

Delivering an ambitious ESG strategy at Zurich

November 30, 2021
Investor presentation
Zurich Insurance Group



Key messages

Strategy Update

We are well on track to deliver on our 2020-2022 targets
Increasing customer satisfaction and investing in our capabilities is supporting growth

Embedding ESG

We are integrating ESG in all aspects of our business conduct

Customer solutions

We are increasing our efforts to offer sustainable products and services to our customers

Towards a 1.5 ° C future

We are committed to ambitious investments and operations decarbonization targets while developing an industry approach to CO2e measurement and mitigation in underwriting

Governance

Our governance and remuneration practices have proven to be resilient

TOPIC	SLIDE NUMBER
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ESG ambition	9 - 14
Our 1.5° C future	15 - 26
Confidence in digital society	27 - 29
Work sustainability	30 - 35
Communities	36 - 38
Corporate governance	39 - 41
Remuneration	42 - 47



Strategy update



Strategy update key messages



Execution

We are well on track to deliver on our 2020-2022 targets; all our businesses are growing with improved underlying performance and continued focus on efficiency

Customer focus

We are creating value through increased customer satisfaction while simplifying product propositions and enhancing our distribution

Innovation

We are continuously investing in our capabilities to create value to our customers and support growth

Rewarding Shareholders





Our strategy and business mix allow us to deliver superior shareholder returns supporting our attractive dividend policy

ESG integration

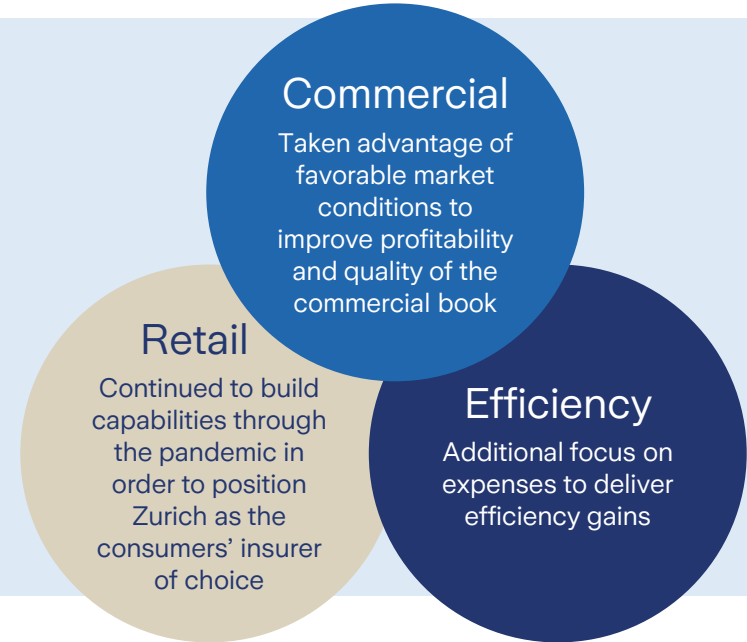
We place sustainability at the core of the organization and are supporting our customers in their transition to a net-zero emissions future

We are well on track to deliver on our 2022 targets

2020 – 2022 TARGETS

	Target	HY-21
 BOPAT ROE	>14%	13.0%
 EPS	≥5%	≥n.m.
 SST	≥160%	206%
 Cash Remittances	>11.5bn	>7.4bn ¹

WE HAVE ADAPTED TO THE CHANGED ENVIRONMENT TO DELIVER 2020 – 2022 TARGETS

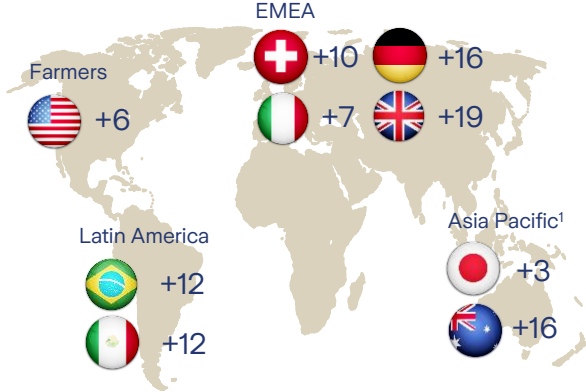


¹ Includes cash remittances for FY-20 and FY-21e.

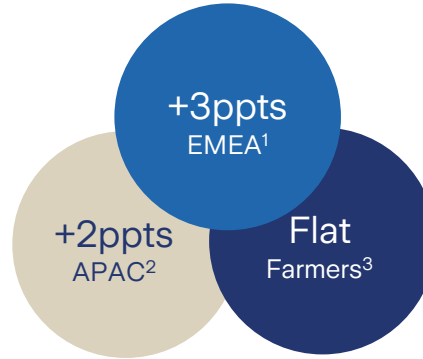
Increased customer satisfaction drives net customer growth



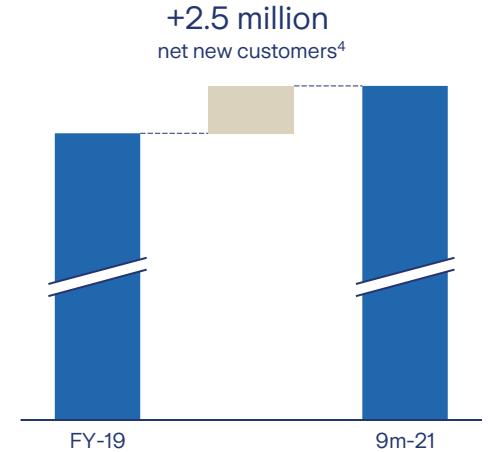
HIGHER CUSTOMER SATISFACTION ACROSS THE GROUP¹



IMPROVED RETENTION



NET CUSTOMER GROWTH



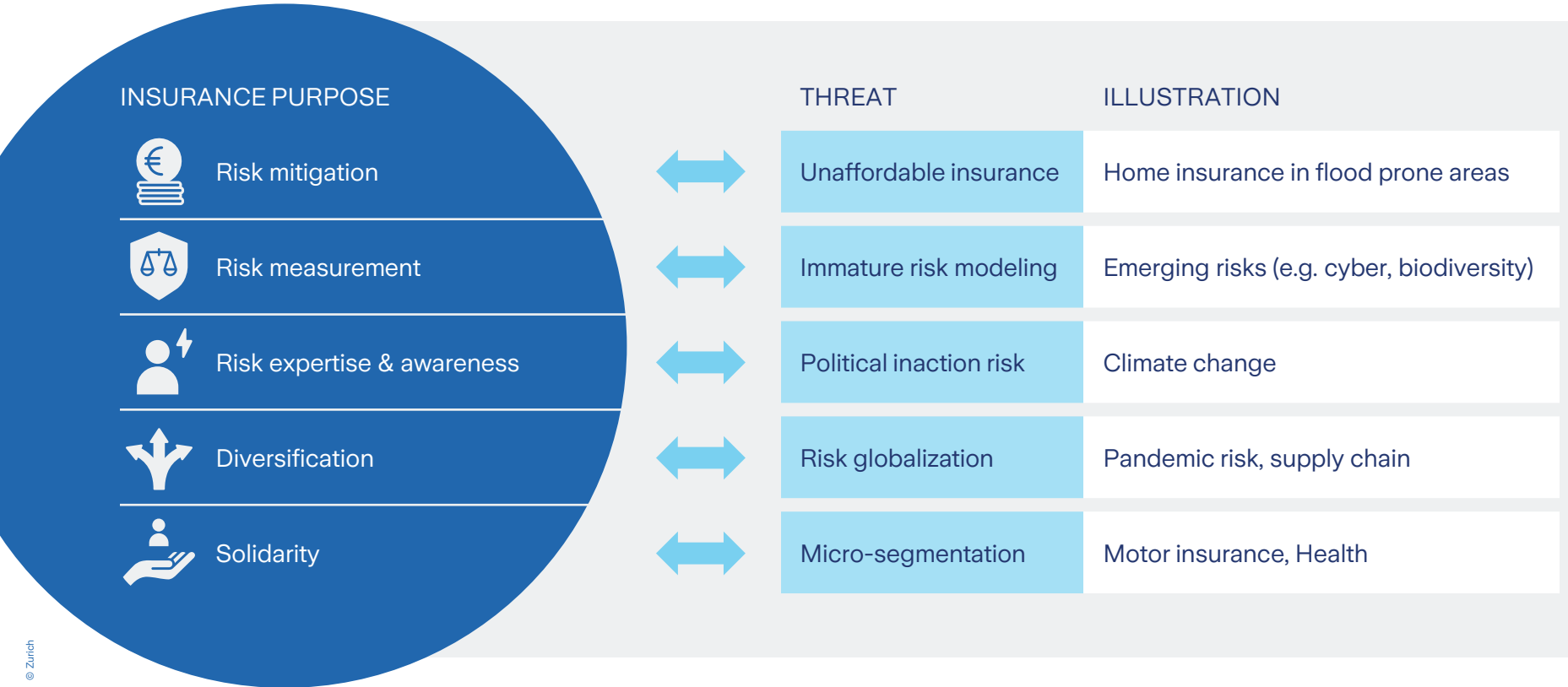
¹ Change in TNPS for the time period FY-19 to 9M-21. Asia Pacific: Australia Life and Japan P&C.

