

Published as written. Please check against delivery.



Zurich United Kingdom Community Trust

Speech by Martin Senn

Chief Executive Officer

November 27, 2013

Welcome everyone

Tonight the Zurich Community Trust will recognize inspiring fundraisers and volunteers. Some are well established, some are only just starting their journey. We will also recognize external guests who have excelled in their own efforts. You have all been selected for truly changing lives.

Congratulations on your outstanding work.

I can't tell you how proud I am of the Zurich Community Trust. Or how honored I am to pay tribute to its work over the last forty years. But first, I want to explain how Community Investment, personified by the UK Trust, fits into our Corporate Responsibility strategy at Zurich. And why it is integral to our business.

To start, let's look at how risk has evolved since 1973, when the UK Trust was formed. Factors like advancing technology and globalization have seen the world become far more interconnected. And, with that, risks have become more complex. Take supply chains, for example. As these have expanded across continents, the associated risks have changed significantly. Devastating events like the 2011 Thailand floods are now major concerns with consequences, not just for the communities affected, but for businesses around the world. Similarly, take demographics and the challenges now faced in securing a prosperous and dignified retirement. The numbers aren't good and we, as individuals, bear more of that risk than our parents or grandparents did.

At Zurich, we help our customers understand and protect themselves from these risks. It is our mission statement. Our raison d'être. Our role in society.

How we do business is defined by our Code of Conduct, the Zurich Basics:
Integrity, customer-centricity, excellence, sustainable value creation and teamwork.

And how we act upon these basic values is brought to life by the Zurich Commitment. A pledge to show care and respect for our four distinct stakeholder groups: our customers, our people, our shareholders and our communities. Our mission; our values; and our commitment : a consistent set of principles that give purpose to everything we do.

Today, as risk becomes more complex, our mission becomes ever more relevant. But the positive role played by insurance is often poorly understood. By enabling understanding of and protection against risk, we help people and businesses to become prosperous, resilient and stable. This role has significant social, as well as economic value. The social value of insurance, and its potential, means our wider contribution to society does not sit separately in our business. It is part of how we do business. So, just for tonight, let me take a bit of license with our mission statement.

Let me say that our commitment to society is: “To use our insurance and risk management expertise to help society better understand and protect itself from risk.” This is underpinned by the Zurich Basics and the Zurich Commitment: Because it creates sustainable value for each of our main stakeholder groups. And it contributes to our Group Strategy, which aims for excellence in who we are, what we do and how we do it. One mission of one global company – One Zurich.

So what does Zurich’s corporate responsibility strategy look like?

We have seven main focus areas:

- Working with our corporate customers to help them understand and manage their corporate responsibility risks
- Community investment locally and through the Z Zurich Foundation
- Environment, health and safety management in our office buildings
- Diversity and inclusion in our workforce
- Responsible Supply Chain Management

And two “lead” areas where we aspire to harness core business capability for lasting social benefit.

The first is Responsible Investment.

Managing a portfolio of over 200 billion U.S. dollars, Zurich is committed to the prudent, sustainable and successful investment of premiums and reserves, based on a stable and disciplined

process. This allows us to fulfill the promises we make to our customers – whether a month, a year or a decade from when they purchased their policy. It also provides financial value to our shareholders. Responsible Investment means taking this core function further. It's about living our Zurich Commitment and prioritizing sustainable value for all our stakeholders.

That means:

- Incorporating environmental, social and governance issues into our investment decisions
- Building a portfolio of impact investments which directly tackle some of these issues; for example our intention to invest up to 1 billion US Dollars in Green Bonds.
- And collaborating with our peers and other industry participants to advance responsible investment.

Quite honestly, we are still in the early stages of fully delivering on all these commitments. But I'm confident we will do so in a manner that makes us proud and has lasting impact.

The second priority area is Flood Resilience.

