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Executive message on sustainability

The path to sustainability.

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As an insurer, we have a key role to play in supporting customers, employees, investors, communities, and the planet we share, by building resilience and serving their needs.

Alison Martin
CEO EMEA (Europe, Middle East & Africa) and Bank Distribution

Executive message on sustainability (continued)

During an unprecedented year of social and economic disruption, we have demonstrated our commitment to supporting a sustainable future. This commitment is at the heart of our new purpose: to create a brighter future together. As an insurer, we have a key role to play in supporting customers, employees, investors, communities, and the planet we share, by building resilience and serving their needs.

In 2020, we accelerated our delivery of the three pillars of our sustainability strategy: Climate Change, Work Sustainability, and Confidence in a Digital Society.

Tackling climate change

We have reduced our total CO2 emissions by 31 percent since 2015 (see chart below). We evolved our responsible investment strategy to become the first large institutional investor to prioritize the environmental and social goals of its impact investing, having already achieved the USD 5 billion impact portfolio target. Customer expectations for sustainable products are increasing and we listened to client demands by expanding our portfolio with new offerings, such as pensions and saving products aligned with environmental, social and governance (ESG) principles, as well as services that make electric vehicle ownership easier. In addition, we are also beginning to offer usage-based insurance for car owners to incentivize driving less, including piloting carbon offsetting as a value-added service for our motor customers. Meanwhile, we have scaled our renewable energy insurance for small businesses beyond our European markets into Latin America.

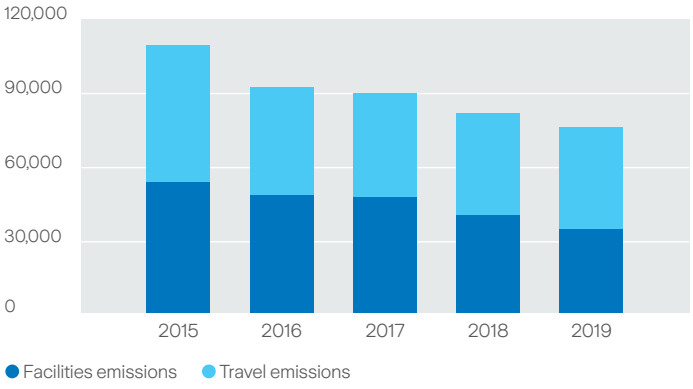
Making work sustainable

Throughout 2020, we prioritized well-being, accelerated development opportunities and embraced new working practices. We deployed internal talent mobility platforms that created fulfilling and impactful opportunities for our people and continued our commitment to providing new job opportunities through apprenticeships.

A connected world

To build confidence in a digital society, we continued enhancing our data privacy and information security practices. We strengthened business continuity, digital resilience and customer service during the COVID-19 pandemic, enabling employees and critical suppliers to work from home securely. We also defined and developed our Artificial Intelligence (AI) Assurance Framework to govern the ethical use of data and AI. We are now focusing on deploying this framework and operationalizing our ethical principles.

Absolute emissions
metric tons CO2e



Toward a sustainable future

To make true progress towards a more sustainable future, businesses need to be transparent – and the disclosure of environmental impact is no exception. We are engaged in our public disclosures, and are supporting the harmonization of sustainability reporting more broadly through our recent commitment to the Stakeholder Capitalism Metrics, a set of ESG metrics and disclosures released by the World Economic Forum and its International Business Council (IBC). To track the impact of our actions, we are continuously enhancing our key performance indicators and strengthening our internal measurement reporting. We are also providing greater transparency on those actions, for example in our disclosures as per our commitment to adopt the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD).

Our people are rightfully proud of the external recognition of their efforts across multiple dimensions of sustainability; for example, we now rank No. 1 in the 2020 Dow Jones Sustainability Index (DJSI) for the insurance sector.

I am proud of the passion our people have for doing business in a sustainable way, and for the many achievements noted throughout this report and in our Sustainability Report 2020. Together, we have shown that – notwithstanding the unprecedented challenges of 2020 – there is cause to be optimistic for a brighter future.

Alison Martin
CEO EMEA (Europe, Middle East & Africa) and Bank Distribution

> While 2020 presented many challenges, it was also a year of great progress on our sustainability journey. Now more than ever before, it is critical to tackle present and future environmental, social and economic challenges.

Linda Freiner
Group Head of Sustainability

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 have had 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.

The information contained within the consolidated non-financial statements is based on the consolidated results of the Group for the years ended December 31, 2020 and 2019. 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 Report 2020 which is available on www.zurich.com.

TCFD report

Task Force on Climate-related Financial Disclosures (TCFD) report

Zurich sees climate change as one of the biggest and most complex risks facing society today: it is intergenerational, international and interdependent. As a global insurer, Zurich faces risks from climate change and provides this disclosure as part of its commitment to adopt the recommendations of the Financial Stability Board's Task force on Climate Change-related Financial Disclosure (TCFD).

Governance of climate related risk

In line with its overall mandate to deliver sustainable shareholder value, the ultimate responsibility for climate risks resides with Zurich's Board. Clear roles and responsibilities, starting with the Zurich Insurance Group Ltd Board of Directors and its committees, aim to ensure effective oversight and action with respect to climate change and other sustainability risks. The Board and two of its committees oversee the handling of Zurich's climate change response. Based on the recommendations of the Governance, Nominations and Sustainability Committee (GNSC), the Board approves the Group's sustainability strategy and objectives as well as targets on ESG matters which have a material impact on business strategy, underwriting or business performance. The GNSC further oversees the Group's approach and conduct with regard to sustainability and was also involved in the Group's decision to join the Business Ambition for 1.5 degrees Celsius (°C), committing the Group to align its operations and investment portfolio to a 1.5°C future. The Risk and Investment Committee oversees Zurich's overall risk management framework and supports the Board to ensure sound risk and investment management for the Group.