² Change in customer retention of EMEA includes Switzerland, Germany, UK and Italy and APAC includes Japan P&C and Australia for the time period FY-19 to 9M-21.

³ Change in premium retention for the time period FY-19 to 9m-21.

⁴ Includes net new customers of Zurich only excluding Farmers Exchanges.

Environmental, Social and Governance topics are an integral part of the insurance industry's purpose

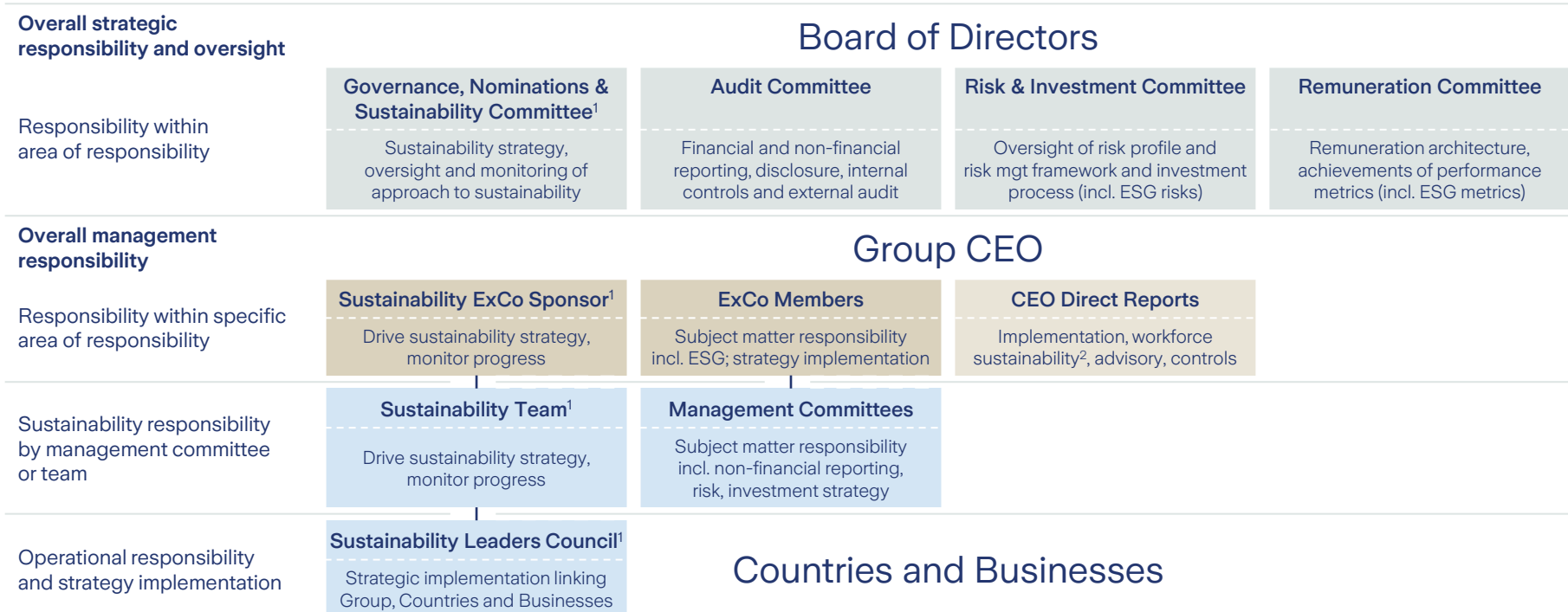


ESG ambition

ESG is **embedded** in our governance and business conduct, confirming our ambition to become one of the world's most responsible and impactful businesses



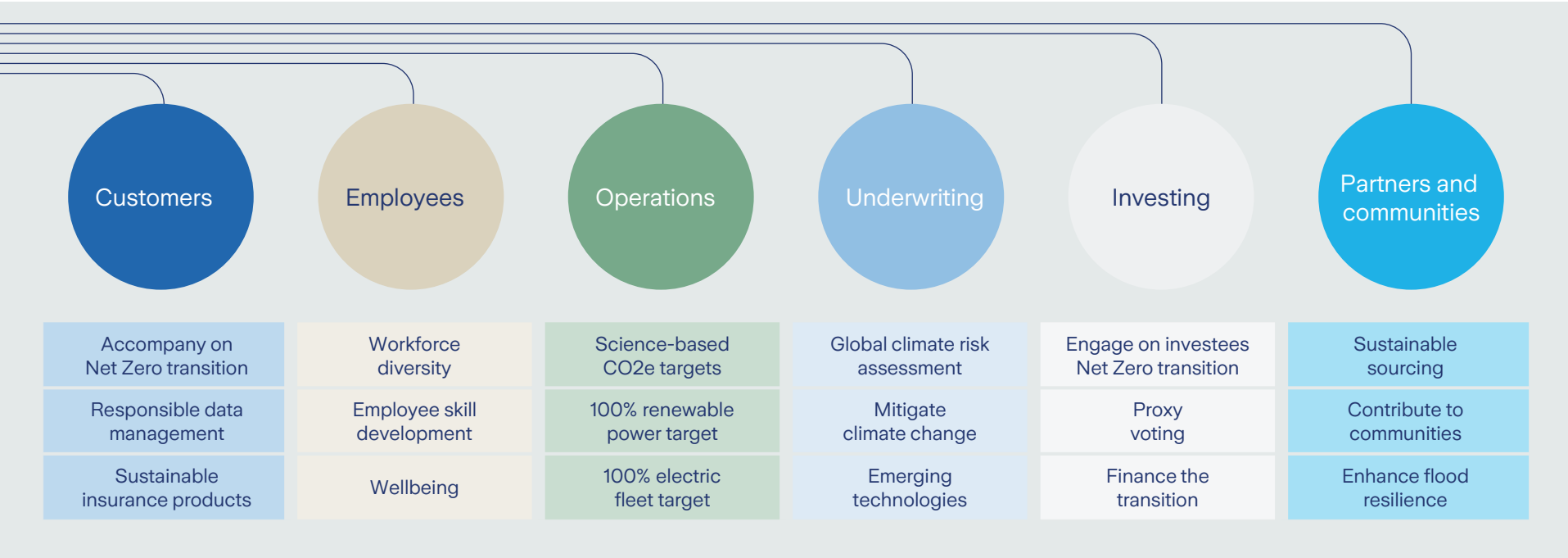
ESG is fully embedded in our governance



¹ ESG specific responsibilities.

² Within responsibility of Group Chief Human Resources Officer.

ESG is embedded in the way we run our business



We are taking decisive steps in our sustainability strategy

OUR 1.5 °C FUTURE



Commitment to **no longer underwrite new greenfield oil** exploration projects¹; full **phase out of thermal coal** from UW portfolio²; not underwrite oil & gas drilling and production in the **Arctic**³

Targeted interim **CO2 reduction in investments and operations**

Founding member of **Net Zero Insurance Alliance**

Launch of **Carbon-Neutral Fund and other ESG funds** for Life customers

CONFIDENCE IN A DIGITAL SOCIETY



Global implementation of **Data commitment almost completed**

Rolling out **AI Assurance Framework** based on key ethical principles **fairness, transparency and accountability**

WORK SUSTAINABILITY



Increased **gender diversity** at Executive Committee and leadership level

Doubled number of learning hours as part of our effort to strengthening the learning culture

Used the **hybrid working model** as an opportunity to create a healthier and more resilient organization

Further improved **employee satisfaction**

¹ Unless meaningful transition plans are considered to be in place.

² By 2030 for OECD and EU27 and 2040 for the rest of the world, unless company has formally approved science-based targets in place, approved by either SBTi or similar scientifically accredited body.

³ Considered as anything north of 66 degrees latitude with the exception of the Norwegian Continental Shelf (NCS).

