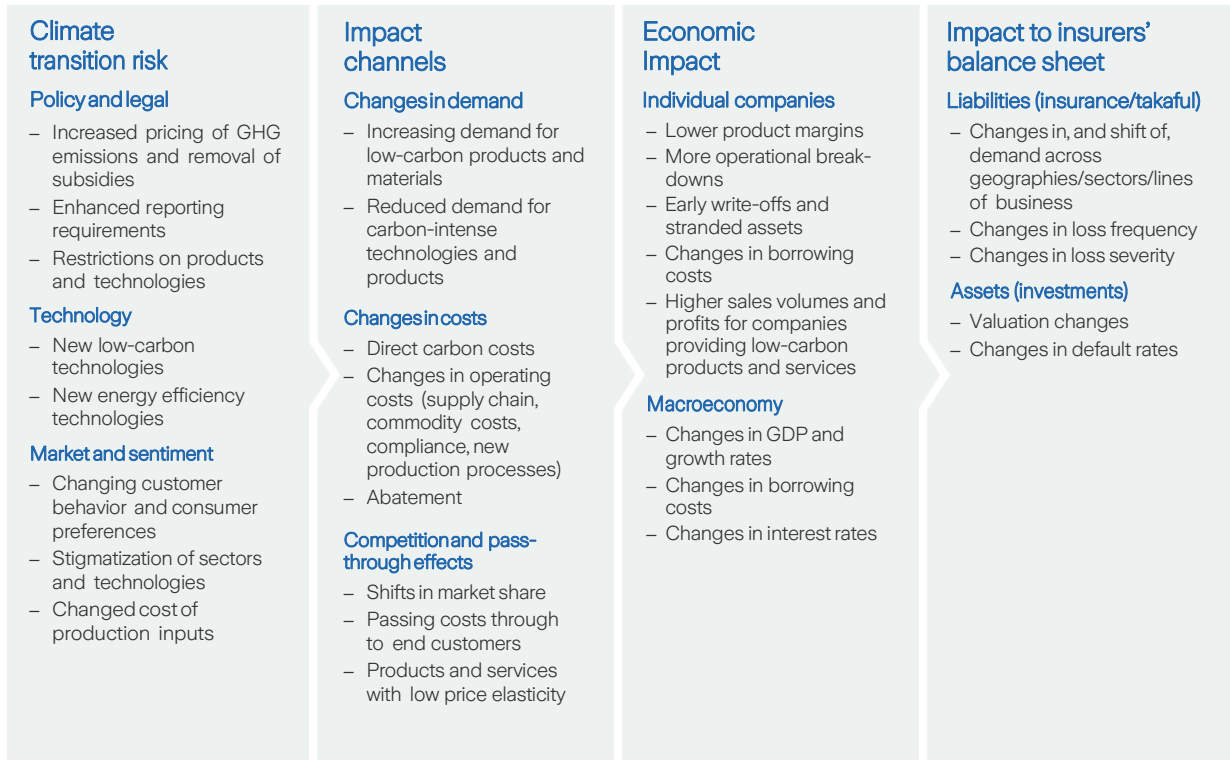
If society moves to limit global warming in line with the Paris Agreement to below 2°C, and optimally to 1.5°C, the required decarbonization of the global economy will bring its own set of risks. The legal, policy, technological, and market changes necessary for the transition will lead to significant shifts in economic activity and asset valuation.

4. Our planet: Drive positive impact (continued)

4.1.2 Managing climate risks (continued)

Figure 10

Climate-related transition risk



Impact to demand and loss profiles

The expected steep rise in carbon prices and the removal of subsidies on carbon-intensive resources and activities in this transition could lead to reduced profitability, stranded assets and impairments in sectors that are difficult to decarbonize and where additional costs cannot be passed on to customers. This will, in turn, affect demand for insurance/takaful from shrinking sectors.

For example, the transition will shift demand for insurance/takaful toward low-carbon technologies and products, creating opportunities for companies that provide new solutions or are able to reduce their emissions more efficiently than competitors.

The aggregate effect of transition risk will vary greatly across individual actors, depending on their detailed business models, assets and transition strategy. This complicates the assessment of aggregate transition impacts.

There will also be aggregate macro effects arising in a transitioning scenario, including the impact on economic activity, inflation and, potentially, government borrowing costs.

As new policy measures and technologies are rolled out, uncertainties around their effectiveness and unintended consequences are likely to increase, with higher market volatility and uncertain loss ratios among possible outcomes. Transition risk will be highly dependent on how predictable policy responses are and the time available for the economy to decarbonize. More disruptive impacts can be anticipated with a faster transition.

4. Our planet: Drive positive impact (continued)

4.1.2 Managing climate risks (continued)

Impact through valuation changes and other drivers

In the commercial real estate sector, transition risk will manifest from the need to adhere to tighter policies, carbon and energy costs, market preferences and challenges to achieve energy efficiency, which may impact asset values. The transition will also bring legal or litigation risks. Carbon-intensive energy producers are already defending lawsuits seeking to hold them accountable for their alleged historical contribution to CO₂e emissions. This current litigation could expand to other industries whose operations contribute to CO₂e or other climate-impacting emissions. Companies may be sued for failing to disclose climate-related risks, failing to mitigate the impact of their activities on climate change, allegedly misrepresenting their level of climate impact, or failing to adapt to the changing climate. Asset managers could be sued for financing climate change-inducing activities or inadequately driving emission reductions in their portfolios.

The global transition to a low-carbon society will also bring new and emerging technologies. These could present new opportunities as well as unanticipated risks and new environmental concerns from both a resourcing and disposal aspect. Extreme weather events could present new risks to employers regarding worker safety or to companies engaged in building design, engineering and construction. Governments could enact laws seeking to hold companies accountable for the climate impact of their supply chains.

4.1.3 Natural catastrophe modeling: current exposure to physical risk¹



Approach

Current exposures to physical climate risk are expressed through Annual Expected Loss (AEL) and Probable Maximum Loss (PML). Modeled exposures are shown below. Our approach to modeling is discussed further in the section on managing risks from climate-related natural catastrophes ([page 45](#)).

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/takaful payouts from natural catastrophes.

¹ Results from the Q2 2024 company Catastrophe Model are presented in the analysis shown below. The underlying exposures considered in this analysis are as of June 2024. See also 4.2.2 Managing risks from climate-related natural catastrophes on page 45.

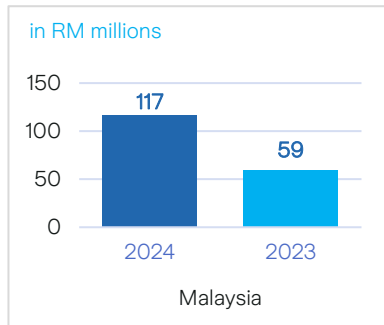
4. Our planet: Drive positive impact (continued)

4.1.3 Natural catastrophe modeling: current exposure to physical risk (continued)



Figure 11

Annual Expected Loss



Annual Expected Loss

The update to the Malaysian flood model in 2024 represents a completely new perspective on the hazard reflecting improved availability of information on both meteorological (river and rainfall data) and underlying digital elevation model which improves the physical representation of flood inundation from both river and rainfall sources. The 2024 model also represents increased coverage for East Malaysia and full coverage of pluvial (flash) flooding, which the 2023 model only covered in major urban centers. This revised model generally leads to an increase in losses at higher return periods while decreasing at lower return periods, subject to portfolio mix and distributions.

Total monetary losses from natural catastrophes



The property and casualty business is exposed to the risk of major flood events, which will continue to be a significant catastrophe peril for the country. The latest flood modeling heavily depends on the risk exposures by both geographical locations and sum insureds, with allowance for the latest climate variables. Based on the most updated modeled flood losses, at the 1-in-200-year return period, the estimated losses remain within the reinsurance/retakaful treaty protection limits, providing sufficient protection both financially and in terms of capital.

As part of the Zurich family, the local entities work closely with Zurich Group to understand and analyze climate and catastrophe risks. An important aspect of our proprietary view on natural catastrophe risk is evaluating patterns and trends in catastrophe activity over time. Natural variability of event activity is integral to our view on natural catastrophe risk, as are statistically significant trends detectable in our claims experience or credible 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 to reflect trends in the hazard, whereas exposure trends are naturally captured by exposure data updates. Natural variability is evaluated and kept up-to-date as part of regular reviews of our natural catastrophe risk view, which underpins the structuring and purchase of reinsurance/retakaful 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 up-front, including consideration of potential climate change induced trends. Reinsurance/Retakaful is used to maximize diversification of net retained risks and to protect shareholders against earnings volatility. We engage with a core panel of reinsurance/retakaful partners to secure the required capacity for sustainable pricing over the medium term. Given our financial strength, we weigh the benefits and cost of reinsurance/retakaful against other forms of risk financing and adapt to supply-side changes in the reinsurance/retakaful market as a potential consequence of the macroeconomic response to climate change adaptation.

4. Our planet: Drive positive impact (continued)

4.1.4 Portfolio level scenario-based climate risk analysis

In the following chapters, we assess climate-related risks and opportunities in the context of our business: underwriting and investment management.

Legend of icons used

	
Underwriting	Investment Management

Analysis framework

Scenario analysis 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. This section outlines the time horizons, scenarios, and quantification approaches used.

Time horizons

We consider medium- and long-time horizons most relevant to our scenario-based analysis of climate risk.

	From (years)	To (years)	Comment
Short term (0 – 3 years)	2023	2026	Over this timeframe, we adapt pricing, underwriting and portfolio management strategies based on observed trends in claims and model insights, hence scenario-based climate risk analysis is less relevant.
Medium term (3 – 10 years)	2026	2035	A consideration of longer time horizons allows us to reflect potential risks and opportunities associated with climate change in formulating appropriate responses.
Long term (10 – 30 years)	2035	2050	While the three to 10-year horizon suits the formulation of strategic responses to potential climate-related impacts, our net-zero commitment requires extending our time horizons to 2050 to consider the potential risks and opportunities associated with aligning our business with a net-zero future. These time horizons are well-suited to certain long-term risks such as real-estate investments and life insurance/family takaful risks.

4. Our planet: Drive positive impact (continued)

4.1.4 Portfolio level scenario-based climate risk analysis (continued)

Scenarios used

The scenarios used to analyze our underwriting and investment portfolios are drawn from the Network for Greening the Financial System (NGFS)¹ suite, covering a relevant set of emissions pathways. The emissions pathways of the selected scenarios correspond broadly to representative concentration pathways (RCP) 2.6 and 6.0².

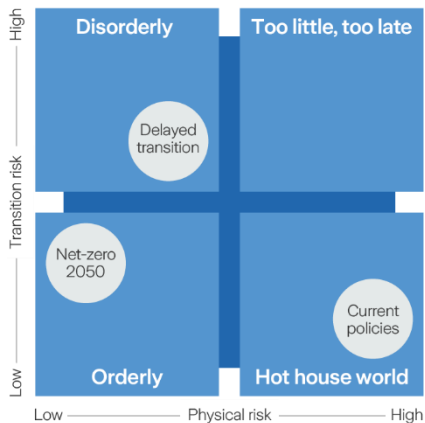
Net-zero 2050 scenario limits global warming to 1.5°C through early adoption of stringent climate policies and innovation. Net-zero emissions are reached around 2050, giving at least a 50 percent chance of limiting global warming to below 1.5°C by the end of the century, with no or low overshoot (<0.1°C) of 1.5°C in earlier years.

Delayed transition scenario assumes no new climate policies until 2030 with high regional variation in policy implementation. Emissions exceed the carbon budget temporarily and decline more rapidly to ensure a 67 percent chance of limiting global warming to below 2°C.

Current policies scenario assumes that only currently implemented policies are preserved, leading to high physical risks. Emissions grow until 2080, leading to about 3°C of warming and severe physical risks.

Figure12

NGFS scenario framework



The scenarios underpinning the analysis of our underwriting and investment activities allow us to consider a broad range of risks and opportunities for varying degrees of physical and transition risk.

Our scenario analysis leverages a third-party model and associated data to assess both our insurance/takaful and investment businesses. A high-level overview of the model, data sources and key assumptions are provided in the risk management section ([pages 45 to 47](#)).

Our disclosure focuses on net-zero 2050, delayed transition and current policies scenarios to demonstrate the resilience of our strategy in various climate scenarios.

¹ For more information on NGFS scenarios, see <https://www.ngfs.net/ngfs-scenarios-portal>.

² As described by NGFS, "the RCPs are greenhouse gas concentration scenarios that are commonly used in the climate modeling community. They were officially adopted by the Intergovernmental Panel on Climate Change (IPCC) and provide a basis for the projections and predictions of the Fifth Assessment Report of the IPCC." The correspondence between NGFS scenarios and RCP pathways is based on the emissions trajectory in those scenarios over time. The correspondence is not exact, but NGFS net-zero 2050 and disorderly scenario temperature pathways fall in the range of RCP 2.6, and current policies fall in the range of RCP 6.0. (More details available in the NGFS technical documentation).

4. Our planet: Drive positive impact (continued)

4.1.4 Portfolio level scenario-based climate risk analysis (continued)

Quantification

Given the differing nature of the underlying activities, we employ different approaches to understand and quantify potential impacts of climate risk.



Underwriting

Quantification is performed to underpin our medium-term assessment (to 2035). This approach is reasonable for determining how to manage identified risks due to the flexibility of the annual policy renewal cycle. The outcomes of our medium-term analysis are used to inform strategic and risk responses. Impacts to 2050 are analyzed qualitatively.

Two metrics have been chosen to quantify scenario-based impacts of climate risk on our insurance/takaful business:

- Percentage change in demand is the estimated impact on size and composition of demand for insurance/takaful products due to the drivers of physical and transition climate risk in each scenario, 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 in each scenario, compared with a 2035 baseline.

For both metrics, the baseline does not take into account any further climate action or climate change relative to present-day levels but reflects modeled impacts on demand (or losses) from GDP changes and industry sector growth or decline.



Investment Management

To better understand the potential future impacts of climate risk on key asset classes, we have conducted quantitative analyses for 2050.

The valuation of equity in the scenarios involves discounting future revenues and costs to arrive at a net present value of future cash flows.

Corporate credit impact is estimated by translating changes in equity valuations into changes in fixed-income instrument default risk and associated loss.

Sovereign bond impact reflects the macroeconomic shocks arising from changes in energy consumption, energy costs and the physical risks of climate change, as well as the response of governments and central banks to those shocks. The model uses macroeconomic outputs from NiGEM¹ to calculate changes in nominal forward interest rates and changes in default risk premium/contribution per risk scenario.

Scope



Underwriting

The analysis of our portfolio uses third-party modeling to understand the potential relationship between key climate drivers and insurance/takaful demand and loss experience. The scope of the analysis was determined as follows:

Analysis of Zurich Malaysia by:

Lines of business

State

Industry/sector



Set of twelve clusters with potentially high exposure to physical and transition risk representing:

90% of P&C

100% of Life protection



Each cluster was analyzed for:

Impact on demand

Impact on losses



Investment Management

The scenario-based assessment of our investment portfolio considers listed equities, corporate credit, and a separate qualitative analysis of sovereign debt. Listed equities, corporate credit, and sovereign bond cover approximately 86 percent of our investment portfolio and make a significant contribution to our investment-related market risk position as of 2023.

¹ For more details on the NiGEM model, see <https://niesr.ac.uk/nigem-macroeconomic-model>

4. Our planet: Drive positive impact (continued)

4.1.5 Portfolio level scenario-based climate risk analysis – Underwriting



Underwriting analysis

- Medium-term demand impacts to our Life/Family Takaful Protection business are noted due to lower GDP growth.
- Shifts in the P&C underwriting portfolio industry or line of business mix were observed. Changes in response are deemed necessary to take advantage of opportunities and mitigate risks arising from this change.

Analysis performed

Monitoring of our P&C business focused on identifying material shifts¹ in the business mix (e.g. changes in line of business and industry mix) that may indicate a potential change to currently understood impacts.

The scope of the P&C analysis focused on local business and our business footprint in Malaysia.

Analysis findings

Shifts in the P&C underwriting portfolio industry or line of business mix were observed, with key drivers of change identified as technological and exposure changes.

Overall impacts to our level P&C demand in 2035 under the modeled scenarios are estimated to be of medium materiality. For the net-zero 2050 scenario, the decline in premium/contribution is due to the lower demand for vehicle and property insurance/takaful as a result of lower GDP growth due to physical and transition risks. The decline in premium/contribution for the delayed transition scenario is less pronounced due to transition policies/certificates kicking in much later than net-zero 2050 scenario. Note that where growth opportunities highlighted in the current policies/certificates scenario relate to the increase of fossil fuel supply, we expect to forgo opportunities that are not aligned with our net-zero commitments.

In all three scenarios, impacts to Company-level P&C loss experience are observed to be more pronounced before mitigating actions are considered. On the Motor class, this is due to the potential negative impact of technological mix i.e., shifting of vehicle mix from ICE vehicles to EV vehicles leading to higher severity losses and physical losses related to weather events. On the Property class, demand for insurance/takaful will reduce and losses will increase due to higher flood damages.