The CEO EMEA and Bank Distribution is responsible for the Group's Sustainability strategy and objectives, including climate change. Climate risks can impact Zurich through its investing activities, underwriting activities and own operations. Accountability for delivery of key areas of Zurich's climate approach is assigned to the ExCo members with direct responsibility for these areas.

Zurich's Sustainability Leaders Council leads ongoing implementation of our sustainability objectives and formulates and formalizes the integration of sustainability across businesses and functions. The Council comprises senior executives from across the Group and is chaired by the Group Head of Sustainability (as of January 31, 2021; before that by the Group Head of Public Affairs and Sustainability), reporting into the CEO EMEA and Bank Distribution. The Chair of the Sustainability Leaders Council reports at least twice a year to the Group CEO and his direct reports and the GNSC on progress of the climate change-related internal initiatives. To accelerate Zurich's understanding of climate risk and ensure consistent management of this risk and implementation of our commitments to a climate-neutral economy, Zurich has established a cross-functional 1.5°C taskforce that reports into the council and is under the sponsorship of the Group Chief Underwriting Officer.

Climate strategy

Scientific consensus is that the impact of climate change effects on society will start to become even more material if global warming surpasses 1.5°C above pre-industrial levels. If climate change continues on its current trajectory beyond 2°C, those effects will become more difficult, costly and even impossible to fully mitigate. Climate change will affect Zurich's products, services and operations, creating new risks. But it will also create new opportunities. Understanding, managing and disclosing those climate impacts, as well as other drivers of exposure, is an important aspect of maintaining Zurich's long-term profitability.

Zurich's analysis suggests that the likelihood of missing the Paris Agreement's goal of keeping warming below 2°C is higher than achieving it. That is why Zurich is accelerating action to reduce climate risks by driving changes in how companies and people behave and supporting those most impacted. Zurich's dedication to limiting average global temperature rise to 1.5°C guides our climate strategy and has led us to commit to the goals of the Business Ambition for 1.5°C Pledge for our own operations and investment portfolio and become a founding member of the UN-convened Net-Zero Asset Owner Alliance.

TCFD report (continued)

As part of the Net-Zero Asset Owner Alliance, Zurich will seek to transition its investment portfolio to net-zero greenhouse gas (GHG) emissions by 2050, consistent with a maximum temperature rise of 1.5°C. This goal will be pursued through advocating for, and engaging on, corporate and industry action, as well as public policies, for a low-carbon transition of economic sectors in line with science and under consideration of associated social impacts. This commitment is made with the expectation that governments will follow through on their own commitments to ensure the objectives of the Paris Agreement are met. While Zurich's investment portfolio provides some opportunities to redirect capital toward a climate-neutral economy via divestments, sector reallocations and increased investments in climate solutions, its investment strategy is rooted in fiduciary duty and asset-liability management requirements, and hence, is dependent on access to a broad investment universe.

During 2020, Zurich actively participated in the work of industry bodies such as the Net-Zero Asset Owner Alliance and Science Based Targets initiative to develop and test target setting methodologies for investment portfolios and own operations. As a result, we established a baseline carbon footprint that will be used for medium-term target setting in 2021.

There are no methodologies yet developed to align insurance underwriting portfolios to a net-zero pathway. To improve that situation, Zurich chaired the CRO Forum working group that led to the CRO Forum report on carbon footprinting methodologies for insurance underwriting portfolios; a fundamental step towards assessing insurers' overall distribution of carbon intensity within their underwriting portfolios.

Zurich has developed internal scenarios representing a transition pathway and a physical risk pathway to guide its assessment of climate change impacts as well as a starting point for in-depth assessments of related risks and opportunities.

In the physical risk scenario, an insufficient societal response to limit climate change is assumed, leading to changes in the frequency, severity and geographical distribution of extreme weather events such as tropical cyclones and extreme rainfall and associated flooding or heat waves. Current climate models, such as the International Panel on Climate Change (IPCC) models on which Zurich bases its internal climate scenarios, indicate that physical climate change risks, which are already evident in land ice melt, sea-level rise and in some extreme weather events, will begin to rise more materially beyond the next couple of decades if left unmitigated.

The transition risk scenario is built on an accelerated transition to a low-carbon economy, requiring fundamental changes to all parts of the economy. While limiting climate change to 2°C or below will lower physical climate risk, the technological and policy changes required create their own sets of risks. Independently of the precise pathway, the transition could be disruptive, as the shift to low-carbon technology on a global scale could lead to significant shifts in asset allocations and volatility in asset prices during the transition. Changes in public perception and the regulatory landscape could reshape the legal and reputational risk landscape. Transition risks are considered more uncertain than physical risks, given their dependency on both climate-related policy changes that could emerge within a short time horizon and other policy changes related to the management of the global economy.

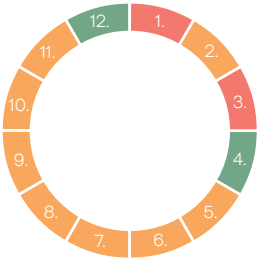
Zurich uses a climate scorecard to measure transition risk-related indicators, which uses quantitative data and draws on various climate change scenarios constructed by the IPCC and the International Energy Agency (IEA). Zurich's assessment shows that a physical risk pathway currently is significantly more likely than a transition pathway. As our scorecard shows, the world is not even on track to achieve a 2°C path, indicating the scale of the challenge to move towards a 1.5°C transition. While the overall message of insufficient progress is clear, the latest score card update, which mainly draws on data from 2019, nonetheless shows some improvements over previous years. The pace of increase in CO2 emissions, for example, fell back towards its longer-term trend after having picked up sharply in 2018. While encouraging, this trend still implies rising carbon emissions by over 1 percent annually, which is not consistent with the need to reduce net emissions to zero by 2050. Social trends around climate change have, however, continued to firm, with a notable increase in the focus on climate change in social and mainstream media and by commercial entities – even in the midst of the COVID-19 crisis.