Our ESG reporting monitors strategy execution, meeting stakeholders' needs while ensuring compliance



ZURICH SUSTAINABILITY STRATEGY AND COMMITMENTS

Strategy execution metrics for our sustainability commitments (i.e., Our 1.5°C Future, Confidence in a Digital Society, Work Sustainability)



REPORTING STANDARDS ADOPTED; STAKEHOLDER RELEVANT

Standards that we have committed to (e.g., WEF IBC) or of relevance to our stakeholders, especially investors (e.g., SASB)



REGULATORY REQUIREMENTS

Reporting requirements under Swiss corporate law (NFRD equivalent) or FINMA regulations (TCFD)

Zurich is highly rated by external assessors

ESG AMBITION

MSCI
ESG RATINGS

‘AA’ rating¹

Member of

Dow Jones
Sustainability Indices

Powered by the S&P Global CSA

In **Top 1%** of insurance
peer group²



FTSE4Good

Absolute Score of **4.2**
(out of 5.0)³



‘A-’ Leadership Level⁴

OUR LONG-TERM COMMITMENT



PSI
Principles
for Sustainable
Insurance

BUSINESS
AMBITION FOR **1.5°C**



OUR ENGAGEMENT PARTNERS

- Lead author of the World Economic Forum Global Risk Report
- Founding member of the Net Zero Asset Owner Alliance
- Founding member of the Net Zero Insurance Alliance
- Member of Coalition for Climate Resilient Investment
- Member of Insurance Development Forum

¹ MSCI ESG Rating Report Aug 2021.

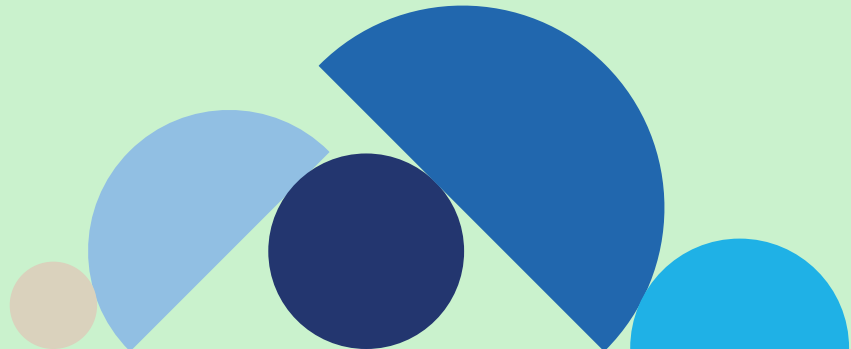
² S&P Global ESG Score 2021 (previously RobecoSAM).

³ FTSE Industry Classification Benchmark (ICB), Jun 2021.

⁴ CDP Climate Change 2021 score

Our 1.5 ° C future

We are **driving, together with the industry,**
towards the 1.5 ° C future and have set
ambitious operational and investments
interim **targets**



We are accelerating our efforts to bring sustainable products to support the energy transition of our P&C customers

SUSTAINABLE SOLUTION DEFINITION

- Solution designed or adapted to support sustainable activities or contributing to mitigate climate risk
- Product providing meaningful support to sustainability values, mitigation of environmental risk, incentivizing sustainable behavior, or enhancing social inclusion

CURRENT SUSTAINABLE SOLUTION



Climate Change
Resilience Services



Carbon capture
and sequestration
insurance



Hydrogen Trucks
insurance

DEEPENING INSIGHTS ACROSS INDUSTRIES

- Reviewing priorities of our customers to focus engagement
- Developing internal capabilities through Sustainable Solutions Community of Practice for product development and pipeline management

CURRENT THEMES



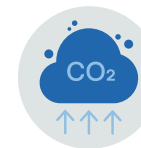
Mobility



Customer
Green
Behaviour



Energy



Carbon



Sustainable
Infrastructure
/ Property

We have launched innovative unit-linked ESG offerings to our Life customers

INNOVATIVE UNIT-LINKED ESG PRODUCTS

- Launched insurance industry-first carbon neutral world equity fund that combines a low-carbon investment strategy with carbon offsetting
Solution is classified as “dark green” and is already available for Unit-Linked customers in Germany, Switzerland, Italy and Portugal
- Switched VariolInvest¹ product in Germany into ESG and made managed accounts ESG offering a default for all distribution channels
All unit-linked products in Germany have ESG option available for our customers
- First ESG proposition introduced in Italy, based on flagship MultiInvest product
Encouraging interest from customers and distributors
- Developed multi-asset thematic product in Portugal targeting all six SDGs prioritized by the Portuguese Government
Solution offers investments in high-quality thematic funds with part of the management fee donated to the local charity project

UNIT-LINKED ESG APPROACH

- The business is local in nature and is managed accordingly
- To further enhance sustainable unit-linked offering we will align approach across countries and leverage Responsible Investment expertise to ensure greater consistency with balance sheet practices



Methodology and governance

Responsible Investment toolkit, minimum standards for ESG and impact fund selection, regulatory and customer reporting



In-house investment solutions

Low carbon strategies, carbon neutral fund range, impact offering

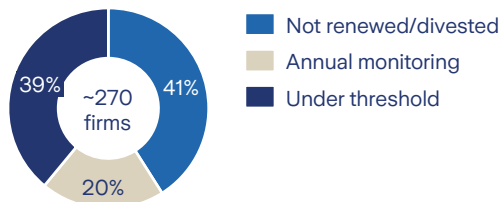


Distributor & asset manager engagement

Distributor support and training, engagement campaigns with asset and fund managers

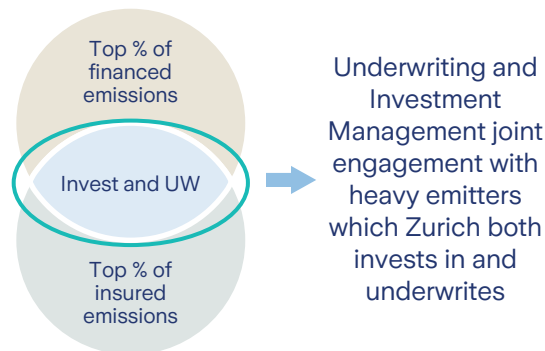
We are building our 1.5 °C future engagement strategy with customers and investees

✓ REVIEW OF OUR COAL AND OIL SANDS ENGAGEMENTS COMPLETED¹



Companies considered to have science-based targets in place must demonstrate meaningful progress within 5 years

□ NOW IDENTIFYING CO2e HEAVY EMITTERS



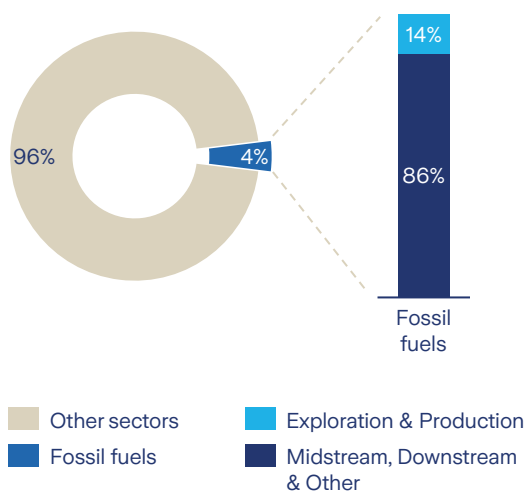
□ DETERMINING BEST TYPE OF ENGAGEMENT APPROACH

In top % financed or insured emissions ↓ with SCIENCE BASED TARGETS <small>DRIVING AMBITIOUS CORPORATE CLIMATE ACTION</small>	Engagement led by Investment Management or Underwriting	
	Does the customer or investee already have an acceptable CO2e reduction target?	Monitor to ensure meaningful progress within 5 years
↓ or target of Climate Action 100+	Is the customer or investee already on the target list of an investor-led initiative?	
	Engage through the initiative	
No target or existing initiative	<ul style="list-style-type: none"> • Lead attributed to Investment Management or to Underwriting • One-on-one engagement to obtain acceptable CO2e targets 	

Deepening our commitment to the energy transition in underwriting

WE CONTINUE TO REDUCE OUR EXPOSURE TO FOSSIL ...

2022+: Focus on exploration and production¹



TO FURTHER SUPPORT THE ENERGY TRANSITION, WE WILL...

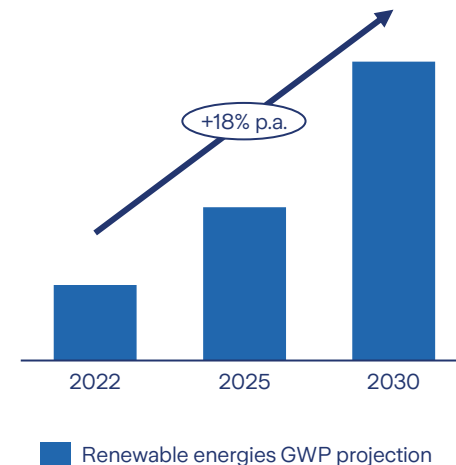
Proactively engage oil and gas customers in risk-based dialogue to understand and support transition plans

No longer underwrite new greenfield oil exploration projects²

Commit to a full phase out of thermal coal from underwriting portfolio^{2,3}

Not underwrite oil and gas drilling and production in the Arctic⁴

WHILE INCREASING OUR FOCUS ON RENEWABLE ENERGIES



¹ Fossil fuels bound premium at YE 2020 relative to total bound premium.

² Unless meaningful transition plans are considered to be in place.