Estimated impacts to demand for Life/Family Takaful protection policies/certificates in 2035 are observed to be medium in all three scenarios. These were driven by lower GDP growth, which impacts individual demand for insurance/takaful in all three scenarios, with the highest impact observed in Net Zero 2050 scenario.

Climate change-driven changes in temperatures are assumed to increase claims losses based on their impact on specific causes of death or disability claims. In all three scenarios, impacts to Company-level Life protection loss experience are observed to have low materiality. Our high-level assessment of loss impacts suggests low effects by 2035. We note the potential for rising temperatures to increase claims from sources such as cardiovascular, vector-borne, and respiratory diseases.

Our medium-term risk profile is presented below.

¹ A change in industry or line of business mix of more than 15 percentage points year over year.

4. Our planet: Drive positive impact (continued)

4.1.5 Portfolio level scenario-based climate risk analysis – Underwriting (continued)

Shifts in the P&C underwriting portfolio industry or line of business mix were observed. Changes in response are deemed necessary in order to take advantage of opportunities and mitigate risks arising from this change.

Figure13

Potential climate change-related impacts to our underwriting portfolio under current policies, delayed transition and net-zero 2050 scenarios

	Portfolio weight	Demand Impacts			Loss Impacts (Transition)			Loss Impacts (Physical)		
		Current policies	Delayed transition	Net-zero 2050	Current policies	Delayed transition	Net-zero 2050	Current policies	Delayed transition	Net-zero 2050
Life/Family Takaful										
Retail - Motor										
Retail - Property										
Agriculture										
Business service										
Construction incl. all engineering lines										
Fossil fuels										
Heavy industry										
Mining										
Power										
Real estate										
Transport										

	Portfolio weight (% of GWP/GWC)	Impact thresholds
	High(>10%)	High
	Medium(5–10%)	Medium
	Low(<5%)	Low

Definition of terms used:

- Sector: Industry group of the customer base
- Weight in underwriting portfolio: Indicates how much the sector/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/contribution volume arising from the various climate scenarios
- Loss impacts: High, medium, and low as above relate to the potential increase in losses in each sector arising from transition and physical risks if no strategic or mitigating action is taken as part of the underwriting strategy

4. Our planet: Drive positive impact (continued)

4.1.5 Portfolio level scenario-based climate risk analysis – Underwriting (continued)

Conclusions and responses

In general, the diversification of both P&C together with Life protection business in terms of industry mix and line of business limits our potential exposure at a total Company level.

We can flexibly adapt our responses to balance near-term market movements against mid-term strategic scenario expectations. We continue to prioritize actions in lines of business and industries that are potentially the most material to our business, either due to the size of the underwriting portfolio or the potential impact of transition or physical risk on our portfolios. At the same time, we endeavor to take advantage of opportunities and mitigate risks arising from this change.

Shifts in the P&C underwriting portfolio industry or line of business mix were observed. Changes in response are deemed necessary in order to take advantage of opportunities and mitigate risks arising from this change.

Our underwriting focus includes building capabilities and continuing assessment of risks associated with both the transition and physical impact of climate change.

Motor: a closer look

Expanded focus on technological advancements in driving and vehicles.

Identified action following climate risk scenario analysis 2024

We increased our focus on electric vehicles (EV's) in the form of product propositions to meet changing customer needs. Additionally, we are seeking to optimize claims networks for emerging technology and expanded our focus on technological advancements in driving and vehicles.

Rationale

Among the changes affecting mobility, the transition from internal combustion engines (ICEs) to alternatively fueled vehicles, mainly EVs, is most relevant from a climate perspective. As overall motor insurance premium/takaful contribution volume and the proportion of EVs continue to grow in many of our local regions, the risk of a shrinking premium/contribution pool can be mitigated by harnessing these new technologies and their implications for the insurance/takaful industry. While the share of EVs in new vehicle registrations is already increasing, it will take at least a decade until EVs represent half or more cars driven on the roads. Such a gradual change over a decade and longer can be deceptive as impacts can go unnoticed without dedicated monitoring. Therefore, we are actively monitoring market developments and claims experience to explore new ways to evolve our propositions and capture transition opportunities.

Progress

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. However, expertise is required to understand claim trends considering conflicting factors such as rapidly evolving vehicle technologies (EVs and advanced driver assistance systems (ADAS) to name but two), but also an increasing average age of vehicles on the road overall. Separating individual technological and behavioral factors will result in better predictions of future claims experience.

Telematics and ADAS can effectively contribute to preventing and mitigating the impact of road accidents within motor fleets and we work with a panel of selected telematics providers to provide independent advice on the best telematics solutions for any organization.

Ongoing focus

We will continue our focus on e-mobility in three key areas:

- 1 Portfolio (e.g., overall market growth and adoption of EVs in fleets, other fuel alternatives).
- 2 Pricing and profitability monitoring loss trends for EVs across the motor portfolio).
- 3 Proposition (especially in high EV growth markets and segments).

4. Our planet: Drive positive impact (continued)

4.1.5 Portfolio level scenario-based climate risk analysis – Underwriting (continued)

Non-motor: A closer look

Physical impacts of climate change continue to drive potential risks across various non-motor line of business, particularly in the property¹ and engineering sectors. Actions taken to counter these risks include managing natural catastrophe exposure through reinsurance/retakaful, utilizing flood assessment tools and seeking risk engineering insights to assess risk.

<p>Identified action following climate risk scenario analysis²⁰²⁴</p> <p>We continued to develop our best-in-class catastrophe modeling and accumulation management, as well as focusing on building capabilities within Zurich Resilience Solutions, our risk management services unit².</p>	<p>Rationale</p> <p>Catastrophe management is key to creating a climate resilient underwriting portfolio and also allows us to inform customers of actions they should take to become more resilient in the face of potential impacts from climate change.</p>
<p>Progress</p> <p>In 2024, we enhanced our accumulation monitoring tool, Risk Exposure Database Storage (REDS) with flood data to better understand our exposures across Malaysia. This enhancement allows underwriters to assess their portfolio for potential flood hot spots.</p>	
<p>Ongoing focus</p> <p>Optimizing exposure in key flood regions remains a strong focus area and relies on frequent, consistent and comprehensive review processes, which have been in place for many years and will continue to be a key part of our climate resilience strategy.</p>	

¹ Property-related sectors (such as retail property, commercial real estate) are exposed to increased physical risks.

² See section 5.1 Customer experience and customer-centric solutions on [page 53](#) for more information.

4. Our planet: Drive positive impact (continued)

4.1.6 Portfolio level scenario-based climate risk analysis – Investment Management



Emilee Yew
Chief Investment
Officer

Investment Portfolio Analysis

A model-based assessment was performed to understand potential climate change-related impacts to asset valuations of our capital positions. The third-party model used integrates reliable physical and transitional climate-related risk variables under several climate scenarios as outlined in section 4.1.4. Our analysis considers key asset classes, including listed equity, corporate credit, and sovereign bonds.

Analysis outcomes

Under the net-zero 2050 scenario, the overall impact on our portfolios is limited. However, we observe elevated transition risk levels, resulting in a higher modeled impact on valuation for carbon-intensive sectors. The increased climate-related impacts for these sectors can be attributed to several potential market changes, such as regulatory changes, carbon pricing, technological advancements, climate abatement costs, increase in demand for low-carbon products and services, and reduced demand for fossil fuel-related products and services. The future development of each factor is uncertain, and we monitor them closely to react timely to impacts and risks.

Under the delayed transition scenario, the aggregated risk level is observed to be smaller in scale compare to the net-zero 2050 scenario. However, the negative impact for carbon-intensive sectors remains apparent as the transition risk is expected to manifest over 20 years instead of 30 years due to delayed policy implementation. This necessitates more accelerated emissions reductions to mitigate further climate-related risks.

Under the current policies scenario, we observe low or moderately low physical risks for our portfolios. The model simulates high physical exposures for a few sectors, such as agriculture and activities in tropical areas, to which we currently have limited exposure. Further, physical risks are estimated to mature and impact the asset valuations more profoundly further into the future compared to the maturity patterns of transitional risks.

Our sovereign bond analysis suggests mildly inflationary outcomes for all three scenarios: current policies, delayed transition and net-zero 2050 scenarios. Under the current policy scenario, interest rates rise somewhat due to the negative effect on the economy caused by the physical impact of climate change, including decreased labor productivity under warmer weather conditions. For the net-zero 2050 scenario, price pressures may arise due to the rising cost of carbon and stronger investment demand, spurred by the transition, resulting in moderately higher sovereign bond yields and lower bond prices. The impact on inflation and interest rates is estimated to be higher in this scenario than in the current policies scenario. Under the delayed transition scenario, a moderate increase in inflation and interest rates is expected, with corresponding effects on sovereign bond yields and prices. This scenario represents a middle ground between the immediate impacts of current policies scenario and the more aggressive changes required for the net-zero 2050 scenario.

Our strategic response to climate change-related risks is our long-term commitment to decarbonize our investment portfolio to net-zero GHG emissions by 2050. To support this commitment, Zurich Group has set interim targets for emission reductions. Additionally, we have implemented group-wide policies and investment processes across our Malaysia entities to ensure a consistent approach to the integration of ESG topics. We have integrated ESG information, including climate data, into our investment management process.

4. Our planet: Drive positive impact (continued)

4.1.6 Portfolio level scenario-based climate risk analysis – Investment Management (continued)

A closer look

Equity

Net Zero 2050 Scenario

In an orderly transition to net-zero, we generally observe high transition risk levels and therefore a higher modeled impact on valuation for carbon-intensive sectors (including energy). These sectors can be profoundly impacted by higher carbon costs and regulatory changes compared to lower-emitting sectors.

Opportunities are identified for sectors that can benefit from, and contribute to, the decarbonization of the economy. This is especially relevant for utilities that can benefit from renewable energy solutions and the development of new technologies.

For low-carbon sectors, including finance, we observe low impacts on asset valuations. This is a realistic assumption given the limited direct exposure to climate-related transitional risks. However, for finance the indirect exposure through the financing of higher-emitting sectors isn't captured within the modeling of the asset class valuation. In a scenario with increased carbon pricing, stricter climate-related regulations and/or low-carbon technological advancement, the finance sector could face more material climate transition risks, which would need mitigation actions. If a rapid transition of the economy led to energy scarcity, increased energy prices, and bottlenecks in the economy, all sectors could potentially be severely impacted.

Delayed Transition

Similarly to the 'Net-zero 2050' scenario, transition risks mainly affect carbon-intensive sectors. It is expected that low-carbon sectors, such as healthcare, will face less impact to their valuations.

Under the 'delayed transition' scenario, some sectors, including utilities, will be able to utilize the transition opportunities and benefit from the transition to a low-carbon economy.

Physical risks are still limited compared to the current policies scenario. However, sectors with infrastructure assets, such as energy, will be impacted.

Current Policies

Physical climate-related risks anticipated under the current policies scenario are estimated to have a low to moderately low impact on the asset valuations, in contrast to the transitional risks emerging under the net-zero 2050 scenario. Most physical impacts of climate change are considered or modeled to be less impactful within the time span of the model as they materialize further into the future compared to transitional risks.

Corporate Credit

Net Zero 2050 Scenario

Regarding sector impact, we see the same patterns for corporate credit as for listed equity. Carbon-intensive sectors experience higher transition risks and as a result, higher modeled impact on valuation compared to low carbon-intensive sectors.

We see marginally higher climate-related impacts for our credit portfolio relative to our listed equity portfolio. Among others, this can be explained by Zurich's Sustainability approach, where any equity investment on the restriction list is sold immediately, whereas for corporate credit, no new purchases can be made but the existing holdings may be held until maturity.

Delayed Transition Scenario

Impact to valuation is found to be moderate for carbon-intensive sectors, particularly the energy sector.

Current Policies Scenario

Low impact levels on asset valuation. The bonds in our corporate credit portfolio tend to mature before the strongest climate-related risks materialize.

4. Our planet: Drive positive impact (continued)

4.1.6 Portfolio level scenario-based climate risk analysis – Investment Management (continued)

Sovereign debt

Net Zero 2050 Scenario

We expect mildly inflationary outcomes.

Price pressures may arise due to the rising cost of carbon and stronger investment demand spurred by the transition. This will result in moderately higher sovereign bond yields and lower bond prices. The impact on inflation and interest rates is estimated to be higher in the net-zero 2050 scenario than in the current policies scenario.

Delayed Transition Scenario

We expect mildly inflationary outcomes.

Current Policies Scenario

We expect mildly inflationary outcomes.

Interest rates rise somewhat due to a negative effect on the economy caused by the physical impact of climate change. Negative effects include decreased labor productivity under warmer weather conditions.

Conclusions and responses

As climate change-related risks can rapidly evolve and materialize faster than expected, we will conduct regular monitoring and active management of these risks. Our assessment shows that the most material climate-related risks—and thus higher modeled impact on valuation—appear for carbon-intensive sectors. We are already addressing these risks through a bottom-up approach with our emission reduction targets and coal, oil sands, and oil shale exclusion policies. With respect to our exclusion policies, we have divested from equity holdings and stopped investing in new debt and run-off existing holdings of companies that derive more than 30 percent of their revenues from mining or extracting thermal coal, oil sands, and oil shale, or that generate more than 30 percent of their electricity from thermal coal, oil sands, and oil shale.

Our strategic response to the climate change-related risks we observe 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, Zurich Group has set interim targets for emission reductions.

To strengthen the decarbonization path of our investment portfolio, we have implemented an oil and gas policy for private debt investments in 2023. In addition to the group-wide exclusion on thermal coal, oil sand, and oil shales, Zurich will not provide private debt financing of projects in the Arctic¹ and new oil and gas upstream projects. We further specified investment boundaries for mid- and downstream projects, subject to local governance. Please see more details on Zurich sustainability risk on www.zurich.com/sustainability/strategy-and-governance/sustainability-risk.

¹ Defined as anything north of 66 degrees latitude with the exception of the Norwegian continental shelf.

4. Our planet: Drive positive impact (continued)

4.1.7 Portfolio level scenario-based climate risk analysis – Conclusion

Our first portfolio-level scenario-based climate risk analysis in 2024 considers our material business activities across underwriting and investments.

- Overall, our P&C portfolio observed some shifts in the industry or line of business mix. Consequently, modeled medium-term impacts are contained to the motor and property lines of business, which are exposed to transition and physical risks. From a business strategy perspective, new products, new pricing mechanisms, and risk management tools are some of the potential actions we may consider. The success of new strategies would be tracked based on new set of key indicators.
- In our Life protection analysis, impacts to demand were assessed to have medium materiality and impacts to loss were assessed to have low materiality.
- Similar outcomes are noted across our investments where analysis of key asset classes demonstrates a largely unchanged risk profile. Physical risk impacts few sectors to which we have limited exposure, and transition risk primarily impacts carbon-intensive sectors. The observed impacts do not suggest material risk to our capital position.

Our analysis outcomes suggest that our customer-focused approach and diversified portfolios, supported by strong risk management practices, will continue to provide the resilience and flexibility necessary to be able to adapt to the climate change impacts observed.

We acknowledge the hypothetical nature of the underlying scenarios, the uncertainties 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 the details heavily depend on uncertain 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 a 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.

4. Our planet: Drive positive impact (continued)

4.2 Risk Management



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



Lee Soo Yen
Chief Risk Officer

4.2.1 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 Enterprise Risk Management Framework, following the same objectives of informed and disciplined risk taking. The risk management framework is based on a governance process 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 risks that can impact our strategic objectives. We apply a proprietary Total Risk Profiling™ methodology standard (TRP). This assessment 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 prioritizes risk mitigation. It supports the definition and implementation of mitigating actions. This is an annual process involving senior management, followed by regular reviews and updates by management.
- We complement our TRP with portfolio-level scenario-based climate risk analysis to take the longer-term nature of climate change into account. This provides an outlook on long-term risk developments relevant to our underwriting and investment portfolios, as outlined in our strategy section (see [pages 28 to 44](#)).

4.2.2 Managing risks from climate-related natural catastrophes

As outlined in the strategy section (see [pages 28 to 44](#)), changes in physical risks related to long-term¹ climate change could, over time, impact us predominantly in the property-related business via affected severity and probability of climate-related natural catastrophes. This is mitigated by the flexible nature of our underwriting portfolio, with contracts that are typically renewed annually. We recognize that the climate change has already impacted the environment in the past decades with effects such as land-ice melting and sea-level rise, which need to be considered in our assessment of physical risk. Climate science indicates that the greatest changes in physical risks related to climate change will occur over the longer term. We have established natural catastrophe modeling to manage our underwriting selection, ensuring accumulations stay within intended exposure limits. This view of natural catastrophe risk also underpins profitability assessments, strategic capacity allocation, and guides the type and quantity of reinsurance/retakaful we buy.

¹ This refers to time periods up to 10 years and even out to 30 years, as mentioned in section 4.1.4 Portfolio level scenario-based climate risk analysis on [page 34](#).

5. Our planet: Drive positive impact (continued)

4.2.3 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. To achieve a consistent company view on potential climate change pathways, scenarios selected for this analysis underpin all assessments company-wide in accordance with local regulatory requirements.