TCFD report (continued)

Transition risks and physical risks are not mutually exclusive and can potentially co-exist depending on the timing, speed and effectiveness of the transition pathway.

Zurich climate change scorecard

2°C scenario



1. Carbon pricing	5. Energy supply	9. Investment
2. Corporate action	6. Legislation	10. Energy integration and storage
3. CCUS technology	7. Energy demand and efficiency	11. Fossil fuel subsidies
4. Social trends	8. CO2 emissions	12. Electrical vehicles

Not on track
Improving
On track

Climate-related physical risk

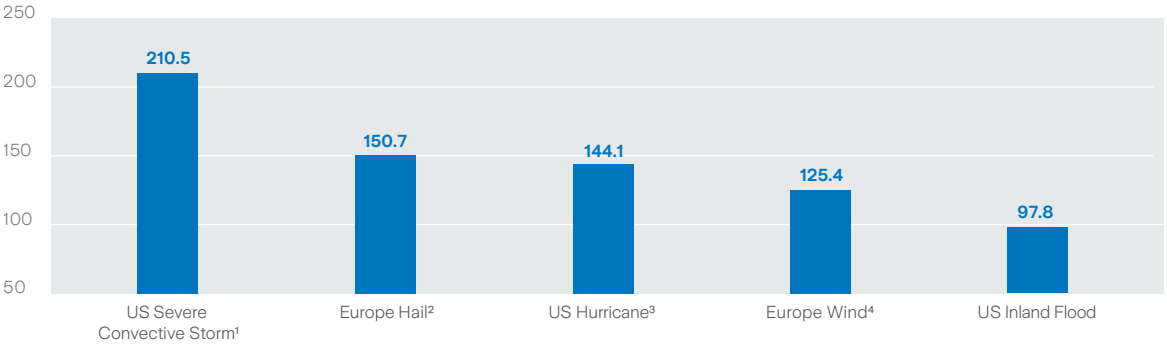
Over the short term, the expectation is that natural climate variability will have a higher impact on natural catastrophe losses than long-term climate change trends. An increase in asset values and accumulation through population growth and concentration in urban areas can also contribute to higher overall losses from natural catastrophes over time. Such socio-economic trends are reflected in our loss assumptions and might mask loss trends attributable to climate change. Regional variations will be large; however, particularly exposed areas are likely to see changing risk profiles more quickly. To accommodate the unfolding nature of climate risk, Zurich considers both near-term (three to five years) and long-term (five to 10 years) time horizons. Overall, the Group considers its near-term climate change-related physical risks to be manageable and foreseeable, whereas long-term risks are elevated and highly uncertain.

Zurich is most directly exposed to physical risk of climate change through the property underwriting and real estate investment portfolios. While assessing and managing the impact of extreme weather events is part of Zurich's core business competency, changes in frequency and severity of events caused by climate change add to the challenges in measuring expected impacts. As commercial catastrophe models are typically based on historical data and hence backward looking, they might not sufficiently account for climate risks already materializing. For this reason, Zurich is now building a view of climate change into its accumulation risk, peril-region modelling (see section on Risk Management). Potential model gaps are addressed as part of Zurich's model validation process and the 'Zurich View' approach provides further review for impacts that Zurich considers under-represented in the standard models. Generally, annual policy renewals provide mitigation increasing physical risks for short-tail business. Zurich also purchases reinsurance to protect the company's balance sheet from large natural catastrophe impacts and to support earnings volatility management. The reinsurance strategy is regularly reviewed to take into account any relevant loss trends. For details about Zurich's catastrophe reinsurance see page 144.

TCFD report (continued)

Zurich's modelled Average Expected Losses (AEL) from climate-related natural catastrophes provide an indicator of our current exposure to perils that might be affected by climate change. The AEL analysis below reflects the current top 5 peril regions in the Group as of June 30, 2020 net of reinsurance, before tax and excluding unallocated claim adjustment expenses. This analysis helps Zurich manage risks related to insuring these perils, such as accumulation risk. Limits per peril are in place and exposure is currently within appetite.

Average Expected Loss (AEL) net of reinsurance, before tax and excluding unallocated claim adjustment expenses for the top 5 peril regions
in USD millions, as of June 30, 2020



1 US Severe Convective Storm: Includes tornados, hail and straight-line winds.
2 Europe Hail: Includes Austria, Belgium, France, Germany, Italy, Luxembourg, Netherlands, Switzerland.
3 US Hurricane: Includes wind and storm surge.
4 Europe Wind: Includes Austria, Belgium, Czech Republic, Denmark, France, Germany, Ireland, Luxembourg, Netherlands, Norway, Poland, Sweden, Switzerland and the United Kingdom (UK also includes storm surge).

There is also a risk that physical impacts reduce the profitability of investments across asset classes (e.g., equities, real estate, sovereign or corporate bonds), though analysis suggests that very significant impairments would be required for Zurich's investment portfolio to be materially impacted.

Zurich considers the risk to its own operations from climate risk to be less material, as they are generally not located in highly exposed areas and business continuity plans are in place to ensure resilience in the face of extreme weather events.

Climate-related transition risk

Zurich could be exposed to transition risks if it fails to manage changing market conditions and customer needs as part of the transition to a climate-neutral economy, resulting in asset impairment, opportunity cost and lost market share. In a transition scenario, sectors that are difficult to decarbonize could experience stranded assets, either of physical assets, or declining profitability and lack of refinancing. For some companies, the resulting liquidity shortages could lead to a lack of maintenance with increasing rates of outages and equipment breakdowns, translating into higher insurance losses.

The new technologies and transformation required for a low-carbon economy also offer risks and opportunities to our portfolios as a lack of loss history creates challenges for pricing and risk selection. Not all low-carbon technologies will see commercial success, potentially leading to asset impairments and company failures as their business models fail to scale due to technological or economic reasons.

