



Annual Report 2017



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The Foundation in numbers: our 2017 highlights

FUNDRAISING MATCHING

CHF

172,276 (27%) Disaster Relief
162,490 (25.5%) Health & Wellbeing
161,309 (25.3%) Youth Empowerment
141,498 (22.2%) Other

105,483 Standard Volunteer
22,579 Skills-based Volunteer
128,062 Total Volunteer

H URS

ANNUAL VALUE

of local grants **CHF 1,785,752**
of culture grants **CHF 378,000**
of grants to
global partners **CHF 8,968,272**

CHF 3,009,586 EMPLOYEE FUNDRAISING

CHF 637,573 Foundation fundraising
CHF 500,000 Foundation volunteer

matching

**CHF 20 MILLION
COMMITTED FOR
NEXT FIVE YEARS OF
FLOOD PROGRAM**

5 new local grants
3 culture grants
36 attendees from **27** countries
at capacity building conference
205 nominations for inaugural
Community Champions awards



Message from Chair of the Board of Trustees, Gary Shaughnessy

The impact of the Z Zurich Foundation and the engagement of people right across the Zurich Group took another large step forward in 2017, in supporting both the global challenges affecting humanity and our planet, plus the needs of local communities every day.

Our global efforts have been focused on three key pillars: disaster resilience, youth empowerment and wellbeing. On the first of these, the Global Risks Report 2018, released by the World Economic Forum in partnership with Zurich, highlighted the accelerating concern about climate change. Just one example is that a horrifying 1 in 10 deaths globally are the result of pollution. While the Zurich Group has stepped up investment in Green Bonds and become carbon neutral, the Z Zurich Foundation has supported a strong focus on flood prevention. Today, floods affect more people globally than any other type of natural hazard, and also cause the largest economic, social and humanitarian losses. Through cooperation within our flood resilience alliance, we have been able to make a significant impact in approximately 130 communities in 10 countries. The humanitarian case for action here is clear. The economic case is simple and compelling: every USD spent on flood prevention is worth USD 5 spent on recovery after the event. Working with global organizations like Practical Action and International Federation of Red Cross & Red Crescent Societies, we've been able to have a real and growing impact. In Mexico for example, with the passionate commitment of Javier Rodriguez, CEO of Zurich Mexico, we have been able to establish a community flood shelter and safe evacuation routes to reach it for communities along the Usamacinta river. You can read more about our achievements in this area on page 8 and the other two pillars starting on page 14.

The Z Zurich Foundation is also about local issues, local people and local communities. I'm particularly delighted, for example, that 2017 was a record-breaking year. This was evidenced by more than USD 3 million raised by Zurich employees, USD 700,000 matching from the Z Zurich Foundation, and USD 500,000 in volunteer matching.

“We now engage with local communities in several ways: The first is through our Local Programs initiative, which provides funding and support to Zurich offices to partner long-term with local community organizations that operate under one of the Foundation's three pillars. In 2017, we were excited to announce funding for eight new programs worldwide: five local grants, and three cultural grants. One example is in Austria. Here we have helped the local Zurich business team up with Verein TIW to provide a multitude of support to young people, including health, social and employability skills.”

Another way we support communities is through employee engagement. This is largely achieved by Zurich employee fundraising and the Foundation's volunteer matching schemes. The USD 3 million that I noted was raised by employees from diverse Zurich teams across the world. For a closer look at how this fantastic achievement was reached by each of our regions, please read more on page 17.



Importantly, employee engagement is as much about skills as it is fundraising. In 2017, our people gave more than 128,000 hours of their time and expertise to local community support and I'm pleased that the Zurich Group has also increased its commitment to support this further with over half of Zurich's CEOs signing up to the volunteer pledge. You can read about our volunteering approach on page 37.

While I am proud to reflect on 2017 as a record-breaking year, it was also a year of firsts for the Foundation. In June 2017, we held our first global capacity building workshop, which brought around 40 community champions from across the Zurich businesses together. They shared successes, identified what we could learn from each other, and focused on building the skills and capabilities to successfully and effectively support community engagement activities. The meeting was outstanding and demonstrated how many remarkable programs our people are engaged in. A real highlight was the showcase of the work that our Spanish business has undertaken in youth entrepreneurial development. To read more about this program, and others showcased at the conference, we have included a full report on page 32.

We also recognized our first Zurich Community Champions Award winners in 2017. This initiative was launched to celebrate Zurich employees who show selflessness and dedication in their efforts to help make their

local communities a better place to live, work and do business. There were more than 200 nominations. Congratulations to our four inspirational winners: David Bartnick (North America), Putri Sari Suci (Asia Pacific), Dana Olah (Europe, Middle East & Africa), and Flavia Medina Da Cunha (Latin America). I met Dana in our offices in Slovakia and was very impressed with the range of groups that she works with and the incredibly positive impact she has had on those around her. Each of the award winners received a three-year grant to provide to a community organization close to their heart. You can read more about these extraordinary Zurich winners on page 34.

The combination of our global programs, employee engagement in local community programs and individually inspirational people, makes it a great honor to take over as Chair of the Z Zurich Foundation at the start of the year. I'd like to thank Kathleen Savio, Chair from January 2016 to the end of 2017 and the Z Zurich Foundation management team, David Nash and Mark Heasman, for the momentum and enthusiasm that we have as we move into 2018. I'm particularly pleased that Kathleen has agreed to stay as a Trustee and that we will shortly broaden the number of Trustees to increasingly ensure we connect to all Zurich employees and the communities in which they live and work.

A key observation for me is that the contribution we make is deeply connected with Zurich's purpose and values. It's a core part of who we are and what we do which is important as the need for such support within communities is greater than ever. Of course, we are also grateful to the many Zurich employees and supporters who have given their time, energy and resources to make 2017 our most successful year yet at the Z Zurich Foundation. From the highly-engaged senior management team, to our charitable partners, and the Zurich teams on the ground who volunteered and fundraised in their thousands, it's been unbelievable! I look forward to making 2018 even more impactful.

On behalf of the Z Zurich Foundation, I thank you for your interest in our work and am pleased to be able to share our strategy, ambition and achievements with you. We welcome your thoughts and observations, which can be directed to z.foundation@zurich.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gary Shaughnessy', with a long, sweeping flourish extending to the right.

Gary Shaughnessy

Chair of the Board of Trustees,
Z Zurich Foundation

Our strategy and approach

Our strategy

In 2017 the Z Zurich Foundation's 'Giving Guidelines' continued to focus on three core areas, which you will see embedded throughout this year's report:



Disaster resilience delivered mainly through the global program

Flooding is the natural disaster that causes the largest financial and human losses globally. It is also a direct consequence of many other natural disasters such as storms and earthquakes. This area of focus aligns to expertise from Zurich's Property & Casualty business.



Physical and mental wellbeing delivered mainly through local programs

The World Health Organization (WHO) states that "there is no health without mental health", and nowhere is the relationship between mental and physical health more evident than in the rising number of chronic conditions afflicting populations worldwide. This area of focus aligns to expertise in Zurich's Life business'.



Youth empowerment delivered mainly through local programs

Investing in young people equips them to be employees, customers and shareholders of the future; however, more importantly, we believe such investment creates more cohesive and prosperous communities.

We have also been more explicit in linking our work to the UN Sustainable Development Goals (SDGs) in 2017. These are a universal call to action from the UN to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

Governments, business and individuals are starting to map out where they have the biggest impact and communicating this to their stakeholders. The Z Zurich Foundation has chosen to align with Zurich's Sustainability Framework, and focus efforts primarily on:



Our approach

In 2017, the Foundation maintained its three pillar approach to achieving our strategy.

The global program

Zurich's flood resilience program reached its conclusion at the end of 2017 (although evaluation takes place in the first half of 2018). Work throughout the year helped to develop a second phase for the program, which will start in 2018, to ensure that flood risk management remains a flagship issue over the coming five years.

The Local Programs

We continued to expand our portfolio of local programs in 2017, approving funding for programs in Australia, Austria, Brazil, Isle of Man, Turkey, and also extending the program currently operating in the Nordics. We also piloted our local cultural grants initiative this year, approving funding for three cultural programs in Australia, Malaysia and Italy.

Employee engagement

2017 was our most successful year to date for employee engagement. The Foundation continued its longstanding strategy to encourage fundraising and volunteering through matched funding schemes, however this year we also encouraged local CEOs to sign up to support the Z Zurich Foundation Volunteering Pledge, pledging a minimum of one day paid leave for employees to undertake volunteering in their own communities.

Owing to the increased level of employee engagement in recent years, the Foundation also introduced a new global recognition scheme in 2017. Designed for employees who go above and beyond in their community activities, these are the annual Zurich Community Champion Awards and recognize one winner from each of the four Zurich regions.

The relationship between the Zurich Insurance Group and the Foundation is a mutually beneficial one. The business provides us with an operating base and our resources (including staff and funding) and on the Foundation's part, we support the delivery of the community investment ambitions of the business.

The Foundation strategy emerges from this relationship.

Despite having achieved so much over the past five years, our challenge is how to evolve to create even more significant impact. During the latter part of 2017 and now continuing into 2018, we are working with *the Zurich business to develop a bolder ambition*, both in terms of tackling the core issues in a way that brings hope to millions of people and in terms of connecting Zurich people to that work.

Some of our thinking will involve developing our existing thematic focus (disaster resilience, youth empowerment, and mental and physical wellbeing) – you always start from where you stand, and these issues are at the heart of Zurich's own Sustainability Framework. But key to our future impact will be our willingness to build on this base by embracing change and supporting innovative approaches.

So, we will also be using the next two years to experiment with alternative program ideas – with particular emphasis on enhancing employee engagement and improving our ability to innovate. This will inform the structure of our programming to deliver the ambitions of both the Foundation and the Zurich business.

The year in pictures





Global Program Review

As has been detailed in this report, floods affect more people globally than any other natural hazard. Studies show that flood resilience – that is addressing the underlying flood risks – is more efficient and cost effective than simply providing relief after floods have occurred. Flood resilience is a complex issue however, and tackling it demands a multi-stakeholder approach.

Zurich's flood resilience program was first launched in 2013, bringing together an alliance of community, academic and private sector members. After five years, 2017 marked the final full year of work on this phase of the program, which we report on below.

During the first half of 2018, we will be conducting an evaluation of the program, which we will report separately in the year.

Practical Action at a community level

Nepal

Flooding is a real and significant threat in Nepal. Rapidly rising waters often take communities by surprise, leaving them no time to protect their homes, livelihoods or even their lives. To help build resilience to these floods, Practical Action is working with communities to improve flood early warning systems. Firstly, by connecting with telecommunication partners to send warnings via SMS which means individuals get an almost instant alert of impending danger. During the floods in August 2017, more than 1,100,000 SMS warnings were sent out to people living in downstream areas of six major river systems of the country, dramatically reducing impacts on their lives. In these floods every second counts. That is why Practical Action has also developed an innovative system to predict floods before they occur, and issue warnings up to 7 hours in advance of rising water. But technology is just one part of the story. The community networks that support flood early warning systems are just as critical, so efforts have been made to diversify household livelihood options, set up and empower Community Disaster Management Committees and to strengthen local government capacity both within Nepal and across borders with India. In 2017 these combined systems helped 2,000,000 Indian people near the Nepal border to escape from rising floodwater.

Bangladesh

Flooding occurs almost every year in Bangladesh, irrigating and fertilizing farmers' fields. The problem is that climate change is making these floods more unpredictable, while changes in population and land ownership are forcing the poorest individuals to live in unsafe homes in flood-prone areas. To help, Practical Action has developed a flood-resistant house design that even the poorest can afford. Using local labor and materials, families are now able to protect their homes and livelihoods from flooding which means they are not left destitute at the end of every flood season and can start to climb out of poverty. Additionally, specially-built 'cluster villages' have given 135 landless families a new home, safe from flooding. Four raised villages have been built above flood levels, and also provide flood resistant water and sanitation facilities. Practical Action has also offered training and support in flood-resilient agriculture, including creating floating gardens and turning the sandbars in

the middle of rivers into pumpkin patches. These techniques allow farmers to grow food even if their fields are damaged, meaning lower income losses, better nutrition and more time available to spend at home helping their families grow strong.



Peru

Flooding in Peru is triggered by erratic climate cycles and often takes communities by surprise. When floods affect many areas at once, as happened in 2017 when the worst floods in 20 years affected 50% of the country, local authorities are often unable to get help to everyone that needs it. Communities then find themselves at the frontline, and Practical Action has been working to help build their capacity to cope. A common issue is that early-warning equipment is too expensive for community groups and small municipalities. So Practical Action has developed a unique way of producing the equipment at one fifth of the usual price by training communities to make their own gauges and developing sensors using inexpensive materials, 3D printers, solar panels and open-source tech. This approach has been acknowledged by Peru's National Prize on Think Tanks. The project has also established a network of community leaders who have been trained to build and maintain vital infrastructure, used to escape and deliver aid during floods, and also to manage and coordinate response efforts. This means communities are now better able to resist and recover from floods, and government support can go to those who need it most.



Our work with the International Federation of Red Cross & Red Crescent Societies

The Zurich Flood Resilience country programs in Mexico and Indonesia continued to combine local community knowledge in 2017, leveraging humanitarian and private sector

expertise to enhance our flood resilience across flood-prone communities.

The program's fourth operational year builds on the gains achieved since 2014, facilitating diverse connections between people, communities, and the systems that support them. Country teams focus on working in partnership with multiple actors as well as through local Zurich champions to strengthen opportunities for positive change.

Mexico

A team from Zurich Mexico and IFRC have partnered with the Mexican Red Cross to implement a community-based flood resilience program in the state of Tabasco. This is helping build resilience for 21 communities along the banks of the Usumacinta River, which faces repeated seasonal floods affecting the lives and livelihoods of thousands of local families.