³ By 2030 for OECD and EU 27 and 2040 for rest of world, unless company has formally approved science-based targets in place, approved by either SBTi or similar scientifically accredited body.

⁴ Considered as anything north of 66 degrees latitude with the exception of the Norwegian Continental Shelf (NCS).

While building a deeper understanding of how underwriting portfolios can help achieve the Paris agreement

ZURICH'S COMMITMENT AS FOUNDING MEMBER OF NET ZERO INSURANCE ALLIANCE



Transitioning all operational and attributable greenhouse gas (GHG) emissions¹ from its insurance and reinsurance underwriting portfolios to 1.5° C future emissions by 2050

End 2022

Methodology developed and agreed



Establishing science-based targets every 5 years in line with Paris Agreement

Expected June 2023

Set CO2e targets

Expected 2028

Delivery of first interim target

¹ GHG emissions here refer to insurers Scope 1, 2 and 3 emissions, which include customers Scope 1 and 2 and Scope 3 emissions, where significant, and where data allow.

Our underwriting framework ensures awareness and mitigation of key ESG concerns

PRIORITIZED KEY AREAS

Thermal coal, oil sands & oil shales

Banned weapons

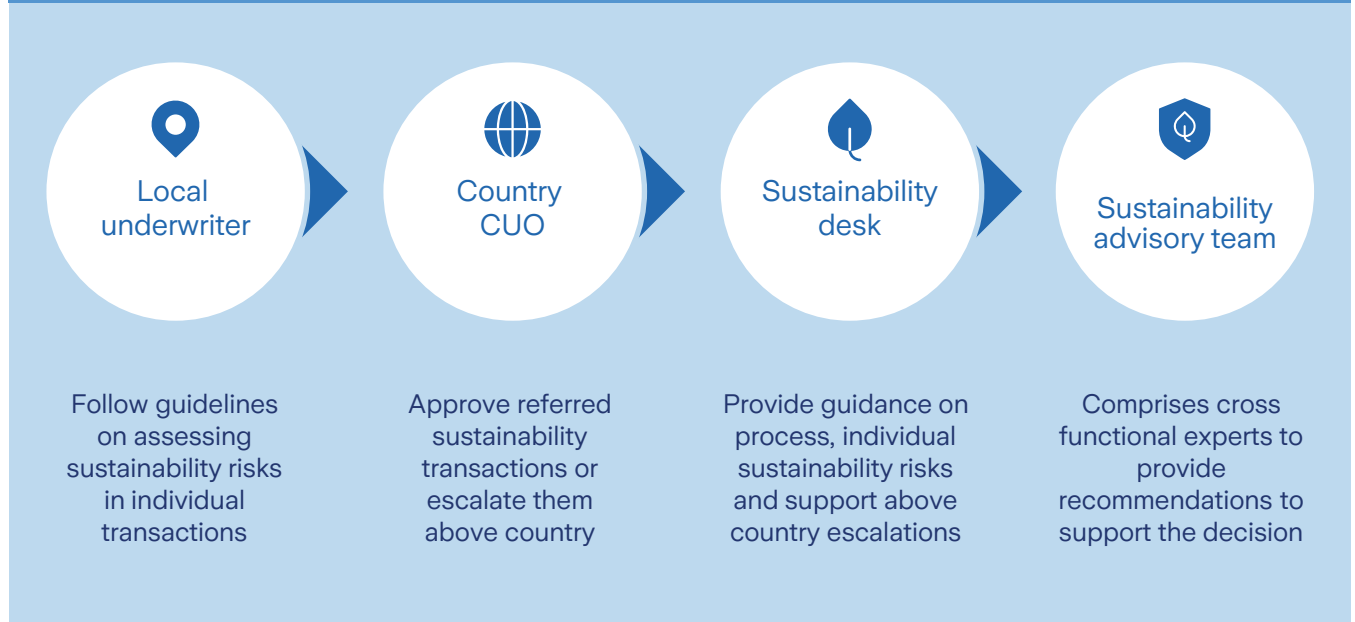
Dam construction

Oil / gas / mining in environmentally-sensitive areas

Transactions with human-rights implications

Detailed sustainability guidelines exist with a risk assessment and referral process in place

Escalation process supports the increased focus sustainability risks across lines of business¹



¹ There were 102 above country escalations in 2020.

We are committing to interim CO2e investments' reduction targets while financing climate solutions



NET ZERO APPROACH

Committing to interim CO2e reduction targets for corporate bonds, equity and real estate investments

Updated our Active Ownership approach to support our net zero strategy



FINANCING CLIMATE SOLUTIONS

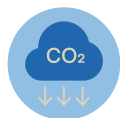
77% of Impact investments are Environmental/ Green Impact investments (USD 4.4.bn)¹, helping to avoid CO2e emission among others

22% of Real Estate investments are in Green labeled buildings (USD 3.6 bn)¹

¹ Per Dec 2020.
² UN Sustainable Development Goals.

Zurich has defined interim investments targets for 2025 towards a 1.5 °C future, with engagement and proxy voting

2025 TARGETS TOWARDS A 1.5 °C FUTURE



Reduction of greenhouse gas emissions¹ for listed equity and corporate bonds by 25% and by 30% for direct real estate from 2019 baseline²



Engage with top 65% emitters of financed emissions without science-based targets

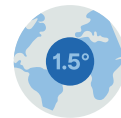


Financing transition by growing allocation to climate solution investments and, collaborating to improve pipeline of climate solution investments suitable to institutional investors



Avoid 5m tons of co₂e per year through impact investments

POLICY ENFORCEMENT

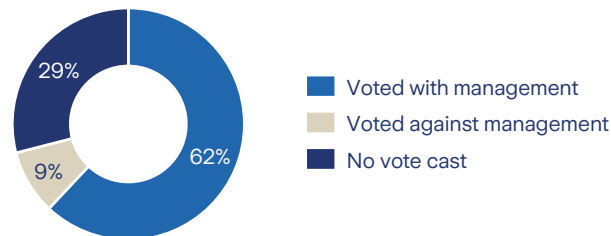


Supporting shareholder proposals calling for 1.5 °C future targets and adequate climate action



Updated Zurich's proxy voting policy to allow for escalating failed engagement on target setting to voting against Chairman of Board

2020 VOTING RESULTS

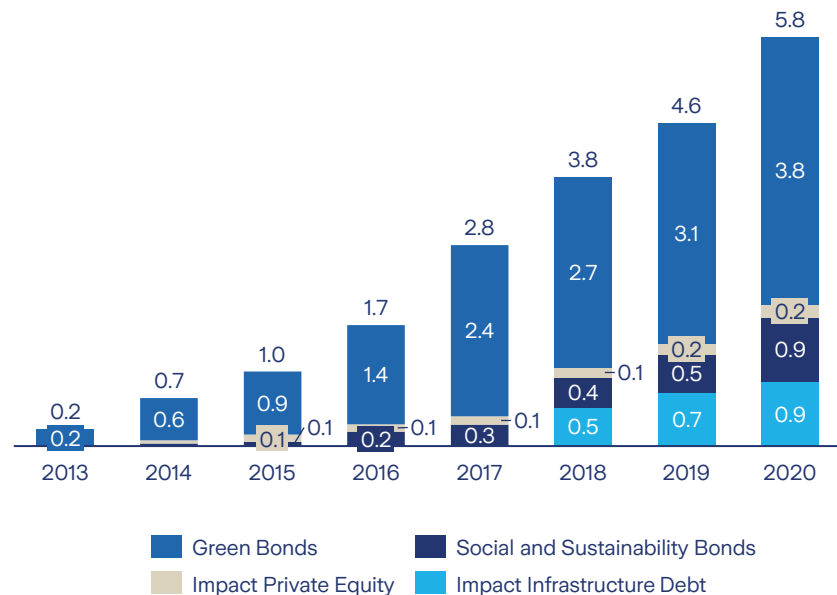


¹ Relative to 2019 baseline, measured as intensities on Enterprise Value.

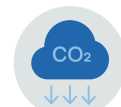
² 136 tons CO₂-equivalent per USD million invested (market value based) for listed equity and corporate bond investments; 32 kilograms CO₂-equivalent per square meter for real estate investments.