An integrated modeling approach, leveraging a third-party model, is adopted for the analysis of our underwriting and investment portfolios to ensure, as much as possible, the consistent use of assumptions. To quantify impacts on company assets, the model adopts a bottom-up approach to analyze the exposures of businesses and industries to physical and transition risks. 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.

The strength of this bottom-up approach is that it provides a coherent framework for analyzing climate change-related risks at the industry and corporate sector levels. 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 to stretch management thinking about the much longer-term outlook and to address consistency of disclosures expected through the TCFD framework, but it does not provide insights from an immediate solvency, financial or capacity management perspective.

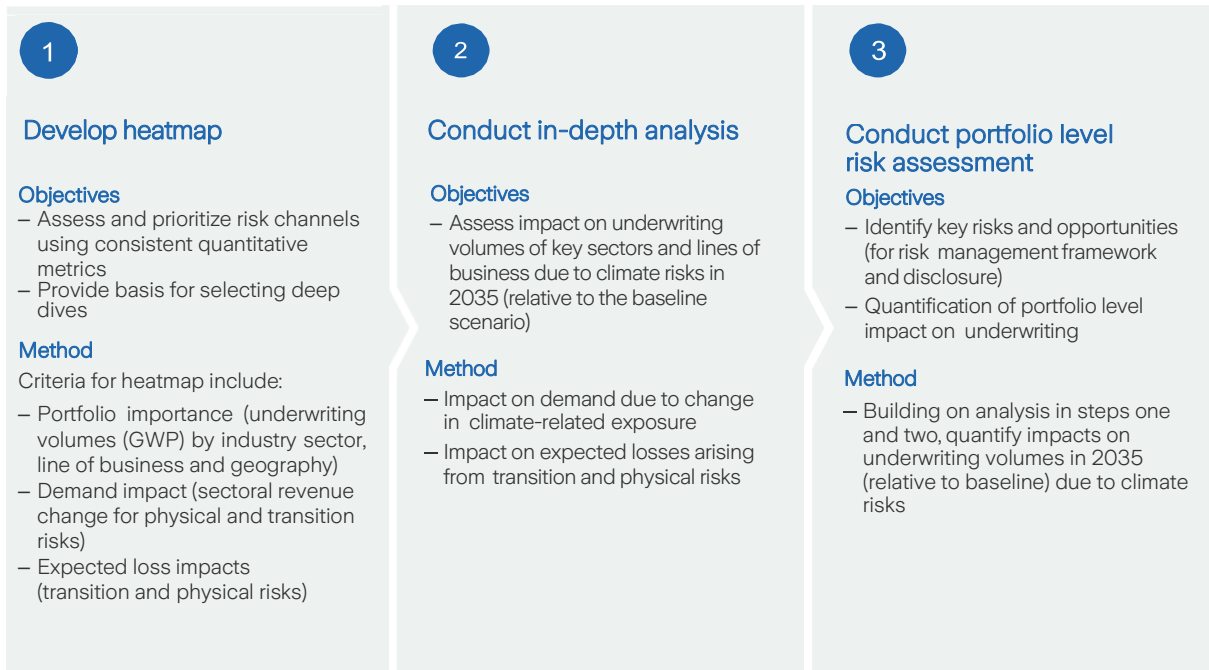
Data underpinning the assessment of impacts on company assets is used in conjunction with premium/contribution and loss data to model impacts on our insurance/takaful business in a bespoke process.

4. Our planet: Drive positive impact (continued)

4.2.3 Portfolio level, scenario-based climate risk analysis (continued)

Figure14

Underwriting analysis process



Data sources and assumptions

- 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.
- Scenario analysis is performed using year end 2023 financial data supplemented with the latest available emissions data.
- Modeled impacts of flood losses are calculated based on the share of flood damage by type, coastal, river and surface, by measuring the differences in damages between today and the future for each region using data provided by a third party.
- 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 on to consumers), leading 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, omitting an important uncertainty effect.

4. Our planet: Drive positive impact (continued)

4.3 Metrics and targets

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

4.3.1 Our targets

Our commitment to net-zero focuses primarily on enabling reduction in emissions in the real economy. We believe we can best achieve this by focusing our approach on engagement with customers and investees and accompanying their transition. This reflects our principle that the private economy's most effective contribution to fighting climate change derives from assisting, incentivizing, and asking our investee companies, insurance and takaful 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.

Target	Definition	Target year	Base year
Reduction in operational carbon emissions	Our targets for our own operations against a 2019 baseline as follow: – Total emissions: absolute reduction in all operational emissions of 83 percent by 2025	By 2025	2019

4.3.2 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



Revenues from energy efficiency and low-carbon technologies¹

As a result of the market's shift from Internal Combustion Engine (ICE) to Electric Vehicle (EV) solutions by both existing and new customers, we generated additional revenues of RM3.9 million in 2024 (RM2.3 million in 2023).

For more information on all our sustainable solutions, please see section 5.1.1 Revenues from sustainable solutions on [pages 54 to 55](#).

¹ Revenues capture gross written premiums/contributions and other fee services.

4. Our planet: Drive positive impact (continued)

4.3.2 Our performance metrics (continued)



Underwriting and Investment Management

Thermal coal, oil sands, and oil shale

In line with our thermal coal, oil sands, and oil shale policy¹, we continue to screen new investments and potential customers for involvement in policy-relevant activities. We will not insure or invest in companies that exceed our thresholds and do not have near-term commitments in place to bring themselves below these limits. As such, companies will be added to our exclusion screen before any business relationship is established. This will not impact on the amount of divestments or phased-out insurance premiums/takaful contributions.

Existing customers and investee companies have the potential to become relevant for our exclusion policy through mergers or divestments. We will continue to monitor such developments using third-party data sources but we will not separately report on such cases due to their low impact on our portfolio.

In line with our overarching net-zero targets for our insurance/takaful and investment portfolios, our performance management focus will move from individual sector exclusions to tracking our overall portfolio decarbonization and engagement targets. We monitor the progress of customers and investee companies against our thermal coal, oil sands, and oil shale thresholds through third-party data and direct engagements.



Investment Management

This section presents a progress update on our investment-related targets.

The Zurich Group set 2025 interim targets for the asset classes of listed equity and corporate bonds. Zurich Group aims to reach the targets by phasing out exposures to already restricted names under our thermal coal, oil sands, and oil shale policy, and through active portfolio management. We are taking portfolio construction actions that allow for potential switches to issuers with a lower CO₂e footprint and potential divestments for those cases where no valid transition plans are in place.

At Zurich Malaysia, we aim to create value for both our company and for society as a whole. As part of this approach, we expect and monitor our asset managers to integrate ESG factors, fully reflecting the risks and opportunities associated with ESG factors when choosing assets for our portfolios. We have implemented Zurich Group's policies and investment processes across our Malaysia entities to ensure a consistent approach to the integration of ESG topics. Through ESG integration we price and manage financially material sustainability risks and opportunities. Investments may also enable economic activities that have positive impacts on our environment and society. We use various third-party data providers that provide 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 ESG information, including climate data, into our systems and have information about the environmental, social, and governance performance of our portfolios.

In addition, our in-house portfolio managers and analysts have direct access to ESG research and analysis sourced from specialized providers and are trained to assess these risks and opportunities.

Our responsible investment strategy is aimed at successfully managing Zurich's investment assets, while mitigating costs to the environment and delivering benefits to society. Our strategy is to integrate ESG factors into the investment process – across asset classes and alongside traditional financial metrics while generating superior risk-adjusted, long-term financial returns.

¹ For further information, see section 2.2 Managing risks and opportunities

4. Our planet: Drive positive impact (continued)

4.3.2 Our performance metrics (continued)



Own Operations

Our operational sustainability framework applies to daily operational processes such as the provision of workplaces, information technology, travel and transport, and the procurement of goods and services. The framework follows four core principles:

Transparency:

We report on the carbon dioxide equivalents (CO₂e) of the following sources of emissions to track progress towards our science-based targets for reducing emissions, in line with efforts to cap global temperature rise at 1.5°C¹:

- Scope 1 emissions from fleet.
- Scope 2 emissions from purchased electricity in our workplaces.
- Scope 3 emissions from air business travel, employee commuting, printed paper, and waste.

Accountability:

We set clear targets to demonstrate accountability for our operational footprint². See our operational emissions reduction targets and our performance in the table below.

Since 2021 we have been purchasing green electricity certificates, also known as Renewable Energy Certificates (RECs). By buying RECs we are supporting the generation of renewable energy, which helps reduce greenhouse gas emission and reliance on fossil fuels. RECs allow us to claim the use of renewable energy without needing to install renewable energy systems like solar panels at our locations.

Collaboration:

We can only be successful if we address sustainability risks and opportunities together. In addition to cross-functional collaboration required internally to deliver our operational sustainability agenda, we focus on employee engagement, including raising awareness of the importance of making responsible and sustainable choices, engagement with our supply chain, and collaborating with NGOs to share knowledge, promote research, and improve our own understanding of evolving operational sustainability risks and opportunities.

Continuous improvement:

Zurich's operational sustainability is based on a model of continuous improvement of processes. We focus on increasing the quality of our engagement, data transparency, and data coverage.

¹ Third party vendors are out of scope.

² See 3. Governance: embedded in our governance framework on [page 24](#).

4. Our planet: Drive positive impact (continued)

4.3.2 Our performance metrics (continued)



Sustainable operations

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 84 percent. The strongest reduction was in our employee commuting emissions, primarily due to data quality improvements. We are continuously improving the calculation approach, reducing dependencies on assumptions, and expanding automation. For example, we can 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 will progress towards emissions reductions in our car fleet as we work towards our goal to fully electrify our car fleet by 2029, per our EV100 commitment¹.

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.

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

Table 2

Absolute carbon emissions coming from our own operations*

		2024	2024 Progress against baseline	2023	2023 Progress against baseline	2019 (baseline)
Absolute carbon emissions	Total	1,195	(84)%	2,222	(70)%	7,384
Absolute reduction in all operational emissions		1,195		2,222		7,384
Scope 1 + 2 emissions	Total	50	(98)%	49	(99)%	3,181
Fleet emissions		50		49		30
Electricity emissions		0**		0**		3,152
Scope 3 emissions	Total	1,145	(73)%	2,173	(48)%	4,203
Category 1: Printed paper		46		32		
Category 3: Energy and fuel		13		13		
Category 5: Waste		5		12		
Category 6: Business travel		211		243		
Category 7: Employee commuting		870		1,873		

* Third party vendors are out of scope. Data in the table shown as metric tons of CO₂e.

** Scope 2 emissions have been offset by purchase of RECs.

The 2024 data includes an estimation for employee commuting emissions (which are part of the LTIP scope) and facilities data. For further information on LTIP, please refer to our remuneration policy².

Green certified buildings

In late 2021, Zurich pledged to improve sustainability and foster well-being within our workplaces. This commitment led to the inception of the Sustainable Buildings program, with the objective of evaluating 50 of our offices globally against environmental and well-being requirements in 2022. Both Zurich Malaysia's Head Office (KL Eco City) and Plaza Zurich received Sustainability Alignment Generating Exercise (SAGE) certification in November 2022. In 2024, Zurich Seremban also successfully achieved the SAGE certification. As of 2024, 3 of our 28 branches (including Head Office) have achieved SAGE certification. The SAGE tool is a unique instrument developed based on external best practices. It is designed to assess our buildings from an environmental impact and well-being perspective. This accomplishment underlines Zurich Malaysia's commitment to sustainable practices and the well-being of our stakeholders.

1. EV100 is a global leadership initiative bringing together influential businesses committed to accelerating the transition to electric vehicles.

2. For more information on our remuneration policy, please refer to our Zurich Malaysia annual reports www.zurich.com.my

5. Our customers: Their needs are at the heart of everything we do

Our customers

Building a brighter future together with our customers.

Our customers are at the heart of everything we do. During our last financial cycle, we defined our new purpose – Create a brighter future together – alongside a new brand framework, defining our values and behaviors as well as our promise to our customers: ‘Your needs are at the heart of everything we do.’ We also defined the experience that we want our customers to have. In 2022, we launched our new customer experience vision: ‘Build a meaningful relationship’, which aims to transform our transactional sales process and provide a more personalized approach.

In 2023, we have made visible progress on all our strategic priorities by delivering on our Brand Strategy and our Customer Experience Strategy. We enhanced customer capabilities with our employees through structured training programs delivered group-wide, and delivered value to our customers through the optimal and responsible use of customer data, insights, and analytics. Today, we are more capable than ever of understanding our customers’ needs and expectations to create relevant, innovative products and frictionless customer experiences.



At Zurich Malaysia, we don’t insure against. We ensure for. We understand that our customers’ needs are as unique as they are. That’s why we offer personalized solutions to help them prevent and manage risk, achieve their goals, no matter how big or small, and thrive.

Ally Robertson

Chief Operations Officer • Operations & Technology



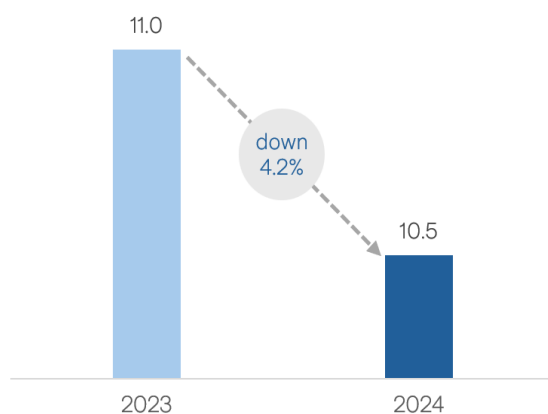
5.1 Customer experience and customer-centric solutions

5.2 Customer retention

5.3 Fair and transparent advice and engagement

5.4 Digital confidence and trust

Revenues from sustainable solutions in 2024
(RMm)



Retention rates in 2024

Customer retention rate: 60.6%

5. Our customers: Their needs are at the heart of everything we do (continued)

5.1 Customer experience and customer-centric solutions

To provide our customers with the experience that we want them to have, we defined the Zurich Customer Experience Standards (Zurich CX Standards) for Retail in 2021. These standards aim to go above and beyond local laws and regulations to address our customers' evolving needs. They cover a range of touchpoints throughout the customer journey and are set at three different levels of ambition to 'meet customers' expectations beyond regulatory requirements, exceed their expectations, and ultimately to make us unique in their eyes.

These standards inform initiatives at both Group and local level, including the development of sustainable options or alternatives throughout our retail products and services. They also foster behaviors that consider customers' physical, mental, financial, and social well-being at all times. We periodically assess each business unit to evaluate our progress against these standards, set targets for improvement and define actions to be taken – obtaining a global view on how our customers experience our brand to date.

Initiatives that help improve performance to meet Zurich's CX Standards are centrally recorded, tracked, and mapped against customer KPIs, notably through transactional Net Promoter Score (tNPS)¹ and verbatim, and relational Net Promoter Score (rNPS). Our commitment to providing exceptional customer experience has led to significant improvements in speed, responsiveness, and empathy across multiple geographies and customer journeys, reflected in a tNPS increase of 13.7 points since 2020.

In alignment with Zurich CX Standards, we have developed the MyZurichLife self-serve customer portal, which we are continuously improving to better serve our customers. This portal is accessible to all retail customers across all Zurich Malaysia entities, promoting convenience and user-friendliness. It embodies our commitment to CX standards by offering features that enable customers to view and download their policies/certificates, perform minor amendments to their policies/certificates, submit claims, and monitor the status of their claims at any time.

In 2023, we also launched our Customer Centricity Program, which aims to meet our promise to our customers by shifting our relationships from transactional to deeper and more meaningful ones that increase loyalty. It is a customer-focused distribution and sales approach based on extensive customer data analytics and improved understanding of customer needs, supported by our centralized Customer Intelligence Platform, where we report and analyze customer data. The program helps inform the development of better and more targeted propositions and campaigns.

We acknowledge that customers can be exposed to different triggers at different stages of the customer journey which can hinder our ability to deliver on our customer promise. By understanding and anticipating their needs and delivering relevant, personalized propositions and seamless experiences, we contribute to mitigating the risk of designing products, services, and experiences that do not meet the needs of our customers.

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.

5. Our customers: Their needs are at the heart of everything we do (continued)

5.1.1 Revenues from sustainable solutions



Measuring our sustainable solutions through our internal definition

In 2022, we established our own definition of sustainable solutions and measured their associated revenues for the first time. A solution must undergo a thorough assessment and meet our stringent criteria to be included and reported as sustainable revenue. All new solutions are approved by our Zurich Group's dedicated advisory team.

Table 3

Internal definition of revenues from sustainable solutions

The term sustainable solution refers to insurance/takaful 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.

The table below provides detailed examples of revenues from sustainable solutions across three categories (environmental, social, and investment).

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: <ul style="list-style-type: none"> – Insurance/takaful coverage for electric vehicles. – Insurance/takaful coverage for carbon mitigation 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 of socially disadvantaged people, or are designed to incentivize healthy lifestyles and safe behavior.	Examples include: <ul style="list-style-type: none"> – Micro-insurance/takaful for low-income customers, e.g., insurance/takaful for domestic maids.
Revenues from sustainable investment solutions	Investment products with a focus on sustainability both specific, and not specific, to environmental and social aspects.	Examples include: <ul style="list-style-type: none"> – Unit-linked products investing in funds focused on sustainable environmental and social factors, e.g., ESG funds.