Key achievements in 2017 include:

- Fully developed flood contingency plans tested through inter-community exercises for all Zurich flood resilience community programs.
- Formal linkages established with Mexican Civil Protection agency and certifications of all Zurich Flood Resilience community-based brigades organized to support more than 10,000 people living in flood-risk communities.
- Media workshops organized with both major news and radio stakeholders and field-level campaign visits with newspaper and magazine reporters, to disseminate flood resilience messages to an audience of more than 750,000 people.

Indonesia

A team from Zurich Insurance Indonesia and IFRC have partnered with Palang Merah Indonesia (PMI) to implement flood resilience programs in upstream and downstream communities of three rivers; Ciliwung, Bangawan Solo, and Citarum.

These interventions seek to increase community resilience to flooding by improving coordination in the management of river systems and strengthening early warning systems.

Key achievements in 2017 include:

- Full implementation of the early warning early action system for Citarum river basin. The system covers 12 districts/municipalities, and can reach more than 20 million people.
- Construction of two evacuation buildings with capacity of sheltering several hundred people during annual flood events.
- A flood resilience innovation conference was successfully organized in Jakarta where more than 130 people from 30+ organizations participated. The conference showcased the 18 best projects from an innovation challenge and lead user process.

Case Study: Tugu Utara village



Tugu Utara village is one of the Ciliwung river upstream areas in Bogor district. Garbage management is a problem in Tugu Utara village and incorrect stacking of waste, or throwing it into the river, can lead to health problems and cause the river to overflow into downstream communities.

It was important that the community became aware of the environmental impact of incorrectly disposing of waste and how proper waste management can provide community benefits. The Community Flood Resilience program provided a plastic and organic garbage shredder enabling the waste to be recycled and also to generate income.

Incentivizing all parties involved in the project was critical to make it work. In February 2017, five employees of Zurich Insurance Indonesia (ZII) with the expertise, knowledge and experience provided relevant training for the community members.

The training, which was attended by 40 community representatives, volunteers and local government officials, focused on increasing knowledge and also supplying the community with marketing, financial and business planning skills.

The training included information on sorting the household waste by type, how to get income from plastic, paper and other recyclable materials, financial reporting, and how to handle the project's operations.

"The Puncak area has long been considered a garbage sender and cause of flooding. Deep in my heart, I feel angry, so I want my village to be clean of garbage. Personally I already sort and process my garbage, but maybe our neighbors and our friends do not do the same. I want to change people's mindset about garbage and how to throw it away, that garbage can be processed into something that has worth economically," **Winda Nurhayati** (49), a member of Tugu Utara Community Based Action Team.



Case Study: Practical Action Budyke



When Buddhu Tharu was granted freedom from slavery and a plot of land for his family by a government rehabilitation program he was full of hope for the future. But this quickly turned to disappointment. His new home, a village of around 60 houses named Mukta Kamaiya Basti, lies perilously close to the Aurahi river in the south-east of Nepal. Only a slight increase in water level would flood the village, forcing villagers to drop everything and run for their lives.

For the first few years, the Tharu family and their neighbors were forced to work as menial labor to survive after the flood took everything. "I was very disappointed. The first thing that came to my mind was 'what crops would I grow in this riverbed? How will my family eat now?'" recalls Buddhu.

Today the village bears no such resemblance to this situation thanks to the construction of a budyke that the villagers have built along the river with technical and material assistance from Practical Action. A budyke is a nature-friendly form of embankment made of locally available resources like sand, rocks, soil, shrubs and bamboo trees.

Buddhu Tharu can now grow rice and vegetables two seasons a year, and does not have to start from scratch after every rainy season. This is also having a positive effect on the whole community, as now villagers can make a living farming and do not have to migrate to find work.

"Flood is still a problem" adds Buddhu Tharu, "as the budyke is not big enough to stop all the water." But the community has plans to enlarge it – and as more people return to the village, the more help they have to help build flood resilience.

Generating knowledge: Our Research Partners

In 2017, our research alliance with two academic research institutions – Wharton School of the University of Pennsylvania, and the International Institute for Applied Systems Analysis (IIASA) – continued to produce valuable output.

At a policy level, the alliance jointly published a paper on disaster resilience. This covered what it is and how it can engender a meaningful change in a journal on development policy. The first findings from evaluating the flood resilience measurement framework were published by IIASA in the *Natural Hazards and Earth Systems Sciences* journal, concluding that there is “an urgent need for the continued development of theoretically anchored, empirically verified, and practically applicable disaster resilience measurement frameworks and tools”.

IIASA’s Reinhard Mechler also published an article in the *Natural Hazards* journal, explaining why investing in disaster risk management early on is cost-effective and what the limitations of cost-benefit analysis are.

The Wharton School looked at moral hazard in flood insurance and reported on empirical evidence from Germany and the United States, finding that it has the effect that policyholders prepare less for disasters, which increases the risk they face.

The cross-organizational team consisting of IIASA, the Institute for Social and Environmental Transition (ISET) and Zurich were invited to contribute their knowledge on our Post Event Review Capability (PERC) to a chapter to an AGU Wiley book on disaster forensics, which was published in 2017. They also continued to make several important contributions to the European Geophysical Union assembly 2017 held in Vienna, Austria and to the Loss and Damage debate at the Climate negotiations at COP23 in Bonn, Germany.

Zurich further added to its library of PERC studies, in collaboration with IIASA and ISET, publishing a review of the 2015/2016 weak El Niño and the subsequent coastal flooding in 2016/2017 in Peru. Together with Zurich Germany, we also published a review of the devastating and fatal flash flooding in Southern Germany in May 2017, shedding light on this often underestimated peril that took many lives and caused massive financial losses.

Seeking new solutions: the Water Window Challenge

In 2016, Zurich and the Global Resilience Partnership (GRP) launched a Global Resilience Challenge named the ‘Water Window’. This is a grant-based competition that identifies and develops locally-driven innovations and high-impact solutions to improve water resilience. To test new and innovative ideas we offered ‘seed grants’ of up to USD 250,000, and ‘scale grants’ of up to USD 1 million for ideas that were already shown to work. The total investment by Zurich to date is USD 10 million, which comes from the Z Zurich Foundation.

Twelve projects across 11 organizations commenced under the Water Window challenge in 2017. This included two which will directly use Zurich’s measurement tools as part of their approach. These projects aim to reach more than 900,000 beneficiaries over the 12 month cycle, and in the first four months, reached more than 35,000.

Early in the year, implementers were brought together to share learnings and develop a better understanding of Zurich’s community resilience framework and tools. Further workshops will help distil learning from the projects, helping the GRP to scale-up successful ideas.

Case Study: Water Window



Seacology builds resilience through a project focused on the conservation of mangroves among vulnerable communities in Northern and Eastern Sri Lanka. Mangroves are critical to building resilience: combating the effects of global climate change by absorbing up to 50 times more carbon than other types of ecosystems, acting as a natural buffer against the force of storm surges, and acting as critical nursery grounds for fish, enhancing employment opportunities. There will be economic benefits as well, because thousands of women are receiving microloans and business training that will free them from cutting mangroves to subsist.

Key Achievements in 2017:

- Progress for the reporting period includes the formation of 91 Community Based Organizations, holding 385 mangrove conservation awareness programs, training 720 women and youth and providing microloans to 219 women and youth.
- An exciting scientific event took place on February 2, World Wetlands Day, when a group of Asia’s leading scientific mangrove experts convened at the newly-constructed GRP-funded training center.

Flood resilience in numbers

Preliminary data from the first phase of the program shows the number of interactions we have had through the program (to date). A fully-verified evaluation report is to follow later in 2018.

	Country Programs:	4
	Communities	
	IFRC – Mexico	21
	IFRC – Indonesia	21
	Practical Action – Nepal	74
	Practical Action – Peru	15
		<hr/>
		131
	Total beneficiaries from country programs	146,200
	Boundary Partners:	5
	Programs	7
	Total beneficiaries to date	78,800
	Water Window:	Through GRP
	Number of grants	12
	Number of beneficiaries reported in first 4 months	36,667*
	Overall total beneficiaries from community interventions	261,667**
	Researchers:	2
	Papers created	39

* As of the December 2017 projects have reached **36,667** out of a projected total of **918,724**. Projects are scheduled to run until September 2018.

** In addition, the Boundary Partner National Academy of Sciences (NAS) works with a population of **507,500** people in four counties and two cities in the US. Their reach numbers only include specific participants in the data analysis process. The outcomes have been used within the 4 counties and hence indirectly benefit up to 507,500 people.

Developing a second phase for Flood Resilience

As we reported last year, when the flood resilience program first started it was not understood how we could measure its impact. If the intention was to improve community resilience, we needed to work out what that was and how to measure change. Since 2015, we have developed an innovative approach which achieves this goal, utilizing Zurich's Risk Engineering expertise and a practical tool. There are a large number of resilience frameworks and definitions currently available, but none have yet been translated into anything practical.

During 2017, we have continued to make important progress in applying and evaluating the framework. It is based on contributions

from all the flood resilience alliance members and four additional community organizations (the National Academy of Sciences in the U.S., Concern Worldwide with programs in Afghanistan and Haiti, Plan International in Nepal and Mercy Corps in Indonesia, Nepal and Timor-Leste).

These organizations applied the tool in their flood-related community programs in 2017 across more than 100 communities. They implemented resilience-building projects based on the findings from the baseline measurement using the tool, many of which have been scaled beyond the initial communities they worked in, and leveraged networks and collaboration opportunities with local NGOs, academia and the public sector in their respective

geographies. Our research partners are evaluating data from baseline and other surveys using the tools to demonstrate that the framework is valid.

The evaluation of the two-year field trial will be completed in 2018, however initial analysis of the data is encouraging and we have decided to initiate a second phase to the program starting in mid-2018. At the heart of the work is the framework and tools we have developed in the first program. Our aim is to leverage an additional USD 1 billion investment into flood resilience over the five year period. With this in mind, the Alliance partners have formulated an overall vision and specific objectives for the second phase. This is represented in the diagram below:

Vision	Floods have no negative impact on people's and businesses' ability to thrive
North Star	To increase social, political and financial investment in community-based flood resilience building through public, private and third sector partnerships (by 2023)
Strategic Objectives	<p>Increased and more effective financial investments in flood resilience¹</p> <p>Improved global and national policy for increased ex-ante action to flood resilience¹</p> <p>Improved practice in flood resilience stakeholders¹</p>
Sub-Objectives	<p>Influencing the structure and focus of ODA² and philanthropic funds</p> <p>Influencing the implementation of global frameworks (Sendai³ and UNFCCC⁴)</p> <p>Improving national regulatory and policy environment (flood resilience specific and relevant) and governance</p> <p>Demonstrating what works at community level and why</p>

1 Targets and indicators to be confirmed in 2018
 2 "Official Development Assistance (ODA) is bilateral support from one country to another,
 3 The Sendai framework is an international agreement to improve Disaster Risk Reduction measures globally.
 4 The United Nations Framework Convention on Climate Change (UNFCCC)

These objectives will be developed into specific targets during the first six months of 2018. At a high level, they can be summarized as:

Influence community development professionals to adopt techniques that work, through demonstration of the flood resilience measurement framework

Influence global, regional, national, and local stakeholders to create the right policy environment and enforce it

Influence more and smarter funding decisions around risk-informed community development

The evaluation of the first phase of the Flood

Resilience Program will be published to accompany the launch of the second phase in mid-2018. We will report on those developments in next year's publication.

Keeping culture alive: our pilot program

Artistic expression is one of the key markers of a civilized society. Whether that is visual arts, performance arts or heritage projects, culture helps bind communities together. The Foundation's charitable purpose ultimately aims to help build cohesive and resilient communities, however funding for these artistic activities is often the first casualty in times of austerity. If cultural expression is to survive, we strongly believe that alternative sources of funding are vital.

The Foundation trialed a Culture Fund in 2017, with a total budget of CHF 1,000,000 to support clearly-defined, one-off cultural projects over a period of no more than one calendar year. The scope of these projects could cover anything from museums to theatre, film to art, or even large-scale public cultural celebrations.

In order to be eligible, projects needed to demonstrate a positive social impact that is aligned to one or more of the Foundation's three pillars (Disaster Resilience, Youth Empowerment or Mental and Physical Wellbeing). They could not be marketing or branding focused initiatives and where possible, needed to demonstrate opportunities for Zurich employees to engage with the programs.

The criteria were intentionally narrow to ensure that projects contributed to the overall mission of the Foundation and did not distract from other local community projects funded by the Foundation.

The Fund approved three projects during 2017, presented below as case studies. All of the projects were successful, however, in assessing the overall success of the pilot, the Foundation's Board noted the following:

- The Fund distracted attention from the Foundation's successful and expanding Local Grants Program, which focus on the core pillars of the Foundation's strategy.
- Other foundations – particularly those focused almost exclusively on culture and the arts – were investing significantly more funding into this area and as such, the funding available through the Culture Fund was often not significant enough to engage cultural institutions on projects.
- Most cultural institutions were looking for corporate sponsorship and not positioned to offer employee engagement opportunities other than with token gestures such as free tickets.
- The Fund's criteria were too narrow for most Zurich business units to successfully develop projects that met the requirements.

Reflecting on the above, the Foundation Board decided to discontinue the pilot and refocus existing resources on the Foundation's Local Grants Program in 2018.



The Rainforest World Music Festival: **Malaysia**

The Rainforest World Music Festival is an annual three-day family music festival celebrating the diversity of world music, held in Kuching, Sarawak, Malaysia. It is the most popular and longest running cultural festival in Malaysia, and celebrated its 20th anniversary in 2017, attracting more than 20,000 visitors. The festival features a wide range of performances from traditional music, to world fusion and contemporary world music, as well as wellness activities and health seminars on the sidelines.