Failure to manage transition risk could also lead to reputational impacts, both internal and external, resulting from a failure to deliver on publicly stated commitments. Although not considered material in the near term, the increasing frequency of climate-related legal action suggests climate-related litigation could represent a significant potential risk in the long term.

TCFD report (continued)

Societal and regulatory attention towards climate change mitigation has remained high, even in the face of the COVID-19 crisis, and Zurich has enacted strategic responses to market and regulatory developments. These include differentiated market position on climate change that is linked with Zurich's purpose and values statement. Zurich is already well positioned to take advantage of new low-carbon technologies and is building its capabilities in line with the growing market share of those opportunities. For more information on opportunities see the section on climate-related opportunities below. Similar to physical risk, the annual nature of the majority of our insurance contracts allows Zurich to align portfolios with emerging trends and effectively manage transition risk. Zurich's Net-Zero Asset Owner Alliance commitment to a net-zero emissions investment portfolio by 2050 is expected to further mitigate transition risk and increase the resilience of our investment portfolio against carbon-related asset corrections.

Zurich has already identified the coal and oil sands sectors as particularly carbon intense and transition risk prone as such industries are nearing the end of their life cycle. In line with its coal policy, Zurich will no longer underwrite or invest in companies with coal or oil sands dominated business models and without plans to transition to a lower-carbon intensity. See Zurich's exclusions page for full details on Zurich's coal and oil sands policy.

To improve its understanding of transition risk, Zurich subscribes to transition risk data, such as carbon intensity and additional indicators, that will be leveraged in assessments of portfolios and transactions. As part of its commitments to the Net-Zero Asset Owner Alliance and the Science Based Targets initiative, Zurich is also engaging with customers and investee companies across many industries on their decarbonization strategy, with those conversations driving our understanding and management of transition risks. To further support these efforts Zurich has also joined Climate Action 100+.

Given the low-carbon intensity of the insurance sector's operations compared to more carbon-intensive manufacturing sectors, continuous progress on energy and carbon reduction targets and Zurich's voluntary carbon offsetting scheme, Zurich does not consider transitions risks to be material for our own operations. However, low magnitude risks exist, for example, in the area of increases to energy costs or risks of new external carbon taxes or fees. To manage these risks, Zurich takes advantage of opportunities, such as renewable electricity purchasing, carbon and energy reduction targets, travel reductions and moving to a more efficient real estate portfolio. For example, in 2019 Zurich joined the RE100 initiative committing to move to 100 percent renewable power by end 2022. Zurich also conducts an annual operational risk assessment covering energy cost, high-risk locations, regulatory, operational supply chain, stakeholder expectations and employee safety.

Climate-related opportunities

Zurich sees business opportunities both in helping its customers manage physical risk and transition risk, as well as benefiting from the changes required to move toward a low-carbon economy. As an innovative insurer, Zurich is positioned to take advantage through its climate change-related products and services which enable existing and prospective customers to better understand and manage their exposure to climate risks and to enhance their resilience to both physical and transition risk.

To realize opportunities from physical risks, Zurich is expanding its existing natural hazards risk advisory service to address customers' physical climate change risks. As part of the 'Climate Change Resilience Services', a dedicated team of climate risk experts help businesses tackle their climate change risk and better understand how it might affect their operations, strategy, and financial position. In 2020, Zurich North America's construction team also introduced a parametric insurance cover that allows customers to insure against climate-related risks that were not insurable under traditional coverage.

Climate-related regulations aimed at incentivizing a low-carbon economy result in an increased demand for alternative low-carbon solutions and provide opportunities for new markets. The impact of these opportunities will scale over time and Zurich already has considerable expertise in providing insurance solutions for green assets and takes advantage of 'green' opportunities through products and services. With electric vehicles (EV) expected to be a significant and growing segment in the new vehicle market, Zurich is leading the way in developing customized motor insurance solutions that meet the needs of EV customers.

TCFD report (continued)

Zurich has also expanded its role in solar power insurance and will continue to broaden its underwriting capacity and knowledge around renewable energy risks more broadly. As part of the evolving microgrid markets in Italy, Germany and Switzerland, Zurich provides customized coverage for private homeowners and small- to mid-size commercial companies to build renewable energy facilities, such as photovoltaic, solar thermal, biomass and geothermal installations. In 2020, Zurich scaled an existing renewable energy insurance product from our European market to Brazil, called Zurich4Power, to help small- to medium-sized business customers shift to renewable energy, which offers protection for solar panels covering the installation, equipment assembly, tests and first six months of operation. For larger commercial customers, Zurich covers solar and wind farms either directly or via a third-party strategic relationship with a specialist agency.

In addition, Zurich will continue to exert industry leadership in facilitating the increased use of low-carbon transition technologies like Carbon Capture, Use and Storage (CCUS), which the UN has stated is a technology that is essential to many industrial sectors in reaching climate goals. As early as 2009 we were the first and are today still the only carrier to provide both liability coverage and financial assurance in support of CCUS as a transitional mitigation technology.

As an investor, Zurich has established responsible investment and climate change investment strategies, including active ownership, green bonds, and a comprehensive approach of ESG integration. Impact investments targeting climate change mitigation or adaptation activities can help reduce climate change risks through their targeted positive impact and offer a financial return commensurate with risks. Zurich will consider impact investments that help increase energy efficiency, generate renewable energy or mitigate climate change and/or improve adaptability and resilience in other ways. Through its commitment to build an impact investments portfolio of the size necessary to help save 5 million tons of CO2e on an annual basis, Zurich is seeking to capture opportunities across the universe of green, social and sustainable bonds, impact private equity and infrastructure private debt.

Risk management

Zurich's approach to managing climate risk is embedded within its multi-disciplinary Group-wide risk management processes and follows the same objectives of informed and disciplined risk taking. As such, climate risk is managed in a manner consistent with how other risks are managed by the Group.

