

# Consolidated non-financial statements

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We are including in our Annual Report information on a comprehensive set of 'non-financial' measures that we use to monitor and report information related to our four key stakeholder groups. The information is based on the requirements some of our subsidiaries and branches are required to follow since 2017, as stipulated by the Directive on the disclosure of non-financial and diversity information by certain large undertakings and groups (Directive 2014/95/EU). We believe that providing these metrics gives a more complete overview of our business, and shows how we monitor our effectiveness in these areas pertaining to social information and employees, customers, responsible investment, the environment, and our tax contributions. We have also used references to the Global Reporting Initiative (GRI) as an index to help our stakeholders find the information relevant to them throughout the Annual Report and on our Group website without adhering to the standards listed in the index in its entirety. PricewaterhouseCoopers AG performed limited assurance procedures on the indicators for social and environmental matters as well as those related to responsible investment as outlined in their independent assurance report at the end of this section.

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## Introduction

Zurich sees innovation and sustainability as key to our approach. We need both, working together to achieve our goals for all stakeholders: customers, employees, investors and communities.



“The next generation is looking to the future with uncertainty. The world has become less predictable. By being an innovative company, we want to give people faith in a more sustainable future.”

**Giovanni Giuliani**  
Group Head of Strategy, Innovation and Business Development



“We care about society and we need to find new ways to manage the global risks that we’re facing. That requires innovative thinking that goes beyond simply looking for short-term solutions.”

**Linda Freiner**  
Group Head of Sustainability

The information contained within the consolidated non-financial statements is based on the consolidated results of the Group for the years ended December 31, 2019 and 2018. Amounts are rounded to the nearest million unless otherwise stated, with the consequence that the rounded amounts may not always add up to the rounded total. All ratios and variances are calculated using the underlying amounts rather than the rounded amounts. This document should be read in conjunction with the stakeholders reports from the Group overview section of this Annual Report, and with the Sustainability Highlights 2019 report of the Group which is available on [www.zurich.com](http://www.zurich.com).

## Consolidated non-financial statements (continued)

### Voice of the customer

	2019	2018	Change
Number of customers interviewed through Zurich's NPS program <sup>1</sup>	1,047,000	763,000	37%
Number of close the loop feedback calls	72,000	52,000	38%

<sup>1</sup> In 2019, Zurich interviewed over one million customers (including Zurich Santander) in 25 countries through its NPS (Net Promoter System) program.

Our global net promoter system (NPS) program provides us with insights on how to grow and retain existing as well as attract new customers by creating excellent customer experiences. Ultimately the aim is to increase the share of promoters we have among our customers. We measure NPS by sending surveys to our customers across 25 countries and are now covering 90 percent of our business (in revenue terms). We always close the loop with our detractors, a process in which all of our executives are also involved.

### People indicators

	2019	2018	Change
Total number of employees – headcount	55,369	53,535	3%
Total number of employees – FTE (full time equivalents)	54,030	52,267	3%
Employee turnover rate <sup>1</sup>	13.6%	14.1%	(0.5 pts)
Average tenure (years)	10	10	n.m.
Group voluntary turnover <sup>1</sup>	7.2%	7.5%	(0.3 pts)
Technical functions voluntary turnover <sup>1,2</sup>	6.5%	7.0%	(0.5 pts)
Female workforce participation	51.1%	50.7%	0.4 pts
Female participation in Leadership Team	22.6%	22.3%	0.3 pts
Employee participation in Group-wide feedback channels <sup>3</sup>	76.0%	70.0%	6.0 pts
Employee net promoter score (ENPS) <sup>4</sup>	+26	+7	19.0 pts

Notes: For 2019, the heading of this section was changed to 'people indicators' to better reflect the content. The 'active learners' key performance indicator is not reported for 2019 due to a change in reporting systems. Bolivia and the Farmers Exchanges are not in scope of any above key performance indicators (KPIs). The Farmers Exchanges are owned by their policyholders. Farmers Group, Inc., a wholly owned subsidiary of the Zurich Insurance Group, provides certain non-claims services and ancillary services to the Farmers Exchanges as attorney-in-fact and receives fees for its services.

<sup>1</sup> Turnover figures only consider regular and in-patriate employees.

<sup>2</sup> Technical functions include Claims, Underwriting and Risk Engineering.