Zurich Malaysia secured a donation of RM 200,000 (approx. CHF 48,000) from the Culture Fund to become the inaugural 'Corporate Social Responsibility' partner of the festival, a new partnership opportunity introduced as part of the 20th anniversary celebrations, and in line with the festival's sustainability ethos. This donation provided Zurich Malaysia a marquee to introduce their 'Eat Right To Play Right' program, which aims to reduce obesity and malnutrition among Malaysian children. In addition to offering active football demonstrations and dispensing free healthy drinks and nutritional information, Zurich Malaysia also used the opportunity to recruit 67 new community coaches for the program, and 312 program support volunteers.



La Scala Opera House: **Italy**

To celebrate the world premiere of Salvatore Sciarrino's new opera 'Ti vedo, ti sento, mi perdo', Zurich Italy secured EUR 150,000 (approx. CHF 180,000) from the Culture Fund to work with La Scala Opera House, Milan, on a program of initiatives dedicated to showcasing and promoting contemporary opera music, and to widen its appeal and broaden its audience. This includes securing tickets to distribute to their existing charitable partners in and around Milan, enabling many people who could not normally afford to attend the opera a chance to experience it for the first time. In addition to informative showcases in both the opera house and local schools, the donation also subsidized tickets for young people, particularly those from disadvantaged backgrounds. More than 35% of tickets sold qualified for a discount, with an average discount of 80% of the usual list price.

More than 10,000 people attended La Scala to watch the new contemporary opera, with more than 10% of those benefiting from Zurich's subsidy for disadvantaged young people. More than 900 people attended introductory lectures held by the composer in the Opera House, and a similar number of students from local schools participated in workshops introducing them to the concept of contemporary opera, encouraging them to share their experiences afterwards. Feedback from attendees was very positive, with those attending for the first time appreciative of the range of activities provided to help them understand contemporary music before experiencing it. It also helped further enhance the close relationships Zurich Italy has with its local charitable partners in Milan, who benefited from the distribution of free tickets.



Beyond Empathy: **Australia**

Zurich Australia secured a grant of AUD 200,000 (approx. CHF 150,000) to fund a year-long partnership with Beyond Empathy, starting in December 2017. Beyond Empathy uses different art forms to enrich the lives of individuals and their communities experiencing multiple forms of disadvantage. After discovering which art forms resonate with participants, Beyond Empathy, working mainly with Aboriginal artists, aim to create new mediums by which participants can express themselves, tell their stories and re-engage with their communities. These artists include film-makers, dancers, artists, musicians and more.

Mental health is the main focus of Zurich Australia's local community programs. Young people from aboriginal communities are statistically much more likely to suffer mental health issues or commit suicide than those from non-aboriginal communities, and so this grant will enable Zurich Australia to invest in a cultural program that addresses a pressing social issue linked to their existing community programs. The Foundation's grant will enable work to take place in Aboriginal communities in four locations: Moree, New South Wales, Illawarra, New South Wales, Shepparton, Victoria, Perth, Western Australia. Although approved and initiated in 2017, most of the project will take place in 2018. Zurich employees will accompany Zurich Australia's CEOs to each location to participate in the activities, with a showcase of the results taking place at Zurich Australia's head office when the project finishes.

Whilst impact for this project cannot be measured until it finishes, a similar project in 2013 showed that participants registered improvements in their emotional wellbeing and personal relationships, increased social inclusion and self-esteem, and improvements in their outlook for their futures.



Focus on the Figures – review of our local programs

In addition to our global initiatives, we also seek to have a positive impact on the local communities of which Zurich is an integral part.

Through our local grants program, the Z Zurich Foundation encourages and enables the development of long-term community activities run by Zurich's local subsidiaries.

Funding by the Foundation is complemented by resources, time and skills from Zurich's employees locally. In addition, the Foundation supports the annual Zurich Community Week (ZCW) celebrations, designed to encourage local engagement in communities. This program has taken place each year for the last six years and provides an opportunity to highlight and recognize the activities, time and resources

Zurich contributes to communities around the world during the entire year. It also provides a platform to raise awareness about Zurich's role in society, and inspires employees to help create tangible change where it is needed most.

The Foundation encourages Zurich employee engagement through two matching programs.

The figures below represent the total amount of fundraising and volunteering hours undertaken by countries, as well as the matching amounts from the Foundation.

Figures for Volunteer Matching

Latin America

	Skilled Hours	Normal Hours	Volunteer match payment CHF
Chile	–	355	6,000
Venezuela	198	–	6,000
Brazil	–	652	7,000
Zurich-Santander Brazil	–	983	8,000
Colombia	42	917	8,000
Argentina	141	1,961	12,000
Mexico	–	5,702	24,000
	381	10,570	71,000

North America

	Skilled Hours	Normal Hours	Volunteer match payment CHF
Bermuda	–	430	7,000
Canada	425	849	10,000
US	932	15953	50,000
Farmers	1505	30279	50,000
	2,862	47,511	117,000

Figures for Volunteer Matching

Europe, Middle East & Africa

	Skilled Hours	Normal Hours	Volunteer match payment CHF
Denmark	–	25	5,000
Norway	–	28	5,000
Corporate Centre	–	54	5,000
Luxembourg	–	99	5,000
Poland	–	179	6,000
Russia	–	240	6,000
Switzerland	–	256	6,000
France	–	300	6,000
Sweden	133	60	6,000
Isle of Man	61	225	6,000
Benelux	–	455	7,000
Italy	95	514	7,000
Slovakia	111	494	7,000
Middle East	–	890	8,000
Austria	72	925	8,000
Ireland	633	310	10,000
Portugal	18	1,827	11,000
Spain	1,623	6,695	36,000
Germany	420	9,856	40,000
UK	15,764	16,189	50,000
	18,930	39,621	240,000

Asia Pacific

	Skilled Hours	Normal Hours	Volunteer match payment CHF
Singapore	–	116	5,000
Cover-More	–	142	5,000
New Zealand	–	248	6,000
China	185	135	7,000
Japan	–	515	7,000
Australia	50	906	8,000
Indonesia	71	1,036	8,000
Hong Kong	28	1,679	11,000
Malaysia	72	3,004	15,000
	406	7,781	72,000

Figures for Fundraising Matching

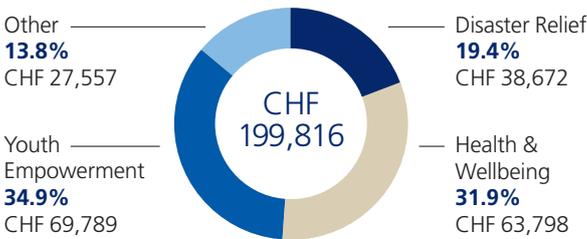
Regions

	Total	ZZF matching	BU matching
Europe, Middle East and Africa (EMEA)	1,530,838	199,816	1,331,022
North America and Bermuda (NA&B)	1,291,127	250,136	1,040,991
Asia Pacific (APAC)	161,324	161,324	–
Latin America (LATAM)	26,297	26,297	–

Around the Regions Europe, Middle East & Africa



Breakdown of fundraising matching by cause



58,551

Volunteer Hours

18,930

of which are skills-based

CHF 218,574

Annual value of local grants

CHF 180,000

Annual value of culture grants

CHF 1,530,838

Employee fundraising

CHF 199,816

Foundation fundraising matching

CHF 240,000

Foundation volunteer matching

Zurich Middle East – Caring for children with cognitive disabilities



Shital Khanna, Head of Operations Performance, Zurich International (Middle East) and Chair of Zurich Cares Middle East Committee

(see below picture). The donations collected from these activities, together with donations from our annual Zurich Corporate Touch 6s Community Day, were matched by the Z Zurich Foundation.

The total amount collected was AED 132,000 (approx. CHF 36,000). We also earned an additional AED 30,000 (approx. CHF 8,000) from the Z Zurich Foundation’s volunteer matching program for the 890 hours of volunteering work we completed this year. This was donated to Al Noor to provide additional services for the children. Our contribution was accepted with an incredible amount of gratitude.

“It’s really important for us to give back to the communities in which we live and work. We’re proud to volunteer our time and services to those less fortunate. We will continue to support children with special needs and reach out to other members of our community who need our help.”

Walter Jopp, CEO Middle East

“We feel honored to be associated with Zurich who understand the needs of the center and extend support. This helps us to work towards providing the best services to our children with special needs.”

Al Noor Training School

Since its official launch in 2017, our ‘Zurich Cares’ charity committee has built on the incredible momentum of Zurich’s charity work in the Middle East. After 20 years of support, we have continued to provide assistance to Manzil Centre, a school for students with cognitive disabilities. Furthering our commitment to persons with disabilities in the local area, we have added Al Noor Training Centre to our support network, offering them financial assistance and volunteering services.

In the last year, Zurich Middle East employees were involved in a wide range of activities such as bake sales, a water distribution campaign for construction workers, salary sacrifice, Secret Santa and an assistive technology event



Zurich Ireland – Reducing the stigma around mental wellbeing



Elaine Hayes, People Development Consultant & Local Grant Lead, Zurich Ireland

Tackle Your Feelings (TYF) is a mental wellbeing campaign run by the representative body for professional rugby players in Ireland, Rugby Players Ireland, in partnership with Zurich Ireland and supported by Z Zurich Foundation. Starting in 2015, the three year investment of EUR 1,000,000 aimed to reduce the stigma surrounding the topic of mental wellbeing across Ireland, making it relevant to everyone, and to make tools and resources available to enable people to become proactive in managing their mental wellbeing.

Using the hero status of rugby players in Ireland is central to the success of the campaign and in the last year we've launched two more TYF ambassador videos in which rugby players and coaches role-model the concept of strength in vulnerability. To date, our ambassador videos have been viewed over a million times. We have also launched a publicly available mobile app, which puts the power to take positive, proactive steps to work on your mental wellbeing into your hands. The app has received very positive feedback, shooting up the wellbeing app charts in Ireland within a few days of its release.

Bringing the message of TYF to life for our employees and stakeholder groups continues to be a point of focus for the campaign. Two of our employee ambassadors created videos to

share their stories and we took the opportunity of World Mental Health Awareness day to host fireside chats with our employee ambassadors and our Employee Assistance Program partner to increase employees' awareness of the support available to them. Another highlight of the campaign in 2017 was an opportunity to bring our message to another key audience for both our business and the campaign – Irish Farmers. The Annual National Ploughing Championships is the largest gathering of members of the agricultural community in Ireland. Taking advantage of the Zurich tent at the Championships, one of our rugby ambassadors, Cathal Sheridan, shared his story, and answered questions about his Mental Wellbeing strategies. The Zurich Farmer of the Year 2017, Peter Hynes, also featured in our latest Tackle Your Feelings Ambassador video alongside Ian Keatley, Munster and Ireland player and Marcus Horan, former Munster and Ireland player.

Since the very beginning, the campaign has sought to make mental wellbeing a subject that everyone feels is relevant to them and to make resources to support mental wellbeing accessible to all. With the launch of the TYF App this year, I am proud to say that we have made a huge stride forward in realizing this ambition.

“For the past three years we have partnered with Zurich to build a national campaign on mental wellbeing in Ireland. The support of the Z Zurich Foundation has given Rugby Players Ireland the opportunity to make a meaningful difference in the wider society beyond our traditional audience.”

Simon Keogh, CEO Rugby Players Ireland



Zurich Germany – Preparing young people for adulthood



Judith Groteclaes, Service Specialist and **Katharina Schorr**, Credit Analyst, joint Mentor Program Leads, Zurich Germany

2017 was our second year partnering with Mentor Stiftung Deutschland, a non-profit organization branch of Mentor International. Our partnership currently funds Mentor with EUR 200,000 over three years. The organization focuses on preparing young people for adulthood, promoting healthy lifestyles, and reduce risky behaviors including drug abuse.

To help young people navigate a path towards a promising future, Mentor uses evidence-based mentoring programs. Core

to our programs concept is that the young adults (mentees) meet employed adults (Zurich mentors) without any pressure or judgmental hierarchy; they can just be as they are and speak frankly about their concerns. The mentor acts as a neutral party, who can give advice to its mentees, listen to them and first and foremost: take them seriously. The goal is to reach socially disadvantaged young people to show them opportunities and perspectives for their future.

In 2017, our program focused primarily on Frankfurt, where we partnered with the Anne-Frank-Schule, and where our employees mentored 28 young people throughout the year. The experience is valuable for the mentors too, enabling us to see the world from a different perspective – it's a learning journey for us! Our mentoring took place across five meetings, each with a different focus: topics like growing up, fears, job interviews, teambuilding and resilience after failure were explored. While four meetings took place at the school itself, one took place in our office to enable the young people to also get some

experience of the working world. We even welcomed one of our mentees to Zurich Germany to complete his four-week school internship after the program had finished. We are currently looking to redesign our program, including expanding into Cologne and Bonn schools, ready for the next academic year.

“Our strategic and long-term cooperation focuses on our joint values – empowering young people to create their own opportunities, in a world based on mutual respect.”

Sybille Perez, Manager of Mentor Stiftung Deutschland



Zurich Isle of Man – Empowering young people to enter the workforce



Jonathon Perry, Savings & Investments Propositions Delivery Consultant and Local Grant Lead, Zurich International, Isle of Man

2017 saw Zurich International secure a three-year grant from the Z Zurich Foundation totaling £91,500 to work with Junior Achievement on the Isle of Man. This aligned nicely with the Foundation's Youth Empowerment pillar, and the funding supports Junior Achievement with their 'Learn to Earn' and 'Our World' programs. Learn to Earn teaches transferable skills which build a knowledge and awareness of workplace behaviors, empowering young people to confidently enter the workplace and be successful in life regardless of academic ability.

This program is delivered in every secondary school on the Island. 'Our World' is delivered to students in their last two years of primary school and is a financial literacy and entrepreneurial skills program that teaches children why products are imported and exported, and the effect of global supply and demand on the value, price, use and sustainability of the world's resources. This is particularly relevant for our business unit, Zurich International, as we have a headquarters on the Island but operate through a branch network across the world. We want to ensure our Isle of Man headquarters continue to be recognized as an employer of choice.