To maintain an aligned view on climate risks across the Group and ensure new developments are taken into consideration for Zurich's risk management activities, Zurich conducts an annual Group-wide assessment of climate change-related risks using the TRP approach, under the sponsorship of the Group CRO. The TRP assessment of climate risks is aligned to the scenarios described in the section on climate strategy. To complement the TRP assessment, Zurich uses its Sustainability Risk framework, which is aligned with our purpose and values of 'standing up for what's right', to proactively and systematically identify and assess detailed sustainability risk issues, including from climate change. Zurich's Sustainability Risk team monitors ongoing developments around physical and transition climate risks, in close collaboration with the Public Affairs team, to maintain visibility of regulatory developments. Zurich's Emerging Risk Committee, reporting to the Group CRO and tasked with identifying emerging and sustainability risks and prioritizing material risks for deep-dive analysis, also maintains an ongoing focus on climate-related risks.

Zurich's sophisticated natural catastrophe modelling capabilities allows management of property risk selection and pricing, to ensure accumulations stay within intended exposure limits and assessment of the capital requirement due to natural catastrophes. Catastrophe models are computer programs used to mathematically assess the physical characteristics and financial impact of natural and man-made catastrophes, including for example earthquakes, weather -related perils, terrorism, pandemics, extreme casualty events, and cyber incidents.

Catastrophe models are designed to assess a range of potential future disasters providing the financial impact either by return period (e.g. a 100-year loss) or the annual expected loss (risk premium). They can also be applied to historical events (e.g. hurricane Katrina). They then calculate a range of property-related direct physical loss (e.g. building, content, vehicles), indirect losses such as business interruption and residual loss, including for example demand surge or inflation in materials costs.

TCFD report (continued)

Catastrophe models use account, location and reinsurance information as input data. The quality of the input data has an impact on the model output and Zurich constantly reviews and expands the scope and sophistication of its modeling and strives to improve data quality. The data includes policy conditions and location data with risk characteristics (e.g. construction, occupancy, etc.). For reinsurance, this is treaty and facultative reinsurance. The models consist of the following 3 modules:

- Hazard module: The hazard module for a peril region (e.g. US hurricane) typically consists of tens of thousands of synthetic but possible catastrophic events. This event set provides the physical hazard specific to geographical locations.
- Vulnerability module: The vulnerability module provides the expected damage for a geographical location with its risk characteristics (e.g. building code, etc.) given the hazard level from an event.
- Financial Module: The financial module translates the expected physical damage of an insured asset into a financial loss. The policy conditions then allocate the total ground-up loss into different involved parties including insured, insurer and reinsurer. Varying financial perspectives are provided at different aggregation levels (e.g. account, portfolio).

Catastrophe models that are generally based on historical data would not capture potential future climate change-related shifts of extreme weather events. However, when combined with General Circulation Models (GCMs) they are best positioned to help also understand the risk of future climate conditions. GCMs build representations of the earth's physical climate systems and therefore can provide model results for climatic scenarios beyond past events. The quality of GCMs continues to evolve as scientific understanding of the earth's climate systems increases, and is also driven by progress in computing power and artificial intelligence that extrapolates insights from current modelled regions to future climate scenarios. This science is evolving and Zurich has strengthened its catastrophe modelling team with dedicated resources to create methodologies to integrate such forward-looking aspects into its modelling approach.

Third-party models provide a starting point for the assessment of natural catastrophe risk. However, they are generally built for the market average and need validation and adjustment by specialized teams to reflect the best view of risk. Zurich has been a leader in model validation and developed its proprietary 'Zurich View' of risk in 2005 using a structured and quantitative approach. Models are adjusted in terms of frequency, severity and event uncertainty. Every catastrophe event provides an opportunity to learn from Zurich's own claims experience and the modeling framework has been providing a place to capture the new insights. For severity, a set of 13 adjustment factors addresses potential losses from non-modeled property-related exposures or secondary perils to the extent not covered by the third-party models. Models and model adjustments are based on science, engineering and claims experience and expert judgement. Output from catastrophe models are subject to significant uncertainty, especially for rarely occurring but severe events. The level of sophistication and maturity of a model varies significantly by peril region. The amount of claims experience used for model calibration is an important factor. Also, the output may change over time for different reasons including exposure and vulnerability changes, model updates and exposure data quality.

TCFD report (continued)

The Group uses catastrophe models adjusted to the 'Zurich View' to manage its underwriting, ensure accumulations stay within intended exposure limits and assess capital requirements driven by natural catastrophes. The same view Zurich has on natural catastrophe risk also underpins profitability assessments and strategic capacity allocation and guides the type and quantity of reinsurance Zurich buys. To ensure global consistency, natural catastrophe exposures are modeled in the Group Risk Management function.

Potential losses from policies covering property-related exposures (property, engineering, marine and motor lines) with material exposure in hazard-prone geographical areas and from worker injury policies with material exposure in U.S. seismic zones are probabilistically modeled. Losses for other lines of business are estimated based on adjustments to these modeled results. Risk modeling mainly addresses climate-induced perils, such as windstorm, flood, tornado, and hail, and geologically-induced perils, such as earthquake. Zurich constantly reviews and expands the scope and sophistication of its modeling and strives to improve data quality. Natural catastrophe research and development has strengthened to increase the focus on the risks from a changing climate. It supplements internal know-how with external knowledge (e.g., the Advisory Council for Catastrophes). Zurich is a shareholder of catastrophe exposure and loss data aggregation and estimation firm PERILS AG, Switzerland and is a member of the open-source initiative Oasis Loss Modeling Framework.

To protect its premises and employees from disruptions and minimize impacts, Zurich has a well-established business resilience process that also covers potential impacts from natural catastrophes on our own premises. Zurich is leveraging its own in-house catastrophe modelling expertise to inform our understanding of exposure to tailor mitigating actions.