Our expertise on sustainable disaster management helps customers understand and protect themselves from flood risk. This is something that Zurich is known for globally. Something we've done since being established in 1872 to help insure the silk trade up and down the Rhine River. Floods affect more people than any other type of natural disaster. They are responsible for some of the largest economic, social and humanitarian losses worldwide. And flooding is increasing in complexity and impact, given environmental factors such as rising sea levels, and human factors like population growth. So, building on our core capability, we are committed to becoming the best global insurer in enhancing community flood resilience, in thought and practice:

- We are developing new insights and research: through collaboration with the Wharton School and the International Institute of Applied Systems Analysis.
- We are testing and scaling these learnings up - through alliances with the International Federation of Red Cross and Red Crescent Societies and UK based Practical Action.
- We will share our knowledge and expertise with Governments and customers, highlighting the role insurance can play.
- And Zurich employees are contributing their risk expertise into the program.

The community knowledge, reach and academic excellence of our collaboration partners, together with Zurich's risk management expertise, can create real and sustainable value for this area.

Flood Resilience, Responsible investing and the other elements of our Corporate Responsibility strategy are reinforced by Zurich's organizational DNA. Each of the seven focus areas is assigned a clear owner from our global executive team. And the relevant business area is held accountable for its delivery. This allows Corporate Responsibility to flourish by leveraging our strength as a global insurer. Delivering success through how we do things. That is how we are making an enhanced commitment to social issues a part of our Group Strategy.

Now, let me move to a subject that is close to the hearts of everyone here – including me –

Community Investment. This is the area where I have personally taken Executive lead.

Let's start with what Community Investment means to Zurich: "Having a positive impact on our communities by investing in their wellbeing and sustainable development beyond our core business activity."

This has 3 strands:

- Sharing our resources to benefit our local communities
- Meeting the growing expectations of our stakeholders to make a positive contribution to our communities
- Enhancing and increasing employee engagement, talent retention and attraction

The Zurich Community Trust embodies our Community Investment. It lives our CR mission every day by helping disadvantaged people manage the risks life has thrown at them and achieve an independent future. So, just as we are investing 100 million dollars in the Z Zurich Foundation over the next few years, so the UK business shares a portion of its profits with the UK Trust. You heard earlier today about how the UK Trust makes a positive contribution to communities: You heard from Aspire, the first fully-integrated Training Centre in Europe for disabled and non-disabled people. Built and opened with UK Trust funding. You heard about the UK Trust's focus on Mental Health and Parental Substance Misuse, and its support for the vital role of Young Carers. You heard about the UK Trust's global impact. The incredible difference its support makes to the children who previously scavenged on the rubbish dump in Manila. And you heard how the Zurich Community Trust is engaging Zurich employees, for example by organizing 24 years of inspiring UK Team Challenge projects. When we created the inaugural 'Global Community Week', it was the UK Trust who volunteered to help us. Thank you to Elaine Quinn, the UK Trust team and the UK Creative Agency for playing a leading role in the design and delivery. Your efforts were remarkable.

Now let me repeat something: Our Corporate Responsibility focus areas do not flow separately from our everyday business; they are part of a holistic strategy which operates in tandem with our core business aims.

So for Community Investment: Because our customers are within our communities, our communities are our customers. And as the risks they face become more complex, addressing their social issues is in our core business interests. That is Sustainable Value Creation. That is how we ensure commitment for the long term. And that is why we owe a huge debt to organizations like the Zurich Community Trust.

The UK Trust was created forty years ago by Hambro Life Assurance. Neither I nor Zurich can take credit for that. But what we can take credit for is the fantastic work that the Zurich Community Trust does today. It highlights that insurance can be a force for good in society and demonstrates our Community Investment. And we can also take great credit if we understand, and act upon, two seminal truths: Firstly, in a world of increasingly complex risk, insurance can bring a unique social value through our core business capabilities. Secondly, we cannot approach societal value and business value as two separate goals. To achieve our Zurich Commitment and live our Zurich Basics, they must be one and the same.

So, I pledge to deliver our Corporate Responsibility Strategy:

As One Zurich. With one Mission. Through one Commitment. And with one set of values.

And on behalf of the entire Zurich Group, I say:

To tonight's award winners

To all of you charity coordinators

To Tim Culling and the Zurich Community Trust

From the bottom of my heart: Thank you