Our employees have volunteered with Junior Achievement for many years, and this grant cements our support to the organization. Our volunteers continue to take the opportunity to engage with young people, giving them the foundation in key skills that will help them ensure success in their futures. Junior Achievement delivered a learning and training session in our offices to ensure staff feel confident supporting the programs they volunteer for. To date, we have engaged 33 primary schools with the Our World program, reaching more than 1,000 students. By the end of this academic year, we will also have reached a further 1,000 students across all the island's secondary schools with our Learn to Earn program too.

"Junior Achievement relies on a wonderful team of volunteers to deliver our programs. Prior to the support from the Z Zurich Foundation we were finding it increasingly difficult to recruit enough volunteers in both Primary and Secondary Schools. We are extremely grateful for the grant which allowed us to recruit a part-time Assistant Programme Manager to work in Primary Schools, giving us the opportunity to focus the limited volunteer resource in Secondary schools."

Sue Cook, Chief Executive of Junior Achievement Isle Of Man



Zurich Austria – Caring for kids after school



Karin Eichhorn-Thanhoffer, Head of Strategy & Corporate Responsibility, Zurich Austria

Zurich Austria's new partnership with Training Integration Education (T.I.W.), a non-profit organization that cares for disadvantaged young people after they have left school, represents a three-year commitment started by the Z Zurich Foundation in 2017 and with a total commitment of EUR 204,000. The young people may be disadvantaged due to their social background, because of low cognitive abilities, or they may even be refugees resettling in Austria. The organization

supports them in securing a work placement suited to their abilities.

At the core of our collaboration are the workshops and seminars held by Zurich volunteers, where they share experiences, successes and problems they themselves encountered in their personal or work life, in order to inspire and encourage the young people. We aim to role model behaviors and work ethic, and help the young people create their personal future aspirations. We aim to bring the topic of employability to life in an authentic, fun and inspiring way. We also recently launched a mentoring program, where Zurich's junior aspiring leaders are paired with young people from T.I.W. to explore issues outside both parties' comfort zones, and to further develop skills like empathy and communication. This is important for us, as our customer base is a diverse one, and our leaders of the future need to ensure they are able to address the needs of customers from all walks of life. To help these young people feel more comfortable with the wider Austria society, we also run cultural events where our volunteers accompany groups of young people on trips to significant but fun places around Vienna, including museums, art galleries and the aquarium. Spending a day together in a relaxed

social setting deepens the relationship and trust on both sides, and creates a connection that will lead to further success of the program. Since the launch in July, more than 20 workshops were facilitated by Zurich employees, and 15 cultural trips took place. We also provided formal work clothing for 11 young people attending job interviews that did not have the means to purchase suitable clothing themselves. In total, more than 300 young people benefited from our program in its first year, and we look forward to increasing that next year as we introduce cookery sessions, and compile a cookbook of their recipes to help these young people live independently.

"Community engagement forms part of Zurich Austria's identity. In all regions employees come together as teams to give back to our communities and we know that we always benefit ourselves just as much as those we help."

Andrea Stürmer, CEO, Zurich Austria

"The Z Zurich Foundation grant enables us to continue with our successful pilot activities and provides more opportunities for our young adults to secure regular work, enabling them to manage their life autonomously."

Andreas Pollak, Head of T.I.W

Zurich Slovakia – Bringing diverse communities together



Zuzana Pachingerova, Talent Acquisition Specialist, and Community Lead for Zurich in Slovakia.

Here in Bratislava, we cooperate mainly with 'Centrum Rodiny' (Family center) in Dubravka.

The center started in 2015 with empty premises, no equipment, funding or clients. After just two years, the center supports 50-100 people of all ages each day. The main purpose of this organization is to foster interaction between generations and various social groups, including families, students, people with disabilities, people in socio-economic need, parents on maternity leave and others.

Zurich's Bratislava branch cooperates with the center both on manual and skill-based volunteering activities. We delivered financial literacy training for children, IT lessons for mothers on maternity leave and helped young

adults with employability skills. Our employees also helped refurbish areas, both inside and out, creating a better space in which to deliver services. The center also created products for our internal Christmas bazaar where employees could purchase socially responsible products. Throughout 2017, all our fundraising was matched by the Z Zurich Foundation.

"We are very glad that we can cooperate with such an amazing company like Zurich, and its Foundation. Its employees are always dedicated and genuine. We would never manage to turn our plans into reality without people like you."
Director, Centrum Rodin

Zurich Switzerland – Championing climate change education



Barbara Jordan, Senior Advisor, Corporate Responsibility, Zurich Switzerland

In 2017, Zurich Switzerland introduced a new "Wetterfroscher" (weather frog) climate change education program in partnership with MeteoTest, where we used our technical expertise to devise a 'Natural Hazards' module.

The program is geared toward 10–12 year-old schoolchildren. A comprehensive study book explains climate and weather phenomena in a way that is both playful and easy to understand, and encourages observations and experiments. By discussing weather-related issues, they learn how to interpret the effects of climate change, identify potential hazards and, most importantly, protect themselves. A weather and climate expert delivers these programs in classrooms, and Zurich employee volunteers are invited to dress as frogs and co-facilitate these sessions in a light-hearted way, bringing in their business expertise in protecting customers and their property.

In our first year, Zurich volunteers co-hosted 30 sessions in different schools. Thanks to these volunteers, we earned CHF 6,000 in volunteer matching from the Foundation, which our employees chose to donate to PetiteSuisseKinderhilfe, which seeks to provide opportunities for disadvantaged children across the country.

"At work, we deal with the effects of natural disasters on a regular basis, but being at school when the children hear about these dangers, and seeing how this is taught at a primary school level, was fascinating. The children were so curious to learn. All in all a very rewarding experience and an unusual way to share my knowledge."

Zurich Wetterfroscher volunteer



Zurich Nordic – Helping young people make healthy decisions



David Haak, CEO Zurich Nordic & Member of the Board of Directors, Mentor Sweden

Since December 2013, Zurich Nordic have supported Mentor Sweden, a charitable organization working to empower young people aged 13-17 to make healthy decisions. Just like Zurich, as an insurance company working for our customers, Mentor sees the most value in preventative work with their communities. Our current partnership, with a combined contribution from Zurich Nordic and

the Z Zurich Foundation of SEK 1,500,000 annually, supports mentoring partnerships for 74 young people across Sweden, Norway and Denmark. In 2017, our employees used their professional skills to support career experience days in our office, career inspiration days in schools, mentor events and training evenings, and parenting seminars, where we aim to use the expert knowledge of Mentor to help our employees in their parenting journeys.

We also supported Mentor cooperation with the daily newspaper Dagens Industri. I was pleased to be interviewed by them in August, where I highlighted our cooperation with Mentor, and how we role model this partnership across the wider Zurich Group, including supporting our colleagues in Zurich Germany as they partner with Mentor Deutschland, and in Denmark, where we recently became a founding partner for Mentor Denmark. On a personal level, it was a real highlight for me to have facilitated a meeting between our Group CEO, Mario Greco, and Mentor's Founder and Honorary Board Member,

HM Queen Silvia of Sweden last year. The meeting took place in the Royal Palace of Stockholm, where a very interesting discussion on our partnerships, and the importance of ensuring a healthy youth was held.

"We are pleased that the cooperation between Zurich and Mentor gives us even more opportunity to support and strengthen young people at a time when it really is needed."

Karin Jordås, Secretary General, Mentor International and Mentor Sweden



Zurich Spain – Empowering youth employment



Carlos Esteban, Head of Human Resources and Corporate Responsibility, Zurich Spain

In Spain, youth unemployment remains extraordinarily high, with the 2017 average close to 40%. As such, we have prioritized actions that contribute to the reduction of youth unemployment levels here in Spain, primarily in Barcelona and Madrid. Junior Achievement is one of the largest educational organizations in the world dedicated to promoting entrepreneurship and financial literacy among youth. Thanks to a three-year grant of EUR 275,000 from the Z Zurich Foundation, Zurich in Spain has developed a longstanding relationship with Junior Achievement, focusing on three areas. Investing in a skilled workforce ensures we have

prospering communities in which we can hire employees and sell our products to customers.

The first, 'Skills for Success' helps young people develop their employability skills. This year, 60 of our volunteers helped run 30 programs across 11 schools, benefiting 750 students. The second, 'Mini-company', empowers young people to take a business idea from initial concept to reality, allowing them to experience all the issues, risks and rewards that a normal company would in their start up period. The program culminates with a regional, national and continental competition. This year, 54 Zurich volunteers helped run 28 programs in 18 different schools, benefiting 760 students.



The final element is our 'Orienta-T' initiative, which uses keynote speeches by female leaders in our organization to inspire the next generation of female talent in STEM related subjects. Seventeen Zurich volunteers helped run five programs across 19 schools in five different cities, benefiting more than 900 young people. And the measurement we undertake suggests these programs are having an impact – participants reported their expectations of studying at university increased by 30%, their entrepreneurial spirit increased by around 30% and their academic performance in technical subjects like mathematics increased by 20%. We also see a reduction of unauthorized absences of around 30%.

"For almost a decade, the situation for young people in Spain has been complicated. Thanks to our collaboration with JA Spain, we are working to ease this problem and find new opportunities for our youth."

Vicente Cancio, CEO Zurich Spain

"The impact evaluation of the programs confirms that we generate a positive impact, which leads to improvements in future opportunities. This evaluation has been key to the collaboration with the Z Zurich Foundation, and it is essential to generate an impact in the long term."

Blanca Narváez, General Manager JA Spain

Zurich UK – Helping young people with disabilities into the workforce



Pam Webb, Head of the Zurich Community Trust & Community Lead, Zurich UK

The Zurich Community Trust is the charitable arm of Zurich in the UK. Established in 1973, it aims to improve the quality of life for disadvantaged people through a range of programs, which combine grant giving and employee engagement. In 2017 UK employees delivered 4,690 days of volunteering through Zurich Community Trust programs.

We received a GBP 37,500 (approx. CHF 50,000) grant from the Z Zurich Foundation's volunteer matching scheme this year. The grant contributed to a pilot program, working in partnership with Zurich's UK Disability Inclusion Group and the charity Volunteer Matters, to provide work-shadowing placements for young people with a range of physical and learning disabilities. Each young person was matched with a Zurich mentor who, during their work shadowing, supported them to experience the working environment, build their confidence and increase their aspirations.

Seventeen young people undertook work shadowing placements across six UK office locations during 2017. Evaluation showed that 100% of the young people enjoyed the experience, 90% increased their confidence and 84% developed new skills. From the business mentor perspective 100% would recommend the volunteering opportunity and 93% felt they now had a much better understanding of the barriers disabled people encounter. Due to the success of the pilot we will be continuing with the program for the next two years.

"It was an absolute inspiration to see and hear the stories of the young people and their mentors last year and to see the journey many of these young people made from arriving at our offices nervous and unsure to leaving with confidence and raised aspirations for the future."

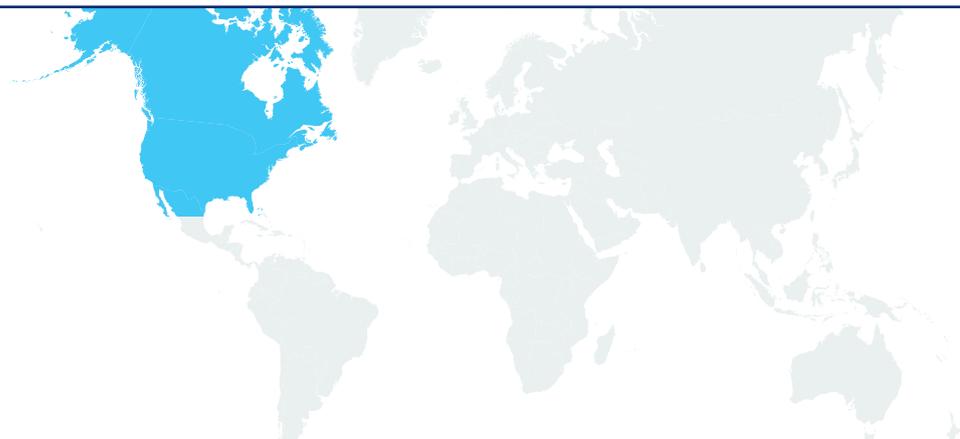
Anne Torry, Chair of Trustees, Zurich Community Trust UK

"We have the privilege of inspiring these young people and they inspire us in return. It is a sad fact that these young people are likely to experience barriers when attempting to achieve a fulfilling career, and our aim is to help build their confidence to succeed."

Tulsi Naidu, UK CEO and Trustee, Zurich Community Trust UK



Around the Regions North America and Bermuda



Breakdown of fundraising matching by cause



50,373

Volunteer Hours

2,862

of which are skills-based

CHF 268,623

Annual value of local grants

CHF 0

Annual value of culture grants

CHF 1,291,127

Employee fundraising

CHF 250,136

Foundation fundraising matching

CHF 117,000

Foundation volunteer matching

Zurich Canada – A unique approach to ending homelessness



Lori Cassidy, Head of Finance and Community Lead, Zurich Canada

In September 2016, the Z Zurich Foundation approved a three-year, CAD 1,000,000 grant to support the Mustard Seed, part of the Resolve campaign, in solving the issue of homelessness in Calgary. The grant goes towards paying down the mortgage on a supported housing block. As a large commercial insurer in the region, we often see the impact of the volatile energy and oil sands industries on the local community, and want to ensure the economic prosperity of the region and its people. The Resolve Campaign reverses the traditional approach to solving homelessness (working

with homeless individuals to resolve their personal issues so they can secure employment and housing) by focusing first on securing housing. The premise for Resolve's strategy is that once a person has the security and stability of a place to live, it is much easier to address other issues, often including, but not limited to, mental health, addiction and unemployment. This method comes at a much lower cost to society (both financially and otherwise) over the long-term, and has shown improved success rates when it comes to reintegrating the homeless back into society and providing sustainable futures. In fact, the average cost of supporting a homeless individual in Calgary is approx. CAD \$55,000, compared to CAD\$ 21,000 through the housing first model. That is a staggering saving!

