

Building a better way.

Zurich Insurance Group
Annual Report 2020



We're leveraging technology to build resilience and innovate in a changing world.

Zurich Insurance Group (Zurich) is a leading multi-line insurer that serves its customers in global and local markets. With about 55,000 employees, it provides a wide range of property and casualty, and life insurance products and services in more than 215 countries and territories. Zurich's customers include individuals, small businesses, and mid-sized and large companies, as well as multinational corporations. The Group is headquartered in Zurich, Switzerland, where it was founded in 1872. The holding company, Zurich Insurance Group Ltd (ZURN), is listed on the SIX Swiss Exchange and has a level I American Depositary Receipt (ZURVY) program, which is traded over-the-counter on OTCQX.

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4 Protecting your future



Delivering on our aspiration

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Our global presence



Building a better way

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We're adapting to future trends as insurance enters a new era...

Michel M. Liès
Chairman of the Board of Directors

Message from
our Chairman

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2020 was a year that vindicated our long-term approach to business...

Mario Greco
Group Chief Executive Officer

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Message from
our Group CEO



Building a better way (continued)

The future is digital – we've got it covered.


Our lives are becoming increasingly digital – and so is insurance. We're sharpening our focus on innovation in digital technology to reshape the way we interact with our customers and meet their evolving needs.

Building a better way (continued)



Digital claims solutions provide non-stop support

As countries enforced lockdowns, travel restrictions and social distancing measures, we rolled out new digital claims solutions to ensure our customers continue to receive support when they need it – virtually. Our innovative app in Spain allows our adjusters to perform live claims assessments through a customer's smartphone camera. The entire assessment takes just 15–30 minutes, compared to 10–15 days in the past, resulting in a 25 percent increase in customer satisfaction scores.

 **Read more of our stories:**
pages 24–25

Building a better way (continued)

Mitigating the impact of climate change on our customers

As the effects of global warming become more evident, Zurich established Climate Change Resilience Services in 2020. This helps our commercial customers identify, assess, mitigate and adapt to current and future climate change risks. It leverages our expertise gained from managing climate change risks to provide customers with tailored insights and solutions to help protect them today and long into the future.

 **Read more of our stories:**
pages 26–27



Building a better way (continued)

Protecting your future.

Being future-ready means rethinking risk management. At Zurich, we're developing insurance solutions that go beyond traditional risk transfer to provide risk prevention services. Our innovative products mitigate risk and build long-term resilience for our customers and the communities in which they live and work.



Building a better way (continued)

It's time to act for people and planet.

From building a diverse workforce to delivering on our '1.5°C Future Plan' climate strategy, we're forging ahead with our ambition to be one of the most responsible and impactful businesses in the world. We're making strides in our commitment to sustainability and addressing climate change. If we lose the planet, we can't claim it back.

Building a better way (continued)

Biodiversity grows in the Zurich Forest

A million trees are taking root in Brazil's Atlantic Forest. With a grant from Zurich, non-profit Instituto Terra will plant seedlings on 1,730 acres, ensuring that the area becomes self-sustaining and biodiverse. And, Zurich employees can put their names to a tree and become custodians of the 'Zurich Forest'. The project complements Zurich's climate change efforts and support of a 1.5°C future, as established by the UN Global Compact Business Ambition Pledge.

 **Read more of our stories:**
pages 28–29



Our business

Dynamic, agile and well balanced.

We are a leading multi-line insurer that serves its customers in global and local markets. With about 55,000 employees, we provide a wide range of products and services in more than 215 countries and territories. Our customers include individuals, small businesses, and mid-sized and large companies, as well as multinational corporations.



1 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 its attorney-in-fact and receives fees for its services. Details on business mix of the Exchanges are provided for informational purposes only.
2 Based on business operating profit before net expense of group functions and operations and non-core businesses.

Our business (continued)

Our performance

USD 4.2bn
Business operating profit¹

USD 3.8bn
Net income attributable to shareholders (NIAS)

11.0%
Business operating profit after tax return on equity²

USD 3.4bn
Cash remittances³

USD 51.6bn
Total revenues⁴

USD 226.4bn
Investment portfolio⁵

CHF 56.2bn
Market capitalization as of December 31, 2020

SST 182%
Swiss Solvency Test ratio (SST) estimated as of January 1, 2021⁶

AA-/positive
Standard & Poor's financial strength rating of Zurich Insurance Company Ltd as of December 31, 2020

USD 5.8bn
Total amount of impact investments⁷

1.8 tons
CO2e emissions per employee (metric tons per FTE)⁸

Over 1 million
Number of customers interviewed through Zurich's NPS program⁹

- 1 Business operating profit (BOP) indicates the operational performance of the Group's business units by eliminating the impact of financial market volatility and other non-operational variables.
- 2 Shareholders' equity used to determine BOPAT ROE is adjusted for unrealized gains/(losses) on available-for-sale investments and cash flow hedges.
- 3 Net cash remittances for full year 2020.
- 4 Total revenues excluding net investment result on unit-linked investments.
- 5 Market value of the investment portfolio (economic view). See [page 194](#) for more information.
- 6 Estimated Swiss Solvency Test (SST) ratio as of January 1, 2021, has been calculated based on the Group's Internal Model, which has been approved by the Swiss Financial Market Supervisory Authority FINMA.

- 7 The SST ratio as of January 1 has to be filed with FINMA by end of April each year and is subject to review by FINMA. FINMA agreed to the use of standard yield curves for the main currencies to calculate the SST, starting end of Q1 2020.
 - 8 Impact investments in 2020 consisted of: green bonds (USD 3.8 billion), social and sustainability bonds (USD 904 million), investments committed to private equity funds (USD 189 million, thereof 64 percent drawn down) and impact infrastructure private debt (USD 904 million).
 - 9 Number shown as of 2019; 2020 data will be available in Q2 2021.
- 9 In 2020, Zurich interviewed over 1 million customers (including Zurich Santander) in over 25 countries through its Net Promoter System (NPS) program.

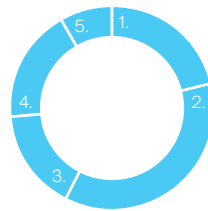
Property & Casualty

Insurance, services and risk insights.

USD 2.1bn
Business operating profit

USD 35.5bn
Gross written premiums and policy fees

Business mix
2020 gross written premiums and policy fees by line of business (%)³



1. Motor	21%
2. Property	36%
3. Liability	16%
4. Special lines	18%
5. Worker injury	8%

- Commercial insurance generates around two-thirds of the Group's Property & Casualty gross written premiums.
- Zurich is well placed to benefit from strong pricing trends expected in commercial insurance in 2021, having reshaped its commercial portfolio during 2016–2019.

[Read more on Property & Casualty:](#) page 186–187

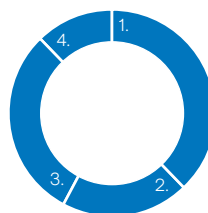
Life

Protection, savings and investment solutions.