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



As part of our protection proposition, we have been providing insurance/takaful solutions to the domestic helper segment, offering an additional safety net for them on and off-work.

In our effort to support our customers in lowering carbon emission, Zurich Malaysia has been actively providing insurance/takaful solutions for our customers in their Electric Vehicle (EV) journey.

The introduction of the Zurich Global Green Fund in 2022 made Zurich the first life insurer in Malaysia to launch a climate-neutral investment as an option in our investment-linked fund portfolio for unit-linked life insurance/takaful that have both protection and investment components. The fund is aligned with the Zurich philosophy on sustainable investments and focuses on low carbon companies and leaders in clean technology to achieve a 1.5°C future. The Zurich Global Green Fund invests in companies driving change in the field of clean technologies around the world.

5. Our customers: Their needs are at the heart of everything we do (continued)

5.1.1 Revenues from sustainable solutions (continued)

Sustainable solutions meeting our internal criteria generated RM10.5 million (0.4 percent of our total gross written premiums/contributions, fees, and net flows) in revenues during 2024 (RM11.0 million in 2023), a marginal drop of 4%, mainly due to rebalancing of portfolio and capitalizing from the strong returns by customers who had invested in 2022 and 2023. We continue to strive to create new solutions that help our customers on their journey to becoming more sustainable.

Figure 15

Revenues from sustainable solutions split by sustainable category

in RM millions

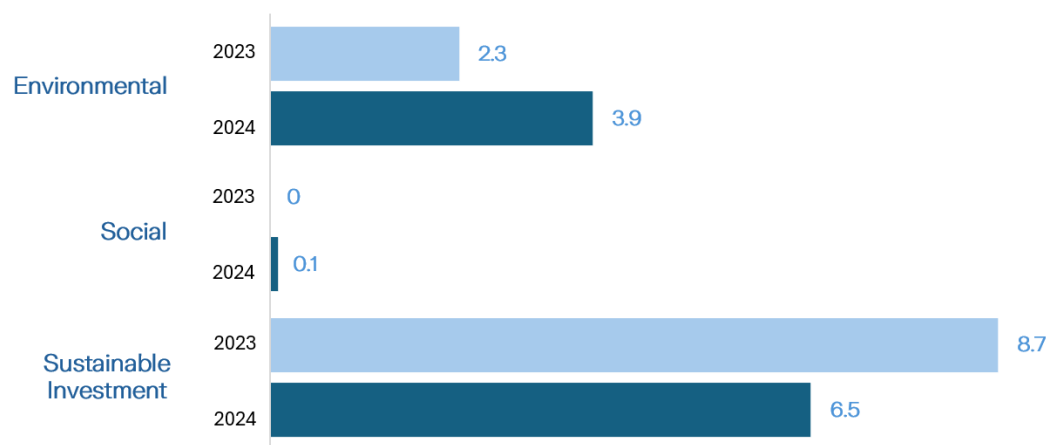


Figure 16

Revenues from sustainable solutions by product category

in RM millions

E-mobility	3.9	Total: 3.9
Accident and Health	0.1	Total: 0.1
ESG Unit linked products	6.5	Total: 6.5

Revenue generated from our environmental category mainly through electric vehicles (EV) solutions saw a growth rate of 70.8%, an increase from RM2.3 million to RM3.9 million in 2024.

In Q4 2024, Zurich Malaysia launched a newly approved sustainable solution under social category. This newly approved social solution for domestic maids in 2024 contributed RM0.1 million. This is a personal accident product that provides protection to domestic helpers working with an employer at their homes.

Sustainable investments solutions coming from our ESG unit-linked product, Zurich Global Edge Green Fund, is contributing RM6.5 million to our total sustainable revenues for 2024.

5. Our customers: Their needs are at the heart of everything we do (continued)

5.1.2 Innovating for our customers

We believe insurance/takaful can make a significant contribution to the change required to achieve the low-carbon transition. We work with customers and collaborate with public and private organizations to develop innovative solutions that enhance resilience and help prevent or minimize damage and harm from climate-related perils. Our insurance/takaful and risk management solutions are developing with the release of new technologies, business models and approaches needed to achieve a climate-neutral economy. Our expertise helps manage the associated risks during implementation. We use capital markets to search for and fund solutions to many pressing social or environmental issues.

Climate Resilience offering

Building on more than a decade of natural hazard assessment experience, Zurich Resilience Solutions (the risk management consulting arm of Zurich) introduced climate resilience services. In 2024, Zurich Resilience Solutions established a dedicated Asia-Pacific climate resilience team providing natural hazard and physical climate risk solutions for customers across the region, including Malaysia.

Our dedicated Climate Resilience team brings together experts in multiple disciplines needed to assess the impact of climate change on a customer's operations and propose adaptation measures. Utilizing proprietary in-house climate data, the climate resilience solutions through Climate Spotlight assist customers in identifying the physical chronic and acute climate risks that may impact their operations, people, and communities. The output of the assessments assists customers in meeting physical climate risk reporting requirements (such as ISSB and other TCFD aligned climate disclosures).

2024 was another year where many more organizations had additional requirements to act on climate risk, motivated by climate-related losses, disclosure requirements or stakeholder demands. In response to this need, we have expanded our offering in the following ways:

- We enhanced our capabilities and increased the range and diversity of expertise and skill sets in our team.
- Our climate resilience portal evolved further, to meet customer demand and needs. It reflects the needs of a wide range of stakeholders in our customer organizations who are using our portal to better visualize and communicate climate risks, leading to a clearer strategy in the implementation of adaptation measures. The output of the climate resilience portal maps the evolution of elements critical to business under different climate scenarios and time horizons. Part of the output is also the prioritization of high-risk sites, for a deeper analysis of their vulnerabilities, allowing the development of a climate adaptation plan.
- We serve customers from multiple industries, extending our services from corporate to local government sectors.

Further assistance is provided to customers to build resilience against the impact of extreme weather events through site-level assessments. These assessments incorporate current natural hazards and future climate-related hazards. In Malaysia, Zurich Resilience Solutions have performed physical on-site assessments for some of our global customers to assist in building against flooding.

Unit-linked business

We continue our strong focus on responsible investment in the Life and Wealth Business. It is our ambition to provide each customer with a range of investment solutions that not only meet our high-quality standards, but also their sustainability preferences and beliefs. There is a combination of Group-wide and local initiatives underlining this effort.

The introduction of the Zurich Global Green Fund in 2022 made Zurich the first insurer in Malaysia to launch a climate neutral investment as an option in its investment-linked fund portfolio for unit-linked life insurance/takaful that have both protection and investment components. The fund is aligned with the Zurich philosophy on sustainable investments and focuses on low carbon companies and leaders in clean technology to achieve a 1.5°C future. The Zurich Global Green Fund invests in companies driving change in the field of clean technologies around the world.

5. Our customers: Their needs are at the heart of everything we do (continued)

5.2 Customer retention



Iris Dang
Chief Operations Officer
– Property & Casualty

Figure 17

Customer retention rate 2023 Customer retention rate 2024

61.0%

60.6%

We continue to focus on our customer ambition “to become the insurer of choice for our customers by earning their loyalty” and measure customer revenue retention to track our progress. Customer retention rates for retail remains stable across most markets, despite economic pressure due to rate increases and a challenging macroeconomic environment. At the same time, we have accelerated our partnership-building capabilities, broadened our access to large customer bases, and enriched the experiences we deliver through them. This has resulted in strong acquisition rates through the growth of our core customer base as well as key partnership renewals.

5.3 Fair and transparent advice and engagement

In line with our Group’s 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 communication is critical to mitigating the risks that our customers face throughout their journey with us and empowering them to make informed decisions and choices for themselves. The Zurich Code of Conduct 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) framework¹ in place to support strong customer management, including fair communication practices, in all our business units.

CFC refers to the activity undertaken to maximize the likelihood of fair and positive outcomes for our customers. The CFC framework at Zurich is designed to support business units in identifying, evaluating, and mitigating the risks related to customer-facing conduct. It also supports developing detective and preventive control activities in existing processes across the customer lifecycle. Group Compliance supports and advises the business to enable effective management of CFC risks in alignment with the changing needs of our customers, new business models, and the continued evolution of expectations from regulators and other stakeholders.

Listening to our customers

We continue to evolve our customer experience by listening to and acting on customer feedback through our tNPS programs. We received around 87,000 responses from our valued customers in 2024 across our business and acted based on their feedback. Actions ranged from local optimizations of processes to more sizeable and Group-led measures. One example is the improvement of customer experience at our customer-facing functions, which piloted our new Customer Empathy Training program to empower our front-liners to manage customer calls, servicing and claims, embedding our Customer Experience Standards around delivering personalized experiences and leading with empathy. This resulted in an average improvement of +2 points in our tNPS score for this touchpoint over six months. Targeted actions to improve customer experience across the organization resulted in continued high levels of customer satisfaction, achieving a 3.6 points increase in our overall tNPS score in 2024.

¹ <https://www.zurich.com/about-us/corporate-governance/code-of-conduct/we-care-about-our-customers>

5. Our customers: Their needs are at the heart of everything we do (continued)

5.3.1 Customer communication



Our products and services are provided in more than 200 countries and territories. Our local businesses strive to align our approach to informing customers about our products with both regulatory and customer expectations. Our customers have access to detailed information about our products and services, including but not limited to policy/certificate coverage, exclusions, product suitability etc. Information on our products and services is available through several channels, including our website, intermediaries, email, social media, television, press, digital, and print advertising. The introduction of MyZurichLife, an integrated portal for all customers, and the Zurich Malaysia: MyZurich App for P&C customers in 2024 is simplifying access to information. These platforms provide an on-demand overview of the products they hold, available services to them, and suitable suggested products.

In 2024, we implemented the new 'Tone of Voice' framework which redefines the way we communicate with our customers, rooted in our purpose to 'create a brighter future together'. The framework provides a set of rules and guidance which will provide increased warmth, clarity, and conciseness in our communication with our customers about what we offer and any actions a customer needs to take. In addition, we launched a new Customer Empathy training program to mitigate the risk of selling products and services that are not appropriate for our customers' needs and the risk of failing to exhibit skill and care in the provision of services to our customers.

5.3.2 Continuously measuring and improving claims management



Customers purchase insurance/takaful to mitigate risks. 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 the Outstanding Claims Management Award and Travel Insurance Initiative of the Year Award, recognizing our market-leading claims services.

We continue to develop our claims teams across our business to enable them to be equipped to respond to our customers when needed most. An example of this is our Hospital Income Benefit claim automation that auto-registers our customers for hospital income benefit claims once they have a hospitalization claim notified.

These continuous improvements helped to increase our claim tNPS score in 2024 by 5.2 points. There has also been a 3.5 percentage point increase in the number of responses provided by our customers, showing both that we are increasing the opportunity for customers to provide feedback and that more customers than ever want to tell us about their claims experience.

We have also established a strong claims sustainability framework across all countries, where claims are processed and handled, which includes defined best practices to support and align with our sustainability focus areas. Every country has a three-year action plan to achieve the desired benchmark set out by the framework. The best practices range from loss prevention and mitigation to reskilling our workforce, as well as making sustainability a major determining factor in developing future relationships with our key third party service providers. We are committed to creating and working with all our providers to deliver innovative sustainable solutions ranging from growing the circular economy to providing extra support and care to our customers.

5. Our customers: Their needs are at the heart of everything we do (continued)

5.4 Digital confidence and trust

One of Zurich's goals is to make people and organizations more resilient by fostering confidence in a digital society. We aim to use this goal to improve customer experience. We are determined to be transparent about data management and Zurich's data protection and privacy policy, as this is a critical factor for customer trust.

During the past year, we have strengthened our privacy management capabilities, further developed our AI solutions with a particular focus on generative AI, as well as our AI Assurance Framework, and invested in a digital platform that enhances our business impact analysis (BIA) and business continuity planning (BCP) globally, in line with our customer promise.

We frequently educate our employees and senior management on our data privacy policy and Zurich's data commitment. Our annual data privacy training was assigned to all employees¹ in 2024, with a completion rate of 100 percent. The training highlights the importance of observing privacy rights and using personal data in a legal and transparent manner.

In addition, our annual information security awareness training covers a wide range of information security topics and behaviors relevant to all employees¹, with a completion rate of 96.9 percent. This annual education is supported throughout the year with smaller, supplemental offerings in the form of tip sheets, bite-sized learning campaigns and more. Topics include working remotely and securely, creating strong passwords, social engineering and the many forms of phishing, including how employees can spot and report phishing attempts. Information security awareness training is reviewed and updated annually to remain on top of the latest developments with cyber threats and Zurich policies and controls.

5.4.1 Data and Responsible AI Commitment



In 2024, 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.

Privacy Framework and Tool

In 2024, we continued the implementation of the Zurich Group's data privacy platform, enabling consistency and standardization of the privacy management processes. This central platform enables the execution of comprehensive data privacy impact assessments, compliance, and the mitigation of risks, including the maintenance of the records processing activities. In addition, it includes the inventory and evaluation of risks associated with AI solutions and the management of data incidents. Consequently, the 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.

¹ 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.

5. Our customers: Their needs are at the heart of everything we do (continued)

5.4.1 Data and Responsible AI Commitment (continued)

Training and awareness

In 2024, we further enhanced training and awareness activities tailored to our employees based on their exposure to data privacy risk. Zurich Group 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, we issued a Data Privacy and Records Management Guidance. 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: The use of AI is governed by Zurich Group's 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: The 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 Zurich Group's AI Assessment Framework (AIAF). Zurich Group's AIAF is closely aligned with the Organisation for Economic Co-operation and Development (OECD) AI principles¹ and supports our global organization to assess the usage of AI and mitigating 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 Zurich Group's Digital Mastery Program at various levels to enhance their understanding of Digital, Data and AI. In additions over 11,700 employees globally have completed the Zurich Customer Empathy program created to help 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.

¹ <https://oecd.ai/en/ai-principles>

5. Our customers: Their needs are at the heart of everything we do (continued)

5.4.1 Data and Responsible AI Commitment (continued)

Training and awareness (continued)

While technological advances in AI continued to grow throughout 2024, Zurich Group 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/certificate wordings have been drafted correctly and are consistent across countries. It does this by extracting the coverages from each policy/certificate and showing them side by side in a common language and currency. This 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 the adoption of 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.

5.4.2 Cybersecurity



In 2024, cyber-crime and increased cyber risk due to geopolitical instability continued to be a major concern. International law enforcement and government agencies intensified efforts to combat cyber criminals and dismantle their infrastructure, resulting in some success in slowing down the spread of ransomware. Nevertheless, the growth of cyber threats due to the commoditization of malicious cyber capabilities, the relatively low barrier to entry, and continued investments and activities led by highly skilled threat actors, necessitates robust measures to protect valuable data.

Zurich Group Cyber Security (GCS) is addressing these evolving challenges through substantial investments to strengthen our cyber defenses and data protection strategies. In 2022, Zurich GCS expanded the multi-layered defensive approach, incorporating industry best practices and recognized frameworks, such as the U.S. National Institute for Standards and Technology (NIST) Cybersecurity Framework. This approach, coupled with a continuous improvement strategy, has proven effective in safeguarding Zurich's data in accordance with data commitment. In 2023, Zurich GCS further increased our focus on the protection of unstructured data and managing third-party risk, as well as developing the understanding of the implications of AI as both a threat to cyber defense and as a tool for increasing it.

Cyber threats continue to evolve, prompting us to enhance our cybersecurity maturity and investment, with a particular focus on cybersecurity hygiene and improved metrics with several key initiatives concentrating on strengthening cyber defenses and data protection.

5. Our customers: Their needs are at the heart of everything we do (continued)

5.4.2 Cybersecurity (continued)

[Harnessing the power of automation and AI](#)

Zurich GCS deployed highly automated threat detection systems to respond to issues more rapidly, significantly increasing the capacity of Zurich Group's cyber teams to meet the challenges of ever-increasing volumes of cyber threats. Additionally, Zurich Group is embracing AI-enabled systems and has several AI initiatives underway to allow us to rapidly identify and mitigate potential cyber threats, enhancing our ability to protect data from evolving risks.

[Managing third-party risk](#)

Recognizing the potential vulnerabilities associated with external business partners and suppliers, Zurich Group developed a comprehensive third-party risk management program that addresses multiple risk areas, including cyber. This program incorporates a scalable platform to assess and monitor the cybersecurity practices of our partners.

[Addressing unstructured data risk](#)

The increased adoption of collaborative, cloud-based unstructured data management platforms has made data protection a top priority. As such, Zurich Group has introduced stringent governance standards and technical controls to manage sensitive data, detect and prevent data loss, and meet data privacy commitments.

[Managing data incidents](#)

We remain committed to transparency and accountability. We have implemented a new data incident management process that allows us to track, assess the impact of, and respond to incidents that may compromise customer data while meeting all associated regulatory notification requirements.

As the cyber threat landscape continues to evolve, Zurich GCS is dedicated to staying at the forefront of emerging risks. By embracing new technologies, focusing on efficiency through automation and employing industry-recognized frameworks and best practices, Zurich GCS aims to strengthen cyber defenses, detect and respond to threats more effectively and enhance our overall resilience in the face of evolving cyber threats.