We elected to partner with The Mustard Seed (one of nine social agencies in the Resolve campaign) having previously supported them during our Community Week activities – we saw an opportunity to build a deeper relationship and help them grow as an organization. Their primary mission is to meet the basic needs of shelter, food, clothing and acceptance for men and women experiencing poverty and work with them to find sustainable housing and employment. We are well into our second year of the partnership, and this year our volunteers have shared their business

knowledge, insights and skills, introduced best practices, and leveraged professional connections. Specifically, our employees have volunteered time to assist the Mustard Seed in an IT implementation project, participated in the "Seed Academy", helping homeless clients to prepare resumes and complete job applications online, and supported The Mustard Seed's daily programs by volunteering in the homeless shelter itself. Zurich Canada CEO, David Levinson, delivered a customer service presentation to more than 200 employees of The Mustard Seed, sharing how Zurich puts the customer at the center of all that we do and what Zurich thinks good customer service looks like, encouraging attendees to use this to build relationships with donors, volunteers and guests of The Mustard Seed. Our efforts saw Zurich Canada awarded the Mustard Seed's Golden Dove Award for community building at their annual Seeds of Hope Gala in October.

"Zurich's support has been exemplary and made a transformational impact on various levels; the largesse of Zurich's philanthropic gift, the dedicated and resourceful employee engagement, and Zurich's ambassadorship and advocacy on behalf of The Mustard Seed within Zurich's business community."

Richard Deschenes, Chief Development Officer, The Mustard Seed.

Zurich Bermuda – Taking ‘Action on Alzheimer’s & Dementia’



Melissa Logie, Finance Manager & Community Lead, Zurich Bermuda, and Treasurer, Action on Alzheimer’s & Dementia

Zurich Bermuda’s partnership with Action on Alzheimer’s & Dementia (AAD) represents a three-year, USD 150,000 Z Zurich Foundation commitment, started in 2015. The funding has enabled AAD to grow as an organization, increasing the number of residential homes and community locations where it provides therapy services, whilst also offering a greater variety of therapy programs including art therapy, movement, music therapy, gardening, spa days, farm animal encounters, and much more. Offering more services in more locations reduces isolation and loneliness, and helps keep AAD’s patrons healthier for longer.

Our employees play a crucial role in the success of the program. They were integral in selecting AAD as our partner, and they continue to volunteer for AAD throughout the year. We encourage our employees to take up to four hours per quarter in paid volunteer leave, volunteering with the therapy programs and organizing special events for the charity. This

includes trips to the Bermuda Aquarium Museum and Zoo for the dementia patients, and our annual ‘Cocktails for Carers’ evening, providing much needed respite to those caring for someone. Because as we all know, you cannot effectively care for someone else if you do not look after yourself too. These events are always incredibly popular for all involved, and more than 75% of our employees took their volunteer leave last year.

In addition to volunteering, we also have a number of fundraising initiatives benefiting AAD. We have a well-established

‘adopt-a-senior program’ in the office, where staff members purchase a gift for an AAD patron on their birthday and Christmas each year, bringing a little bit of joy, particularly to those that have little or no contact from relatives. We also entered a team into Bermuda’s annual Give Back Games, a fun corporate Olympic-style event, where our employees show their skills and athleticism on the beach to raise much-needed funds for AAD. I continue to sit on AAD’s Board, where I volunteer as their Treasurer, and look forward to continuing our cooperation into 2018.



Zurich USA – Supporting disaster resilience and recovery



Jenae O’Neil, Engagement Program Manager & Local Grant Lead, Zurich North America

In 2014, the Z Zurich Foundation awarded a USD 3,000,000 grant over three years to SBP, which came to its natural end in 2017. Skills-based volunteering was a fundamental component to support the development of SBP’s Disaster Resilience & Recovery Lab (DRRL), funded by the grant. The DRRL works with homeowners and small to midsize businesses to help them identify and mitigate their risks and to help them to reduce both the negative impacts and unmet needs that may result from future disasters. Zurich’s model of skills-based volunteering with the DRRL provides Zurich employees with learning and development opportunities, whilst enabling SBP and the communities they work in to benefit from the expertise of experienced insurance professionals. Zurich’s professional support included Predictive Analytics, Learning & Development, Human Resources, Risk

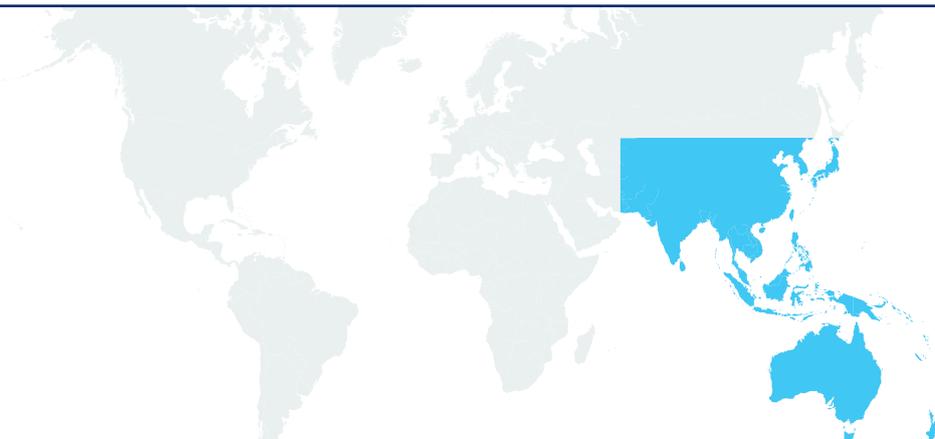
Engineering, Community Investment and Employee Engagement. For example, Zurich’s Risk Engineers and Predictive Analytics professionals helped SBP to identify vulnerable areas where the DRRL would have greatest impact, and Zurich’s Government and Industry Affairs team helped with outreach to community stakeholders. Each year, we also take a big group of Zurich leaders and employees, key partners, customers and brokers out into the New Orleans community to rebuild the homes of people still in need following Hurricane Katrina. This happens

during the Zurich Classic, part of the PGA tour and a key part of both our community and sponsorship programs.

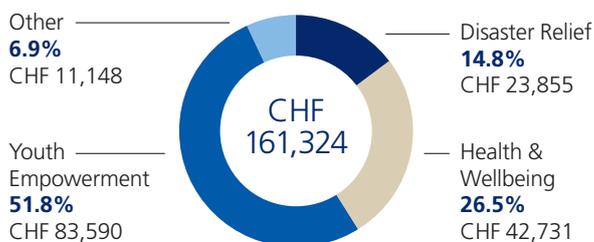
In 2017, we capped off the three-year grant with a recognition event, consisting of a panel of skills-based volunteers, the SBP program manager and the co-founder of SBP where we discussed our impact and shared success stories. Discussions are currently underway to extend the grant for a further three years in order to amplify the work of the DRRL into more communities across the States.



Around the Regions Asia Pacific



Breakdown of fundraising matching by cause



8,187

Volunteer Hours

406

of which are skills-based

CHF 235,000

Annual value of local grants

CHF 198,000

Annual value of culture grants

CHF 161,324

Employee fundraising

CHF 161,324

Foundation fundraising matching

CHF 72,000

Foundation volunteer matching

Zurich China – Multi-faceted support through the Shanghai Charity Foundation



Mingming Liu, Strategic Assistant to CEO, and Community Lead, Zurich China

Here in China, we continued to support a wide variety of charities through the Shanghai Charity Foundation in 2017 through donations of time, money and in-kind goods. The primary focus of our community programs is youth empowerment and education. Zhanhai County Elementary School, a rural elementary school in the poorly developed area in Hebei province, is a great example.

Zurich has been supporting this school since 2010, developing various facilities to enable the students to benefit from a better working environment, including rebuilding classrooms and donating sports equipment. In 2017, our project was to revamp its sports track and field.

Zurich volunteers visit the school annually to spend time with the children, and to understand the current needs of the school.

In winter, Zhanhai County's weather drops well below freezing, and sadly many families cannot afford to provide their children with suitable winter coats. Zurich commissioned tailor-made heavy winter jackets for every child in the school, for which Zurich China received several Corporate Responsibility awards from external organizations.

A further example is the Nongjian professional skill training school, an establishment for women from the less-developed areas, where they provide training programs for specific careers, including kindergarten teacher, beautician, and carer for the elderly. We have supported the school since 2016, and from June to Sept, on every weekend, we send one or two of our volunteers to teach English to those students training to become kindergarten teachers. The training programs usually last for four months, after which the students return to their hometown to work, many of them as a teacher at their local kindergartens. Our employees love following the success of the students, and many Zurich volunteers continue to support the students even after they have graduated from the school. This year, we donated additional study aids, including English dictionaries, to the students to help them with their studies too.

We also support Shanghai Pudong district Elementary school for children of migrant workers. Many families move from rural areas

towards the big cities in China to find work, but education is normally only provided to children whose parents permanently live in the area. As such, many migrant children receive little or no education. Our volunteers love to visit the school several times per year, donating school supplies and food for the children. On one visit to the school in 2017, we discovered some of the children had a particular love of table tennis, and some were pretty good at it, so we returned with a proper table tennis table for them to use and practice with. Overall, our support to schools benefited 1,000 underprivileged children in 2017, something we are very proud of.

"The knowledge and spirit I learned from the Zurich volunteers is like a seed, and I will enjoy the fruit for the rest of my life."

A student from Nongjian Program



Zurich Australia – Mentoring for better mental health



Sue Maher, Country Head of Human Resources, and Community Lead, Zurich Australia

Raise Foundation was founded in 2008 and is creating thriving communities by empowering young people to become resilient, capable and connected. Raise does this by providing best practice youth mentoring programs in high schools across Australia. In late 2016, Zurich Australia partnered with Raise, funding and volunteering with programs in and around Sydney. In 2017, we secured a grant from the Z Zurich Foundation for AUD 320,000 to help Raise expand their existing programs, mirroring Zurich's office locations across the country.

In 2017, Raise ran in-school mentoring programs in 63 high schools, enabling 829 accredited mentors to support a similar number of young people. Zurich Australia volunteers in Sydney have been recruited and trained as mentors, a significant time commitment of 20 weeks including training. As a result of the Z Zurich Foundation grant, Raise have extended their work nationally, now covering a total of five states with their programs. Going into 2018, we hope to sign up more Zurich volunteers across these new locations from some of our regional offices, as well as introducing Raise to some of our business network to increase the number of potential mentors.

Raise evaluation results report that having a Raise mentor made a tangible difference to the lives of the mentees. They experienced statistically significant increases in resilience, ability to set and achieve goals, confidence, ability to finish school and ability to ask for help when needed, as well as knowing where to go for that help. We are proud to support Raise

and to give our employees the chance to volunteer with them. As Raise made up a significant proportion of our employee volunteering in 2017, our employees chose to donate the volunteer matching payment of AUD 10,000 from the Z Zurich Foundation to them to further support our nation's young people.

"Z Zurich Foundation is making a huge difference to an organization like Raise, but also to the young people across our country that really need our help. We are very grateful to the Z Zurich Foundation and can't thank you enough for your support."

Vicki Condon, CEO Raise Foundation



Zurich Malaysia – Keeping kids fit and healthy



Yee Shiao Fong, Head of Brand Marketing & Communications, and Community Lead for Zurich Malaysia

Over the years, Malaysia has seen a steady increase in childhood obesity among our children. To combat this, Zurich Malaysia initiated a program called Eat Right To Play Right in 2015, in partnership with One Goal/ World Vision Malaysia. Our aim was to address both child obesity and malnutrition, as well as increase awareness in both children and their parents on the importance of a healthy diet. We use grassroots football as a platform to deliver the program, with a series of football clinics (as well as other community-based activities) conducted for both boys and girls aged 7-12 years old, paired with fun lessons on nutrition. These sessions are delivered by our accredited community coaches, including our

Zurich volunteers, who take the message out to their local communities. Regular health checks enable us to track the impact our activities are having on participants.

Last year saw great success for the program. In addition to helping us win the Frost & Sullivan Best Practices Award, we also took our message on the road to Borneo, where we exhibited our activities and recruited new volunteers at the Rainforest World Music Festival. We also supported numerous football and healthy eating 'Carnivals' where Zurich employees continued to drive home the message in the communities in which we live and work. In total, the Eat Right To Play Right managed to reach a total of 1,618 children from 34 communities in Peninsular and East Malaysia in 2017. We also organized five community coach trainings, two football tournaments, and a successful collaboration with Sodexo Malaysia and 100Plus during our healthy eating carnivals. The results are already beginning to show. We exceeded our targets for the number of children taking regular exercise and having an increased awareness of nutritious food after a year of participating in our program, and, although the effects need to be measured over a longer period to determine true impact, we have already begun to see levels of malnutrition dropping, with a 3% decrease recorded so far.

"We value Zurich's partnership with Eat Right to Play Right. Their shared vision and value for a healthier Malaysia has helped spur our accomplishments in 2017."

Terry Leong, Spokesperson for One Goal Malaysia

"A healthy lifestyle – based on good nutrition and frequent exercise – is vitally important for all of us but increasingly difficult to achieve, given all the other distractions of daily life. I am delighted at the impact that Eat Right To Play Right has had on both the children of Malaysia, and on our own employees."