USD 1.4bn
Business operating profit

USD 27.6bn
Gross written premiums, policy fees and insurance deposits

Business mix
2020 gross written premiums, policy fees and insurance deposits by line of business (%)³



1. Protection	38%
2. Corporate savings	20%
3. Unit-linked	30%
4. Savings & annuity	12%

- Zurich operates a long-term strategy of focusing on protection and capital light savings business. This positions the Life business well for the prevailing low-yield environment.
- In 2020, the protection, unit-linked and corporate savings business accounted for 88 percent of new business.

[Read more on Life:](#) page 188–189

Farmers Group, Inc.¹

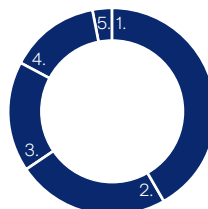
A wholly owned subsidiary providing certain services to the Exchanges.¹

USD 1.5bn
Business operating profit

USD 3.7bn
Management fees and other related revenues

Farmers Exchanges¹

Business mix
2020 gross written premiums by line of business (%)³



1. Auto	47%
2. Home	28%
3. Speciality	14%
4. Business insurance	10%
5. Other	1%

- Zurich has no ownership interest in the Farmers Exchanges¹, which are owned by their policyholders. The Exchanges are a leading player in U.S. personal lines insurance.
- Farmers Exchanges¹ are driving growth through a customer-centered strategy, as well as innovating and expanding into new segments, for example, commercial rideshare insurance.

[Read more on Farmers Group, Inc. and Farmers Exchanges¹:](#) page 190

³ Percentages may not total 100 due to rounding.

Our business (continued)

Our global presence.

As one of the few genuinely global insurers, we have a balanced and diverse business. We have a strong position in North America and Europe as a provider of insurance to individuals, commercial operations and global corporate customers, with growing positions in Asia Pacific and Latin America.



Schaumburg, Illinois

North America

In North America, Zurich is a leading commercial property and casualty insurance provider serving a number of sectors, including global corporate, large corporate and middle market. It additionally serves life clients in the retail, affluent and corporate markets. The Group also operates through Farmers Group, Inc.¹ in the U.S.

[Read more key details:](#)
pages 288–291

USD 2.9 bn

Business operating profit² including Farmers Group, Inc.¹

USD 16.0 bn

Property & Casualty gross written premiums and policy fees³

USD 0.5 bn

Life gross written premiums and policy fees³



Latin America

Zurich operates in Brazil, Mexico, Argentina and Chile, among other countries.

[Read more key details:](#)
pages 288–291

USD 0.5 bn

Business operating profit²

USD 2.3 bn

Property & Casualty gross written premiums and policy fees

USD 2.3 bn

Life gross written premiums and policy fees



Santiago

Our business (continued)



Zurich

Europe, Middle East and Africa

Zurich has major operations in Germany, Italy, Spain, Switzerland and a presence in other countries, including key markets in the Middle East.

Read more key details: pages 288–291

USD 1.7bn

Business operating profit²

USD 15.8bn

Property & Casualty gross written premiums and policy fees

USD 8.8bn

Life gross written premiums and policy fees

Hong Kong



Asia Pacific

Zurich has a growing footprint in Asia Pacific, with operations in Australia, Hong Kong, Indonesia, Japan and Malaysia.

Read more key details: pages 288–291

USD 0.3bn

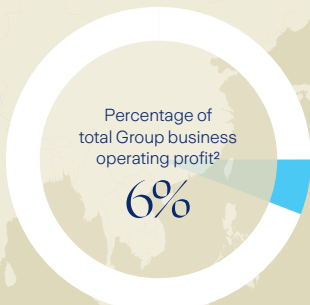
Business operating profit²

USD 2.9bn

Property & Casualty gross written premiums and policy fees

USD 2.4bn

Life gross written premiums and policy fees



1 Farmers Group, Inc., a wholly owned subsidiary of the Group, provides certain non-claims services and ancillary services to the Farmers Exchanges as its attorney-in-fact and receives fees for its services. Zurich Insurance Group has no ownership interest in the Farmers Exchanges.

2 Based on business operating profit before net expenses of group functions and operations and non-core businesses for which regional allocation is not available.

3 Excluding Farmers Group, Inc.

Message from our Chairman

Always looking ahead.

“

No matter the situation, we continue to care for one another, our customers, our communities and all other stakeholders and partners.

Michel M. Liès
Chairman of the Board of Directors



Message from our Chairman (continued)

#ZurichNeverStops

A new hashtag trended across our global business during 2020: #ZurichNeverStops. It became a rallying call that united us during a serious challenge to our business and to our customers. It came to epitomize the resilience, resourcefulness and flexibility of our employees.

We fast-tracked new technologies, learned new skills, and adapted to new ways of working. The inventiveness of our teams ensured we continued to provide a seamless level of service to our customers, albeit through different channels and devices, during a time when they needed us most.

Despite the economic and social consequences, the Board took the view from the start that the pandemic was primarily a health crisis. We prioritized the health of our employees and customers, and the well-being of our communities.

The events of 2020 highlighted the value of preparedness. We were able to transition to a new world because we were prepared for both expected and unexpected risks. We regularly share insights with our customers about the importance of preparedness. This time our own was tested. At the start of 2020 we did not know we were on the cusp of a global pandemic, but we were ready.

We remain on track

In 2020 we began a new three-year strategic cycle. In response to the changes brought about by the pandemic we have expedited some aspects, for instance we are ramping up the digitalization of our business. Our experience in 2020 has also confirmed that our strategy is the right one, and I am confident that we remain on course. Reflecting our resilience and robust response to the pandemic, the Board is proposing a dividend of CHF 20 per share for the year.

Our commitment to bringing benefits to all stakeholders – customers, employees, investors and communities – has rarely been as sorely tested or proven its relevance so convincingly. As the world starts to focus on recovery from the pandemic, our contribution will continue to be guided by our environmental, social and governance (ESG) goals (see [pages 42–43](#)).

We believe that rebuilding economies must be coupled with renewed efforts to create a more equitable society, prioritizing the health and well-being of all and producing a net environmental benefit

Start of a standout chapter

Last year I said Zurich had an opportunity to make the 2020s a standout chapter in Zurich's proud 150-year history. Well, 2020 has been a standout year. It showed that Zurich is more than capable of adapting to future changes as the insurance industry enters a new era.

But more importantly, it proved once again that our people make the difference. Through trust and teamwork, we pulled together. We showed that no matter the situation, we continue to care for one another, our customers, our communities and all other stakeholders and partners.

The lessons that we have all learned will stay with us a lifetime and make us stronger. Remember, #ZurichNeverStops.

Discover more:

Corporate Governance

 [Read more:](#)
pages 42–90

Non-financial statements

 [Read more:](#)
pages 162–179

Risk

 [Read more:](#)
pages 128–158

Remuneration

 [Read more:](#)
pages 92–125



Michel M. Liès
Chairman of the Board of Directors

Message from our Group CEO

A new outlook for new times.