With a long track-record in impact investing

IMPACT INVESTMENT PORTFOLIO (USDbn)



GENERATING A POSITIVE IMPACT OF¹



2.9 million tons CO2e avoided per year



3.7 million people benefited per year

PORTFOLIO DETAILS



Green, Social and Sustainability bonds:

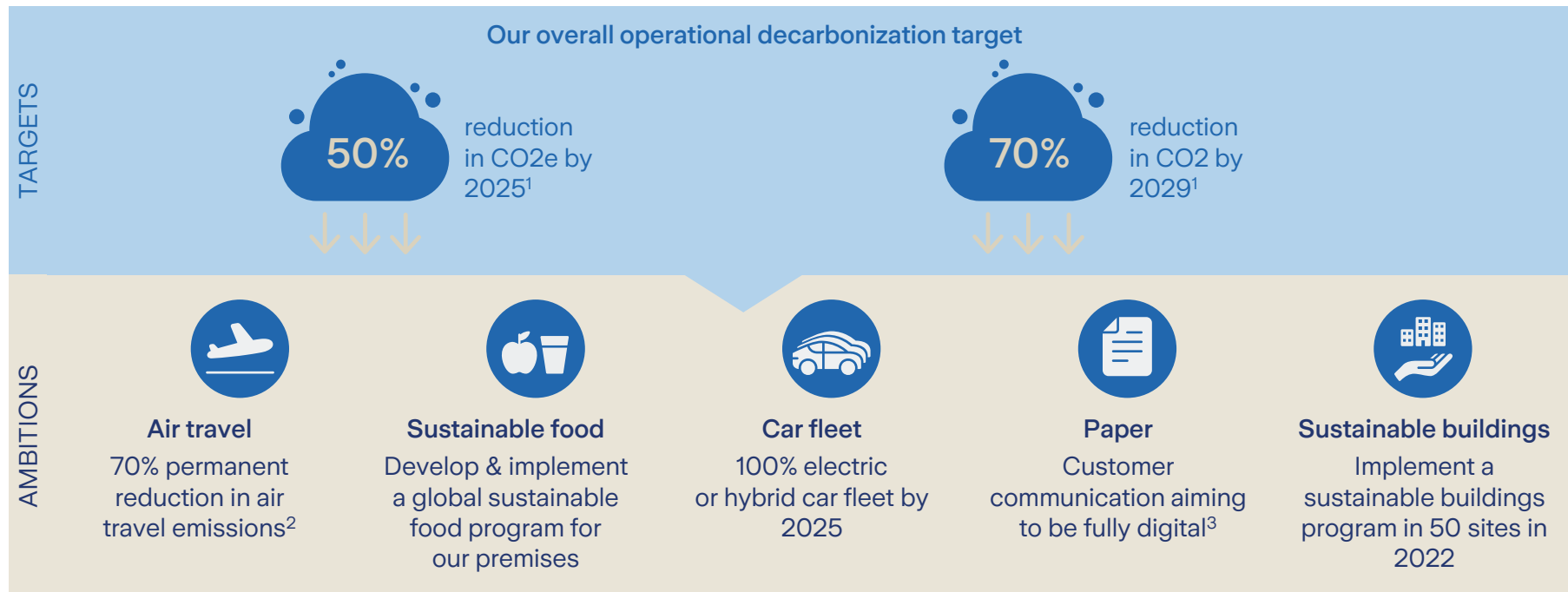
- Over 200 issuers globally invested
- 50% sovereign, 35% corporates and 15% financial issuers



Impact private equity:

- 8 private equity funds with allocation to global clean-tech, financial inclusion and healthcare in emerging markets

We are leading the way with strong CO2e emissions reduction targets in our operations



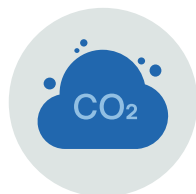
¹Based on 2019 level.

²Starting in 2022.

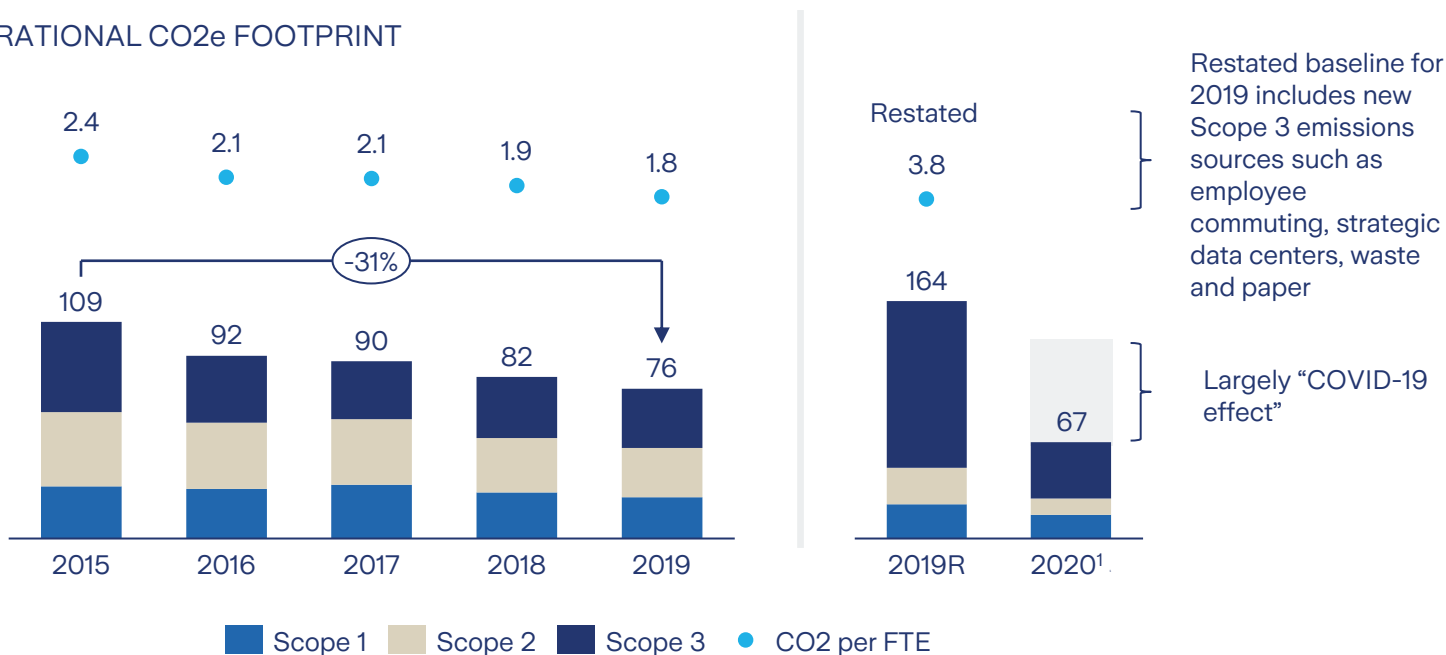
³By 2025; customers may opt-in to paper-based communications.

After decreasing its CO2e by 30% over 5 years, Zurich sets 1.5 °C future targets – 50% reductions by 2025, 70% by 2029

DECREASE IN OPERATIONAL CO2e FOOTPRINT



Carbon neutral since 2014



¹ 2020 drop in CO2e emissions reflects the exceptional year, disrupted by the COVID-19 pandemic.

Confidence in a digital society

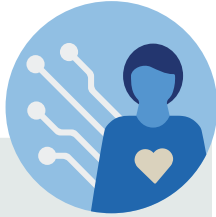
We have largely rolled-out our **Data Commitment** to our global operations



Enabling and inspiring confidence in a digital society will help strengthen the resilience of our customers and our employees



ETHICAL USE OF DATA & ARTIFICIAL INTELLIGENCE (AI)



Deliver on our Data Commitment and underpinning principles (Trust, Transparency, Fairness)

Field-testing of Zurich's AI Assurance Framework to provide for the responsible, trustworthy and ethical use of data and advanced technologies such as AI & Machine Learning across the organization

DATA PROTECTION & CYBER SECURITY



Proactively embed 'Privacy by design' and robust cyber and information security

Protect and enable customers through cyber risk coverage, service ecosystem and education

BUSINESS RESILIENCE & DIGITALIZATION

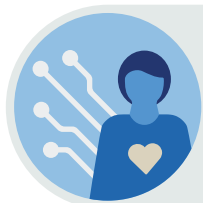


Protect and recover critical services with our Business Resilience Framework

Enable a data-driven, customer-focused, digital enterprise

Deliver a dynamic customer experience with product simplification and intelligent automation

Executing against our ambition enables a higher confidence in a digital society



ETHICAL USE OF DATA

- Global implementation of Data commitment completed at 90% in EMEA and North America and at 80% in LatAm and APAC
- Defined and started field testing of AI Assurance Framework based on key ethical principles fairness, transparency and accountability
- Establishing AI Ethics Committees at Group and local levels to provide for a holistic and consistent view on ethical AI



DATA PROTECTION & CYBER SECURITY

- Continuous improvement in own resilience through technology and assurance processes
- Supporting customers by providing risk insights through educational material
- 10-year sponsorship of a research center on protection of privacy and cyber risk mitigation at ETH Zurich



BUSINESS RESILIENCE & DIGITALIZATION

- Risk consultancy services and access to cutting-edge security technology (Zurich Cyber Risk Engineering, Partnerships with CYE and ZenOpz)
- Cyber insurance still to mature which explains our cautious approach with respect to cyber insurance and continuous update of our pricing model