<sup>3</sup> Group-wide feedback channels include organization health surveys, employee net promoter scores (ENPS) and any other Group-wide feedback channels. This KPI refers to the average participation rate in the two occurrences of the employee net promoter score survey.

<sup>4</sup> ENPS is calculated as the average of the two surveys carried out during the year, measuring employee loyalty through the likelihood to recommend the company as a place to work. ENPS is based on the methodology of measuring and improving customer satisfaction and loyalty (transaction NPS and relationship NPS) which Zurich uses as a successful method to retain customers.

### Community investment

	2019	2018	Change
Fundraising and donations (USD millions)	2	2	n.m.
of which from Zurich employees (USD millions)	1	1	n.m.
of which matching by Zurich business units (USD millions) <sup>1</sup>	1	1	n.m.
Total time volunteered by workforce (business hours)	142,200	121,290	17%
of which skills-based hours	31,807	29,619	7%
Workforce actively volunteering (% of total headcount) <sup>2</sup>	20.3%	n/a	n/a
Total full year charitable cash contributions by Zurich business units (USD millions) <sup>1,3</sup>	12	10	18%
Total full year charitable cash contributions by Zurich to Z Zurich Foundation (USD millions) <sup>4</sup>	40	–	n/a

Notes: Zurich Insurance Group and its employees are contributing through fundraising, volunteering and cash contributions apart from the community investment activities carried out by the Z Zurich Foundation.

<sup>1</sup> Excluded are corporate donations made by the Farmers Exchanges. Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides certain non-claims services and ancillary services to the Farmers Exchanges as attorney-in-fact and receives fees for its services.

<sup>2</sup> In 2019, we reinstated our KPI for measuring the number of unique Zurich employees who participated in one or more volunteering events throughout the year.

<sup>3</sup> This includes the matching by Zurich business units amount in the fundraising and donations.

<sup>4</sup> Previously, charitable contributions of the Z Zurich Foundation were valued on a cash-out basis for the purposes of the key performance indicators. Starting from 2019, contributions cover the total charitable donations made by various legal entities of the Zurich Insurance Group to the Z Zurich Foundation on a cash-out basis. The previously reported 2018 figures have been restated based on that new approach.

## Consolidated non-financial statements (continued)

Responsible investment	2019	2018	Change
External asset managers who are signatories to PRI (%) <sup>1</sup>	<b>81.3%</b>	74.2%	7.1 pts
Group assets managed by PRI signatories (%) <sup>2</sup>	<b>97.5%</b>	97.2%	0.3 pts
Total amount of impact investments (USD millions) <sup>3</sup>	<b>4,555</b>	3,790	20%
Investment portfolio (USD millions) <sup>4</sup>	<b>204,803</b>	195,472	5%

<sup>1</sup> The United-Nations supported Principles for Responsible Investment (PRI).

<sup>2</sup> Including assets managed by Zurich.

<sup>3</sup> Impact investments in 2019 consisted of: green bonds (USD 3.1 billion), social and sustainability bonds (USD 539 million), investments committed to private equity funds (USD 163 million, thereof 36 percent drawn down) and impact infrastructure private debt (USD 747 million).

<sup>4</sup> The investment portfolio is calculated on a market basis, and is different from the total Group investments reported in the consolidated financial statements, which is calculated on an accounting basis and doesn't include cash and cash equivalents.

Environmental performance	2018	2017	Change
Impact of real estate investment: Energy consumption (kWh per sqm) <sup>1,2</sup>	<b>113</b>	114	(1%)
Impact of real estate investment: CO2e emissions (kg per sqm) <sup>1,2</sup>	<b>27</b>	28	(4%)
Own operations: CO2e emissions per employee (metric tons per FTE) <sup>2,3</sup>	<b>1.9</b>	2.1	(6%)

<sup>1</sup> Scope includes real estate investments in Switzerland (40 percent of global direct real estate investment value). Buildings in the real estate investment portfolio are largely not used by Zurich. The data are based on meter readings and energy supplier information and are heating degree adjusted.

<sup>2</sup> CO2e emissions per employee data 2019 will be available in Q2 2020, and Impact of real estate investment data 2019 will be available in Q1 2021.

<sup>3</sup> Includes emissions from own-use real estate (electricity and heat), from air travel, rail and cars (rental cars and car fleet).