“

In 2020, we proved the solidity of our balance sheet, the agility of our people and the timeliness of our digital strategy: all of which helped us to quickly adapt to new ways of serving our customers and protecting our employees.

Mario Greco
Group Chief Executive Officer



Message from our Group CEO (continued)

Standing strong

More than a year after the start of the pandemic Zurich is standing strong, both financially and in terms of customer and employee satisfaction.

During the very difficult days of 2020, we proved the solidity of our balance sheet, the agility of our people and the timeliness of our digital strategy: all of which helped us to quickly adapt to new ways of serving our customers and protecting our employees.

Throughout the year, we grew our business by expanding our customer base, launching new products and services such as the LiveWell well-being unit, and widening our footprint; for example, the renewed and extended partnership with Deutsche Bank and the acquisition of MetLife's property and casualty business by Zurich's subsidiary Farmers Group, Inc. and the Farmers Exchanges in the U.S. The Commercial Insurance business performed well and is expected to further improve in this hardening market.

We continued our focused activities on helping to improve the sustainability of the planet. We launched the Zurich Forest, we supported communities around us together with the charitable Z Zurich Foundation, and we helped our employees, taking care of their health and safety.

The pandemic has created greater awareness about the benefits of resilience and longer-term thinking. Insurance plays a critical role in driving behavioral change to increase resilience. Using the new possibilities offered by technology, our focus is on providing services that complement traditional risk-transfer solutions, by preventing or reducing risks.

Responding to a changing business environment:



Talking to a new generation

We are stepping up innovation to attract younger customer segments, including millennials, Generation Z and others seeking individual, flexible cover. We are working with startups and others to get fresh insights. And we are also attracting the next generation of talent through a variety of means, including our award-winning apprenticeship program.



Finding and keeping the best people

To provide the best service and solutions for customers, we need to have the best talent. We have introduced an innovative training program for leaders and have won awards for diversity. We are proud that we have increased our measure of employee loyalty and continue to promote a culture based on merit.



Preparing for new financial reporting rules

Insurers, including Zurich, are preparing to adopt IFRS 17, one of the most significant changes to global financial reporting standards in recent history. Zurich is finalizing the implementation of IFRS 17 and has begun testing in anticipation of implementation in 2023.



Keeping abreast of financial market developments

As a long-term investor, our mission is to achieve superior risk-adjusted returns relative to our liabilities. With elevated volatility and interest rates close to historic lows, we have delivered strong investment returns to our policyholders and shareholders. We remain disciplined in managing our well-diversified and high-quality investment portfolio.



Inspiring confidence in a connected world

We work closely with customers to identify risks tied to interconnectivity and cyberspace; for example, we expanded our cyber protection offering in 2020 with the creation of Zurich Cyber Security Services together with global security specialist CYE. We are also working to instill confidence in a digital society through our industry-leading data commitment.



Taking action on sustainability

We are a leader in sustainability and continue to implement measures to be a more sustainable business, recognized by our No. 1 ranking in the Dow Jones Sustainability Index (DJSI) for the insurance industry in 2020. Our focus includes climate change, which affects all of us: from our customers to the communities in which we live and work.

Message from our Group CEO (continued)

Create a brighter future together

In this era of unprecedented change, Zurich is determined to shape a future in which we can all thrive. For nearly 150 years, Zurich has protected those who put their trust in us. We are building on this legacy to serve the needs of our customers, employees, partners and society, and to work together with them to ensure they are better equipped to deal with the dramatic changes happening in our communities; whether driven by climate change or the effects of technology. To this end, we have refreshed our purpose – create a brighter future together – which defines who we are, who our stakeholders are, and the impact we wish to have in the world.

The long-term view: accelerating digital

We started the transformation of our business into a digital one some years ago. When the pandemic began, we were then ready to provide fully digitalized services to customers and employees. Our colleagues began working remotely early in the year and continued to serve our customers well. Our claims services kept supporting customers seamlessly through digital services. Colleagues working remotely were promptly provided with additional digital support for their well-being and mental health.

All these efforts paid off. We won a business innovation award for the virtual site inspections offered by Zurich Risk Advisor, and we registered a 22-point rise in our latest Employee Net Promoter System (ENPS) score, a measure of employee engagement and loyalty. These achievements are a testament to our commitment to listen to, and act on, people's needs.

Looking forward, we plan to maintain this momentum by further expanding our digital offering. In September, we announced a new organizational structure, with the launch of the Global Business Platforms, to lead the development of new global digital services such as LiveWell.

Customer centricity

Our focus on the long term is also reflected in record-high customer satisfaction scores in 2020. Our frontline employees went to great lengths to ensure our customers constantly felt our supportive presence during this year. As digitalization makes it increasingly easy to shop around, we are continuing to target customer satisfaction and loyalty building.

We have listened closely to the increasing demand from our commercial customers for risk services. And, we are building on our existing offerings to provide insights, services and tools to help them better understand, manage, prevent and mitigate the risks they face.

To better reflect the customer-centric Zurich we are becoming, we have refreshed our branding around our purpose (see box, top left). Through our new branding, we aim to start new conversations with our customers, particularly in the retail sector.

A responsible employer

2020 reinforced our credentials as a responsible employer to about 55,000 colleagues, globally. Thanks to our long-term commitment to upskill and reskill our existing workforce, as well as our promotion of closer communication with our employees, we were able to respond to the needs of colleagues with agility and conviction.

In addition to providing digital support for well-being and mental health, we offered employees free testing for the novel coronavirus and, in many cases, free flu vaccinations. We also gifted employees and their household dependents a COVID-19 hospitalization benefit, allowing them to have peace of mind during the pandemic. To help ease financial concerns during difficult times, a special one-time payment related to the COVID-19 situation will be made to the lowest-paid employees in each country across the Group.

The climate change challenge

Lockdowns demonstrated how individuals, businesses and governments can move quickly to address a common threat. If we maintain this momentum, I am confident that together we can tackle one of the biggest risks we face today: climate change.

As Zurich strives to continue being among the most responsible and impactful companies in the world, we have intensified our focus on the UN Global Compact Business Ambition Pledge to limit global temperature rise to 1.5°C.

For many years now, we have been embedding sustainability into every fiber of the company and have been operating as a carbon-neutral business since 2014. In 2020, we became one of the first large institutional investors to prioritize the goals – rather than the monetary amount – of our impact investment portfolio.



Message from our Group CEO (continued)



The Dow Jones Sustainability Index (DJSI) named us No. 1 in the insurance industry for improving our scores across all three components of the ranking: governance and economic, environmental and social. Yet another sign that our long-term efforts are paying off.

We are continuing to audit our portfolio and engage with our customers that are exposed to thermal coal and oil sands. We will support companies in adopting greener practices – and stop underwriting for those unwilling to make the transition.

We are also working together with our commercial customers to help them adapt to current and future climate-related risks with Climate Change Resilience Services.