Philip Smith, CEO Zurich Life Insurance Malaysia



Zurich New Zealand – Helping children reach their full potential



Sarah Latch, Operations Manager & Community Lead, Zurich New Zealand

Here in New Zealand, we continued our longstanding support for Variety – The Children’s Charity. Through Variety’s vision of having “a New Zealand where all children have

the opportunity to reach their full potential”, the team at Zurich New Zealand volunteered in four local underprivileged schools to improve the learning and playing environments. In addition, we raised over NZD 3,000 (approx. CHF 2,100), which was matched by the Z Zurich Foundation, to enable us to continue our sponsorship of 11 disadvantaged children, providing them with basic essentials (such as warm bedding and school uniforms), one-off grants for additional needs (such as medical and mobility equipment) and access to extra-curricular activities (such as school camp or swimming lessons). We are proud that yet again, over 90% of our employees took their volunteer day to support our chosen charitable partners.

“Zurich New Zealand is an outstanding corporate partner with staff who are passionate and engaged, so much so, that they feel part of the Variety family. We look forward to continuing our partnership to help even more Kiwi kids.”

Lorraine Taylor, Chief Executive, Variety – the Children’s Charity



Cover-More – Working to prevent family violence



Tanya Dawson, Head of Human Resources and Community Lead for the Cover-More Group.

Cover-More has four pillars that define our community activity. These are closely aligned to our core business and are focused on high impact, including ‘Mental Health Support and Proactive Wellbeing’, where we focused largely on domestic violence support in 2017.

One of our most touching events was supporting White Ribbon Day. White Ribbon is a non-profit organization that is working towards preventing family violence, advocating for victims and engaging the community to speak out and act against violence against women. This initiative was brought to our attention by a team member in New Zealand. She was fundraising for a local women’s shelter The Women’s Refuge Collective, Auckland. Years earlier she had benefited from their support first hand, when she needed to escape a family violence situation. Cover-More contributed AUD 5,000 towards her fundraising.

Our colleague attended our White Ribbon day celebrations in Australia and bravely spoke about her experience with domestic violence and the importance of awareness and prevention. This was the first time in 20 years that she had publicly spoken about her experience. We also invited a representative

from a local women’s shelter ‘Mary’s House’ to attend, where they spoke about the work they do in the community. Cover-More donated two laptops to them on the day and have an ongoing relationship with them. Cover-More employees signed the White Ribbon pledge ‘to stand up, speak up and act to prevent family violence’ on the day – we received more than 100 signatures and donations for the White Ribbon charity, all of which were matched by the Z Zurich Foundation.



Zurich Indonesia – Habitat for Humanity



Wirahadi Suryana, Head of Customer, Distribution and Market Development & Community Lead for Zurich Indonesia

In 2017, to celebrate Zurich Indonesia’s Community Week, we chose to collaborate with Habitat for Humanity Indonesia. Our volunteers built three houses and a school library, gave financial education lessons to schoolchildren, and helped clean up the local

area in a fisherman community in Mauk, Tangerang district, Banten province. Habitat for Humanity is a charity that focuses on building decent, simple houses to increase the prosperity of people in need. Around 84 Zurich volunteers joined our Management Team as we sought to replace the old, unstable houses, creating a safe home for the three families to live. Our work on the school library build and financial education lessons helped support the Financial Services Authority’s initiative on financial inclusion, part of an industry wide campaign to improve financial literacy in Indonesian society, and contributed towards Zurich’s global campaign to help reduce the global protection gap. With company donations, employee fundraising and matching from the Z Zurich Foundation, nearly IDR 500,000,000 (approx. CHF 35,000) was donated to Habitat for Humanity.

“Through our annual Zurich Community Week events, Zurich Indonesia looks forward to continuing to support the expansion of risk and protection education, which plays an important role in bridging the protection gap in Indonesia.”

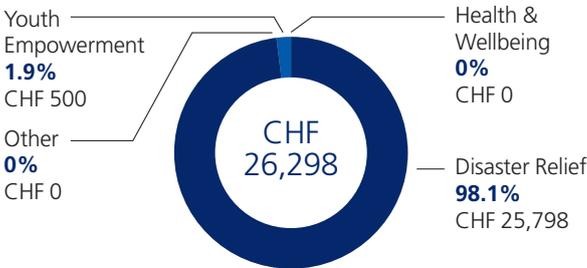
Chris Bendl, Country Head of Zurich Indonesia



Around the Regions Latin America



Breakdown of fundraising matching by cause



10,951

Volunteer Hours

381

of which are skills-based

CHF 63,555

Annual value of local grants

CHF 0

Annual value of culture grants

CHF 26,297

Employee fundraising

CHF 26,297

Foundation fundraising matching

CHF 71,000

Foundation volunteer matching

Zurich Mexico – Flood resilience alliance with the Mexican Red Cross



Aidee Zamorano, Corporate Responsibility Manager, Zurich Mexico

In alliance with the Mexican Red Cross, our Flood Resilience Program in Mexico finished its first stage in the state of Tabasco, after five years of work. We were able to confirm the strengthening of resilience skills in 20 communities trained in risk prevention (with 7,192 direct beneficiaries), 24 community brigades that we had trained were formally recognized by Tabasco Civil Protection, and we contributed to a new generation of experts in community education, measurement, volunteering and 600 micro-projects related to water access. Derived from this alliance and learning in the field, the Mexican Red Cross implemented a National Resilience Strategy. There are already three programs inspired by the Zurich model in Chiapas, Morelos and Oaxaca.

I am proud to say our employees volunteered more than 5,000 volunteer hours in 2017. This included planting 3,000 trees in two reforestation projects, the building of a classroom for an underprivileged community, and several secondments from our Risk Engineers to our Flood Resilience Programs in Tabasco and Peru. We earned an impressive CHF 24,000 in volunteer matching from the Foundation, positioning ourselves as one of the top business units for volunteering across the Zurich Group. Due to conflicting priorities, we mutually agreed to end the Foundation's local grant with Construyendo early, having built several homes and classrooms for underprivileged families already. We are currently looking to replace this program with one more focused on youth empowerment.

In 2017 we also formed a Corporate Responsibility Committee that encourages members to reinforce our commitment to society within their teams. Our first main task for the committee was coordinating assistance for the victims of the devastating earthquake on 19 September. Our fundraising and in-kind donations, all of which were matched by the Z Zurich Foundation, as well as our employees volunteering at the donation-sorting center, directly benefited more than 23,000 people. Committee members also held a risk management workshop for social

entrepreneurs through Ashoka, a global organization investing in social entrepreneurs. We were also recognized by the Mexican Philanthropy Center for the sixth year running as 'Socially Responsible Company', demonstrating ethics, environmental focus, community linkage and employee wellness. Finally, we took over the Chair role for the Swiss-Mexican Chamber of Commerce's Corporate Responsibility Committee in Mexico, where we further increased impact in our key focus areas by encouraging the 38 affiliated companies to adopt our pillars of education and resilience as strategic priorities.

"In Zurich Mexico we are proud to enrich and improve the actions towards the community in order for them to reach their greatest potential."

Javier Rodriguez Della Vecchia, CEO Zurich Mexico



Zurich Argentina – Funding future professionals



Patricia Pacheco, Head of Corporate Responsibility, Zurich Argentina

In 2017, we used the Z Zurich Foundation's matching schemes to make a donation to the Integrar Foundation, which was used to fund five scholarships in their 'Futuros Profesionales' (future professionals) program.

Integrar provides financial support to young people who do not have the financial means to attend university or benefit from other further education schemes. In addition to money, they personalized guidance through a volunteer tutor. Currently, they are supporting 370 students, and 41 earned a degree last year because of their support. We have supported the Foundation for many years now, and a personal highlight for our employees is when

we invite the students into the office during our annual Community Week to participate in a 'My First Job' workshop.

Last year, 18 students joined us for a half day, supported by Zurich employees from our 'AulaZ' volunteer group. AulaZ is one of four employee volunteer groups in Argentina, and they focus exclusively on education. Our other groups are 'CuadrillaZ', who build basic houses for those living in extreme poverty, and undertake repairs and improvements in local children's homes and institutions; 'DAR'

('dar, acompañar, recuperar,' translated: 'give, accompany, recover') who focus on social empowerment, organizing collections of everyday essential items for those in need; and 'TAZ' (Teatro Abierto Zurich, translated: 'Open Theater Zurich') which stages educational and entertaining theatre performances in orphanages, residential homes and institutions. Our employees love to volunteer for their local communities, and through the Z Zurich Foundation's volunteer matching scheme, we can add even more value.



Zurich Brazil – Empowering those less fortunate



Ana Quintela, Head of Marketing & Communication and Community Lead, Zurich Brazil

In 2017, Zurich Brazil refreshed our 'A Vida com Novas Cores' (Life with New Colors) Community Investment program, with a view to creating even more impact in the communities in which we live and work. Our program focuses on the social and economic empowerment of those less fortunate, particularly children.

As part of this refresh, we signed a three-year partnership with GRAACC (the Group to Support Children and Adolescents with

Cancer), an important and well respected hospital in Latin America that provides much-needed treatment to young people.

The institution currently treats 3,500 patients each year. With an average success rate of over 70%, it outperforms the average Brazilian hospital (average success rate 45%), with services nearly on par with high performing western hospitals (average success rate of 80%). This success comes at a financial cost, however, and so GRAACC launched their 'Adopt a Patient' program in 2017 with Zurich Brazil becoming the inaugural donor, committing BRL 1,500,000 (approx. CHF 430,000) to support 20 patients.

GRAACC came into our offices to tell employees about their important work, and following that our employees were keen to fundraise and volunteer. They made visits to those in hospital to brighten their days, as well as refurbishing the Ronald McDonald House, home-from-home close to the hospital for families living far away, whilst their children stay in hospital. We also supported the 'McDia Feliz' event, where the restaurant donates proceeds from the day to Ronald McDonald House. Being the first company to pledge support for the 'Adopt a Patient' campaign is a huge honor for us, and creates a great sense of pride among our employees.

All our fundraising was matched by the Z Zurich Foundation, and we also donated a significant portion of our volunteering matching to GRAACC too. This year, our employee Flavia Cunha was chosen as the inaugural Zurich Community Champion Award winner from Latin America, which enabled us to learn and volunteer with her chosen charity, SOMAR, too. As well as donating the proceeds from our office furniture sale, the remainder of our volunteer matching was also donated to this cause. At the end of the year, we took advantage of Brazil's corporation tax incentive laws to donate part of our tax bill to four projects also working with disadvantaged young people.



Zurich Colombia – Building safe and reliable housing



Alessandro Cosentino, Head of HR, Marketing & Communications, and **Victoria Bejarano**, CEO, Zurich Colombia

We have a very small employee base in Colombia, but community investment remains at the very heart of our office. For the past few years, our employees have enthusiastically supported TECHO, an organization that seeks to improve the socio-economic situation of families by building sturdy and safe housing for the most vulnerable in our communities. As well as fundraising for the houses to be built, we go out as a team at weekends and build the houses. Last year our small team completed three homes, funded by employee donations and matching from the Foundation. Often, when we arrive, we get to see the existing living conditions for these families. Sometimes their

home is nothing more than a shack, barely standing, but filled with love. The deal is we build them a new home, and they cook lunch for our volunteers. It is a great way to build a connection with the family, and our employees often fill their cars up with household goods and food to ensure the family get a really warm welcome into their new place. Many people continue to live below the poverty line in Colombia, and this activity is something that really resonates with our employees as the impact is clear – at the end of the day, we see the smiles on their faces when they enter their new home for the first time. It is also a great teambuilding exercise for us.



Zurich Chile – Rebuilding after natural disasters



Catalina Vidal, Marketing & Communications Analyst and Volunteer Program, Zurich Chile

In February 2017, Chile suffered a massive, nation-wide forest fire and our employees were keen to help. We have been working with Desafio Levantemos Chile, a foundation aiming to aid disadvantaged Chileans, particularly those affected by natural disasters, for a while.

They collect donations from corporations and individuals, and then use their scale to help other smaller foundations that have fewer resources. We collected USD 9,000 in donations, which was matched by the Z Zurich Foundation, and used to rebuild houses of several families that sadly lost everything.

In addition to fundraising, our team of volunteers also supported Padre Semeria, one of the smaller foundations backed by Desafio Levantemos Chile. The charity is a foster home for at-risk children hosting 72 children, aged 6-18 years. Our goal was to help improve their health and quality of life by renovating their sports facilities. We refurbished the gym and delivered new sports equipment and clothing, before celebrating with the children. It is a pleasure for us to create social impact in the most needy communities.





Building capacity – Z Zurich Foundation Capacity Building Workshop
Since the creation of the Z Zurich Foundation Program Manager role, an active effort has been made to expand the global reach of the Foundation's work through the ongoing provision of support to every country that the Zurich Group currently operates in.

We know that if we are to truly empower business units to succeed, we need to make sure that – in addition to central Foundation support – local community champions can also access the knowledge, experience and innovative ideas generated by colleagues across the globe.

The Foundation has trialled a series of initiatives to meet this need: collaboration sites, mobile apps, global calls and webinars, and case study communications. While these have all helped, the overall feedback was not very positive due to a great deal of effort needed by the champions (to access, read, share) and the Foundation (to produce content) for limited reward.



The event was a success, with 100% of the attendees agreeing it was a valuable use of their time and 100% agreeing they would like to be involved in future years.

A different approach was needed – one that helps create a network of empowered and connected champions that could function with or without input from the Foundation.

In 2017, we took the next step in building this network and empowering our business units to succeed by holding the inaugural Z Zurich Foundation Capacity Building Workshop.

The trial workshop took place from 25-27 June 2017 in Barcelona, following an offer from Zurich Spain to host it. A budget of CHF 75,000 was allocated from the Foundation to support the workshop.

The workshop brought together a core group of 36 committed practitioners from all corners of the Zurich Group. It was intended that the workshop be run by the attendees, with an

agenda developed by the Foundation aimed at addressing previously identified gaps and helping to build capacity locally.