For Zurich's investment portfolio, management of climate change transition risks is part of its ESG integration approach. Given its complexity and long-term nature, climate change represents a particular challenge for ESG integration. Zurich is using a variety of dedicated third-party vendor tools as part of its ESG integration. Despite the considerable progress made in the quality and availability of data in recent years, further improvement in data and tools is required to support integration in investment strategies. ESG integration practices might fail to effectively capture all climate change-related risks and opportunities. Zurich is testing the use of special benchmarks that incorporate a climate risk assessment and will evaluate the application of such benchmarks for new and existing portfolios on a case-by-case basis.

To maintain climate change management in line with industry best practice, Zurich is actively contributing to external industry, regulatory and international agencies' initiatives to improve climate risk assessments and disclosures, including the UN Principles for Sustainable Insurance TCFD pilot, the UK PRA's Climate Financial Risk Forum Guide and the UNEP FI Net-Zero Asset Owner Alliance. Zurich also led an effort by the CRO Forum to develop methodologies that apply the carbon footprint and intensity concepts to insurance portfolios. The report presents a range of options, methodologies and barriers to the carbon footprinting of insurance companies' underwriting portfolios. It is intended as an exploration of the different carbon footprinting methodologies that may be applied to underwriting portfolios and the barriers to applying them. With the help of external carbon data, Zurich is currently assessing in detail how this approach can be leveraged for transition risk management.

To improve its understanding of potential developments of climate change liability risks, Zurich is also part of a dedicated working group established as part of the UN Principles for Sustainable Insurance TCFD pilot.

TCFD report (continued)

Metrics and targets

Key performance indicators (KPIs) for sustainability focus areas underpin Zurich's management of its climate strategy. As low-carbon commitments are operationalized, additional targets will be added to ensure continuous improvement in performance.

Latest data for these metrics, along with historical data to facilitate trend analysis, can be found on Zurich's website.

Regarding sustainable investments, our impact investment portfolio grew from USD 4.6 billion in 2019 to USD 5.8 billion in 2020, of which 77 percent finances environmental and 23 percent social assets, helping to avoid 2.9 million tons of CO2-equivalent emissions and, separately, improve the lives of 3.7 million people annually as of December 2020 (see Zurich Insurance Group Sustainability Report 2020).

To measure the progress of the implementation of Zurich's coal policy, Zurich is monitoring the number of companies affected by its thresholds and its actions taken on both insurance and investment side. Since the introduction of Zurich's first coal policy in 2017, Zurich's actions resulted in the divestment of USD 497 million in assets and the phase out of insurance relationships covering USD 33 million of gross written premiums. We recognize these figures represent less than half a percent of Zurich's respective investment or insurance portfolios and, as such, further confirm that our exposure to the thermal coal and oil sands industry was already limited before policy inception, reflecting our ESG integration approach.

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

97	58	113
Excluded[1]	Cleared[2]	Engagement ongoing[3]

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.

To monitor the carbon footprint of Zurich's own operations, and its reductions over time, Zurich measures emissions in line with the Greenhouse Gas Protocol's standard.

Zurich Group carbon emissions using the Greenhouse Gas Protocol accounting standards CO2 (metric tons)

	2019	2018	Change
Scope 1 emissions[1,4]	**20,995**	23,293	(11%)
Scope 2 emissions[2,4]	**24,851**	27,563	(11%)
Scope 3 emissions[3,4]	**29,817**	30,808	(3%)

1 Scope 1 emissions include direct emissions from our car fleet and heating produced at our facilities.
2 Scope 2 emissions include indirect emissions from purchased electricity and district heating/cooling. Zurich calculates scope 2 emissions according to the Greenhouse Gas Protocol's market based methodology.
3 Scope 3 emissions include indirect emissions from air travel, rental cars, rail, energy production and generation losses, and electricity distribution losses.
4 Zurich Group carbon emissions data 2020 using the Greenhouse Gas Protocol accounting standard will be available in Q2 2021.

Consolidated non-financial statements

Voice of the customer

	2020	2019	Change
Number of customers interviewed through Zurich's NPS program[1]	**1,025,000**	1,047,000	(2%)
Number of close the loop feedback calls	**73,000**	72,000	1%

1 In 2020, 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 attract new customers – as well as retain existing ones – 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

	2020	2019	Change
Total number of employees – headcount	**55,089**	55,369	(1%)
Total number of employees – FTE (full time equivalents)	**52,930**	54,030	(2%)
Employee turnover rate[1]	**9.6%**	13.6%	(4.0 pts)
Average tenure (years)	**10**	10	n.m.
Group voluntary turnover[1]	**4.7%**	7.2%	(2.5 pts)
Technical functions voluntary turnover[1,2]	**4.6%**	6.5%	(1.9 pts)
Female workforce participation	**51.0%**	51.1%	0 pts
Female participation in Leadership Team	**27.1%**	22.6%	4.5 pts
Employee participation in Group-wide feedback channels[3]	**84.0%**	76.0%	8.0 pts
Employee net promoter score (ENPS)[4]	**+52**	+26	26

Notes: 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.
1 Turnover figures only consider regular and inpatriate employees.
2 Technical functions include Claims, Underwriting and Risk Engineering.
3 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 in 2019, while in 2020 it refers to the single survey that was carried out due to the pandemic.
4 ENPS is calculated as the average of the two surveys carried out during the year in 2019, and based on the single survey for 2020, 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

	2020	2019	Change
Fundraising and donations (USD millions)[1]	**3**	2	10%.
Total time volunteered by workforce (business hours)[2]	**38,830**	129,702	(70%)
of which skills-based hours[2]	**19,485**	31,463	(38%)
Workforce actively volunteering (% of total headcount)[2]	**9.3%**	20.9%	(11.6 pts)
Total full-year charitable cash contributions by Zurich business units (USD millions)[3]	**32**	12	168%
Total full-year charitable cash contributions by Zurich to Z Zurich Foundation (USD millions)[4]	**43**	40	6%

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. All figures exclude 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.
1 Mostly includes Zurich employees' fundraising and donations. As the share of the Zurich business units' matching becomes negligible, the split of these two sub-categories is no longer reflected.
2 2019 figures have been restated to exclude volunteering by Farmers Exchanges employees.
3 The increase in cash contributions in 2020 is mainly driven by a one-off donation to the COVID-19 Support Fund in UK.
4 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 donation amounted to CHF 40 million in 2019 and 2020.