To contribute to climate goals and mobilize employee support for climate action, we launched the Zurich Forest. The reforestation project was developed together with non-profit Instituto Terra, and sponsors the planting of 1 million native seedlings to help restore Brazil's Atlantic Forest. Each Zurich employee can attach their name to a tree and become a custodian of the forest.

Looking ahead

2020 was a challenging year for our world. Yet it was also a year that vindicated our long-term approach to business. Laying stronger foundations in recent years has made Zurich more resilient. This meant we were able to react rapidly to a changing environment, reinforcing our bonds with our customers, employees and the communities in which we live and work.

It is the long-standing trust and loyalty of our shareholders that has allowed us to implement our long-term vision and benefit from the resilience it brings. We maintained a strong capital position in 2020 and are proposing a dividend that is the same as before the pandemic.

As I take this all in, I am filled with pride at our achievements and feel greatly optimistic for the years ahead.

Mario Greco
Group Chief Executive Officer

Our targets for 2020–2022

Compound organic earnings per share growth²
at least 5%
per annum

BOPAT ROE¹
>14%
and increasing

Net cash remittances
>USD 11.5bn
(cumulative)

Swiss Solvency Test ratio³
160%
or above

¹ Business operating profit after tax return on equity, excluding unrealized gains and losses.
² Before capital deployment.
³ From FY-20 the basis for the Group's target capital has been changed to the Swiss Solvency Test (SST). Previously the target was based on the Group's internal Z-ECM basis.

Our business model

The resources we use:

Financial

Our investors provide the financial capital that sustains our business.

Intellectual

Our expertise, including in risk management and investment, contributes to our success.

Human

Our approximately 55,000 employees include some of the most talented people in the insurance industry.

Social and relationship

We maintain strong social ties and relationships with customers, intermediaries, regulators, policymakers and others.

Natural

In our daily business, we use natural resources as part of doing business. We conserve them and use them wisely.



We create sustainable value.

Over nearly a century and a half, we have refined our business model to make the most of our resources and generate value for all our stakeholders.

Our business model (continued)

What we do:



Manage claims

To ensure that we provide a positive experience to customers who do business with us, we are systematically listening to customers through our Net Promoter System (NPS) programs, not only as part of our claims process but throughout all customer touchpoints.



Serve customers and distribute through multiple channels

Our products and solutions are available to customers with a focus on great customer service, through many channels: directly, or indirectly via brokers, through employee benefits consultants, and in cooperation with third parties including banks, travel providers, retailers, rental agreements and car dealerships.



Our employees are helping our retail and commercial customers to understand and protect themselves from risk.



Invest and deliver returns

Our income includes returns from invested premiums, policy fees and deposits. Our success as a business is important to those who depend on us to reliably pay claims, as well as investors who look to us to deliver savings returns and operate our business responsibly.



Underwrite and manage risk

Insuring and managing risk is central to what we do. Understanding, measuring and modeling risks helps us to price risk fairly and offer competitive premiums to customers, who also look to us to provide expertise aimed at mitigating risks.



Manage reserves

Our Group-wide policy, the 'Zurich Way of Reserving,' with well-defined and prudent standards, is the basis for how we calculate insurance liabilities. Our reserving process is supported by strong governance, including extensive internal and external reviews.



How our stakeholders benefit:

We create value for our customers

by helping them understand and protect themselves from risk.

[Read more:](#)
page 30–31

We create value for our employees

by aiming to give each the opportunity to work to their full potential.

[Read more:](#)
page 32–33

We create value for our investors

by paying an attractive and sustainable dividend and maintaining a strong balance sheet.

[Read more:](#)
page 34–35

We create value for communities and society

including by mitigating risk and sharing knowledge and expertise.

[Read more:](#)
page 36–37

Our strategy

Leveraging our strengths.

We implement our strategy by remaining true to our purpose and values, and play to our strengths to lay the foundation for success. We have a balanced business with a solid financial position and a trusted brand driven by talented people.

Our strategic priorities focus on:

- 1 Customers
- 2 Simplification
- 3 Innovation



Our strategy (continued)

Customers

Our transformation to become a truly customer-led company is well underway and we have established a platform from which to evolve and grow.

Our progress so far

- We deployed a rapid and flexible response to our customers' needs in 2020 during the COVID-19 pandemic.
- We launched our Global Business Platforms unit to focus on digital services to meet evolving customer needs.
- We continue to build our relationship with existing customers, as well as step up innovation to win younger customers, including millennials and Generation Z.

Next steps

- Launch additional customer-focused digital propositions through our Global Business Platforms unit.
- Roll out our refreshed Brand Visual Identity globally to deepen our emotional connection with our customers.
- Enhance our Customer Experience offering across the Group to ensure we are able to meet the current and future expectations of our customers and partners.

Simplification

We have successfully simplified our business and operations, to make better use of our resources.

Our progress so far

- We increased the efficiency of our claims assessments through digital solutions, for example, an app in Spain enabled our adjusters to perform live claims assessments via a smartphone camera. This cut the entire assessment time to 15–30 minutes, compared with 10–15 days, previously.
- To further simplify the experience of our customers during the COVID-19 pandemic, we also rolled out the use of digital signatures across our business.
- We reorganized our internal IT and Data functions and brought in an expert in the field – Group Chief Information and Digital Officer Ericson Chan – to lead our efforts.

Next steps

- Continue our simplification journey, focusing on the front end.
- Use new data and technologies to bring new propositions to market, with the aim of driving growth in retail and commercial.
- Roll out more standardized and simplified products for small and medium-sized businesses through existing distribution channels.
- Roll out intelligent automation technologies in the core insurance functions across geographies, customer segments and lines of business and internal functions.

Our strategy (continued)

Innovation

We are adapting to make sure we continue to meet and exceed customers' expectations and needs.

1

2

3

Our progress so far

- To accelerate our digital strategy, we launched the Global Business Platforms unit.
- We further developed our risk services offering for commercial customers – listening to, and acting upon, what they really need and want.
- We also further enhanced Zurich Customer Active Management, a unit which allows us to better understand customer needs and how we can better serve them.
- We expanded and launched products, such as LiveWell, in new markets.
- We continued to cultivate the next generation of ideas in insurance through the Zurich Innovation Championship.

Next steps

- Continue to scale Zurich Customer Active Management across the Group to increase its impact on customers.
- Remain committed to our promise to help build confidence in a digital world.
- Continue to disrupt our own business model and to drive digital change at speed through our Global Business Platforms unit.

Making it happen...

Leveraging our strengths

We are a balanced and diverse business with unique capabilities. We use our strengths to generate value for our stakeholders and reach our goals:

A solid financial position

We are rated AA–/positive by Standard & Poor's. Our solid financial position reassures our customers that we will be there when they need us to handle their claims and gives confidence to our shareholders that we are financially stable. It also gives us a well-earned positive reputation as a business and employer, and positions us to invest in future growth.

A balanced business

Our business is balanced both geographically and by products and customer segments. Our strong retail and commercial franchise and flexible operating model means we can weather economic and market volatility and take advantage of industry change.