5.4.3 Business resilience



Zurich Group deployed a digital platform that enhances our business impact analysis (BIA) and business continuity planning (BCP) globally, thereby standardizing our resilience approach and tools across the organization. The platform supports the identification of critical processes and their key dependencies (such as systems, people, third parties), allowing recovery strategies to be developed in the tool for the purposes of BCP. The platform has been implemented in all entities across the organization and in all our corporate functions.

Testing and drills remain key to ensuring crisis management readiness. Zurich Group focuses on enhancing our responsive and recovery capabilities through multiple tests and scenario exercises conducted at different levels of the organization and across the various corporate functions.

6. Our people: Let's grow together

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

For Zurich Malaysia, 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, Zurich excels in delivering exceptional experiences to its customers and business partners while positively contributing to society. We provide employees with a range of opportunities to grow, to develop their skills and careers, and remain employable for the long term.

We are optimistic, caring and reliable. With forward thinking, determination and a sense of togetherness, we bring our purpose to life. Our distinct culture, guided by our values and our positive work environment, is committed to diversity, equity, inclusion, belonging and wellbeing, support our people in achieving our purpose, together.



Sustainability is a collective journey that not only protects our planet but also empowers our employees to build resilience and adaptability. This resilience is essential for lifelong employability, equipping our team with the skills and mindset needed to thrive in an ever-changing world. Together, we can create a sustainable future that benefits both our environment and workforce, ensuring agility, innovation, and readiness to face any challenge.

Mye-Lene Teo
Chief Human Resource Officer



- 6.1 Attracting and retaining talent for a sustainable future
- 6.2 A positive work environment
- 6.3 Respecting human rights
- 6.4 Prevention of bribery and corruption

More than 34.6 percent of senior management are female

Focus on internal hire¹



57.4%

6.1 Attracting and retaining talent for a sustainable future

As a global employer and provider of protection solutions to millions of people, we are actively supporting our people to remain employable for the long-term while addressing customer and societal needs. We attract, develop, engage, and retain talent to deliver on our strategy and we are committed to creating a positive work environment where everyone can perform at their best.

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 while attracting specific skills and workforce segments from the external world. The balanced combination allows us to deliver on our business growth plans at the required pace.

¹ As of 2024, we have evolved the definition of this metric to include internal career opportunities generated for horizontal mobility (individuals who moved to a different role without a change in their job levels), vertical mobility entry-level roles (career level A), international moves, re-hires, and changes in employment types from temporary to permanent. Entry-level roles (career level A) remain excluded from 'external hires' as these positions are, by nature, filled by external career starters.

6. Our people: Let's grow together (continued)

6.1.1 Attraction

In 2024, Zurich Malaysia experienced a positive growth in its workforce, with the headcount rising to 1,517 employees, reflecting a 3.9 percent increase as compared to 2023. We successfully continued to attract, develop and retain employees with key skills and capabilities to keep our people and organization ready for the future of work and evolving customer expectations.



Table 4
New hires

Dimension	New Hires	New Hires (%)
Female	159	58.2
Male	114	41.8
Baby boomers and prior generations (1964 or earlier)	6	2.2
Gen X (1965 - 1980)	19	7.0
Gen Y Millennial (1981-1996)	160	58.6
Gen Z (1997 and after)	88	32.2
Career level A	86	31.5
Career level B	163	59.7
Career level C	18	6.6
Career level D	6	2.2
Total	273	100.0

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.

Senior management comprises career levels D. Middle management refers to career level C.

We focus on attracting and retaining employees from all generations to build a diverse workforce that creates a competitive advantage for us. We continue to evaluate and evolve our employee value proposition and the overall recruiting experience, using feedback from our candidate net promoter survey that provides actionable insights.

In 2024, the generational distribution reveals that Gen Y has the highest overall representation at 59%, followed by Gen Z at 32%. Baby Boomers have the lowest representation at 2%, with Gen X representing 7% of the total new hires.

6. Our people: Let's grow together (continued)

6.1.1 Attraction (continued)



In line with our strategic focus on the NextGen workforce, particularly Gen Z, which is rapidly emerging as a vital segment, we remain deeply committed to fostering talent at all stages of their careers. This includes a strong emphasis on supporting internship programs and recruiting fresh graduates. We believe in providing valuable opportunities to individuals as they embark on their professional journeys. As part of this commitment, we provide opportunities for interns from various universities annually across various functions, ensuring that they gain meaningful experiences that pave the way for their future success. This approach reflects our dedication to nurturing the next generation of leaders and innovators.

Table 5

Internal hires¹

Metric	Dimension	Career Level A	Career Level B	Career Level C	Career Level D	Senior Management	Total % 2024 Independent of career level
Internal Hires (%)	Female	74.4	63.6	51.9	57.1	57.1	63.9
Internal Hires (%)	Male	25.6	36.4	48.1	42.9	42.9	36.1
External Hires (%)	Female	-	52.3	29.4	20.0	20.0	48.7
External Hires (%)	Male	-	47.7	70.6	80.0	80.0	51.3
Total Internal Hires (%)		100.0	50.2	61.4	58.3	58.3	57.4
Total External Hires (%)		-	49.8	38.6	41.7	41.7	42.6

¹ As of 2024, we have evolved the definition of this metric to include internal career opportunities generated for horizontal mobility (individuals who moved to a different role without a change in their job levels), vertical mobility entry-level roles (career level A), international moves, re-hires, and changes in employment types from temporary to permanent. Entry-level roles (career level A) remain excluded from 'external hires' as these positions are, by nature, filled by external career starters.

We continue to prioritize internal over external hires, whenever possible, having a clear commitment to "internal first". By promoting accelerated internal mobility among our employees, we support their continuous upskilling, re-skilling, and career diversification.

With an overall internal hire rate of 57.4%, we demonstrate a strong commitment to internal career opportunities. This indicates a strong focus on promoting internal talent at the entry level and a healthy pipeline for frontline managers and technical staff.

Internal hires have a higher percentage of females across all career levels except level C, where the gender distribution is almost equal. External hires have a balanced gender distribution at career level B, but at levels C and D, external hires are predominantly male. This suggests a potential focus on hiring males for middle management and senior executive roles from outside the organization.

6.1.2 Learning and development

We invest in the development of our people through coaching, mentoring, secondments, part-time assignments and formal learning, including accredited learning. Our global learning platform, MyDevelopment, offers more than 28,000 courses, including the full library of LinkedIn Learning. Through technical academies, we aim to build capabilities that are core to our business. We commit to contribute monthly levies to the Human Resource Development Corporation (HRDC) for Malaysian employee's learning and development purposes. We have been actively utilizing the HRDC funds for staff development purposes. These funds are being utilized effectively to skill and reskill our existing staff. Many in-house programs have been specifically crafted for our staff to ensure their consistent participation in industry related training program and program organized by Regional or Group.

6. Our people: Let's grow together (continued)

6.1.2 Learning and development (continued)



Table 6
Average learning hours¹

Dimension	Average learning hours 2024 (hours)
Female	35.09
Male	32.22
Baby boomers and prior generations (1964 or earlier)	33.01
Gen X (1965 - 1980)	33.48
Gen Y Millennial (1981-1996)	34.30
Gen Z (1997 and after)	35.16
Career level A	32.47
Career level B	35.03
Career level C	35.73
Career level D	28.28
Average Learning Hours	34.10

¹ Hours tracked on our global learning platforms (i.e., physical, digital as well as mandatory and voluntary training sessions).

In 2024, our employees dedicated over 51,730 hours to learning with total spending of RM458,917.

6.1.3 Engagement

In 2024, we conducted Zurich Experience Survey (ZES) for the second time as it allows us to collect richer insights about employees' perceptions of their experience at Zurich, as well as better understand their levels and drivers of engagement. The 2024 response rate reached 95 percent, reflecting a 3-point improvement from 2023.

We scored positively in all categories of the ZES 2024, with results particularly strong for Strategy & Values, Leadership, and Engagement. These improvements are linked to enhanced communication and collaboration while fostering creativity and productivity amongst employees, which will undoubtedly drive employee motivation and customer satisfaction.

The engagement score at 86 percent, which includes measuring pride in the organization, referral behavior, intent to stay, and intrinsic motivation, was 3 percentage points higher than the previous survey. The highest improvement of 5 points is seen in referral behavior, with employees' willingness to recommend Zurich as a great place to work at 85 percent.

Zurich Malaysia successfully recertified as Great Place to Work and continues to foster inclusivity and belonging through employee recognition programs such as Hi-5, Manager Recognition Program, Long Service Award, Zurich Thrive, and other divisional initiatives.

6. Our people: Let's grow together (continued)

6.1.4 Retention

Employees' intention to stay working for Zurich, as measured in the ZES 2024 at 84 percent, is 2 points higher than the previous year. This is a strong indicator for us to continue to work on building a healthy and thriving workplace to provide our people with fulfilling work experience.

Overall turnover rate for 2024 stands at 13.6 percent, with 10.4 percent being voluntary and 3.2 percent involuntary, indicating a stable workforce. Female employees had a turnover rate of 7.7 percent, higher than the 5.9 percent turnover rate for male employees, which is expected as Female employees make up 65.5 percent of total workforce. Gen Y exhibited the highest turnover rate at 8.5 percent. Baby Boomers had the lowest turnover rate at 0.5 percent (involuntary), showing that our experienced employees are staying longer. Employees at Career Levels C and D have lower turnover rates (1.2 percent and 0.3 percent respectively), indicating high engagement and commitment among senior-level employees.



Table 7
Turnover¹

Dimension	Voluntary turnover (%)	Involuntary turnover (%)	Total turnover (%)
Female	5.8	1.9	7.7
Male	4.6	1.3	5.9
Baby boomers and prior generations (1964 or earlier)	0.0	0.5	0.5
Gen X (1965 - 1980)	1.7	1.0	2.7
Gen Y Millennial (1981-1996)	7.4	1.1	8.5
Gen Z (1997 and after)	1.3	0.6	1.9
Career level A	2.6	0.6	3.2
Career level B	6.7	2.2	8.9
Career level C	1.0	0.2	1.2
Career level D	0.1	0.2	0.3
Total	10.4	3.2	13.6

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, transfer within Zurich, termination due to disciplinary issue, mutual agreement and etc. Reporting excludes interns and contract staff.

6.2 A positive work environment

We value diverse perspectives, aim to foster a sense of belonging and always look to uphold fairness. We prioritize the wellbeing of our employees, supporting their physical, mental, financial, and social health through proactive guidance and resources. We encourage open communication and collaboration, creating a connected community where collective ideas flourish.

6. Our people: Let's grow together (continued)

6.2.1 Our commitment to diversity, equity, inclusion and belonging

We strive to integrate diversity, equity, inclusion and belonging (DEIB) into everything we do by taking targeted actions to increase and benefit from diversity within the workforce, offer equal opportunities and foster inclusion and belonging.

Female employees make up 65.5 percent of the workforce, with significant representation across all career levels. This indicates a strong presence of women in the organization. In 2024, 34.6 percent of Senior Management are female.

We continue to support the development of female talents to accelerate their readiness for leadership positions. A few examples:

- As part of our Female Leaders Advocate Group (FLAG) agenda in Malaysia, we have launched the FEMMEZ program, where female board members mentor high-potential female leaders.
- Launch of the Women's Innovation Network (WIN) Malaysia in July 2024.

Gen Y forms the largest portion of the workforce at 53.1 percent, well-represented across all career levels, particularly at Career Levels A and B. Gen X makes up 34.3 percent of the workforce, with a notable presence at higher career levels (Career Levels C and D). Emerging Gen Z represents 11.3 percent of the workforce, primarily at entry-level positions (Career Level A). Baby Boomers have a minimal presence in the workforce, with a slightly higher representation at higher career levels (Career Levels C and D).

We also 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 the future needs of our organization via workshops, coaching sessions and experience-based project work. These prepare participants for leadership opportunities within the company.

The workforce is predominantly Malaysian, with 98.6 percent of employees being Malaysian nationals. Non-Malaysians make up only 1.4 percent of the workforce, with a slightly higher representation at higher career levels (Career Level D).



Table 8
Workforce Composition

Dimension	Career Level (%)				Senior management (%)	Total % 2024	Total # 2024
	A	B	C	D			
Female	74.3	63.3	51.5	34.6	34.6	65.5	994
Male	25.7	36.7	48.5	65.4	65.4	34.5	523
Baby boomers and prior	1.0	0.7	3.1	15.4	15.4	1.3	19
Gen X (1965 - 1980)	32.1	31.4	56.9	61.5	61.5	34.3	521
Gen Y Millennial (1981-1996)	46.8	59.8	40.0	23.1	23.1	53.1	805
Gen Z (1997 and after)	20.1	8.1	-	-	0	11.3	172
National	99.8	98.6	97.7	80.8	80.8	98.6	1,496
Non-national	0.2	1.4	2.3	19.2	19.2	1.4	21
Career level	34.1	55.6	8.6	1.7	1.7	100	1,517

6. Our people: Let's grow together (continued)

6.2.1 Our commitment to diversity, equity, inclusion, and belonging (continued)

Ratio of compensation to areas of equality



We actively promote equal opportunity and pay equity in all the markets we operate and continuously monitor to ensure that we meet this ambition. We pay 100 percent of our workforce above the local minimum wage. As part of the annual remuneration cycle, the Malaysia team performs an equal pay analysis to ensure gender is not a factor when it comes to remuneration. This process has successfully generated engaged conversations across our organization, and our leaders are fully dedicated to promoting pay balance across genders in Malaysia.

In Malaysia, we use an internally developed tool to analyze both pay equity and the gender pay gap. We identified where any inequities existed and made required adjustments accordingly to maintain gender pay equity for like-for-like roles. With a focus on increasing female representation in leadership roles, we increased the female people manager headcount by 1.6 percent and reduced the gender pay gap by 9.4 percent over a 12-month period.

6.2.2 Our approach to wellbeing

The wellbeing of our employees is a cornerstone of our ambition to be a sustainable employer. We continue to strengthen our credentials in this space by providing guidance and solutions to cultivate a work environment in which employees can thrive. We aim to support measures that allow employees to grow in the four dimensions of wellbeing – physical, social, mental and financial – and be their best selves every day and everywhere.

Physical wellbeing



At Zurich, we are dedicated to promoting healthy lifestyles among our employees through a comprehensive range of health promotion activities. We collaborate with trusted third-party advisors while also offering various recreational opportunities through our sports clubs. In Malaysia, we have introduced Zurich Healing Hours, a unique initiative focused on enhancing employee well-being. This quarterly event is a special day dedicated to our team members' health and wellness. It features a variety of activities, including in-house health screenings that provide essential insights into personal health metrics, informative health talks covering a wide range of wellness topics, and engaging external events that encourage participation and foster a sense of community. Together, these efforts aim to create a supportive and health-conscious workplace environment where every employee can thrive. These programs not only offer valuable guidance on the numerous options and best practices available but also help in maintaining optimal health and well-being.

6. Our people: Let's grow together (continued)

6.2.2 Our approach to wellbeing (continued)

Physical wellbeing (continued)

Zurich acknowledges the uniqueness of each family and the importance of balancing responsibilities. To support this, Zurich continuously improves its approach to better integrated work and family life. The FlexWork program is central to this commitment, providing flexible working arrangements that help employees achieve work-life balance and enhance their productivity by accommodating individual lifestyles.

Occupational Safety and Health

At Zurich Malaysia, our mission is to safeguard our employees, customers, vendors, premises, and assets. We achieve this by taking reasonable care of personal security and safety, assuming responsibility for Zurich and customer assets, complying with statutory duties and regulations, and maintaining a thorough understanding of safety procedures.

Zurich Malaysia is committed to meeting the requirements of the Occupational Safety and Health Act of 1994 as follows:

- The implementation and effectiveness of this policy are the responsibility of management, with active participation and involvement from employees.
- Occupational Safety and Health issues will be prioritized as an integral part of our business operations.
- In accordance with Section 15 of the Occupational Safety and Health (OSH) Act 1994, Zurich Malaysia will provide the necessary resources, information, instruction, training, and supervision to ensure, as far as practicable, the safety and health of its employees and visitors at work.
- Management systems and safety and health programs will be closely monitored to ensure continuous development and improvement.

Social wellbeing

We acknowledge the importance of inclusive communication in identifying areas for concern and improvement through employee feedback. Our annual ZES and Great Place to Work (GPTW) evaluations facilitate the development of actionable insights that truly resonate with our workforce. In addition to these surveys, we maintain other communication channels, including focus groups, division townhalls, and more.

Zurich is committed to Speak Up culture across the organization, ensuring that our employees feel comfortable sharing their views and questions, and feel safe reporting suspected or actual illegal, fraudulent, improper or unethical conduct.

We encourage our employees to communicate directly and openly with colleagues and people Managers about any issue or questions they may have. Alternatively, our employees may use our Zurich Ethic Line (ZEL) and/or speak to Legal, Compliance or Human Resources Department.