Key feedback that will be taken into consideration for future events:

- More business units represented next year, including those with little or no program, would help achieve maximum impact.
- Attendees should be a mix of champions and decision makers – those that are already advocates and those that can take a message back to local businesses to encourage more engagement.
- More Foundation Trustees present.
- Alternating the location of the conference each year would ensure that attendees get

to see different kinds of programs outside of their usual region, and maximizes the opportunity for learning from different approaches.

- More time and less busy agenda to enable more 'deep-diving' and reflection on learning.
- Learning & Development is central to the event – the more 'upskill' sessions, the better!
- External perspectives are also important, and external experts (including those from other Corporate Foundations) could bring a new dimension and innovative ideas to the Group.



Zurich Community Champion Awards

In response to the increasing number of Zurich champions across the globe who go above and beyond to help make their local communities a better place, the Z Zurich Foundation introduced the Zurich Community Champion Awards (ZCCA) in 2017.

The intention of the awards is to recognize and celebrate those shining stars who demonstrate outstanding community-focus, selflessness and dedication in their activities, and the eligibility category is intentionally broad to cater for all of the different types of volunteering being undertaken in communities across the globe.

Another unique aspect to the ZCCA is that the entire process is facilitated by Zurich employees. Any employee is able to nominate any other colleague within the Zurich Group, the shortlisting of nominees is determined by regional employee panels, and the finalist judging is conducted by attendees at the annual Foundation conference.

Celebrating our 2017 ZCCA winners

In 2017 we awarded four awards to a winner from each of the four Zurich regions. Winners received USD 20,000 (or local currency equivalent) per year for three years to donate to community organizations of their choice. Overall, a total of USD 190,000 was awarded due to the retirement of one winner.

Putri Sari Suci, Asia Pacific (Indonesia)



Putri was awarded the 2017 ZCCA for the Asia Pacific region for her community work that focuses on the wellbeing and prosperity of people with disabilities, particularly visually impaired people. She volunteers her time with the Pelita Monas Indonesia Foundation, which develops the skills and confidence level of each member through traditional dance practice and performance.

In addition, Putri is also a volunteer teacher for the Umbrella Wisdom and Save Street Children community organizations, both of which focus on the development and education of disadvantaged children. She remains very concerned about the quality of education in Indonesia, and has started free classes for local children who cannot go to school due to their parents' financial limitations. Putri not only teaches academic lessons, but also organizes activities to build the children's personal and interpersonal skills.

Putri on her award win: "This is the greatest moment in my entire career. I feel so blessed. I did not expect to be recognized and appreciated like this by Zurich. It is so thoughtful."

Dana Olah, Europe, Middle East & Africa (Slovakia)

Dana was troubled by the discrimination of the Gypsy community that she witnessed in her native Slovakia. This motivated her – along with her Scout group – to start a free summer camp filled with games and educational activities for children from local gypsy communities. She also helps educate other Scout leaders on inclusion, and has secured a private donor to finance more disadvantaged kids attending camps in the future.

Her desire for helping disadvantaged people does not stop there. Dana recently started sponsoring a child in Africa, regularly sending money to enable them more opportunities for a better life, and she also volunteers with a local homeless charity that have started a social enterprise coffee house, employing people living on the streets to help them get their lives back on track.

Dana on her award win: "I am very happy and never thought I would win. It is great that the Z Zurich Foundation operates this program and is the reason I value working for Zurich so much."



Flavia Medina Da Cunha, Latin America (Brazil)

Flavia was deeply concerned about the staggering and vast amounts of poverty in Brazil, which is often driven by poor quality education. Many children in poorer communities do not even get the opportunity to go to school, and if they do, they often drop out early.

To help make a change, Flavia volunteers with SOMAR – an organization located in a poor community in the southern part of Sao Paulo, which focuses on transforming the lives of young people, helping them achieve their true potential.

SOMAR are working with more than 300 children, indirectly impacting a further 1,600 people. Flavia regularly leads sessions in which she shares her professional experience from Zurich, hoping to inspire the young people. She is also helping develop a 'first job' program, aimed at securing valuable work experience for many of the young people in partnership with local companies.

In addition, Flavia sits on SOMAR's management committee, setting the organization's goals and strategy, measuring impact, and exploring new projects. Recently she instigated a project which trains families to cultivate small vegetable gardens, providing them with food and a monthly income.

Flavia on her award win: "I am truly humbled and honored to receive this award – and still speechless! This award is also shared with the children of SOMAR who will really appreciate it. The prize money we receive is going to make a substantial impact on our projects."



David Bartnick, North America & Bermuda (USA)

For the past 37 years, David has been an active member of the Chicago Metropolitan Sports Association (CMSA), the largest not-for-profit LGBT sports organization in mid-west America.

More than ten years ago he became a sponsor for a local team and started running the annual Sidetrack Blues Charity Benefit, benefiting Howard Brown Health, an LGBT organization providing health and social services in Chicago. This cause was particularly important to David as he reflected on those 37 years – in the early 1980s he sadly saw six members of his eighteen-man softball team and four members of his six-man bowling team die of AIDS.

David was inducted into the CMSA Hall of Fame in 2011. He was also a member of the extended PrideZ leadership team in North America (before his retirement), helping drive a more diverse and inclusive working environment within Zurich.

In addition, David has been an active supporter and sponsor of 'HighSight', a local organization that provides scholarships, tutoring and mentoring opportunities for Chicago high school students from low-income families.

David on his award win: "I started out in life with nothing, and so I know how it feels. Now I am in a position to give back, I like to help people experiencing tough times in their lives."



Congratulations to all of our 2017 nominees

Asia Pacific

Australia

Greg Irvine
Paul Chilton

China

Sophia Zhang
Michael Yu

Hong Kong

Winnie Lam
Hong Kong
Volunteer Group
Grace Yan
David Mak

Indonesia

Putri Sari Suci
Kristiawan Cahya
Donny Hadisaputra
Doni Suryantoro

Japan

Yoshinori Otsuji
Shigeru Yatsuka
Naoki Yoshibayashi
Hitoshi Tekawa
Chikashi Akanuma
Ayumi Sakai
Akiko Sueyoshi

Malaysia

Suzanne Chin May
Lyn
Kamarul Aini Binti
Ibrahim

New Zealand

Sarah Latch

Europe, Middle East and Africa

Austria

Annette Weissbach
Hermann Hausbiegl
Thomas
Schreilechner

France

Claire Maspoli

Germany

Beatrice Meyer
Bernd Schultze &
Bodo Kottke
Christin Fuchs
Klaus Wolf
Mentor Participants
Nathalie Esser
Patrik Steigmeier
Susanne Becker
Ulrich Dech
Xenia Klassen

Ireland

Elaine Hayes
Tackle Your Feelings
Ambassadors

Isle of Man

Donna Harrison
Juan Owens
Rachel Hay
Serena Wood

Italy

Charity Committee

Middle East

Greg Loayon
Heike Dransmann
Rince Joseph
Shital Khanna

Nordic

Mentor Team

Poland

Rafal Szmajser

Portugal

Blue Mission
Paula Fernandes

Russia

Evgeniya Karaulova

Slovakia

Adriana Husakova

Spain

Volunteer Club

Switzerland

Francois Rapeaud
Katharina
Hornschuch
Thomas Inglin

Turkey

Duygu Er
Feyza Hasircilar

United Kingdom

Ben Wainman
Donna Wayman
Hayley Bowen
Julie Atkinson
Louise Buckley
Mike Howells
Stenio Fabien

Latin America

Argentina

AulaZ
CaudrillaZ
DAR & TAZ
Gisela Aloise
Marina Castanon
Pablo Socolovski
Silvana Roccabruna
Victoria Nunez

Brazil

Anderson Costa
Camila Barbieri
Fabio Romero
Flavia Cunha
Luiza Abrao
Renato Jose

Chile

Cesar Ramirez
Jorge Valencia

Colombia

Alessandro
Cosentino
Diana Gomez
Monica Oyaga
Sandra Ruiz

Mexico

Nilton Gonzalez

Venezuela

Belkys Velasco
Club de Lectores
Edith Rodriguez
Katherine Rojas
Silmary Rojas

Zurich Santander (Brazil)

Amanda Gomes
Giselaine Venet
Lara Tristao
Mariana Neves
Saulo Gabriel
Vivian Pereira

North America and Bermuda

Bermuda

Melissa Logie

Canada

Lori Cassidy

USA

Peggy Abbott
David Bartnick
Jocelyn Chan
Kelsey Jaekel
Laura Lazarczyk



128,062 hours donated in 2017, of which 22,579 were business skills-based.

Volunteering at Zurich – Our Pledge

Volunteering continues to play a dominant role in Zurich’s culture of supporting the communities in which employees live and work.

Over the past five years, the level of volunteering by Zurich employees has steadily increased, with a fantastic 128,062 hours donated in 2017, of which 22,579 were business skills-based. The Foundation’s role is to support and incentivize Zurich employees to participate in such activities, while providing the necessary oversight to ensure projects are meaningful and impactful for the organizations and the employee volunteers. As such, the Foundation continually monitors and evolves the support it provides.

The Foundation’s volunteer matching scheme was launched in 2015, and seeks to provide a financial incentive for volunteering. This was introduced for a number of reasons:

- Increase the level of volunteering across the Zurich Group.
- Ensure employees value volunteering as much as fundraising, which is already ‘matched’ by the Foundation.
- Recognize that there can often be costs incurred by charities when hosting corporate volunteers.

Now in its third year, the scheme provides grants totaling CHF 500,000 annually to organizations supported by Zurich volunteers. A selection of the benefiting organizations are highlighted in this report.

As the Foundation’s approach evolves, our aspirations also grow. In 2017, a stretching target was set by 2020 to support more than 50% of Zurich employees to take a minimum of one day of paid volunteering leave annually. With an employee base of circa 54,000 employees globally, this equates to approximately 200,000 hours.

Based on current estimates, the participation rate is approximately 30%. This would require supporting a further 20% of the Zurich employee base, and almost doubling the number of hours currently donated.

In addition, the target for business skills-based volunteering will remain at 15%. To facilitate this, the Foundation sought to ensure Zurich business units across the globe promoted, supported and created an enabling environment for employee volunteering opportunities.

In 2017, the Foundation wrote to all of Zurich’s Chief Executive Officers across the globe asking them if they would voluntarily commit to supporting the Foundation’s Volunteering Pledge. To date, the pledge has been signed by over half of Zurich’s business units, and the Foundation continue to work with the remaining ones in the hope that all will have signed up by the end of 2018. As this can require amendments to local HR policies, and implementation of tools for measurement and reporting, this can take some time.

Z Zurich Foundation Volunteering Pledge

We, the undersigned, understand and support the importance of community investment initiatives and the valuable work employee volunteers do in our local communities. We continue to commit to:

- Supporting community investment initiatives that provide value to the communities in which Zurich operates, and where Zurich delivers its products and solutions, as well as providing value to employees and customers;
- Promoting volunteering as a tool for creating social value, employee engagement and learning and development opportunities;
- Enabling an environment in which senior management support such activity, and lead by example;
- Providing every full time permanent staff member with a minimum of one day* of paid volunteering leave per year (pro rata for part time employees);
- Facilitating the sharing of knowledge gained from local communities with the wider business to create a better customer experience;
- Reporting both the total number of volunteer days taken, and the number of employees taking their volunteer days to the Z Zurich Foundation on an annual basis.

CEO Name

CEO Business Unit

Employees in the following business units are currently covered by the pledge:

Zurich Argentina,
Zurich Australia (including New Zealand),
Zurich Austria,
Zurich Benelux (Belgium and Netherlands),
Zurich Bermuda,
Zurich Brazil,
Zurich-Santander Brazil,
Zurich China,
Zurich Colombia (including Venezuela),
Cover-More Group,
Zurich France,
Zurich International (including Bahrain, Isle of Man, Luxembourg, Qatar and U.A.E),
Zurich Ireland,
Zurich Italy,
Zurich Nordic (including Denmark, Finland, Norway and Sweden),
Zurich North America (USA and Canada),
Zurich Portugal,
Zurich Singapore,
Zurich Slovakia,
Zurich Spain,
Zurich Switzerland (including Corporate Centre headquarters),
Zurich Turkey
and Zurich UK.

***Note:** This is taken at Managers’ discretion, subject to local business demand. The one day minimum may be higher in some countries where the business already has a structured volunteer program and policy in place, and/or local employment market or legislation supports the need for a higher allocation.

Governance

Z Zurich Foundation is a private foundation established by Zurich Insurance Company Ltd and Zurich Life Insurance Company Ltd, in accordance with Swiss law, with registered office in Zurich.

The Foundation is committed to transparency and continuous improvement in the effective use of Foundation funds. It is an active member of SwissFoundations, the association for grant-making foundations in Switzerland and the first organization in Europe to publish generally applicable governance guidelines on modern and professional foundation management, promoting transparency, professionalism, and the effective use of charitable means.



Gary Shaughnessy, Chair
(CEO, Europe, Middle East & Africa)
Term of office: 2016-2019 (In Zürich, CH)

"For me, there isn't just one highlight in 2017. In general, it's the pride and the huge amount of energy and passion that I see right the way across the region when I talk to people about how we work with communities, day in, day out, making a real difference."



Claudia Dill, Member (LP)
(CEO, Latin America)
Term of office: 2016-2019 (In Sao Paulo, Brazil)

"My highlight of 2017 was visiting a children's cancer hospital in Sao Paulo that is addressing 170 children and young people thanks to the Foundation... Going there was hard. It was tough to see the suffering of the people, but it was also great to see with my own eyes how the sponsorship through the Z Zurich Foundation, and our efforts, are helping."



Chris Gillies, Member (LP chair)
(External) Term of office: 2016-2019
(In Oxford, UK)

"My highlight of 2017 has been the many high-quality local grant applications we've received from a wide range of different Zurich businesses around the world."