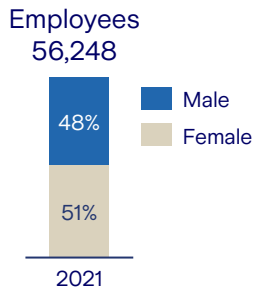
Work Sustainability

Our **Work Sustainability** agenda is delivering a **more diverse, better skilled** and **more satisfied workforce**

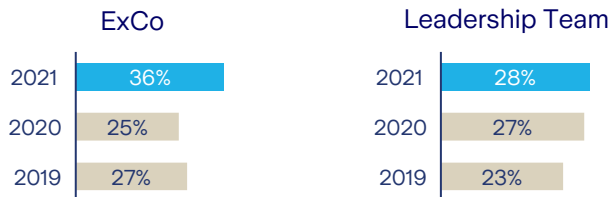


Zurich a capable and diverse organization

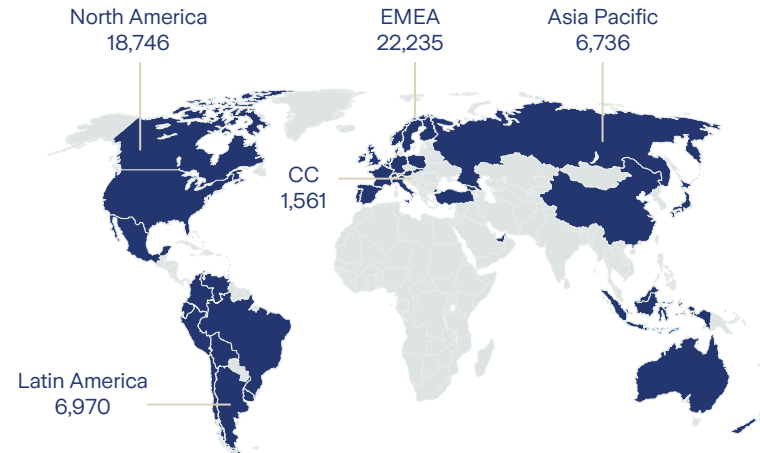
EMPLOYEES BY GENDER¹



FEMALE REPRESENTATION¹



OUR ORGANIZATIONAL FOOTPRINT



Nationalities	Average Tenure (years) ³	Average Turnover ⁴	Boomers ⁵	Gen X ⁵	Gen Y ⁵
119	10	9%	13%	41%	45%

¹ Headcount and female representation data as per 01.10.2021.

² Headcount as per 30.09.2021 (excl. CoverMore).

³ Average tenure as per 30.09.2021.

⁴ Annualized turnover (voluntary and involuntary) as per 30.09.2021.

⁵ Boomer, <1964; Gen X, 1965-1979; Gen Y, 1980-1994, (~1% traditionalists and millennials).

We ensure our people priorities align closely with our business strategy whilst listening to the voice of the employee

ONGOING FOCUS FOR OUR PEOPLE PRIORITIES

Adapting to a new normal and shifting employee needs



New ways of working



Enable Wellbeing mindset



Recognize changing landscape and employee needs

Building our People Promise to Life



Manage a diverse workforce



Strengthen leadership and management capability



Accelerate skilling and career pathing

WORK SUSTAINABILITY ACHIEVEMENTS



Continued expansion of **apprenticeships** and opportunities **for work-based learning**, adapting programs for virtual delivery in response to the pandemic

Circa 900 roles **insourced** across Group in 2020 with continuation in 2021

9 Technical Academies launched across the Group to support development

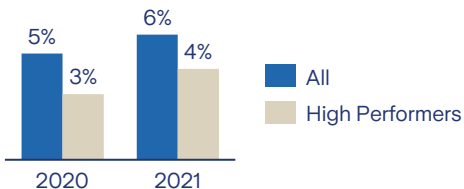
New **skills framework** with 47 cross functional skills synthesized from hundreds and defined leadership and behavioral expectations

Focusing on **embedding workforce planning** methodology across Group. Via Workforce Planning, skill and capability gaps are identified at BU/Function and employee level to inform **targeted reskilling and upskilling initiatives** with a strong focus on **digital and analytics capability building**

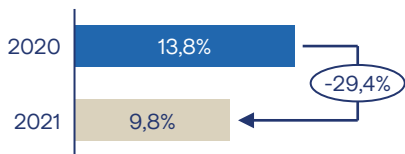
Continuing to develop our existing workforce



VOLUNTARY TURNOVER

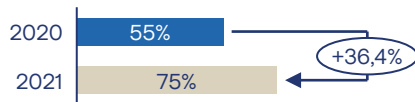


0-2-YEAR TENURE TURNOVER²

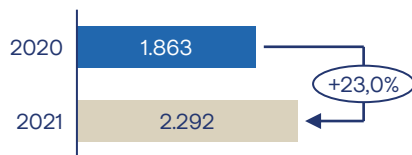


Retaining employees by supporting our people through the pandemic. **Rapid reskilling and redeployment** to avoid layoffs and restructuring.

LEADERSHIP TEAM % INTERNAL HIRES¹



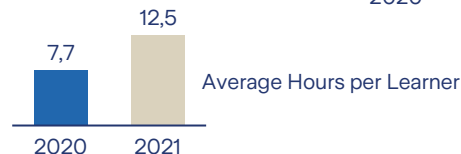
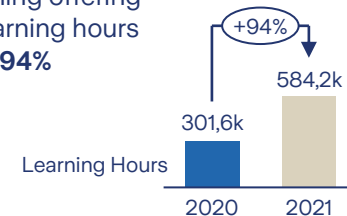
CROSS FUNCTIONAL/REGIONAL MOVES



Continued focus on **building vs. buying talent**, by filling roles internally and increasing mobility of existing employees

LEARNING & DEVELOPMENT³

Zurich has **continued to build** our learning offering resulting in learning hours increasing by **94%**



Zurich continues to strengthen a learning culture, with **61% of employees actively engaging** with non-mandatory training content as of Q2 2021

¹ 2020 Leadership Team % internal hires as per 01.10.2020.

² 2021 Tenure turnover as at 30.09.2021.

³ Learning & Development KPIs as per 30.09.2020 and 30.09.2021.

Hybrid Working Model: the opportunity to create a healthier and more resilient organization



Within the last 18 months, we have achieved what previously would have been thought impossible:

- 

Technology: Adopted new technologies and ways of working over night
- 

Work Sustainability: Rapid reskill/upskill to redeploy talent at pace where needed most
- 

Communication: Engaged and trained our people using technology to create a collaboration culture
- 

Engagement: With pandemic shared sense of mission to drive faster execution while focusing on wellbeing

We are at an historical moment in time as we move to a more hybrid working model with:

- more flexible and innovative working practices
- empowerment of teams
- removal of unnecessary bureaucracy
- increased simplicity and quicker decision-making

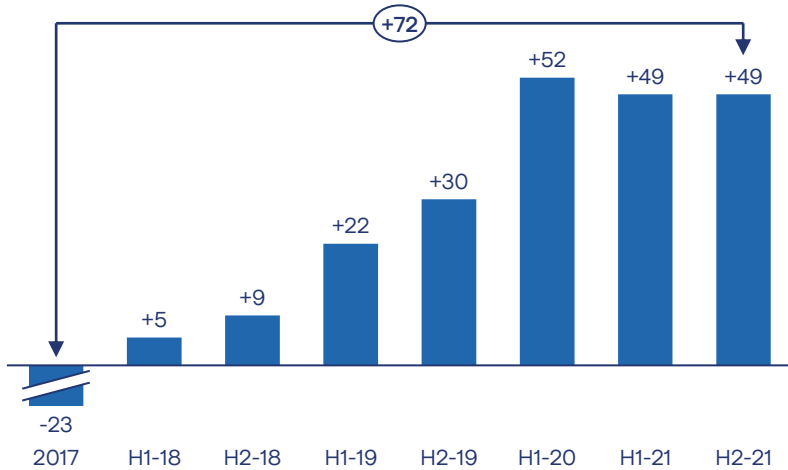
Guiding Principles are drive our Hybrid Working Model

Our customers and results come first	We apply Hybrid Working wherever we can	We match location to type of work	We encourage regular teamwork in the office
We make the best use of physical space throughout the week	Remote work is linked to our geographical base	We have minimum "work from home" standards to ensure safety and security	We will provide training to benefit from supporting tools and technology

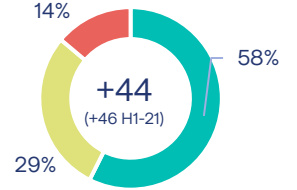
Listening to our employees



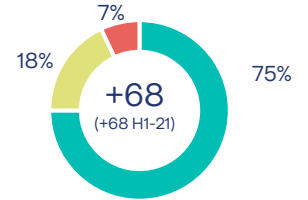
Zurich has held onto double digit gains over our pre-pandemic results for our “Place to Work” NPS