A trusted brand, talented people

We understand the risks our customers face and can structure offerings that meet their needs. This reinforces our global brand, one of the most valuable in the insurance industry. Our strong reputation allows us to attract the best talent worldwide.

Remaining true to our purpose and values

Generating profit is only part of what it means to be a business today. We have the ambition to become one of the most responsible and impactful businesses in the world, producing positive outcomes for people and the planet. We aim to achieve this through collaborating with our employees, investors, customers and the communities in which we live and work – and create a brighter future together.

Delivering on our aspiration

We aim to be one of the most responsible and impactful businesses in the world.

The following pages reflect how we are bringing our aspiration to life in different ways for the benefit of our stakeholders.



Delivering on our aspiration (continued)

Evolving in a fast-paced, digital world.

Insurance is entering a new age. As consumers young and old increasingly interact in the digital space, Zurich is stepping up its strategic focus on innovative, digital technology to meet their changing needs and win a new generation of customers.

Creating digital connections with customers

Rapidly changing lifestyles demand innovative digital services. Zurich's new Global Business Platforms, led by Jack Howell (right), is responding by creating and expanding the availability of digital products and services that will foster a closer connection with customers. It's part of Zurich's strategy to focus on simplification, innovation and the customer. Global Business Platforms is a groundbreaking step in reaching our goal of becoming our customers' preferred insurer.



Delivering on our aspiration (continued)



Remote inspections become reality

You might think site inspections would be impossible to conduct virtually. Not so fast. Using the Remote Collaboration feature of Zurich Risk Advisor, inspections are carried out through encrypted video links to a customer's handheld device. The tool, which also captures high-resolution photos, won a 2020 Business Insurance Innovation Award. It helps customers control their risks in multiple lines of business.



Big ideas battle for innovation crown

Innovation is on display during the Zurich Innovation Championship, a monthslong competition among some of the world's brightest startups. In its second edition in 2020, the event attracted more than 1,300 entrants and ended with the startup SafeKeep taking the Gold award for its property and casualty claims processing platform ClaimFlo. The competition reflects Zurich's commitment to a deep understanding of data analytics and the value that digital solutions bring to its customers.

Delivering on our aspiration (continued)

Zurich UK makes workforce fit for the future

Zurich set out to future-proof 3,000 UK workers – that's two-thirds of our UK workforce – with a GBP 1 million upskilling program to re-train them for roles in areas such as robotics, data science and cybersecurity over a five-year period. The long-term upskilling of home-grown talent will boost the adaptability and agility of our workforce, close skills gaps and could even save GBP 1 million in business recruitment and redundancy costs in the long run.



From risk transfer to risk services

In addition to traditional risk transfer, Zurich has established and expanded services to help commercial clients mitigate and adapt to risks, allowing them to stay one step ahead of adverse events. Whether it's helping companies grapple with risks related to climate change (see our Climate Change Resilience Services on pages 4–5) or providing cybersecurity services, we will continue to respond to growing demand from commercial customers for expertise and advice on building resilience over the long term.



Adopting a long-term approach.

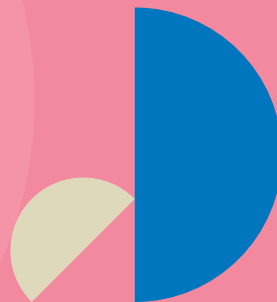
As an insurer, we take a long-term view. By helping our customers build resilience to current and future risks, we develop lasting business relationships to the benefit of all our stakeholders.

Delivering on our aspiration (continued)



Helping customers LiveWell

A growing demand for wellness services is being addressed by LiveWell, formed in 2020 to bring together all of Zurich's health and well-being initiatives. The new business, led by its CEO, Helene Westerlind, is expanding services into new markets. And, acquisitions of digital health and well-being service providers are boosting its ability to offer innovative solutions. LiveWell is part of the new Global Business Platforms unit.



Delivering on our aspiration (continued)

Making a positive impact on our people and society.

At Zurich, financial success is only the starting point. Our ambition is to become one of the most responsible and impactful businesses in the world, for people and planet.



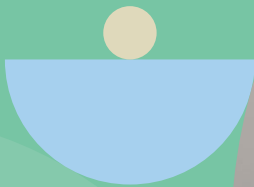
Zurich's inclusive LGBT+ practices recognized

Zurich was the only insurance company to be named as one of the 2020 Top Global Employers by LGBT+ charity Stonewall. Zurich's LGBT+ employee network, called Pride@Zurich, was strengthened by the Global Ally Program, launched in December 2019. The program creates a community of non-LGBT+ advocates, or allies, who increase visibility of the LGBT+ community. We believe employees are more engaged, more efficient and happier when they can bring their authentic selves to work.

Delivering on our aspiration (continued)

Using our purchasing power to do good

We launched the Sustainable Sourcing Vision in 2020 to embed our purpose and values into our supply chain and use our purchasing power to help drive positive social, environmental and ethical outcomes. For instance, in the UK we source our office supplies from WildHearts Group, a social enterprise that uses its profits to provide microfinance, improve social mobility in deprived communities, and address gender inequality in the developing world.



Helping charities when they need it most

As charities struggled due to the cancellation of fundraising activities and closure of charity shops, Zurich Municipal, which specializes in the UK public and voluntary sectors, stepped in to help. It provided 14,000 charity and social enterprise customers with three months of free insurance cover for all policies. That's one less expenditure for charities to worry about as they focus on supporting people impacted by the COVID-19 pandemic.



Innovation that puts customers first.



We're reimagining what it means to be customer-focused and have built strong foundations for our ambitions.

Conny Kalcher
Chief Customer Officer

Throughout 2020, supporting our customers remained our No. 1 priority. Our teams around the world were able to seamlessly continue serving our customers in their remote working environments.

Key achievements

- Supported our customers throughout the COVID-19 pandemic
- Developed a new brand framework and purpose and launched a more dynamic visual identity to enhance our connection with customers
- Listened and acted on customer feedback through our Net Promoter System (NPS) programs, achieving a 2.5-point increase in our transactional NPS score in 2020¹
- Created a Customer Intelligence Platform consolidating customer data to create 'one customer view'
- Launched a Customer Academy to strengthen customer capabilities across the Group
- Created two new roles to enhance our customer expertise

¹ As we continue to expand our NPS programs, we report on like-for-like scores based on feedback channels that already existed in the previous reporting period.

Stakeholder report 2020 – Customers (continued)

Measuring our progress

Our customers – operational KPIs

Through the customer insights we get using the Net Promoter System (NPS) and follow-up calls with customers, we can increase customer loyalty and attract new customers.

Customers interviewed through NPS

Number of customers



Listening closely to our customers throughout the year has driven an increase in customer satisfaction, as measured by our global Net Promoter System (NPS) programs. During a year that tested our operational resilience, we delivered a 2.5-point increase in our transactional NPS score, demonstrating our unwavering customer focus even during challenging times. In addition to our service continuity, we also deployed a number of specific initiatives to address particular customer challenges resulting from the pandemic. For example, our UK business provided three months of free insurance cover to around 14,000 charities and social organizations at a time when fundraising opportunities were limited.