Total tax contributions <sup>1</sup> 2018 <sup>2</sup>	2018 total tax contributions by region in USD millions		Top 10 countries with the highest total tax contribution in 2018			
	Tax collected	Tax borne by shareholders	Country (in USD millions)	Total tax contribution	Tax collected	Tax borne by shareholders
	Asia Pacific		U.S.	1,546	954	592
	Latin America		Switzerland	1,372	1,076	295
	North America		Germany	1,086	855	231
	EMEA		UK	848	693	155
			Brazil	513	330	183
			Italy	452	379	73
			Spain	382	234	148
			Austria	315	290	25
			Argentina	305	223	82
			Australia	294	242	52

<sup>1</sup> Numbers based on IFRS excluding deferred income tax.

<sup>2</sup> Tax contributions for 2019 will be available in Q2 2020.

The balance between 'total tax collected' and 'tax borne by shareholders' varies between regions and countries due to Zurich's local footprint but also due to different characteristics of the various tax jurisdictions where Zurich operates.

# GRI index

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 Global Reporting Initiative (GRI) as an index below to help our stakeholders find the information relevant to them throughout the Annual Report and on our Group website 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 GRI Standards.















General Disclosures					
Number	Disclosure name	Reference and page number	Number	Disclosure name	Reference and page number
102-1	Name of the organization	<b>AR inside front cover (ifc)</b>	102-28	Evaluating the highest governance body's performance	<b>AR 56 to 58</b>
102-2	Activities, brands, products, and services	<a href="#">↗</a> <a href="#">↗</a> <b>AR ifc, 11 to 15 and 18 to 21; SR 12 to 15</b>	102-29	Identifying and managing economic, environmental, and social impacts	<a href="#">↗</a> <a href="#">↗</a> <b>AR 57 to 58</b>
102-3	Location of headquarters	<b>AR ifc</b>	102-30	Effectiveness of risk management processes	<b>AR 155</b>
102-4	Location of operations	<a href="#">↗</a> <b>AR 10 to 15, 270 and 283 to 287</b>	102-31	Review of economic, environmental, and social topics	<a href="#">↗</a> <b>AR 38 to 39</b>
102-5	Ownership and legal form	<b>AR 188 and 299</b>	102-32	Highest governance body's role in sustainability reporting	<a href="#">↗</a> <a href="#">↗</a> <b>AR 57; CDP</b>
102-6	Markets served	<a href="#">↗</a>	102-33	Communicating critical concerns	<a href="#">↗</a> <b>AR 69; CDP</b>
102-7	Scale of the organization	<b>AR ifc</b>	102-35	Remuneration policies	<b>AR 97 to 100</b>
102-8	Information on employees and other workers	<b>AR 16 to 17, 22 to 23 and 30</b>	102-36	Process for determining remuneration	<b>AR 100 to 106</b>
102-9	Supply chain	<a href="#">↗</a> <b>SR 37; CDP</b>	102-37	Stakeholders' involvement in remuneration	<b>AR 104 and 106</b>
102-10	Significant changes to the organization and its supply chain	<b>AR 5 to 7, 10 to 17, 175 and 205 to 207</b>	102-40	List of stakeholder groups	<a href="#">↗</a> <a href="#">↗</a> <a href="#">↗</a> <a href="#">↗</a> <b>AR 18; SR 7; CDP</b>
102-11	Precautionary principle or approach	<b>AR inside back cover</b>	102-41	Collective bargaining agreements	<a href="#">↗</a>
102-12	External initiatives	<a href="#">↗</a> <b>AR 20 to 28; SR 11 and 38 to 39</b>	102-42	Identifying and selecting stakeholders	<a href="#">↗</a> <b>SR 7</b>
102-13	Membership of associations	<a href="#">↗</a> <b>CDP</b>	102-43	Approach to stakeholder engagement	<a href="#">↗</a> <b>AR 18 to 19; SR 7</b>
102-14	Statement from senior decision-maker	<a href="#">↗</a> <b>AR 2 to 7, 38 to 39, 90 to 91, 126 to 127, 164 to 165 and 176 to 177; SR 5</b>	102-44	Key topics and concerns raised	<a href="#">↗</a> <b>SR 7 to 8</b>
102-15	Key impacts, risks, and opportunities	<a href="#">↗</a> <b>AR 10 to 17 and 126 to 127; CDP; SR 7 to 9 and 14 to 15</b>	102-45	Entities included in the consolidated financial statements	<b>AR 283 to 287</b>
102-16	Values, principles, standards, and norms of behavior	<a href="#">↗</a> <b>AR 4 to 8; SR 10</b>	102-46	Defining report content and topic boundaries	<b>AR 188 to 193 and 299</b>
102-17	Mechanisms for advice and concerns about ethics	<a href="#">↗</a> <a href="#">↗</a> <b>AR 78</b>	102-47	List of material topics	<a href="#">↗</a> <b>SR 7 to 8</b>
102-18	Governance structure	<a href="#">↗</a> <b>AR 41 to 43; SR 10; CDP</b>	102-49	Changes in reporting	<b>AR 190 to 193</b>
102-19	Delegating authority	<a href="#">↗</a> <b>SR 10; CDP</b>	102-50	Reporting period	<b>AR 188 to 189 and 299</b>
102-20	Executive-level responsibility for economic, environmental, and social topics	<a href="#">↗</a> <a href="#">↗</a> <b>AR 58; SR 10</b>	102-51	Date of most recent report	<a href="#">↗</a> <b>SR 1; CDP</b>
102-21	Consulting stakeholders on economic, environmental, and social topics	<a href="#">↗</a> <b>SR 7 to 8</b>	102-52	Reporting cycle	<b>AR 179; SR 4; CDP</b>
102-22	Composition of the highest governance body and its committees	<a href="#">↗</a> <b>AR 46 to 63</b>	102-53	Contact point for questions regarding the report	<a href="#">↗</a> <b>AR 313</b>
102-23	Chair of the highest governance body	<a href="#">↗</a> <b>AR 2 to 3, 38 to 39 and 48; SR 10</b>	102-55	GRI content index	<a href="#">↗</a> <b>AR 32 to 33; SR 42 to 43</b>
102-24	Nominating and selecting the highest governance body	<b>AR 48</b>	102-56	External assurance	<b>AR 34 to 35, 75 to 76, 122, 290 to 295 and 306 to 309; SR 40 to 41</b>
102-25	Conflicts of interest	<b>AR 54 and 74 to 78</b>			
102-26	Role of highest governance body in setting purpose, values, and strategy	<b>AR 62</b>			
102-27	Collective knowledge of highest governance body	<b>AR 62</b>			