Consolidated non-financial statements (continued)

Responsible investment

	2020	2019	Change
External asset managers who are signatories to PRI (%)[1]	**81.8%**	81.3%	0.6 pts
Group assets managed by PRI signatories (%)[2]	**97.5%**	97.5%	0.1 pts
Total amount of impact investments (USD millions)[3]	**5,770**	4,555	27%
Investment portfolio (USD millions)[4]	**226,389**	204,803	11%

1 The United Nations-supported Principles for Responsible Investment (PRI).
2 Including assets managed by Zurich.
3 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).
4 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.

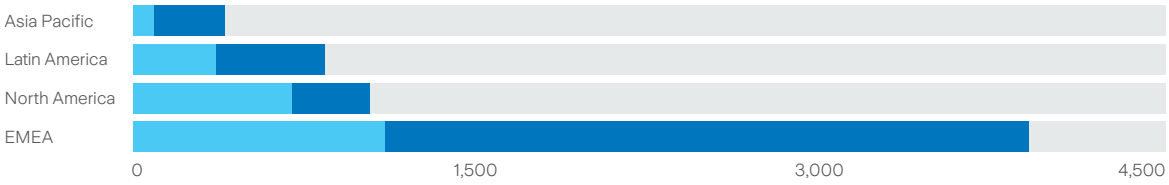
Environmental performance

	2019	2018	Change
Impact of real estate investment: Energy consumption (kWh per sqm)[1,2]	**108**	113	(5%)
Impact of real estate investment: CO2e emissions (kg per sqm)[1,2]	**25.5**	27	(6%)
Own operations: CO2e emissions per employee (metric tons per FTE)[2,3]	**1.8**	1.9	(10%)

1 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.
2 CO2e emissions per employee data 2020 will be available in Q2 2021, and Impact of real estate investment data 2020 will be available in Q1 2022.
3 Includes emissions from own-use real estate (electricity and heat), from air travel, rail and cars (rental cars and car fleet).

Total tax contributions[1] 2019[2]

2019 total tax contributions by region
USD millions



1 Numbers based on IFRS excluding deferred income tax.
2 Tax contributions for 2020 will be available in Q2 2021.

Top 20 countries with the highest total tax contribution[1] in 2019

Country (in USD millions)	Total tax contribution	Tax collected	Tax borne by shareholders	Country (in USD millions)	Total tax contribution	Tax collected	Tax borne by shareholders
US	1,678	997	680	Ireland	240	204	37
Switzerland	1,615	1,190	425	Argentina	220	168	52
UK	923	794	129	Chile	118	75	43
Germany	827	657	170	Portugal	91	59	32
Italy	517	380	137	Japan	72	26	46
Brazil	507	317	190	France	45	40	5
Spain	366	252	114	Malaysia	45	27	18
Australia	332	319	14	Canada	42	38	4
Mexico	309	246	63	Ecuador	30	26	4
Austria	304	277	27	Netherlands	25	22	3

1 These countries contribute to more than 96% of Zurich's revenue.

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 in which Zurich operates.

GRI index

The Global Reporting Initiative (GRI) is an international independent organization that helps businesses, governments and other organizations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others. We have used references to the GRI as an index below to help our stakeholders find the information relevant to them throughout 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.

	Number	Disclosure name	Reference and page number
General Disclosures	102-1	Name of the organization	**AR inside front cover (ifc)**
	102-2	Activities, brands, products, and services	**AR ifc, 8 to 9 and 18 to 19; SR 26 to 28**
	102-3	Location of headquarters	**AR ifc**
	102-4	Location of operations	**AR 10 to 11 and 299 to 302**
	102-5	Ownership and legal form	**AR 206 and 315**
	102-6	Markets served	
	102-7	Scale of the organization	**AR ifc and 10 to 11**
	102-8	Information on employees and other workers	**AR 32 to 33, 84 to 85 and 174; SR 47**
	102-9	Supply chain	**SR 14 and 31; CDP**
	102-10	Significant changes to the organization and its supply chain	**AR 14 to 17, 20 to 29, 193 and 221 to 223**
	102-11	Precautionary principle or approach	**AR inside back cover**
	102-12	External initiatives	**AR 36 to 37 and 165 to 166; SR 10 to 11, 16, 23 and 64 to 65**
	102-13	Membership of associations	**CDP**
	102-14	Statement from senior decision-maker	**AR 12 to 17, 42 to 43, 92 to 93, 128 to 129, 162 to 163, 182 to 183 and 194 to 195; SR 2**
	102-15	Key impacts, risks, and opportunities	**AR 18 to 22, 128 to 129 and 165 to 173; SR 7 to 9, 20, 22 to 24 and 26 to 28; CDP**
	102-16	Values, principles, standards, and norms of behavior	**AR 23 to 29; SR 17 to 18**
	102-17	Mechanisms for advice and concerns about ethics	**AR 80**
	102-18	Governance structure	**AR 47 to 48, 52, 68 and 76; SR 16; CDP**
	102-19	Delegating authority	**SR 16; CDP**
	102-20	Executive-level responsibility for economic, environmental, and social topics	**AR 62; SR 16**
	102-21	Consulting stakeholders on economic, environmental, and social topics	**SR 8 to 9**
	102-22	Composition of the highest governance body and its committees	**AR 50 to 64**
	102-23	Chair of the highest governance body	**AR 12 to 13, 42 to 43 and 52; SR 16**
	102-24	Nominating and selecting the highest governance body	**AR 52**
	102-25	Conflicts of interest	**AR 58**
	102-26	Role of highest governance body in setting purpose, values, and strategy	**AR 60**
	102-27	Collective knowledge of highest governance body	**AR 60**
	102-28	Evaluating the highest governance body's performance	**AR 61**
	102-29	Identifying and managing economic, environmental, and social impacts	**AR 61 to 62; SR 8 to 9**
	102-30	Effectiveness of risk management processes	**AR 154**
	102-31	Review of economic, environmental, and social topics	**AR 30 to 39 and 162 to 175**
	102-32	Highest governance body's role in sustainability reporting	**AR 62; CDP**
	102-33	Communicating critical concerns	**AR 71; CDP**
	102-35	Remuneration policies	**AR 95 to 98**
	102-36	Process for determining remuneration	**AR 99 to 105**
	102-37	Stakeholders' involvement in remuneration	**AR 103 and 105 to 106**
	102-40	List of stakeholder groups	**AR 30 to 37 and 81 to 87; SR 13 to 15; CDP**
	102-41	Collective bargaining agreements	
	102-42	Identifying and selecting stakeholders	**SR 8**
	102-43	Approach to stakeholder engagement	**AR 30 to 37; SR 8 and 13 to 15**
	102-44	Key topics and concerns raised	**SR 8 to 9**
	102-45	Entities included in the consolidated financial statements	**AR 299 to 302**
	102-46	Defining report content and topic boundaries	**AR 164, 206 to 207 and 315**
	102-47	List of material topics	**SR 8 to 9**
	102-49	Changes in reporting	**AR 208 to 209**
	102-50	Reporting period	**AR 206 to 207 and 315**