Refreshing our brand

Building on the foundation that our new brand framework and purpose provided, we launched a refreshed brand visual identity to enhance our emotional connection with customers. Our look and feel is now one of greater inclusion, reflecting the lives of our customers, employees, partners and communities. We also speak in a language that is more optimistic to invite dialogue, create conversations, and deepen our connections with customers. We can't predict the future, but we can have engaging conversations with new and existing customers about creating a brighter future together.

Customer innovation

2020 has had a profound impact on customer behavior and has accelerated the need for digital solutions across all customer demographics. We enhanced our monitoring of customer needs and behaviors throughout 2020 to ensure we delivered products and services with customers at their core. Zurich is at the forefront of a shift within the insurance industry, from paying compensation when harm is done, to helping individuals and society build resilience and prosper. Our LiveWell business is a prime example of how Zurich is delivering relevant and digital solutions for our customers. The digital-based business offers health and well-being services alongside traditional insurance protection to both retail and commercial insurance customers. We are also developing insurance and risk management solutions for new technologies, business models and approaches that will be required by customers to achieve the transition to a climate-neutral economy; for example, insurance for renewables and electric vehicles.

Gaining expertise, growing our business in attractive markets

We aim to be the world's first truly customer-led insurer. We are excited to see how our industry is changing. This change is driven by technology, which offers new opportunities and is transforming how customers live and work, and the services and experiences they expect. We are enthusiastically meeting these challenges to provide new and personalized solutions by working with young and established companies that specialize in areas ranging from artificial intelligence to wellness apps.

Customer Office

Throughout 2020, we continued to expand the Customer Office model across the Group, in line with our customer-led strategy. We established dedicated Customer Offices in some of our key markets, bringing together all key customer capability areas. We aim to enhance customer expertise within our organization through the newly created roles of Group Head of Brand Marketing and Group Head of Customer Experience Strategy and Innovation. To rapidly build customer capabilities across the company, we launched the Customer Academy, a digital training and development platform supplemented by Group-wide certification programs in Customer Experience (CX), Agile Working and Human-Centred Design.

USD
22.5 bn

In 2020, our Property & Casualty and Life businesses paid out USD 22.5 billion to our customers or on their behalf.

7.7 m

In 2020, our Property & Casualty and Life businesses handled 7.7 million new claims on behalf of our customers.

Stakeholder report 2020 – Employees

Creating value for our employees.

People drive our business. From investing in youth employment to upskilling workers, we are readying our business to attract, develop and retain talent in the workplace of the future. Together, we aspire to be known as a purposeful, values-driven organization that empowers its people at every stage of their career.

Key achievements

- Put our people first during the COVID-19 pandemic with a focus on well-being, healthcare benefits and enhancing existing flexible working practices
- Launched internal talent marketplaces in business units and functions to increase employee mobility and meet business needs, part of delivering on our commitment to work sustainability
- Our Employee Net Promoter System (ENPS) score, a barometer of employee satisfaction, rose 22 points in August 2020 compared to the previous survey in October 2019
- Our Zurich Apprenticeship Program in North America earned Gold in the 2020 Brandon Hall Group Excellence Awards, as well as a Pledge to America’s Workers Presidential Award

Measuring our progress

Our employees – operational KPIs

To be successful, Zurich needs to attract, select, develop and retain talented and diverse people. Our employees are one of our greatest strengths – they make our goals a reality.

4.7%

Group voluntary turnover

10 years

Average employee tenure

Total number of employees

Headcount



Full-time equivalents (FTE)



Talent retention

Employee turnover rate¹



Technical functions voluntary turnover^{1,2}



Organizational health and diversity

Female participation in Leadership Team



Employee participation in Group-wide feedback channels³



¹ Turnover figures only consider regular and inpatient employees.

² Technical functions include Claims, Underwriting and Risk Engineering.

³ Group-wide feedback channels include organization health surveys, Employee Net Promoter System (ENPS) scores 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 in 2019, while in 2020 it refers to the single survey that was carried out.

Stakeholder report 2020 – Employees (continued)

Putting people first during the pandemic

Zurich is learning from the pandemic to develop new and flexible ways of working. We improved Flexwork@Zurich and other well-being-centric practices to enable business continuity during the crisis. We launched manager and employee webinars that focused on making sure managers have the right skills and tools to manage new situations and pressures in these extraordinary times.

Our focus on the mental wellness of our teams, as well as their overall well-being, is reflected in the results of our Employee Net Promoter System score, which increased by 22 points from October 2019 to August 2020.

Professional development, the digital way

To be agile and innovative, businesses need to consistently invest in upskilling and reskilling workers. Zurich's global digital learning platform MyDevelopment, launched in February 2020, won Bronze at the prestigious Excellence in Human Capital Management awards by the Brandon Hall Group. Zurich employees worldwide have access to Zurich internal content and more than 16,000 LinkedIn Learning courses across seven languages. They can access this content anywhere, at any time, and through any device.

Virtual onboarding

We responded rapidly to the COVID-19 pandemic in our approach to developing a virtual onboarding process. While this served us well during the pandemic, it is also shaping future strategy as we return to the office and seek to incorporate a more virtual onboarding experience for our new joiners. Corporate Center and many countries, including Poland and Brazil, have already adapted guidelines and moved to a fully virtual onboarding. Zurich North America and the UK made the switch to virtual interviewing and onboarding in just 48 hours.

Finding fresh perspectives from our existing pool of professionals

As part of our commitment to sustainable work practices, we launched a Talent Marketplace in several of our biggest business units and functions – including Zurich North America, Spain, and Group Operations. This helps us move human resources from areas with less demand to areas with high demand or more business-critical work, thus protecting our core activities and building resilience.

It both supports business delivery and provides on-the-job learning experiences for our people, so we can deliver to customers when it matters. Managers submit 'talent requests' for critical work their team is not able to manage and are matched with an employee who has the relevant skillset.

Youth talent acquisition that wins awards

The economic challenges and uncertainty of 2020 underscored the need for apprenticeships to help young people get on the job ladder. Our Zurich Apprenticeship Program earned Gold in the 2020 Brandon Hall Group Excellence Awards and was also recognized as one of nine winners of the inaugural Pledge to America's Workers Presidential Award. Zurich North America launched its professional apprenticeship program in 2016 with the vision of attracting new, diverse talent to the insurance industry. It has surpassed its original goal of hiring 100 apprentices by the end of 2020.

Developing our leaders

Zurich is committed to building talent. We successfully concluded the 12-month leadership development program Catalyst in October 2020. The program equips participants with the skills to take Zurich into the future of insurance by giving our leaders invaluable insights into customer centricity, digitalization and leadership. The program involved collaboration with a top-tier business school and included visits to leading global companies in the fields of sustainability, ecosystems, innovation, digitalization and leadership.



We're proactively preparing for the future of work for the benefit of employees and our customers.