**Key:**


**AR** Annual Report 2019    **SR** Sustainability highlights 2019\*  
**CDP** CDP submission 2019    [↗](#) Link to Zurich Insurance Group website

\* The Sustainability Highlights 2019 report includes the United Nations Global Compact communication on progress and our progress in implementing the UN Environment Programme Finance Initiative Principles for Sustainable Insurance. For more information see [www.zurich.com/en/sustainability](http://www.zurich.com/en/sustainability)

## GRI index (continued)

	Number	Disclosure name	Reference and page number		Number	Disclosure name	Reference and page number
<b>Management Approach</b>	103-1	Explanation of the material topic and its boundary	 <b>SR 7 to 9</b>	<b>Supplier Environmental Assessment</b>	308-1	New suppliers that were screened using environmental criteria	<b>CDP</b>
	103-3	Evaluation of the management approach	 <b>AR 62 to 63; SR 7 to 9</b>		<b>Employment</b>	401-1	New employee hires and employee turnover
<b>Economic Performance</b>	201-1	Direct economic value generated and distributed	<b>AR 179 to 187</b>	<b>Occupational Health and Safety</b>		403-1	Occupational health and safety management system
	201-2	Financial implications and other risks and opportunities due to climate change	<b>AR 157 to 160; CDP</b>		403-6	Promotion of worker health	 <b>SR 24 to 25</b>
	201-3	Defined benefit plan obligations and other retirement plans	<b>AR 242 to 249</b>		<b>Training and Education</b>	404-1	Average hours of training per year per employee
	201-4	Financial assistance received from government	<b>AR 234</b>	<b>Diversity and Equal Opportunity</b>		405-1	Diversity of governance bodies and employees
<b>Indirect Economic Impacts</b>	203-1	Infrastructure investments and services supported	 <b>SR 17 to 18 and 27 to 30; CDP</b>		<b>Public Policy</b>	415-1	Political contributions
	203-2	Significant indirect economic impacts	   <b>SR 14, 28 to 30 and 32 to 34; CDP</b>				
<b>Materials</b>	301-2	Recycled input materials used	 <b>CDP</b>				
<b>Energy</b>	302-1	Energy consumption within the organization	 <b>CDP</b>				
	302-3	Energy intensity	<b>CDP</b>				
	302-4	Reduction of energy consumption	 <b>SR 35 to 37; CDP</b>				
<b>Emissions</b>	305-1	Direct (Scope 1) GHG emissions	 <b>AR 1 and 31; SR 37; CDP</b>				
	305-2	Energy indirect (Scope 2) GHG emissions	 <b>CDP</b>				
	305-3	Other indirect (Scope 3) GHG emissions	 <b>CDP</b>				
	305-4	GHG emissions intensity	<b>CDP</b>				
	305-5	Reduction of GHG emissions	 <b>SR 35; CDP</b>				