At Zurich, we are committed to create a workplace where everyone feels safe, respected, and empowered. We continue to emphasize on one of the Zurich's top priorities that is to create a safe and respectful work environment, free from any form of harassment.

We are committed to continue to educate and create awareness amongst our employees by organizing two webinars on Understanding/Strategies for Prevention of Sexual Harassment at the Workplace in May and Nov 2024. We will continue to empower ourselves to address these challenges effectively.

6. Our people: Let's grow together (continued)

6.2.2 Our approach to wellbeing (continued)

Mental wellbeing

At Zurich Malaysia, we recognize that mental health is a critical component of overall well-being and a key factor in fostering a sustainable and productive workforce. As part of our commitment to sustainability, we have implemented initiatives that promote psychological well-being, reduce workplace stress, and create a supportive environment for our employees, so they can be at their best for the company and their families.

We conduct webinars on mental health, providing valuable insights and guidance to our employees. Additionally, access to wellness programs is available through our third-party administrator app, offering health tips and tools on the go.

In addition to our flexible benefits program, our mental and wellness programs allow employees and their dependents to claim expenses for psychological and counseling therapy sessions, participate in support groups for sleep management, weight loss, and smoking cessation, and attend stress management training programs.

Financial wellbeing

Zurich is dedicated to supporting the financial wellbeing of our employees. We offer an Education Incentive Scheme to encourage our employees to undertake external study, enhancing their knowledge and skills relevant to their current or future roles.

Additionally, we recognize that education is a valuable investment for the future of our children. To support this, we provide Zakat Assistance for Children's Education Assistance, offering one-off zakat financial assistance to reduce some of the financial burdens for eligible employees, ensuring that their children can continue their education without constraints.

Furthermore, we also provide the Zurich Assistance Program in the event of a natural disaster. This program offers two key benefits to help ease financial burdens during times of need:

- Immediate Financial Assistance: Providing instant cash to employees for immediate access to funds.
- Financial Relief Assistance: Offering an optional cash advance to help employees manage their finances during challenging times.

We conducted a Financial Management webinar at the beginning of the year to provide valuable insights to our staff.

6.3 Respecting 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.

These principles are embodied in our Zurich Code of Conduct¹, which applies to everyone within the Group. All employees and board members receive mandatory training in the Code of Conduct annually². 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 employer, as an insurer, and as an investor as well as our own operations and supply chain and our position within society.

¹ <https://www.zurich.com/about-us/corporate-governance/code-of-conduct>

² 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.

6. Our people: Let's grow together (continued)

6.3 Respecting human rights (continued)

At Zurich, we are committed to ensuring that we adhere to the provisions of the Employment Act 1955, which guarantees basic rights such as reasonable working hours, rest days, paid annual leave, protection against unfair dismissal, and access to paid sick leave. This ensures employees are treated with dignity and fairness in the workplace. Key aspects include safeguarding against discrimination, providing safe working conditions and respecting the right to join a trade union where applicable.

We ensure a fair and consistent approach towards our employees, regardless of gender, age, and employment status, without any prejudice. All of Zurich's applicable rules of conduct provide a reference for the decisions we make every day, and any action or business goal we pursue must be consistent with them. Although we have the right to manage and discipline our employee at all levels, it must be done legally, consistently and fairly.

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.

Employees are encouraged to contact a people manager, Human Resources, Compliance, Legal or use the Zurich Ethics Line to raise any concerns regarding any instances of harassment, discrimination or bullying, or any other concern. These concerns can be raised anonymously. We do not tolerate retaliation against any employee or other person who reports a concern in good faith¹.

We understand the importance of fostering diversity in voices, promoting inclusive behaviors, driving equity, and cultivating a strong sense of belonging among our people. We offer unconscious bias training to all employees and 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.

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 performance².

Our responsibility as an insurer

Our approach to assessing non-respect or potential adverse impacts on human rights in business transactions focuses on avoiding child labor, forced labor, human trafficking, or operations that could jeopardize health and safety or offer unfair remuneration.

The business activities of our customers include many sectors of the economy. Hence, we pay special attention to activities that could:

- Contribute to adverse human rights impacts, such as the relocation of local communities without due process, inappropriate use of force, or adverse impacts on vulnerable indigenous people.
- Support regimes, governments, government officials, or other politically exposed persons in countries with poor governance (e.g., failed states, conflict or war zones, ineffective rule of law) or poor human rights records.
- Enable harmful child labor, poor health and safety conditions, and unfair remuneration.

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

1. More information in section 6.4.3 Protected advice on [page 75](#).

2. More information in section 6.2.2 Our approach to wellbeing on [page 69](#).

6. Our people: Let's grow together (continued)

6.3 Respecting human rights (continued)

Our responsibility as an investor

We implemented a global set of policies and investment processes across the organization, which aim to ensure a consistent approach to integrating ESG topics, as part of our responsible investment strategy. 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
- Environmental and health impacts of hazardous chemicals, waste, and pollution
- Resource inefficiency
- Deforestation, land degradation, and depletion of natural resources
- Exposure to controversial weapons
- Respect for human rights
- Corruption and bribery matters
- Inadequate governance
- Tax evasion
- Breaches of regulation, international norms, and conventions
- Inadequate handling of human capital or client relations



Working with suppliers

When working with suppliers¹, we apply our third-party governance framework (TPGF), which establishes a framework of Group minimum standards for onboarding and management of third parties we work with. The TPGF adopts a risk-based approach to human rights due diligence and is underpinned by an annual risk assessment. The first step 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 supply chain.

We concluded that our supply chain presents no exposure to non-respect on human rights. In 2024, we also conducted a separate assessment in the context of child labor, which resulted in the conclusion that there is no reasonable suspicion of child labor within our supply chain.

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.

The aim of our human rights due diligence is to validate that the supplier has implemented measures to respect fundamental human rights. Accordingly, we have a referral process in place to investigate, or resolve, as appropriate, any red flags identified during the due diligence process. We also use a software tool that uses AI to screen news reports, social media posts and NGO reports to monitor potential ESG-related (including human rights) supply chain issues. We also published a course covering the supplier due diligence processes (including in relation to human rights) that have been implemented under the TPGF.

¹ For further information, see 2.3.2 Supply chain on [page 20](#).

6. Our people: Let's grow together (continued)

6.4 Prevention of bribery and corruption

6.4.1 Anti-Bribery and Anti-Corruption



We invest heavily 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.

Zurich takes a risk-based approach for the development and implementation of its Local Anti-Bribery and Anti-Corruption Policy (Local ABC Policy). The Local ABC Policy is designed to prevent and detect acts of bribery and corruption. The Local ABC Policy¹ sets out the minimum requirements and obligations, with which our subsidiaries worldwide, including their board members² and employees, need to comply. It also provides related guidance regarding anti-bribery and anti-corruption compliance that our business units should adopt.

The Local ABC Policy 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 Local ABC Policy before selecting a party to be an Associated Person³. 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 Local ABC Policy requires the establishment of documentation that provides, among other things, a business rationale for the relationship. Our Local ABC Policy requires Zurich employees to be alert to potential anti-bribery and anti-corruption "red flags"⁴ that may be associated with improper third-party payments. Such red flags are to be addressed through a "third-party payment due diligence process".

The Compliance function is mandated to provide assurance based on risk-based approach to 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 business units 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"⁵ and subject to independent assurance by group compliance in accordance with the Zurich Compliance Charter and Zurich Compliance Program.

Assurance activities conducted by local compliance in 2021 and local audit in 2023 and 2024 confirmed the overall assessment that the local's controls around ABC are well designed and working effectively with minor improvements required.

¹ The Local ABC Policy requires the appointment of an anti-bribery and corruption officer (ABCO) for each business unit. The ABCO's duty is to monitor compliance with the Local ABC Policy 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 business unit.

² Subject to Group and local governance requirements.

³ Associated Persons are individuals or entities who perform services for, to, or on behalf of, an organization and may include: brokers, insurance/takaful agents and intermediaries, distributors, sub-contractors, employees of outsourcing partners, employees of Zurich, Group entities or subsidiaries, independent non-executive directors, joint venture partners, outsourcers, including external asset managers, other consortia members, other (non-insurance/takaful) agents in the process of conducting business, suppliers and service providers (e.g., property management companies).

⁴ 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.

⁵ The "compliance risk universe" captures common global compliance risk themes.

6. Our people: Let's grow together (continued)

6.4.2 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 training¹. 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. Globally, in 2024, almost all our employees and senior management² completed the training, resulting in a completion rate of 99.99 percent. The completion rate was above 99.9 percent in all regions. In addition, all 15 members of our local boards 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.

Group compliance develops the training in line with the Local ABC Policy 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.

6.4.3 Protected advice



Anti-bribery and anti-corruption (ABC) is a risk that affects all business lines. Comprehensive regulatory requirements — including the Malaysian Anti-Corruption Commission Act 2009 and its amendments — 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 Zurich.

As outlined above, our employees are all subject to our Local ABC Policy³ and Zurich Code of Conduct⁴, 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.

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 and 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 with reasonable grounds to believe the information reported was true at the time of reporting.

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.

¹ The code of conduct training includes the topic of anti-bribery and anti-corruption.

² 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.

³ <https://www.zurich.com.my/about-zurich/the-zurich-story/our-promise-to-you>

⁴ www.zurich.com/about-us/corporate-governance/code-of-conduct

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7. Appendix

7.1 Our targets and ambitions

To execute our Sustainability Framework, we have set ourselves both qualitative ambitions and quantitative targets. In line with our aim to be transparent, we report yearly on our progress against those ambitions and targets. Please note that parentheses around percentages or points indicate a reduction.

Table 9

Our targets and ambitions

Underwriting

Our areas of focus	Our progress		Our targets
	2023 to 2024		2025
Revenues from sustainable solutions (in RMm)	2023	2024	Increase
	11.0	10.5	

Own operations

Our areas of focus	Our progress					Our targets	
	2020 to 2024					2025	2030
Absolute reduction in all operations (compared to 2019)	2020 (85.8)%	2021 (83.8)%	2022 (78.5)%	2023 (69.9)%	2024 (83.8)%	(82.6)%	Net-zero operational emission
Reduction of scope 1 and 2 emissions (compared to 2019)	2020 (99.4)%	2021 (99.2)%	2022 (98.5)%	2023 (98.5)%	2024 (98.4)%		
Reduction of scope 3 emissions (compared to 2019)	2020 (75.4)%	2021 (72.1)%	2022 (63.4)%	2023 (48.3)%	2024 (72.8)%		

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
	2024	2025
Internal hires	2024	Increase
	57.4%	

7. Appendix (continued)

7.2 TCFD reference table

Table 12

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.	24	3 Governance - Sustainability is embedded in our governance framework.
		24	3 Governance - governance around climate-related risks and opportunities
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	24	3 Governance - Sustainability is embedded in our governance framework.
		24	3 Governance - governance around climate-related risks and opportunities
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	28	4.1.1 Our approach to climate change
		28 to 32	4.1.2 Introduction to climate-related risks
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	28 to 32	4.1.2 Introduction to climate-related risks
		32	4.1.3 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.	34 to 36	4.1.4 Portfolio level scenario-based climate risk analysis
		37 to 40	4.1.5 Portfolio level scenario-based climate risk analysis: Underwriting
		41 to 43	4.1.6 Portfolio level scenario-based climate risk analysis: Investment Management
		44	4.1.7 Portfolio level scenario-based climate risk analysis: Conclusions
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	45 to 47	4.2 Risk management
	b. Describe the organization's processes for managing climate-related risks.	45 to 47	4.2 Risk management
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	28 to 32	4.1.2 Introduction to climate-related risks
		32	4.1.3 Natural catastrophe modeling: current exposure to physical risk
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.	45 to 47	4.2 Risk management
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	48 to 51	4.3 Targets and metrics
		77	4.3 Targets and metrics 7.1 Our targets and ambitions
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	48 77	4.3.1 Our targets 7.1 Our targets and ambitions

7. Appendix (continued)

7.3 Assurance scope

Table 13

Assurance scope

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

Where	Assurance metric		Assurance value	Assurance degree	Page	Framework
Table/ figures/ KPI/Title						
Chapter 2						
Creating positive impact for stakeholders						
Figure 7: Taxes borne by shareholders and taxes collected	Taxes borne by shareholders	RM55.3m	Limited	20	Zurich Insurance Group's methodology	
	Taxes collected	RM263.3m				
Table 1: Employee-led fundraising and volunteering, charitable cash contribution and Islamic Social Finance	Fundraising and donations	RM33,499	Limited	23	Zurich Insurance Group's methodology	
	Total time volunteered by	3,319 hours				
	Workforce actively	11%				
	Charitable cash	RM923,422				
	Zakat distribution	RM779,177				
Chapter 4						
Our planet: Drive positive impact						
Table 2: Absolute carbon emissions coming from our own operations	Total absolute carbon	1,195 tCO2e	Limited	51	GRI Standards	
	Scope 1: Fleet emissions	50 tCO2e				
	Scope 2: Electricity	0 tCO2e				
	Scope 3: Printed paper	46 tCO2e				
	Scope 3: Energy and fuel related emissions	13 tCO2e				
	Scope 3: Waste	5 tCO2e				
	Scope 3: Business travel	211 tCO2e				
	Scope 3: Employee commuting emissions	870 tCO2e				
Chapter 5						
Our customers: Their needs are at the heart of everything we do						
Figure 15: Revenues from sustainable solutions split sustainable category	Environmental	RM3.9m	Limited	55	Zurich Insurance Group's methodology	
	Social	RM0.1m				
	Sustainable Investment	RM6.5m				
Figure 16: Revenues from sustainable solutions by product category	E-mobility	RM3.9m	Limited	55	Zurich Insurance Group's methodology	
	Accident and Health	RM0.1m				
	ESG Unit linked products	RM6.5m				
Figure 17: Customer retention rate		60.6%	Limited	57	SASB Standards	

7. Appendix (continued)

7.3 Assurance scope (continued)

Table 13 (continued)

Assurance scope (continued)

Where	Assurance metric	Assurance value	Assurance degree	Page	Framework
Table/ figures/ KPI/Title					
Chapter 6					
Our people: Let's grow together					
Table 4: New hires	Gender: Female	159 persons 58.2%	Limited	64	WEF IBC metrics
	Gender: Male	114 persons 41.8%			
	Generation: Baby boomers and prior generations (1964 or earlier)	6 persons 2.2%			
	Generation: Gen X (1965 - 1980)	19 persons 7.0%			
	Generation: Gen Y Millennial (1981-1996)	160 persons 58.6%			
	Generation: Gen Z (1997 and after)	88 persons 32.2%			
	Category: Career level A	86 persons 31.5%			
	Category: Career level B	163 persons 59.7%			
	Category: Career level C	18 persons 6.6%			
	Category: Career level D	6 persons 2.2%			
Table 5: Internal hires	Internal hires Gender: Female	63.9%	Limited	65	WEF IBC metrics
	Internal hires Gender: Male	36.1%			
	Internal hires Category: Career level A	100%			
	Internal hires Category: Career level B	50.2%			
	Internal hires Category: Career level C	61.4%			
	Internal hires Category: Career level D	58.3%			
	External hires Gender: Female	48.7%			
	External hires Gender: Male	51.3%			
	External hires Category: Career level A	-			
	External hires Category: Career level B	49.8%			
	External hires Category: Career level C	38.6%			
	External hires Category: Career level D	41.7%			
Table 6: Average learning hours	Gender: Female	35.09 hours	Limited	66	WEF IBC metrics
	Gender: Male	32.22 hours			
	Generation: Baby boomers and prior	33.01 hours			
	Generation: Gen X (1965 - 1980)	33.48 hours			
	Generation: Gen Y Millennial (1981-	34.30 hours			
	Generation: Gen Z (1997 and after)	35.16 hours			
	Category: Career level A	32.47 hours			
	Category: Career level B	35.03 hours			
	Category: Career level C	35.73 hours			
	Category: Career level D	28.28 hours			

7. Appendix (continued)

7.3 Assurance scope (continued)

Table 13 (continued)

[Assurance scope \(continued\)](#)

Where	Assurance metric	Assurance value	Assurance degree	Page	Framework	
Table/ figures/ KPI/Title						
Chapter 6						
Our people: Let's grow together						
	Table 7: Turnover	Total turnover	13.6%	Limited	67	WEF IBC metrics
	Table 8: Workforce Composition	Gender: Female	65.5%	Limited	68	WEF IBC metrics
		Gender: Male	34.5%			
		Generation: Baby boomers and prior generations (1964 or earlier)	1.3%			
		Generation: Gen X (1965 - 1980)	34.3%			
		Generation: Gen Y Millennial (1981-1996)	53.1%			
		Generation: Gen Z (1997 and after)	11.3%			
		Category: Career level A	34.1%			
		Category: Career level B	55.6%			
		Category: Career level C	8.6%			
		Category: Career level D	1.7%			
		Nationality: National	98.6%			
		Nationality: Non-national	1.4%			

8. Independent assurance report



Independent Limited Assurance Report to the Board of Directors of Zurich Life Insurance Malaysia Berhad, Zurich General Insurance Malaysia Berhad, Zurich Takaful Malaysia Berhad, Zurich General Takaful Malaysia Berhad, Zurich Holdings Malaysia Berhad, Zurich Services Malaysia Sdn Bhd and Zurich Shared Services Malaysia Sdn Bhd (together known as “Zurich Malaysia”) on the selected sustainability information disclosed in the Sustainability Report 2024

We have been engaged by the Directors of Zurich Life Insurance Malaysia Berhad, Zurich General Insurance Malaysia Berhad, Zurich Takaful Malaysia Berhad, Zurich General Takaful Malaysia Berhad, Zurich Holdings Malaysia Berhad, Zurich Services Malaysia Sdn Bhd and Zurich Shared Services Malaysia Sdn Bhd (together known as “Zurich Malaysia”) to perform an independent limited assurance engagement on the selected sustainability information for the year ended 31 December 2024 (the “Subject Matter Information”) as defined below and disclosed from page 79 to 81 of Zurich Malaysia’s Sustainability Report for the year ended 31 December 2024 (the “Sustainability Report 2024”).