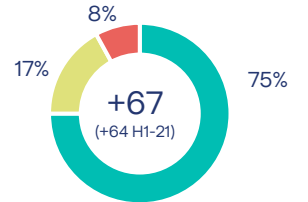
WELLBEING SUPPORTED BY ZURICH



SUPPORT BY ZURICH DURING COVID



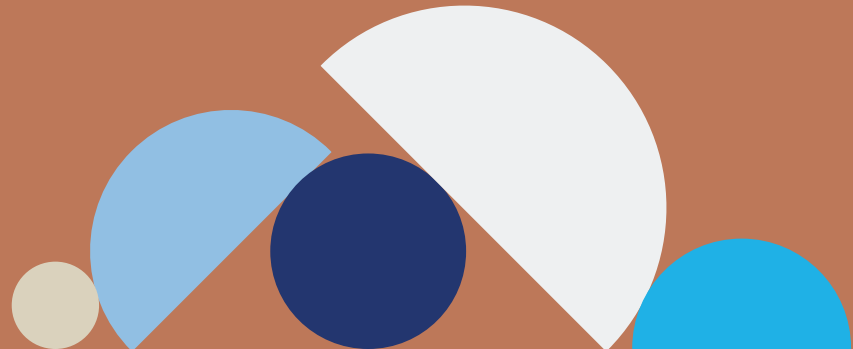
SUPPORT BY MANAGER DURING COVID



- Detractors
- Passives
- Promoters

Communities

Z Zurich Foundation is responding to communities **most immediate needs** while **building long-term resilience**



Z Zurich Foundation at the heart of Zurich's ambition to be one of the most impactful and responsible businesses in the world



2020-2024 TARGET

As the main vehicle by which Zurich delivers on its global community investment strategy, the Z Zurich Foundation has the aim to positively impact the lives of at least 11 million of them by 2024



2020 HIGHLIGHTS

CHF 32m invested in community grants (+136% Vs. 2019), and CHF 32m worth of new and extended multi-year grants were approved

3.2 m lives positively impacted, including 2.4m lives as part of Z Zurich Foundation's COVID-19 response through donations to 220 charities in 35 countries

4 external awards and recognition for Z Zurich Foundation's programs in Australia and Spain and from the World Economic Forum for the Zurich Flood Resilience Alliance's work

2021 ACTIONS

 Continued the Foundation's Covid-19 response including a global fundraising campaign in support of UNICEF's COVAX initiative

 Scaled up the Foundation's activities in its strategic pillars of Climate Change Adaptation and Improving Mental Wellbeing

In 2021, the Z Zurich Foundation further develops to create brighter futures for vulnerable people around the world

SUSTAINING COVID-19 RESPONSE



- CHF 8m invested (forecast)
- 2.4m positively impacted lives
- 50+ charities supported
- 100% of Zurich business units engaged in campaign to support UNICEF's efforts for the COVAX facility

SCALING-UP CLIMATE RESPONSE



- 300 communities (from 75 in 2020) supported in 23 countries
- Further extending the program in Zurich markets and in urban areas: agreed new multi-year programs in the US, Ecuador and Colombia
- Leveraging approx. 15 times Z Zurich Foundation's own investment to adaptation: this influencing has started to bear fruit with around \$340 million currently committed by other donors around the world

IMPROVE MENTAL WELLBEING



- Building on a strong set of award-winning local projects in Australia, Ireland, Turkey and the Isle of Man
- Added 3 new multi-year commitments in New Zealand, Portugal and Brazil, working on 5 more countries by 2022
- Also launched a strategic partnership with UNICEF, with a global campaign, programming in 7 countries and a new coalition of the willing

Corporate Governance

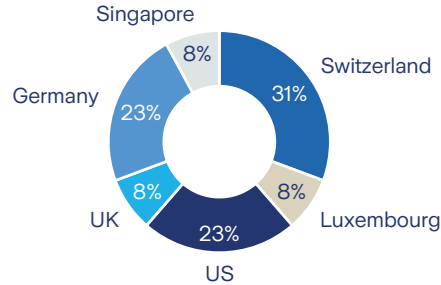
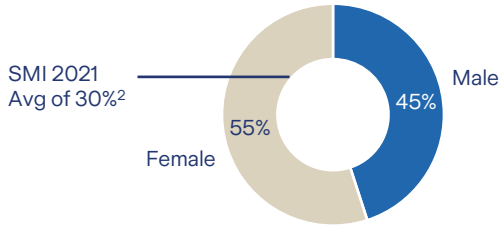
Our **governance** strives for the **highest level of quality and integrity**



A diverse and independent Board, well positioned to support management delivery on strategic priorities



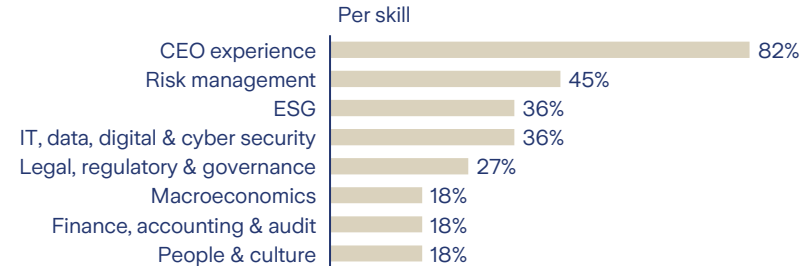
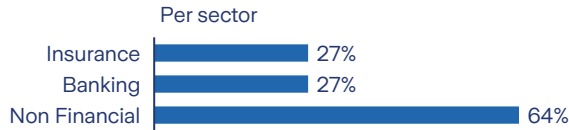
BOARD COMPOSITION¹



BOARD BY LENGTH OF TENURE



BOARD BY BACKGROUND, EXPERIENCE, SKILLS AND KNOWLEDGE¹



¹ Distribution of members per Nov 2021; Board members are allocated to one or more nationality, sectors and/or specialization areas based on their individual profile.

² According to the SWIPRA Newsletter 6/2021 "Swiss AGM Season 2021".

Board leadership and commitment to key strategy and policy issues

KEY FOCUS AREAS IN 2020-2021



Sustainability – continued discussion with management of related governance particularly as to non-financial reporting, embedment in own operations, in investment management and in underwriting



Strategy implementation – reviewed progress with management as to Retail, Commercial, Farmers particularly as to customer focus

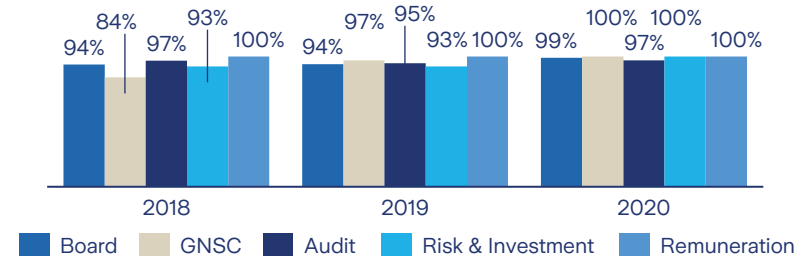


Technology & Operations – considered status of transformation including exposure to cyber risks with Group Chief Information & Digital Officer

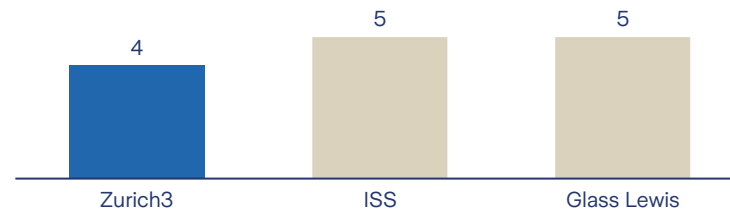


COVID-19 – monitored developments in all regions potentially impacting Group's business and Zurich employees' resilience

BOARD MEETING ATTENDANCE¹



MAX. NUMBER OF MANDATES IN LISTED COMPANIES²



¹ Board and Committees; GNSC stands for Governance, Nomination and Sustainability Committee.

² According to European proxy voting guidelines 2021. Please note that proxy advisors have additional limitations for directors who serve as chairmen or executives. These special cases were not considered here.

³ Including mandate at Zurich Insurance Group Ltd. Additional limitations exist, amongst others, for the total number of mandates (including listed and non-listed). For details, please see article 33 of the Articles of Association.