**Key:**

**AR** Annual Report 2019    **SR** Sustainability highlights 2019\*  
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\* The Sustainability Highlights 2019 report includes the United Nations Global Compact communication on progress and our progress in implementing the UN Environment Programme Finance Initiative Principles for Sustainable Insurance. For more information see [www.zurich.com/en/sustainability](http://www.zurich.com/en/sustainability)

## Independent assurance report

### To the Executive Committee of Zurich Insurance Group AG, Zurich

We have been engaged to perform assurance procedures to provide limited assurance on the non-financial reporting of Zurich Insurance Group AG and its consolidated subsidiaries ('ZIG') for the year ended December 31, 2019.

#### Scope and Subject matter

Our limited assurance engagement focused on selected non-financial indicators published in the Annual Report 2019 of ZIG:

- a) The 2019 "People indicators" on page 30, the 2019 "Community investment" indicators on page 30, the 2019 "Responsible investment" indicators on page 31 and the 2018 "Environmental performance" indicators on page 31 ("the non-financial indicators"); and
- b) The management and reporting processes with respect to the selected non-financial indicators as well as the control environment in relation to the aggregation of these non-financial indicators.

#### Criteria

The reporting criteria used by ZIG are described in the internal reporting guidelines and define those procedures, by which the non-financial indicators are internally gathered, collated and aggregated.

#### Inherent limitations

The accuracy and completeness of non-financial indicators are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. Our assurance report should therefore be read in connection with ZIG's internal guidelines, definitions and procedures on non-financial reporting. Further, the greenhouse gas 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.

#### ZIG Responsibilities

The Executive Committee of ZIG is responsible for both the subject matter and the criteria as well as for selection, preparation and presentation of the information in accordance with the criteria. This responsibility includes the design, implementation and maintenance of related internal control relevant to this reporting process that is free from material misstatement, whether due to fraud or error.

#### Our Responsibilities

Our responsibility is to form an independent conclusion based on our limited assurance procedures on whether anything has come to our attention to indicate that the non-financial indicators are not stated, in all material respects, in accordance with the reporting criteria.

We planned and performed our procedures in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (revised) 'Assurance engagements other than audits or reviews of historical financial information' and with ISAE 3410 'Assurance Engagements on Greenhouse Gas Statements'. These standards require that we plan and perform the assurance engagement to obtain limited assurance on the identified non-financial indicators.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

## Independent assurance report (continued)

### Our Independence and Quality Control

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

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Summary of work performed

Our limited assurance procedures included, but were not limited to the following work:

- Reviewing the application of ZIG’s internal guidelines using a sample of affiliates in Switzerland, UK, USA, Germany, Spain, Ireland, Isle of Man and Hong Kong
- Interviewing ZIG representatives at Group level responsible for the data collection and reporting
- Performing tests on a sample basis of evidence supporting the non-financial indicators as outlined in the scope and subject matter section concerning completeness, accuracy, adequacy and consistency
- Inspecting the relevant documentation on a sample basis
- Reviewing and assessing the management reporting processes for non-financial reporting and consolidation and their related controls

We have not carried out any work on data other than outlined in the scope and subject matter section as defined above. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusions.

### Limited assurance conclusion

Based on the procedures we performed, nothing has come to our attention that causes us to believe that

- a) The non-financial indicators as described in the scope and subject matter section are not prepared and disclosed in all material respects in accordance with ZIG’s internal reporting guidelines; and
- b) The management and reporting processes to collect and aggregate the non-financial indicators as well as the control environment in relation to the data aggregation are not functioning as designed.

PricewaterhouseCoopers AG

Peter Eberli

Raphael Rutishauser

Zurich, February 20, 2020