Our assurance conclusion does not extend to information in respect of earlier periods or to any other information included in the Report.

Our Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Reporting Criteria set out on page 79 to 81 of the Report and referenced in the “Subject Matter Information and Reporting Criteria” section below.

Subject Matter Information and Reporting Criteria

The Subject Matter Information needs to be read and understood together with the Reporting Criteria, which Zurich Malaysia is solely responsible for selecting and applying.

The Subject Matter Information and the Reporting Criteria are set out below:

***Zurich Life Insurance Malaysia Berhad (“ZLIMB”), Zurich General Insurance Malaysia Berhad (“ZGIMB”), Zurich Takaful Malaysia Berhad (“ZMTB”), Zurich General Takaful Malaysia Berhad (“ZGTMB”), Zurich Holdings Malaysia Berhad (“ZHMB”), Zurich Services Sdn Bhd (“ZSM”) and Zurich Shared Services Sdn Bhd (“ZSSM”) are collectively referred to as Zurich Malaysia for the summary below.*

No.	Subject Matter Information	Reporting Criteria Applied	Scope**	Figures disclosed in the Report
1	Absolute carbon emissions	<ul style="list-style-type: none"> GRI 305-1 GRI 305-2 GRI 305-3 	Zurich Malaysia	1,195 tCO ₂ e
2	Scope 1 - Direct GHG emissions	<ul style="list-style-type: none"> GRI 305-1 	Zurich Malaysia	50 tCO ₂ e
3	Scope 2 - Indirect GHG emissions (market-based)	<ul style="list-style-type: none"> GRI 305-2 	Zurich Malaysia	0 tCO ₂ e

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, Menara TH 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my

8. Independent assurance report

No.	Subject Matter Information	Reporting Criteria Applied	Scope**	Figures disclosed in the Report
4	Scope 3 - Other indirect GHG emissions <ul style="list-style-type: none"> Category 1: Purchased goods and services Category 3: Fuel and energy related activities not included in S1 or S2 (based on company fleet fuel) Category 5: Waste generated in operations Category 6: Business Travel Category 7: Employee Commuting 	<ul style="list-style-type: none"> GRI 305-3 	Zurich Malaysia	46 tCO ₂ e 13 tCO ₂ e 5 tCO ₂ e 211 tCO ₂ e 870 tCO ₂ e
5	Revenues from sustainable solutions split by sustainable category <ul style="list-style-type: none"> Sustainable Investment Social Environmental 	<ul style="list-style-type: none"> Zurich Insurance Group's Methodology 	Zurich Malaysia	RM 10.5 million RM 6.5 million RM 0.1 million RM 3.9 million
6	Revenues from sustainable solutions split by product category <ul style="list-style-type: none"> ESG Unit linked product Accident and Health E-mobility 	<ul style="list-style-type: none"> Zurich Insurance Group's Methodology 	Zurich Malaysia	RM 10.5 million RM 6.5 million RM 0.1 million RM 3.9 million
7	Number of new hires by gender, generation, employee category <u>Gender:</u> Female Male <u>Generation:</u> Baby boomer and priors Gen X (1965 – 1980) Gen Y (1981 – 1996) Gen Z (1997 and after) <u>Career Level:</u> Level A Level B Level C Level D	<ul style="list-style-type: none"> WEF IBC Metrics 	Zurich Malaysia	273 employees 159 employees 114 employees 6 employees 19 employees 160 employees 88 employees 86 employees 163 employees 18 employees 6 employees

8. Independent assurance report

No.	Subject Matter Information	Reporting Criteria Applied	Scope**	Figures disclosed in the Report
8	<p>Percentage of new hires by gender, generation, employee category</p> <p><u>Gender:</u> Female Male</p> <p><u>Generation:</u> Baby boomer and priors Gen X (1965 – 1980) Gen Y (1981 – 1996) Gen Z (1997 and after)</p> <p><u>Career Level:</u> Level A Level B Level C Level D</p>	<ul style="list-style-type: none"> WEF IBC Metrics 	Zurich Malaysia	<p>58.2% 41.8%</p> <p>2.2% 7.0% 58.6% 32.2%</p> <p>31.5% 59.7% 6.6% 2.2%</p>
9	<p>Percentage of internal hires by gender, employee category</p> <p><u>Gender:</u> Female Male</p> <p><u>Career Level:</u> Level A Level B Level C Level D</p>	<ul style="list-style-type: none"> WEF IBC Metrics 	Zurich Malaysia	<p>63.9% 36.1%</p> <p>100% 50.2% 61.4% 58.3%</p>
10	<p>Percentage of external hires by gender, employee category</p> <p><u>Gender:</u> Female Male</p> <p><u>Career Level:</u> Level A Level B Level C Level D</p>	<ul style="list-style-type: none"> WEF IBC Metrics 	Zurich Malaysia	<p>48.7% 51.3%</p> <p>0.0% 49.8% 38.6% 41.7%</p>

8. Independent assurance report

No.	Subject Matter Information	Reporting Criteria Applied	Scope**	Figures disclosed in the Report
11	<p>Average learning hours by gender, generation, employee category</p> <p><u>Gender:</u> Female Male</p> <p><u>Generation:</u> Baby boomer and priors Gen X (1965 – 1980) Gen Y (1981 – 1996) Gen Z (1997 and after)</p> <p><u>Career Level:</u> Level A Level B Level C Level D</p>	<ul style="list-style-type: none"> • WEF IBC Metrics 	Zurich Malaysia	<p>34.10 hours</p> <p>35.09 hours 32.22 hours</p> <p>33.01 hours 33.48 hours 34.30 hours 35.16 hours</p> <p>32.47 hours 35.03 hours 35.73 hours 28.28 hours</p>
12	<p>Total turnover percentage</p> <p><u>Gender:</u> Female Male</p> <p><u>Generation:</u> Baby boomer and priors Gen X (1965 – 1980) Gen Y (1981 – 1996) Gen Z (1997 and after)</p> <p><u>Career Level:</u> Level A Level B Level C Level D</p>	<ul style="list-style-type: none"> • WEF IBC Metrics 	Zurich Malaysia	<p>13.6%</p> <p>7.7% 5.9%</p> <p>0.5% 2.7% 8.5% 1.9%</p> <p>3.2% 8.9% 1.2% 0.3%</p>

8. Independent assurance report

No.	Subject Matter Information	Reporting Criteria Applied	Scope**	Figures disclosed in the Report
13	<p>Percentage of workforce by gender, generation, nationality, employee category</p> <p><u>Gender:</u> Female Male</p> <p><u>Generation:</u> Baby boomer and priors Gen X (1965 – 1980) Gen Y (1981 – 1996) Gen Z (1997 and after)</p> <p><u>Career Level:</u> Level A Level B Level C Level D</p> <p><u>Nationality:</u> National Non-national</p>	<ul style="list-style-type: none"> • WEF IBC Metrics 	Zurich Malaysia	<p>65.5% 34.5%</p> <p>1.3% 34.3% 53.1% 11.3%</p> <p>34.1% 55.6% 8.6% 1.7%</p> <p>98.6% 1.4%</p>
14	Charitable cash contributions	<ul style="list-style-type: none"> • Zurich Insurance Group's Methodology 	Zurich Malaysia	RM 923,422
15	Employee fundraising and donations	<ul style="list-style-type: none"> • Zurich Insurance Group's Methodology 	Zurich Malaysia	RM 33,499
16	Total time volunteered by workforce	<ul style="list-style-type: none"> • Zurich Insurance Group's Methodology 	Zurich Malaysia	3,319 hours
17	Percentage of workforce actively volunteering	<ul style="list-style-type: none"> • Zurich Insurance Group's Methodology 	Zurich Malaysia	11%
18	Zakat distribution	<ul style="list-style-type: none"> • Zurich Insurance Group's Methodology 	Zurich Malaysia	RM 779,177
19	<p>Total tax and zakat contribution</p> <ul style="list-style-type: none"> • Taxes borne by shareholders • Taxes collected 	<ul style="list-style-type: none"> • Zurich Insurance Group's Methodology 	Zurich Malaysia	<p>RM 55.3 million</p> <p>RM 263.3 million</p>
20	Customer Retention Rate	<ul style="list-style-type: none"> • SASB Standards 	Zurich Malaysia	60.6%

8. Independent assurance report



Independent Limited Assurance Report to the Board of Directors of Zurich Life Insurance Malaysia Berhad, Zurich General Insurance Malaysia Berhad, Zurich Takaful Malaysia Berhad, Zurich General Takaful Malaysia Berhad, Zurich Holdings Malaysia Berhad, Zurich Services Malaysia Sdn Bhd and Zurich Shared Services Malaysia Sdn Bhd (together known as “Zurich Malaysia”) on the selected sustainability information disclosed in the Sustainability Report 2024 (cont’d)

Subject Matter Information and Reporting Criteria (cont’d)

The reporting criteria used for the reporting of the Subject Matter Information are:

- Zurich Malaysia’s internal sustainability reporting guidelines and procedures by which the Subject Matter Information is gathered, collated and aggregated internally;
- Sustainability Accounting Standards Board Standards (“SASB Standards”);
- World Economic Forum International Business Council Metrics (“WEF IBC Metrics”);
- Global Reporting Initiative’s Sustainability Reporting Standards (“GRI standards”) for disclosures; and
- GHG Protocol Corporate Protocol Accounting and Reporting Standard. (hereinafter referred to as the “Reporting Criteria”)

Responsibilities of the Directors and management

Management of Zurich Malaysia is responsible for the preparation of the Subject Matter Information included in Zurich Malaysia’s Sustainability Report 2024 in accordance with the Reporting Criteria.

This responsibility includes the selection and application of appropriate methods to prepare the Subject Matter Information reported in Zurich Malaysia’s Sustainability Report 2024 as well as the design, implementation and maintenance of internal control relevant for the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error. Furthermore, the responsibility includes the use of assumptions and estimates for disclosures made by Zurich Malaysia which are reasonable in the circumstances.

Those charged with governance are responsible for overseeing Zurich Malaysia’s sustainability reporting process.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure the Subject Matter Information allows for different, but acceptable, measurement basis and can affect comparability between entities and over time. In addition, Greenhouse Gas (“GHG”) quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

It is generally acknowledged by stakeholders globally, including regulators, that there are significant limitations in the availability and quality of GHG emissions data from third parties, resulting in reliance by the Company on proxy data.

The Subject Matter Information is subject to more inherent limitations than financial information, given the characteristics of the underlying subject matter and the methods used for determining such information. The precision of different measurement techniques may also vary.

It is anticipated that the principles and methodologies used to measure and report the Subject Matter Information will develop over time and may be subject to change in line with market practice and regulation, impacting comparability year-on-year.

8. Independent assurance report



Independent Limited Assurance Report to the Board of Directors of Zurich Life Insurance Malaysia Berhad, Zurich General Insurance Malaysia Berhad, Zurich Takaful Malaysia Berhad, Zurich General Takaful Malaysia Berhad, Zurich Holdings Malaysia Berhad, Zurich Services Malaysia Sdn Bhd and Zurich Shared Services Malaysia Sdn Bhd (together known as “Zurich Malaysia”) on the selected sustainability information disclosed in the Sustainability Report 2024 (cont’d)

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the approved standard for assurance engagements in Malaysia, ISAE 3000 (Revised) for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform this engagement under consideration of materiality to express our conclusion with limited assurance about whether the Subject Matter Information is free from material misstatement.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“MIA”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies 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.

Summary of work performed

Our work included the following procedures. We:

- Evaluated the suitability in the circumstances of Zurich Malaysia’s Reporting Criteria as the basis for preparing the Subject Matter Information;
- Obtained an understanding of Zurich Malaysia’s control environment, processes and systems relevant to the preparation of the Subject Matter Information at the consolidated level and operating unit level. Our procedures did not include evaluating the suitability of design or operating effectiveness of control activities;
- Evaluated the appropriateness of measurement and evaluation methods, reporting policies used and estimates made by Zurich Malaysia, noting that our procedures did not involve testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Zurich Malaysia’s estimates;
- Performed analytical procedures for consistency of data with trends and our expectation;
- Performed limited substantive testing on a sampling basis on transactions included in the Subject Matter Information at Zurich Malaysia’s which involved agreeing data points to/from source information to check that the underlying subject matter had been appropriately evaluated or measured, recorded, collated and reported;
- Checked mathematical formulas, proxies and default values used in the Subject Matter Information against Zurich Malaysia’s Reporting Criteria; and
- Evaluated the appropriateness of the disclosures and presentation of the Subject Matter Information based on the Reporting Criteria.

8. Independent assurance report



Independent Limited Assurance Report to the Board of Directors of Zurich Life Insurance Malaysia Berhad, Zurich General Insurance Malaysia Berhad, Zurich Takaful Malaysia Berhad, Zurich General Takaful Malaysia Berhad, Zurich Holdings Malaysia Berhad, Zurich Services Malaysia Sdn Bhd and Zurich Shared Services Malaysia Sdn Bhd (together known as “Zurich Malaysia”) on the selected sustainability information disclosed in the Sustainability Report 2024 (cont’d)

Our assurance procedures involved agreeing to certain information obtained by Zurich Malaysia from third party sources. However, our scope did not extend to testing the completeness and accuracy of the information obtained from third party sources. Nor did we perform procedures on financial information extracted from the audited financial statements of Zurich Malaysia and used in the calculation of the Subject Matter Information.

The 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 we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been prepared, in all material respects, in accordance with the Reporting Criteria.

Restriction on Distribution and Use and Disclaimer of Liability to Third Parties and For Any Other Purpose

Our report, including our conclusion, has been prepared solely for the Board of Directors of Zurich Malaysia in accordance with the agreement between us dated 13 March 2025 (the “agreement”). We consent to the inclusion of this report in the Sustainability Report 2024 of Zurich Malaysia which will be accessible at <http://www.zurich.com.my> in connection with Zurich Life Insurance Malaysia Berhad, Zurich General Insurance Malaysia Berhad, Zurich Takaful Malaysia Berhad and Zurich General Takaful Malaysia Berhad responsibilities under paragraph 14.3 of Bank Negara Malaysia (“BNM”)’s Policy Document on Climate Risk Management and Scenario Analysis. To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than Zurich Malaysia for our work or this report except where terms are expressly agreed between us in writing. Any reliance on this report by any third party is entirely at its own risk.

PriceWaterhouseCoopers PLT





PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

19 June 2025
Kuala Lumpur

9. Index tables

9.1 Planet - taking action today to safeguard tomorrow - Indicator index 2024

The Planet section index table below provides an overview of all the metrics we report in the planet section of our Sustainability Report the section which includes TCFD requirements. The metrics are structured in metric families that help us monitor and report on our progress. The index table should support the reader in giving an overview of the metrics used to measure the alignment and manage the related transformation.

ESG	Indicator	Reference	Unit	Page	Disclosure
Underwriting					
	Current exposure to physical risk	Annual expected loss	RM'm average expected losses from flood	32 to 33	4.1.3: Natural catastrophe modeling: Current exposure to physical risk - Figure 11
	Climate risk analysis	Estimated impacts on size and composition of demand	heatmap based on impact thresholds	37 to 40	4.1.5: Portfolio-level scenario-based climate risk analysis: - Underwriting. Figure 13
	Revenues from sustainable solutions	Revenues from energy efficiency and low-carbon technologies	RM'm gross written premiums/contributions, policy/certificate fees and net flows related to energy efficiency and low carbon technology	48 to 51	4.3.2: Our performance metrics
Own operations					
	Own operations	Absolute carbon emissions coming from our own operations	metric tons CO2e absolute reduction in all operations	48 to 51	4.3.2: Our performance metrics
			metric tons CO2e Scope 1 & 2 combined	48 to 51	4.3.2: Our performance metrics
			metric tons CO2e Scope 3 (operational indirect)	48 to 51	4.3.2: Our performance metrics
			% reduction to base year total operational emissions	48 to 51	4.3.2: Our performance metrics
			% reduction to base year scope 1 & 2 combined	48 to 51	4.3.2: Our performance metrics
			% reduction to base year scope 3	48 to 51	4.3.2: Our performance metrics

9. Index tables

9.2 GRI index 2024

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

This index lists the organization's reports and web pages and their reference to the following set of GRI standards.