Key:

AR Annual Report 2020 **SR** Sustainability Report 2020*
CDP CDP submission 2020 Link to Zurich Insurance Group website

* The Sustainability Report 2020 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

GRI index (continued)

	Number	Disclosure name	Reference and page number
General Disclosures continued	102-51	Date of most recent report	**SR front cover; CDP**
	102-52	Reporting cycle	**AR 197; SR 4; CDP**
	102-53	Contact point for questions regarding the report	**AR inside back cover**
	102-55	GRI content index	**AR 176 to 177; SR 68 to 69**
	102-56	External assurance	**AR 77 to 78, 124, 178 to 179, 306 to 311 and 322 to 325; SR 67**
Management Approach	103-1	Explanation of the material topic and its boundary	**SR 7 to 9**
	103-3	Evaluation of the management approach	**AR 61 to 64; SR 7 to 9**
Economic Performance	201-1	Direct economic value generated and distributed	**AR 197 to 205**
	201-2	Financial implications and other risks and opportunities due to climate change	**AR 165 to 173; CDP**
	201-3	Defined benefit plan obligations and other retirement plans	**AR 258 to 265**
	201-4	Financial assistance received from government	**AR 250**
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	**SR 49 to 50 and 57 to 58; CDP**
	203-2	Significant indirect economic impacts	**SR 48 to 53; CDP**
Tax	207-1	Approach to tax	**AR 193; SR 19**
	207-2	Tax governance, control, and risk management	
	207-3	Stakeholder engagement and management of concerns related to tax	
	207-4	Country-by-country reporting	**AR 175**
Materials	301-2	Recycled input materials used	
Energy	302-1	Energy consumption within the organization	**SR 29; CDP**
	302-3	Energy intensity	**CDP**
	302-4	Reduction of energy consumption	**SR 29 to 31; CDP**

	Number	Disclosure name	Reference and page number
Emissions	305-1	Direct (Scope 1) GHG emissions	**AR 9, 163 and 175; SR 29; CDP**
	305-2	Energy indirect (Scope 2) GHG emissions	**CDP**
	305-3	Other indirect (Scope 3) GHG emissions	**CDP**
	305-4	GHG emissions intensity	**CDP**
	305-5	Reduction of GHG emissions	**SR 29; CDP**
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	**CDP**
Employment	401-1	New employee hires and employee turnover	**AR 174; SR 47**
Occupational Health and Safety	403-1	Occupational health and safety management system	**SR 44**
	403-6	Promotion of worker health	**SR 44 to 45**
Training and Education	404-1	Average hours of training per year per employee	
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	**AR 53 and 174; SR 40**
Public Policy	415-1	Political contributions	

Key:

AR Annual Report 2020 **SR** Sustainability Report 2020*

CDP CDP submission 2020 Link to Zurich Insurance Group website

* The Sustainability Report 2020 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

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, 2020.

Scope and Subject matter

Our limited assurance engagement focused on selected non-financial indicators published in the Annual Report 2020 of ZIG:

a) The 2020 "People indicators" on page 174, the 2020 "Community investment" indicators on page 174, the 2020 "Responsible investment" indicators on page 175 and the 2019 "Environmental performance" indicators on page 175 ("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's responsibility

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 responsibility

Our responsibility is to express a limited assurance conclusion on the non-financial indicators based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information", and, in respect of greenhouse gas emissions, with the International Standard on Assurance Engagements 3410, "Assurance Engagements on Greenhouse Gas Statements", issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the identified non-financial indicators are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (revised) and ISAE 3410 involves assessing the suitability in the circumstances of ZIG's use of applicable criteria as the basis for the preparation of the non-financial indicators, assessing the risks of material misstatement of the non-financial indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of 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. The procedures selected depend on the assurance practitioner's judgement.

Independent assurance report (continued)

Our independence and quality controls

We are independent of ZIG in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) that are relevant to our audit of the financial statements and other assurance engagements in Switzerland. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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 the 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, Austria and Spain
- 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 of ZIG as described in the scope and subject matter section are not prepared and disclosed in all material respects in accordance with ZIG's internal guidelines and procedures; 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 12, 2021