Remuneration

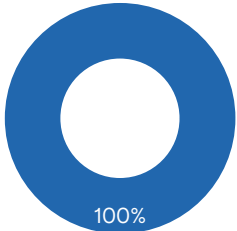
Our **remuneration** reflects **business outcomes**



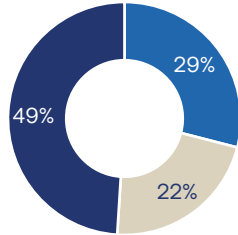
Senior management compensation includes significant component of long-term deferred remuneration

2020 REMUNERATION STRUCTURE¹

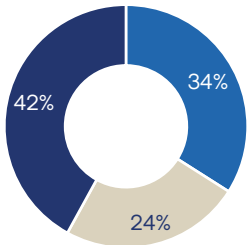
Directors



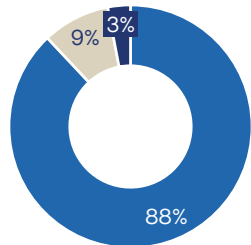
CEO



Exco



Employees



FIXED REMUNERATION / FEES

- Base salary benchmarked towards local relevant market median
- Pensions in line with relevant market practice – shift away from defined benefit plans in recent years
- Benefits in line with local market – can include life insurance, medical cover, flexible benefits and expatriate/cross-border allowances
- For Directors includes fees paid in cash and shares (5 years sales restricted)

STIP

- 1-year performance period, paid in cash
- Award mainly driven by relevant BOP and TNPS (80/20), as well as individual performance assessment of pre-defined targets

LTIP

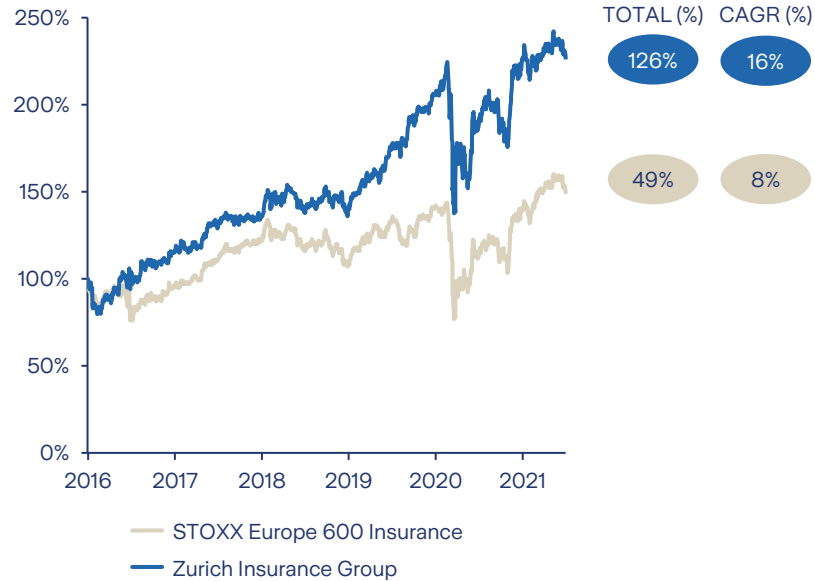
- Annual target allocation
- Pre-defined performance criteria – NIAS ROE, cash remittance and relative TSR with equal weight, assessed over 3 years
- Three-year cliff vesting – half of vested shares sales-restricted for additional 3 years for ExCo

¹ At target, as a percentage of total remuneration considering ExCo members active for the full year, including the Group CEO.

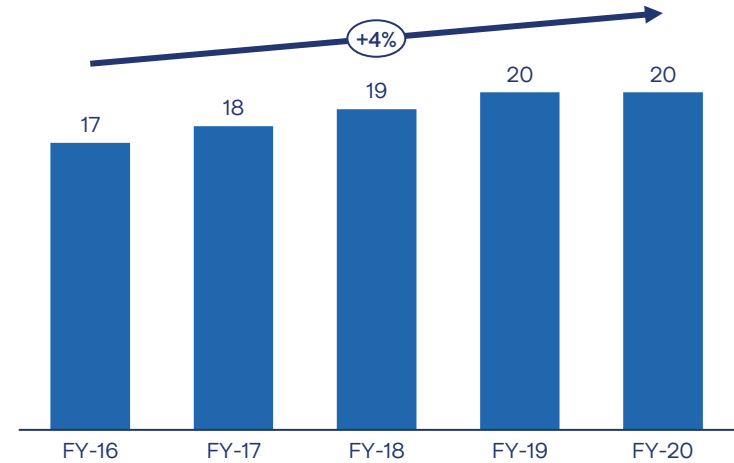
Zurich has created significant value for shareholders



TOTAL SHAREHOLDER RETURN (USD SINCE JAN 1, 2016)¹



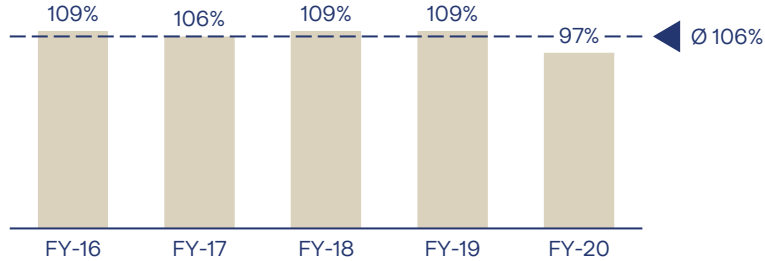
DIVIDEND PER SHARE (CHF)



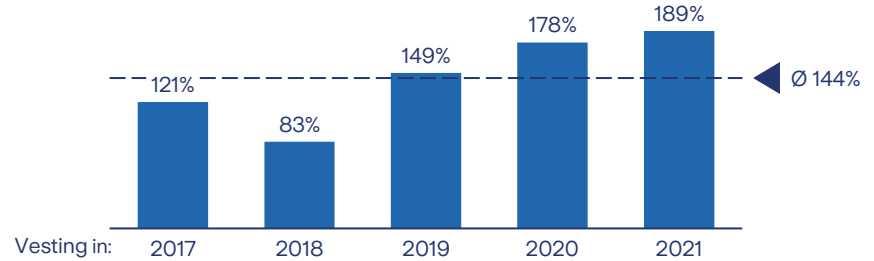
¹ Source: Datastream as of June 30, 2021.

Remuneration framework includes financial and non-financial metrics

STIP AWARDED AS % OF TARGET ACROSS THE GROUP



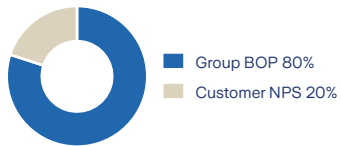
LTIP VESTING LEVEL AS % OF TARGET



STIP DRIVERS FOR EXECUTIVE COMMITTEE MEMBERS

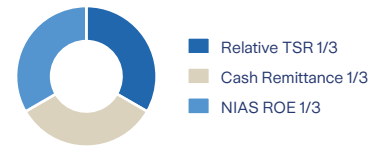
Business performance:
Funding of the Group STIP pool

Individual performance:
Target card framework



LTIP PREDEFINED PERFORMANCE METRICS

Assessed independently over the 3-year performance period 2021-2023



Exploring embedding additional ESG metrics in variable remuneration

INCENTIVE VEHICLE OPTIONS



Short-term incentive plan currently incorporates non-financial measures:

- Funding: 20% based on customer net promoter system (NPS) score for close to 90% of participants
- Individual targets for ExCo and wider leadership team include customer and employee satisfaction measures

Assessing options for the long-term incentive plan metrics

MEASUREMENT CONSIDERATIONS



Strategically relevant measures

Single or synthetic measures

Materiality

Weighting of measures

Focus on environmental, social and governance measures

QUALITY CHALLENGES



ESG data maturity

Track record availability

Auditability

Transparency in reporting

ESG targets often have a non-linear path

Conscious of strong views against use of indices for remuneration purposes

Governance approach aligns interest with shareholders



¹ On recommendation of Group CEO.
² Remuneration report addresses remuneration architecture, rules and disclosures.
³ The Group CEO remuneration is approved in aggregate with the ExCo remuneration.

For further information

CALL US

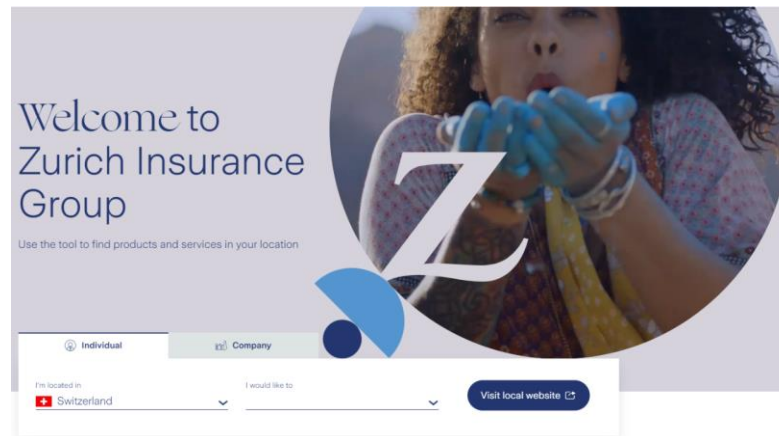
INVESTOR RELATIONS AND RATING AGENCY MANAGEMENT

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