David Henderson
Group Chief Human Resources Officer

Farmers®

Thanks to earlier investments in building up IT infrastructure, Farmers Group, Inc. (FGI) and the Farmers Exchanges¹ were able to successfully transition nearly all of their approximately 19,000 employees to a completely virtual work environment with no disruption in serving customers following the decision to implement a work-from-home procedure, all within a span of several days. Attentive to the safety and well-being of customers, employees and agents, FGI and the Farmers Exchanges¹ have continued to implement a technology-first approach to meeting the ongoing needs of customers, including claims and policy administration.

¹ 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 its attorney-in-fact and receives fees for its services.



Stakeholder report 2020 – Investors

Reassuringly consistent.

Zurich has a highly cash-generative business model supporting an attractive dividend.

Monitoring and measuring our performance

Proposed gross dividend per share for 2020

CHF 20.00¹ per share

(CHF 20.00 in 2019)

Share data (CHF)

As of December 31

	2020	2019
Dividend per share	20.00¹	20.00
Share price at end of period	373.50	397.10
Price period high	439.90	403.30
Price period low	266.90	293.00
Market capitalization (CHF millions)	56,197	59,409

¹ Proposed dividend, subject to approval by shareholders at the Annual General Meeting, expected payment date as from April 13, 2021. Gross dividend, subject to 35 percent Swiss withholding tax.



For more details on dividends see:

www.zurich.com/en/investor-relations/our-shares/dividends

Dividend – a key part of total shareholder return (TSR)

Total shareholder return in U.S. dollars



● Stoxx Europe 600 Insurance Index ● Zurich Insurance Group Ltd

Source: Refinitiv Datastream

Zurich share performance (indexed) over the last 10 years



● Swiss Market Index ● Stoxx Europe 600 Insurance Index ● Zurich Insurance Group Ltd

Source: Refinitiv Datastream

Stakeholder report 2020 – Investors (continued)

Our proposition to investors

- Resilient business model
- Clear strategy
- Responsible and impactful business
- Clear and attractive dividend policy

A truly global and diversified group, well positioned for future success

Zurich is a leading global insurer, serving individuals, small businesses, and mid-sized and large companies, as well as multinational corporations. Zurich has significant market share in North America and Europe, a leading position in Latin America and a growing presence in Asia Pacific. With about 55,000 employees, it provides a wide range of property and casualty, and life insurance products and services in more than 215 countries and territories. It also provides certain non-claims and ancillary services to the Farmers Exchanges¹, a leading personal lines insurer in the U.S. Zurich is rated in the 'AA' range by three internationally recognized rating agencies. The Group's Swiss Solvency Test (SST) ratio was estimated at 182 percent² as of January 1, 2021. Zurich's financial flexibility is strong, with a conservative 'Aa'-level leverage as defined by Moody's.

The Group's regional and product diversification and conservatively managed balance sheet limited the impact of the COVID-19 financial fallout on earnings and capital in 2020. The planned acquisition by Zurich's subsidiary Farmers Group, Inc. and Farmers Exchanges¹ to acquire MetLife's U.S. Property & Casualty business, announced in December 2020, will significantly increase the potential for growth at the Farmers Exchanges¹ and will further increase the share of Zurich's profits linked to stable fee-based earnings.

Dividend policy

The Group intends to maintain its current attractive dividend policy and proposes a target pay-out ratio of around 75 percent of net income attributable to shareholders, subject to a minimum of the prior-year dividend per share, with dividend increases based on sustainable earnings growth.

Corporate governance and sustainability at Zurich

The balanced business profile of Zurich is also supported by best practice corporate governance. Its Board is independent and remarkably diverse in terms of gender and skills. Its remuneration principles align pay to performance and are an important element of the Group's risk management framework. The Group's ambition is to be known as one of the most responsible and impactful businesses in the world.

Zurich was the first insurance company to commit to setting targets within the framework of the UN Global Compact Business Ambition Pledge that aims at limiting global temperature rise to 1.5°C above pre-industrial levels.

As part of its pledge, Zurich has further enhanced its exclusion policy on thermal coal-intensive industries, invested more than USD 5 billion in impact investments, and further developed sustainable products and services, such as the Climate Change Resilience Services. As part of its sustainability commitment, Zurich prioritized the safety and well-being of employees during the COVID-19 pandemic and focused on increased internal talent mobility.

Zurich's sustainable track record is demonstrated by its 'AA' rating from MSCI and by its outperformance to 100 percent of other companies in the insurance industry group of the Dow Jones Sustainability Indices in the 2020 assessment, becoming industry leader. See www.zurich.com for further details on our corporate governance and sustainability approach.

Provision of financial information

Zurich's annual financial results are published in electronic form on Zurich's website. Detailed information for the Group and the key segments is published for the half and full year. Information on the Group's updates for the first three months and first nine months includes highlights for the quarter and qualitative comments on trading and market trends. Zurich's management hosts an investors' and analysts' call each quarter.

Financial calendar

Annual General Meeting

April 7, 2021

Ex-dividend date

April 9, 2021

Dividend payable from

April 13, 2021

Update for the first three months

May 12, 2021

Half-year results 2021

August 12, 2021

Update for the first nine months

November 11, 2021

Investor Day 2021

November 18, 2021

Further details are available online:
www.zurich.com/en/investor-relations/calendar

A dedicated investor relations team

Our investor relations team comprises nine individuals, who are responsible for communicating with investors.

¹ Zurich Insurance Group has no ownership interest in the Farmers Exchanges. 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 its attorney-in-fact and receives fees for its services.

² Estimated Swiss Solvency Test (SST) ratio as of January 1, 2021, has been calculated based on the Group's Internal Model, which has been approved by the Swiss Financial Market Supervisory Authority FINMA. The SST ratio as of January 1 has to be filed with FINMA by end of April each year and is subject to review by FINMA. FINMA agreed to the use of standard yield curves for the main currencies to calculate the SST, starting end of Q1 2020.



Acting today to protect our tomorrow.

Climate change poses one of the biggest and most complex risks to our way of life today. By taking action together, we can mitigate and adapt to the challenges facing our communities, society and environment, now and in the long term.

Key achievements

- Named insurance industry leader in 2020 by the Dow Jones Sustainability Index (DJSI), which tracks sustainability performance
- Became one of the first large institutional investors to prioritize the environmental and social goals of our impact investment portfolio, rather than the monetary amount
- Continued to make progress on sourcing operational electricity requirements from renewable sources, as part of our new climate strategy and continued carbon neutrality
- Expanded our Post-Event Review Capability (PERC) methodology to include wildfires to better understand how we can help to build resilience to these events



Building community resilience against natural hazards

We continued to expand our Post-Event Review Capability (PERC), which uses research and independent reviews of large floods to better understand how a hazard event becomes a disaster – and how best to build resilience. With our Zurich Flood Resilience Alliance partners, we undertook our largest and most complex post-event study review in 2020: that of two cyclones, which ripped across Malawi, Mozambique and Zimbabwe in 2019, causing the largest humanitarian disaster of that year. Zurich also expanded the PERC methodology to the new peril of wildfires, covering events in Australia and North America.