<div> <div>Key:</div> <div>ZM AR: Annual Report of Zurich Malaysia's entities</div> <div>SR: Sustainability report</div> </div>			
GRI Standard Title	Disclosure Number	Disclosure names	Reference Page
General Disclosures	2-1	Organizational details	Offices in Malaysia Zurich Malaysia Overview of Zurich Malaysia. Zurich Malaysia is headquartered in Kuala Lumpur, Malaysia. SR page 2-3: About This Report Zurich Malaysia website ZM AR
	2-2	Entities included in the organization's sustainability reporting	SR page 2-3: About This Report This sustainability report covers Zurich Malaysia, namely, Zurich Life Insurance Malaysia Berhad, Zurich General Insurance Malaysia Berhad, Zurich Takaful Malaysia Berhad, Zurich General Takaful Malaysia Berhad, Zurich Holdings Malaysia Berhad, Zurich Services Malaysia Berhad and Zurich Shared Services Malaysia Berhad, unless otherwise stated.
	2-3	Reporting period, frequency, and contact point	SR page 2-3: About This Report The indicators included in this report cover the same reporting period as the financial information, i.e., from 1 January to 31 December 2024, unless stated otherwise. This report has been published on 07.07.2025.
	2-4	Restatement of information	N/A
	2-5	External assurance	Statement of Independent Assurance SR page 82 to 89
	2-6	Activities, value chain and other business relationships	Who we are and what we do: Zurich Malaysia website SR page 2-3: About This Report Zurich Insurance Group website
	2-7	Employees	1,517 employees as at 31 December 2024 SR Chapter 6: Our People Zurich Malaysia website

9. Index tables

9.2 GRI index 2024 (continued)

GRI Standard Title	Disclosure Number	Disclosure names	Reference Page
General Disclosures (continued)	2-8	Workers who are not employees	N/A
	2-9	Governance structure and composition	ZM AR AR 2024: Corporate Governance Statement SR Chapter 3: Governance - Sustainability is embedded in our governance framework
	2-10	Nomination and selection of the highest governance body	ZM AR ZM AR: Corporate Governance Statement - Nomination and Remuneration Committee (NRC)
	2-11	Chair of the highest governance body	Zurich Malaysia website ZM AR ZM AR: Corporate Governance Statement - Composition of the Board
	2-12	Role of the highest governance body in overseeing the management of impacts	Zurich Malaysia website ZM AR ZM AR: Corporate Governance Statement - Composition of the Board SR Chapter 3: Governance - Sustainability is embedded in our governance framework
	2-13	Delegation of responsibility for managing impacts	Zurich Malaysia website ZM AR ZM AR: Corporate Governance Statement - Composition of the Board SR Chapter 3: Governance - Sustainability is embedded in our governance framework
	2-14	Role of the highest governance body in sustainability reporting	Zurich Malaysia website The sustainability Report will be approved by ZM entities' Board of Directors SR Chapter 3: Governance - Sustainability is embedded in our governance framework
	2-15	Conflicts of interest	Conflict of interest of Zurich Malaysia Board members will be disclosed in the ZM AR: Corporate Governance Statement ZM AR
	2-16	Communication of critical concerns	Zurich Malaysia website SR 74 - 75: 6.4 Prevention of bribery and corruption
	2-17	Collective knowledge of the highest governance body	Zurich Malaysia website Corporate Governance Statement - Profile of Directors ZM AR

9. Index tables

9.2 GRI index 2024 (continued)

GRI Standard Title	Disclosure Number	Disclosure names	Reference Page
General Disclosures (continued)	2-20	Process to determine remuneration	ZM AR ZM AR: Corporate Governance Statement - Nomination and Remuneration Committee (NRC) and Other Key Elements of Risk Management and Internal Control - Remuneration Policy
	2-21	Annual total compensation ratio	N/A
	2-22	Statement on sustainable development strategy	SR 4 - 5: Executive message on sustainability
	2-23	Policy commitments	Zurich Malaysia website Zurich Insurance Group website and currently all commitments are in Zurich Insurance Group website For more information on our internal take on human rights, see our Group Code of Conduct Zurich Insurance Group website
	2-24	Embedding policy commitments	Zurich Malaysia website Zurich Insurance Group website Zurich Insurance Group website Zurich Insurance Group website
	2-25	Processes to remediate negative impacts	Zurich Malaysia website Zurich Insurance Group website
	2-26	Mechanisms for seeking advice and raising concerns	Zurich Malaysia website SR 75: 6.4.3 Protected advice Zurich Insurance Group website Zurich Insurance Group website
	2-27	Compliance with laws and regulations	SR 98 : 9.4 WEF IBC index table For 2024 reporting period, ZM has one reported non-compliance incident i.e. ZGIMB AR2024: note 4 (f) Provision for penalty imposed by the Malaysia Competition Commission ("MyCC") ZM AR
	2-28	Membership associations	SR 24: Governance: Sustainability is embedded in our governance framework
	2-29	Approach to stakeholder engagement	Zurich Insurance Group website Zurich Insurance Group website Zurich Insurance Group website
	2-30	Collective bargaining agreements	5% of Zurich Malaysia employees are covered by collective bargaining agreements.

9. Index tables

9.2 GRI index 2024 (continued)

GRI Standard Title	Disclosure Number	Disclosure names	Reference Page
Management Topics	3-1	Process to determine material topics	SR 11 - 12
	3-2	List of material topics	SR 11 - 12
Economic Performance	201-1	Direct generated economic value and distributed	Refer to ZM AR: Entity's income statements ZM AR Note: Community investment is not split out, please refer to SR 21 - 22 section on Community investment
	201-2	Financial implications and other risks and opportunities due to climate change	SR 27 - 51: Chapter 4 - Our planet: Drive positive impact
	201-3	Defined benefit plan obligations and other retirement plans	ZM AR: Material Accounting Policy Information - Employee benefits ZM AR
Anti-corruption	205-1	Operations assessed for risks related to corruption	6.4.1: Local Policy Anti-Bribery and Anti-Corruption Zurich Malaysia website
	205-2	Communication and training about anti-corruption policies and procedures	Zurich Malaysia website SR 74 - 75: 6.4 Prevention of bribery and corruption SR 98: 9.4 WEF IBC index table - Anti-corruption Zurich Insurance Group website
	205-3	Confirmed incidents of corruption and actions taken	SR 98: 9.4 WEF IBC index table - Anti-corruption
Tax	207-1	Approach to tax	SR 20: 2.3.2 Responsible tax
	207-2	Tax governance, control, and risk management	SR 20: 2.3.2 Responsible tax
	207-3	Stakeholder engagement and management of concerns related to tax	SR 20: 2.3.2 Responsible tax
Energy	302-1	Energy consumption within the organization	SR 51: Absolute carbon emission from our own operation Zurich Insurance Group website
	302-4	Reduction of energy consumption	SR 51: Absolute carbon emission from our own operation Zurich Insurance Group website






9. Index tables

9.2 GRI index 2024 (continued)

GRI Standard Title	Disclosure Number	Disclosure names	Reference Page
Emissions	305-1	Direct (Scope 1) GHG emissions	SR 51: Absolute carbon emission from our own operation Zurich Insurance Group website
	305-2	Energy indirect (Scope 2) GHG emissions	SR 51: Absolute carbon emission from our own operation Zurich Insurance Group website
	305-3	Other indirect (Scope 3) GHG emissions	SR 51: Absolute carbon emission from our own operation Zurich Insurance Group website
	305-5	Reduction of GHG emissions	SR 51: Absolute carbon emission from our own operation Zurich Insurance Group website
Employment	401-1	New employee hires and employee turnover	SR 63 - 67: Attracting and retaining talent for a sustainable future
Occupational Health and Safety	403-1	Occupational health services	SR 63 - 67: A positive work environment
	403-4	Worker participation, consultation, and communication on occupational health and safety	SR 70: Occupational Safety and Health
	403-5	Worker training on occupational health and safety	SR 70: Occupational Safety and Health
	403-6	Promotion of worker health	WEF index table - Description of non-occupational medical and healthcare services
Training and Education	404-1	Average hours of training per year per employee	SR 66: Average training hours
	404-2	Programs for upgrading employee skills and transition assistance program	SR 65 - 66: Learning and development
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	SR 68 - 69: Our commitment to diversity, equity, inclusion and belonging
Supporting Communities	413-1	Operations with local community engagement, impact assessments, and development program	SR 21 - 22: Community investment




9. Index tables

9.3 SASB index 2024

ESG	Indicator	Reference	Page	Disclosure
	Transparent information and fair advice for customers	FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance/takaful product-related information to new and returning customers	In 2024 we have recorded no material losses related to litigation associated with marketing and communication to report.
		FN-IN-270a.2	Complaints-to-claims	58 5.3.2: Continuously measuring and improving claims management. Note: We report on our claims tNPS score as part of the NPS program. Additionally, we report on our sustainability framework for Claims.
		FN-IN-270a.3	Customer retention rate	57 5.2: Customer retention When calculating the customer retention rate, the attrition of customers in employer-sponsored plans (e.g., life insurance/family takaful plans) due to turnover (voluntary or involuntary) is not applicable.
		FN-IN-270a.4	Description of approach to informing customers about products	57 5.3: Fair and transparent advice and engagements. For specific examples, see: MyZurichLife Buy Insurance and Takaful Products Online Zurich Malaysia Zurich Malaysia: MyZurich - Apps on Google Play
 	Incorporation of ESG factors in investment management	FN-IN-410a.2	Description of approach to incorporation of ESG factors in investment management processes and strategies	49 4.4.2: Our performance metrics - Investment Management. Climate action in investments Zurich Insurance Group
 	Policies designed to incentivize responsible behavior	FN-IN-410b.1	Net premiums/contributions written related to energy efficiency and low carbon technology	48 4.4.2: Our performance metrics - Revenues from energy efficiency and low-carbon technologies. Note: KPI captures gross written premiums/contributions, other fee services and net flows (not net premiums/contributions written).
		FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	54 to 55 5.1.1: Revenues from sustainable solutions

9. Index tables






9.3 SASB index 2024 (continued)

ESG	Indicator	Reference		Page	Disclosure								
	Financed emissions	FN-IN-410c.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	-	The financed emissions currently exclude products and services such as investment funds and insurance underwriting. We will consider including these in our financed emissions in the next reporting cycle.								
		FN-IN-410c.2	Gross exposure for each industry by asset class	-	-								
		FN-IN-410c.3	Percentage of gross exposure included in the financed emissions calculation	-	-								
		FN-IN-410c.4	Description of the methodology used to calculate financed emissions	-	-								
	Physical risk exposure	FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes	32 to 33	4.1.3: Natural catastrophe modeling: current exposure to physical risk								
		FN-IN-450a.2	Total amount of monetary losses attributable to insurance/takaful payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance/retakaful)	32	4.1.3: Natural catastrophe modeling: current exposure to physical risk.								
		FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	37 to 40 45 to 47	4.1.5: Portfolio-level climate risk scenario analysis – Underwriting 4.2: Risk management								
	Number of policies in force	FN-IN-000.A	Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance/retakaful		<table><tr><td>In-force policy/certificate count 2024</td><td></td></tr><tr><td>P&C policies</td><td>4,483,409</td></tr><tr><td>Life policies</td><td>685,320</td></tr><tr><td>Total number of policies</td><td>5,168,729</td></tr></table>	In-force policy/certificate count 2024		P&C policies	4,483,409	Life policies	685,320	Total number of policies	5,168,729
In-force policy/certificate count 2024													
P&C policies	4,483,409												
Life policies	685,320												
Total number of policies	5,168,729												

9. Index tables






9.4 WEF IBC index 2024

The Measuring Stakeholder Capitalism Initiative was launched at the request of the World Economic Forum's International Business Council (WEF IBC). It seeks to improve the ways in which companies measure and demonstrate their performance against ESG indicators and track their positive contributions towards achieving the Sustainable Development Goals on a consistent basis. We have used references to the WEF IBC as an index below to help our stakeholders find information relevant to them throughout our public disclosures, without adhering to the standards listed in the index in its entirety. This index lists Zurich Malaysia's reports and web pages and their reference to the following 21 core metrics of the WEF IBC standards.

ESG	Indicator	Reference	Page	Disclosure
	Governing purpose	Setting purpose	9	2.1.1: Our purpose
	Quality of governance body	Governance body composition	-	ZM AR: Corporate Governance Statement ZM AR
	Stakeholder engagement	Material issues to stakeholders	10 to 12	2.1.2: Assessing materiality
	Ethical behaviour	Anti-corruption	75	Total percentage of governance body members, employees, and business partners who have received training 6.4.2: Training and awareness
			74	Total number and nature of incidents of corruption confirmed Any material legal proceedings or government investigations involving Zurich Malaysia group of companies would be disclosed in the entities' Annual Reports. For the latest disclosures, see ZGIMB AR note 4 (f) Provision for penalty imposed by the Malaysia Competition Commission ("MyCC") ZM AR
				Discussion of initiatives to combat corruption 6.4.1: Local Policy Anti-Bribery and Anti-Corruption Zurich Malaysia website
		Protected ethics advice	-	Seeking advice about ethical and lawful behavior and organizational integrity 6.4.3: Protected advice
				Reporting on concerns 6.4.3: Protected advice
	Risks and opportunities oversight	Integrating risk and opportunity into business process	15 to 17 29 to 32 34 to 44	2.2: Managing risks and opportunities 4.1.2: Introduction to climate-related risks 4.1.4 - 4.1.7: Portfolio level scenario-based climate risk analysis ZM AR: Sections on "Risk Management Framework, Insurance/Takaful Risk, Financial Risk, Operational Risk, Strategic, Reputation Risk and Sustainability Risk", and Compliance Risk" ZM AR




9. Index tables

9.4 WEF IBC index 2024 (continued)

ESG	Indicator	Reference	Page	Disclosure
	Climate change	Greenhouse gas emissions	48	4.3.2: Our performance metrics
		TCFD implementation	24 to 51	Chapter 3: Governance and Chapter 4: Our planet
	Nature loss	Land use and ecological sensitivity	-	Not applicable.
	Freshwater availabilities	Water consumption and withdrawal in water - stressed areas	-	Not applicable
	Dignity and equality	Diversity and inclusion	68 to 69	6.2.1: Our commitment to diversity, equity, inclusion, and belonging
		Pay equality	69	6.2.1: Ratio of compensation to areas of equality
		Wage level	69	Ratios of standard entry level wage by gender compared to local minimum wage 6.2.1: Ratio of compensation to areas of equality Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees Zurich Malaysia provides detailed information on the remuneration of the CEOs (as well as relevant information on the remuneration of our employees) in the ZM AR. ZM AR
		Risk for incidents of child, forced or compulsory labour	20	Risk presented in our supply chain 2.3.1: Supply chain Risk presented in our own operations. For more information on our internal take on human rights, see Group Code of Conduct Zurich Insurance Group website
	Health and well-being	Health and safety	-	Rate of fatalities resulting from work-related - nil At Zurich Malaysia, we offer healthcare benefits like Group Term Life Insurance, Group Personal Accident Insurance/Takaful, Group Hospital & Surgical Insurance/Takaful, and SOCSO contributions. These benefits ensure financial security and access to quality healthcare for all employees. We also provide dental and optical coverage, executive health screenings, and medical outpatient benefits for employees and their dependents. Our benefits meet local laws and market practices, offering a safety net for our employees. We are committed to supporting our employees and their families with flexible healthcare benefits that promote their health and well-being.


9. Index tables

9.4 WEF IBC index 2024 (continued)

ESG	Indicator	Reference	Page	Disclosure
	Skills for the future	Training provided	65 to 66	Average hours of training per person 6.1.2: Learning and development Average training expenditure per full time employee 6.1.2: Learning and development
	Employment and wealth generation	Absolute number and rate of employment	64 to 65	Total number and rate of new employee hires 6.1.1: Attraction
			67	Total number and rate of employee turnover 6.1.4: Retention
		Economic contribution	21 to 23	Direct economic value Refer to ZM AR: Entity's income statements ZM AR Note: Community investment is not split out, please refer to SR 21 - 23 section on Community investment Financial assistance received from governments Zurich Malaysia did not receive any significant financial assistance from governments in 2024.
		Financial investment contribution	-	Total Capital Expenditure ZM AR - Notes to the financial statements: Investments, Financial assets and property, plant and equipment. ZM AR Dividend payments ZM AR - Notes to the financial statements: Dividends. ZM AR
	Community and social vitality	Total tax paid	20	2.3.2: Responsible tax

9. Index tables

9.4 WEF IBC index 2024 (continued)

ESG	Indicator	Reference	Page	Disclosure
	Innovation of better products and services	Total R&D expenses	59 to 62	As an insurer, the R&D KPI is not typically being tracked, while innovative solutions are key and an integral part of our business model. Continued research and investment on underwriting solutions helps us ensure we are aware of and adapt our underwriting models to the ever-changing environment. We have, for example, invested in generative AI, and in order to reflect the increased maturity and relevance of AI for our business operations, including the importance of Responsible AI to our company and culture as well as meeting our customers' evolving expectations, we relaunched and expanded our data commitment to include Responsible AI Commitment. Customer centricity and the customer experience are integral in our business model, 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. Please find more examples in the planet and customer chapters of our SR.

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