Mario Greco, Member (Group CEO, Zurich)
Term of office: 2016-2019 (In Küsnacht, CH)

"Throughout 2017, the Foundation has supported major programs around the world, and were strongly engaged in mentoring, which is a great way to help our youth and to help young people enter into the workforce, further developing their career prospects. I'd also like to note the work of the Foundation's flood resilience program, which is a great help for many populations around the world. I'm looking forward to further supporting these programs in 2018 and the coming years."

The Foundation is governed by a Board of Trustees, whose members are elected by the Board of Directors of Zurich Insurance Company Ltd for a term of office of three years. To more effectively involve the members of the Board of Trustees in the implementation and oversight of the activities of the Foundation, the Board of Trustees has instituted a Committee structure with appropriate delegation of authority. In 2017, 3 trustees formed the Local Program

Committee determining funding for programs supported through Zurich business units. This committee met three times in 2017.

The Board is supported by a small team leading the day-to-day management of the Foundation and implementation of its programs. The Foundation furthermore continues to benefit from the time and expertise of Zurich offices relevant to the delivery of its programs, and the services provided by Zurich employees in areas

such as accounting, investment management, communications and legal.

Clear, comprehensive guidelines define the responsibilities of the Chair, the Board of Trustees, any Committees and the Foundation management, as well as the necessary signing authority levels. This was reviewed in 2017.

As of December 2017, the Board of Trustees and the management of the Foundation were comprised of the following persons:



Jack Howell, Member (LP) (CEO, Asia Pacific)
Term of Office: 2016-2019
(In Hong Kong SAR, China)

"I've been incredibly pleased to see the huge up-swell in support that we're getting for the Foundation from our employees all over the world. It's really encouraging to see employees from Latin America, from Asia, from Europe, getting involved in what's happening in the community and start to really give back to places where we live."



Kathleen Savio, Member
(CEO, North America)
Term of office: 2017-2020 (In Deer Park USA)

"My community highlight for 2017 is our continued support of the New Orleans community through the Zurich Classic. So far, this tournament has raised more than USD 18 million for charitable organizations, and supports 200,000 children in need in the greater New Orleans area."



David Nash, Foundation Manager
(In Winterthur, CH)

"Seeing the launch of the Community Champions Awards was a personal highlight for me. With so many nominations, we heard about some fantastic and inspiring people right across the Zurich Group and picked four very worthy winners."



Mark Heasman, Senior Program Manager
(In Zürich, CH)

"My highlight was gathering our network of champions for the first time, to network, share experiences, learning & best practice, to inspire each other and to have fun. It is inspiring to see the high levels of engagement we saw continue after the conference was over."

Financial Statements & Auditors' Report

Balance sheet as of December 31, 2017 and 2016

Assets	31/12/2017	31/12/2016
	CHF	CHF
Investment assets		
Liquid assets	1,245,917	1,149,690
Accounts receivable	325,392	293,306
Investment funds bonds domestic	12,556,193	14,620,486
Investment funds shares domestic	31,900,411	37,223,513
Investment funds money market	18,644,987	22,305,308
Total investment assets	64,672,899	75,592,303
Total Assets	64,672,899	75,592,303
Liabilities	31/12/2017	31/12/2016
	CHF	CHF
Payables		
Total deferred charges and prepaid expense	520,000	75,617
Foundation capital, uncommitted funds		
Foundation Capital	75,516,686	90,351,497
Retained Earnings-Current Year Profit/Loss	-11,363,786	-14,834,812
Total Foundation capital, uncommitted funds	64,152,899	75,516,686
Total Liabilities	64,672,899	75,592,303

Income statement 2017 and 2016

Revenue	2017	2016
	CHF	CHF
Total net result investment funds shares domestic	1,945,348	802,110
Total net result investment funds bonds domestic	2,945	206,618
Total net result investment funds money market CH	-170,618	-199,783
Total Revenues	1,777,676	808,945

Expenses	2017	2016
	CHF	CHF
Foundation activity		
Research, science and education	15,000	15,000
Miscellaneous grants	1,426,508	861,027
Total donations	1,441,508	876,027
Concern Worldwide	165,000	165,000
Infinite Earth	211,322	271,923
International Federation of Red Cross and Red Crescent Societies	3,807,742	2,186,173
International Institute for Applied Systems Analysis (IIASA)	204,613	288,265
KPMG East Africa Limited for the Global Resilience Partnership	1,999,337	6,973,328
Mercy Corps Europe	150,000	150,000
National Academy of Sciences	150,000	150,000
Plan International Schweiz	78,000	78,000
Practical Action	2,202,259	1,366,255
South Pole Suisse AG	0	525,195
Wharton School of the University of Pennsylvania	0	92,959
Total Global non-profit Alliances	8,968,272	12,247,097
Action on Alzheimer's and Dementia	25,971	54,574
Construyendo Comunidades Integrales A.C	33,555	33,904
Education for Employment Maroc	49,828	49,228
Rugby Players Ireland (Prev. IRUPA)	729,067	185,056
Junior Achievement (Spain)	116,879	80,407
Junior Achievement (Isle of Man)	31,296	0
Mentor Foundation (Germany)	61,289	32,290
Mentor Foundation (Sweden)	152,620	48,829
Mustard Seed – RESOLVE campaign	192,089	193,803
SBP (Prev. St. Bernard Project)	50,564	1,041,606
World Vision Malaysia	235,000	245,000
Verein TIW	77,596	0
AMEO	30,000	0
Total Local non-profit Alliances	1,785,753	1,964,697
Administration costs	945,929	555,935
Bank charges and Safekeeping charges	3,864	23,379
Other Administration costs	928,331	522,219
Costs for the auditors	11,134	10,338
Costs for the regulators	2,600	0
Total Expenses	13,141,462	15,643,757
Annual result	-11,363,786	-14,834,812

All amounts in the Financial Statements are shown in CHF, rounded to the nearest CHF 1, meaning that the rounded amounts may not add to the rounded total in all cases.

Foundation assets

The founding companies endowed initial total assets of CHF 29,000,000 to the Foundation, payable from 2008 to 2012. In 2011, Zurich Insurance Group Ltd on behalf of Zurich Insurance Group endowed additional assets of USD 100,000,000 to the Foundation, whereof USD 20,000,000 were paid as per December 31, 2011. The remaining amount of USD 80,000,000 plus market interest was transferred in equal instalments by December 31 each year, over a period of four years, for the last time in 2015.

Commitments

Z Zurich Foundation assumed the following commitments to cooperating organizations (pursuant to Memoranda and Letters of Understanding, in alphabetical order):

Action on Alzheimer's & Dementia,

Hamilton, Bermuda

Three-year term from 2015 to 2018

BMD 162,290

AMEO (Brazil Bone Marrow Association), Sao Paulo, Brazil

Three-year term from 2017 to 2020

BRL 400,000

Beyond Empathy, Armidale, Australia

One-year term from 2017 to 2018

AUD 200'000

Concern Worldwide, Dublin, Ireland

Two-year term from 2015 to 2017

CHF 655,000

Construyendo, Mexico City, Mexico

Five-year term from 2016 to 2021

This contract was terminated at the end of 2017

USD 170,330

Education for Employment Maroc, Casablanca, Morocco

Three-year term from 2015 to 2018

USD 150,000

Fundacion Junior Achievement Espana, Madrid, Spain

Three-year term from 2015 to 2018

EUR 275,000

Global Resilience Partnership, New York, U.S.

(Implementing partner: KPMG East Africa Ltd.)

Three-year term from 2015 to 2018

USD 10,000,000

Infinite Earth, Hong Kong

Three-year term from 2016 to 2018

USD 528,000

International Federation of Red Cross and Red Crescent Societies (IFRC),

Geneva, Switzerland

Five-year term from 2013 to 2018

up to CHF 21,000,000

International Institute for Applied Systems Analysis (IIASA), Laxenburg, Austria

Four-year term from 2013 to 2016

USD 1,600,000

Extended by 12 months in 2017, until June 2018

EUR 200,000

Rugby Players Ireland (Previously IRUPA)

Three-year term from 2015 to 2018

EUR 1,024,930

Junior Achievement Isle of Man, Douglas, Isle of Man

Three-year term from 2017 to 2020

GBP 91,500

Mentor Stiftung Deutschland, Mainau, Germany

Three-year term from 2016 to 2018

EUR 202,150

Mentor Foundation, Stockholm, Sweden

Three-year term from 2014 to 2016

SEK 2,700,000

Extension from 2017 to 2021

SEK 6,750,000

Mercy Corps Europe, Edinburgh, Scotland

Two-year term from 2015 to 2017

CHF 600,000

National Academy of Sciences, Washington D.C., U.S.

Two-year term from 2015 to 2017

CHF 600,000

Plan International Schweiz,

Zurich, Switzerland

Two-year term from 2015 to 2017

CHF 320,000

Practical Action Ltd., Rugby, Warwickshire, United Kingdom

Five-year term from 2013 to 2018

up to CHF 9,000,000

Raise Foundation, Mosman, New South Wales, Australia

Two-year term from 2017 to 2019

AUD 320,000

Türk Eğitim Derneği (Turkish Education Association), Ankara Turkey

Six-year term from 2018 to 2023

CHF 2,050,000

World Vision Malaysia Berhad, Selangor, Malaysia

Four-year term from 2015 to 2019

RM 4,000,000

The Mustard Seed Foundation/RESOLVE

Three-year term from 2016 to 2019

CAD 1,000,000

Verein TIW, Vienna, Austria

Three-year term from 2017 to 2019

EUR 204,000

Accounting and valuation rules

The accounting rules are according to the Swiss Code of Obligations (OR). The following valuation rules apply:

- Securities: balancing in market value at balance sheet date
- Other assets and liabilities: balancing at nominal amount

Risk assessment process

The Z Zurich Foundation is integrated in the group-wide risk assessment process of Zurich Insurance Group Ltd. This group-wide risk process considers the nature and extent of the business activities, as well as the specific risks of the Z Zurich Foundation. We refer to the reporting on the risk assessment in the consolidated financial statements 2017 of Zurich Insurance Group Ltd.

Comments

Balance sheet

Assets

Total investment assets

The funding commitment to the Z Zurich Foundation from Zurich Insurance Group Ltd was fulfilled in previous years and there were no further payments in 2017. All of the Z Zurich Foundation's project commitments were therefore met from existing assets, which were invested in accordance with the investment guideline of the Z Zurich Foundation.

Liabilities

Total deferred charges and prepaid expense

Audit fees in the amount of CHF 10,000, print costs for the annual report 2017 in the amount of CHF 10,000, payments under the Foundation's Volunteer Matching scheme in the amount CHF 500,000 were recorded as accruals for December, 2017. As volunteering is now tracked throughout the year, volunteer matching is paid in Q1 the following year, and hence accrued. This is a change to last year, when volunteer matching was paid prior to year end.

Income statement

Expenses

Research, science and education

This entry encompasses the Zurich Dissertation Prize which rewards dissertations of outstanding scientific quality written by students at the Department of Management, Technology and Economics at the ETH Zurich related to the topic of risk.

Miscellaneous grants

This entry encompasses all matching payments (for fundraising and volunteering) as well as payments awarded as prizes under the new Zurich Community Champions Awards.

Administration costs

The administrative costs of the Foundation increased to CHF 945,929 and represent 7.1 percent of total expenses in the amount of CHF 13,141,462, compared to 3.6 percent the previous year. In 2016, the Foundation recruited a full time Foundation Manager to account for the significantly increased activities of the Foundation, and 2017 was the first full year of these costs coming through. Early 2017, Zurich also found a further CHF 52,000 of administrative charges from 2016 that had not been invoiced, which have subsequently been recorded in 2017. A conscious decision was also made to try and increase the Foundation's visibility and global footprint in 2017, resulting in a high number of new local grants. To build this visibility, the Foundation Management undertook a significant amount of travel across the Zurich Group, as well as increasing the amount of communication translated into Zurich's nine key languages. Cost associated with implementing the Foundation's new Salesforce system, as well as costs associated with the Foundation's capacity building workshop in Barcelona are also included here. Finally, investment was made into sustainable fundraising and volunteer merchandise and equipment (such as lockable branded donation boxes and oversized cheques) so that Zurich business units have consistency in their approach to charity work.

All other personnel costs including costs for services provided by Zurich Insurance Company Ltd for the Foundation (e.g. implementation of the flood resilience program, accounting, investment management, communication etc.) continue to be covered by Zurich.

Report of the statutory auditors

On the limited statutory examination to the Board of Z Zurich Foundation

As statutory auditors, we have examined the financial statements of Z Zurich Foundation, which comprise the balance sheet, income statement and notes (on pages 40 – 43), for the year ended 31 December 2017.

These financial statements are the responsibility of the Board. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material mis-statements in the financial statements. A limited statutory examination consists primarily of inquiries of foundation personnel and analytical procedures as well as detailed tests of foundation documents as considered appropriate in the circumstances. However, the testing of the operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the foundation's deed and the internal regulations.

PricewaterhouseCoopers AG

Michael Stämpfli Audit expert Auditor in charge	Felix Steiger Audit expert
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Zürich, 7 June 2018

Disclaimer and cautionary statement

This publication has been prepared by Z Zurich Foundation and the opinions expressed therein are those of Z Zurich Foundation as of the date of writing and are subject to change without notice.

This publication has been produced solely for informational purposes. The analysis contained and opinions expressed herein are based on numerous assumptions.

Different assumptions could result in materially different conclusions. All information contained in this publication have been compiled and obtained from sources believed to be reliable and credible but no representation or warranty, express or implied, is made by Z Zurich Foundation as to their accuracy or completeness.

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Z Zurich Foundation
Mythenquai 2
8002 Zurich, Switzerland
Phone +41 (0) 44 625 25 25
www.zurich.com