Stakeholder report 2020 – Communities, society and the environment (continued)

Transitioning to a low-carbon economy

Zurich is engaging its clients and investee companies with more than 30 percent exposure to some of the most carbon-intensive fossil fuels in dialogue regarding their credible mid- to long-term transition plans. The policy was first introduced in 2017 for thermal coal and enhanced in 2019 to include oil sands and oil shales. Across the Group, we reviewed these companies either as customers, investee companies, or both. The table (right) shows the status of the review process, which will conclude in June 2021.

Number of companies subject to Zurich's coal and oil sands policy since November 2017 (number of companies)



¹ Excluded: company exceeds Zurich's thresholds; relationship terminated.
² Cleared: confirmation through review process that thresholds are no longer exceeded; relationship continued.
³ Engagement ongoing: continuing review of transition plans; relationship continued, based on evidence of actual movement towards targets.

Working for communities, society and the environment

We want to create a positive impact that reaches beyond Zurich, extending to the communities we serve, society at large – and the planet that supports us all. Our long-running commitment to sustainability is recognized by our first-place ranking for the insurance sector in the Dow Jones Sustainability Index (DJSI) in 2020. The index, which ranks thousands of companies, noted an improvement in our scores across all three dimensions of sustainability performance: governance and economic, environmental and social.

Supporting a 1.5°C future with a new climate strategy

To deliver upon our 2019 commitment to the UN Global Compact Business Ambition Pledge for 1.5°C – a Paris Agreement for the business sector – we set out a Group-wide climate strategy: our 1.5°C Future Plan. The plan focuses on three actions we can take as a business: setting CO₂-based reduction targets, innovating for sustainable solutions, and developing a deep understanding and integration of climate risk.

Action One:

Setting CO₂-reduction targets based on science

Zurich joined the UN-backed Net-Zero Asset Owner Alliance as a founding member and consulted with the Science Based Targets initiative, a collaboration between non-profit sustainability organizations, to formulate a methodology for financial services related to such targets. Based on these discussions, Zurich plans to establish science-based emission reduction targets for its USD 200 billion investment portfolio and its operational footprint in 2021, which will include interim reduction targets for 2025.

Currently, science-based targets do not exist for insurance underwriting portfolios. To help remedy this, we took part in producing the CRO Forum report on carbon footprinting methodology for underwriting portfolios.

Investing with impact

We are continuing to scale our award-winning methodology for generating positive social and environmental benefits from our impact investments, where we have committed to prioritizing impact rather than the monetary amount. Our target is to avoid 5 million tons of CO₂-equivalent emissions per year and make a positive contribution to the lives and livelihoods of 5 million people annually. As of the end of December 2020, the portfolio helped avoid 2.9 million tons of CO₂-equivalent emissions and improved the lives of 3.7 million people.

Powering ahead with renewable energy

Zurich aims to power its operations with 100 percent renewable electricity by the end of 2022: our RE100 target. As part of our short-term roadmap, we are focusing on the acquisition of renewable power certificates. In the medium- to long-term, we want to make a real impact in local energy markets by supporting the development of new renewable power capacity. In 2020, Zurich drew approximately 75 percent¹ of its operational electricity requirements from renewable sources, up from 53 percent in 2019. This rise was driven by the move to 100 percent renewable power by our North American, Brazilian, as well as many of our Asia Pacific operations.

¹ 2020 data will be available in Q2 2021.

 [Read more about our Group Sustainability Framework as well as Actions Two and Three in the Sustainability Report: www.zurich.com/en/sustainability/reporting-and-news/reports-publications](http://www.zurich.com/en/sustainability/reporting-and-news/reports-publications)



Stakeholder report 2020 – Communities, society and the environment (continued)



Z Zurich Foundation

Empowering children

The Foundation will provide a three-year grant starting in 2021 to support children’s rights throughout Switzerland, together with Zurich and the Ombudsstelle Kinderrechte Schweiz. The program aims to improve the lives of 6,000 children each year by helping them access the legal system, benefiting the child’s wider family and generating greater awareness of children’s rights in legal proceedings.

Z Zurich Foundation – Empowering the activist in all of us

The Z Zurich Foundation (the Foundation) is a charitable foundation with its registered office in Zurich, Switzerland. Established by Zurich Insurance Company Ltd and Zurich Life Insurance Company Ltd in accordance with Swiss law, it is the main vehicle by which Zurich delivers on its global community investment strategy.

To support its strategy, redefined in 2019, the Z Zurich Foundation focuses its efforts on three societal challenges. It does this by funding grant programs in collaboration with Zurich’s business units and charities worldwide and by developing engagement initiatives.



Adapting to climate change
Focus on resilience



Improving mental well-being
Focus on prevention



Enabling social equality
Focus on empowerment

Z Zurich Foundation’s COVID-19 support

The Z Zurich Foundation focused its efforts in 2020 on supporting some of the most vulnerable people worldwide during the pandemic. The Foundation provided immediate assistance to charitable organizations with which it already collaborates, and to charities Zurich’s business units have been supporting for a long time, reinforcing existing collaboration. It funded local disaster relief initiatives focused on providing food and medical emergency relief, supporting mental well-being and adapting to the “new normal”; for example, by giving people access to technology. The Foundation also engaged Zurich employees in fundraising campaigns and other engagement initiatives to support their local charities.

Through these initiatives, it is estimated the Foundation helped support more than 1 million vulnerable people worldwide in 2020.



Z Zurich Foundation

Helping millions adapt to climate change

With its “Adapting to Climate Change” program, the Foundation will provide additional funding to the Zurich Flood Resilience Alliance (the Alliance), a multi-sector global partnership that helps communities strengthen their resilience to floods globally and save lives. This funding will help the Alliance reach another 200 communities, with the ambition to help approximately 4 million people overall strengthen their resilience to flooding by 2024.

Stakeholder report 2020 – Communities, society and the environment (continued)



We've acted in every region of the world, delivering support to charities and their beneficiaries. Thanks to the commitment of Zurich's people and local charities, we've been able to act rapidly.

Gary Shaughnessy
Chair of the Z Zurich Foundation's Board of Trustees



Z Zurich Foundation

Lebanon Emergency Appeal

The Z Zurich Foundation launched a global emergency appeal to provide relief to the people affected by the explosions in Beirut. Contributions came from Zurich's employees and other stakeholders. The Z Zurich Foundation matched contributions, resulting in a donation of more than CHF 145,000 to the Lebanese Red Cross.



Z Zurich Foundation

Changing attitudes and behaviors to improve mental well-being

The 'Tackle Your Feelings' program works with professional sports players and coaches to encourage communities in Ireland and Australia to proactively look after their mental well-being and challenge stigma associated with mental health. In 2020, the Foundation extended support to the Australian multi-award-winning program by a year and increased yearly funding, enabling the program to double its initial impact targets.