C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Zurich is a leading multi-line insurer that serves its customers in global and local markets. With about 55,000 employees, it provides a wide range of property and casualty, and life insurance products and services in more than 215 countries and territories. Zurich’s customers include individuals, small businesses, and mid-sized and large companies, as well as multinational corporations. The Group is headquartered in Zurich, Switzerland, where it was founded in 1872.

Zurich’s climate strategy – Our 1.5°C Future Plan

We are helping to tackle climate change through our role as an insurer, investor, employer, and in the communities where we live and work. In 2019, we were the first insurer to sign the Business Ambition for 1.5°C Pledge, a Paris Agreement for the business sector. This includes setting science-based targets across our business to reach net zero emissions by 2050. But we need to do much more. We aim to fully assess and integrate climate risk into our risk management processes, engage with our customers to enhance their climate risk knowledge and resilience, and provide them with innovative sustainable solutions. To deliver upon this commitment and define our climate strategy, we have set-out a 1.5°C Future Plan for our company.

Setting science-based CO2 reduction targets

By signing the Business Ambition for 1.5°C pledge, Zurich recognizes the role the science-based targets play in highlighting the decarbonization pathways necessary to meet the Paris Agreement per sector and translating these into useful tools for companies. Currently, in the insurance sector, science-based targets do not exist for either operations, insurance or investment portfolios. As part of the Business Ambition for 1.5°C, we have committed to play an active role in changing that by developing and then setting our own ambitious targets. We advise the Science Based Target initiative on the methodology for financial services, and took part in producing the CRO Forum report on carbon footprinting methodology for underwriting portfolios.

Innovating for sustainable solutions

We work with customers as well as public and private partners to enhance resilience and advocate for solutions to prevent, or minimize, damage and harm from climate related perils. We develop insurance and risk management solutions for new technologies, business models and approaches that will be required to achieve this unprecedented transition to a climate neutral economy. We also use capital markets to search for – and fund – solutions to many of the pressing social or environmental issues of our time. We have committed to making up to USD 5 billion in impact investments. Achieving this level, will, we believe, avoid 5 million tons of CO2-equivalent emissions per year, and separately, make a positive contribution to the lives and livelihoods of 5 million people.

Assess and integrate climate risks

Zurich’s approach to managing climate risk is embedded within our multi-disciplinary Group-wide risk management processes. As such, climate risk is managed in a consistent fashion to other risks to which the Group is exposed. We integrate assessments of both physical and transition risks into our underwriting and investment strategies and this work will only accelerate in the coming years as methodologies and new modeling tools are being developed. This goes much beyond our disengagement and divestment position from activities predominantly focused on particularly carbon intense fossil fuels.

Governance

The Board of Directors’ (Board) Governance, Nominations and Sustainability Committee’s (GNSC’s) responsibilities and authorities include to review and propose to the Board for approval targets on environmental, social and governance (ESG) matters which have a material impact on business strategy, underwriting or business performance. This includes climate risks. Clear roles and responsibilities, for both the Zurich Board of Directors and Zurich’s Executive Committee, ensure effective oversight and action of climate change-related risks.

Metrics & Targets

To ensure continuous improvement in our performance against our ambitious commitments, we have developed key performance indicators (KPIs) for our focus areas. The metrics in place are designed to track the mitigation of operational and investment related risks. We are also working on more long-term targets to achieve Our 1.5°C Future Plan.

Disclosure

We have adopted the recommendations of the Financial Stability Board’s Task force on Climate Change-related Financial Disclosure (FSB-TCFD) and report on progress made in implementing the above commitments. We are actively participating in a United Nations Environment Programme Finance Initiative (UNEP FI) insurance specific project to better understand climate risk and implement the TCFD recommendations.
C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

<table>
<thead>
<tr>
<th>Reporting year</th>
<th>Start date</th>
<th>End date</th>
<th>Indicate if you are providing emissions data for past reporting years</th>
<th>Select the number of past reporting years you will be providing emissions data for</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1 2019</td>
<td>December 31 2019</td>
<td>No</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
</tbody>
</table>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

- Argentina
- Australia
- Austria
- Bahrain
- Belgium
- Bermuda
- Bolivia (Plurinational State of)
- Brazil
- Canada
- Chile
- China
- China, Hong Kong Special Administrative Region
- Colombia
- Cyprus
- Denmark
- Ecuador
- Finland
- France
- Germany
- Indonesia
- Ireland
- Isle of Man
- Italy
- Japan
- Luxembourg
- Malaysia
- Mexico
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Qatar
- Russian Federation
- Singapore
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- United Arab Emirates
- United Kingdom of Great Britain and Northern Ireland
- United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control
C-FS0.7

(C-FS0.7) Which organizational activities does your organization undertake?
- Investing (Asset owner)
- Insurance underwriting (Insurance company)

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?
Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

<table>
<thead>
<tr>
<th>Position of individual(s)</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board-level committee</td>
<td>The ultimate responsibility for climate risks resides with the Board. The Board has the following standing committee, which regularly reports to the Board and submits proposals for resolutions to the Board: • The Governance Nominations and Sustainability Committee (GNSC), chaired by the Chairman of the Board of Directors, reviews and approves the Group’s sustainability strategy and supports the Board with regard to sustainability. Climate change is seen as a core sustainability component and therefore the GNSC's mandate also covers climate risk and strategy. In 2019 the Board approved the Group’s decision to join the Business Ambition for 1.5°C, that has committed the Group to align its carbon footprint to a 1.5°C future.</td>
</tr>
</tbody>
</table>

C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

<table>
<thead>
<tr>
<th>Frequency with which climate-related issues are a scheduled agenda item</th>
<th>Governance mechanisms into which climate-related issues are integrated</th>
<th>Scope of board-level oversight</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequency with which climate-related issues are a scheduled agenda item</td>
<td>Governance mechanisms into which climate-related issues are integrated</td>
<td>Scope of board-level oversight</td>
<td>Please explain</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Scheduled – some meetings</td>
<td>Reviewing and guiding strategy</td>
<td>Climate-related risks and opportunities to our investment activities Climate-related risks and opportunities to our insurance underwriting activities Climate-related risks and opportunities to our other products and services we provide to our clients The impact of our own operations on the climate The impact of our investing activities on the climate The impact of our insurance underwriting activities on the climate The impact of other products and services on the climate</td>
<td>The ultimate responsibility for climate risks resides with the Board. The Board has standing committees, which regularly report to the Board and submit proposals for resolutions to the Board. The Governance, Nominations and Sustainability Committee (GNSC), chaired by the Chairman of the Board, supports the Board in fulfilling its duty to establish best practices in corporate governance across the Group, to establish and maintain a process for appointing new Board and Executive Committee members and to oversee the Group's approach and conduct with regard to sustainability. The GNSC reviews and approves the Group's sustainability strategy and objectives, oversees the Group's approach and conduct with regard to sustainability and reviews and proposes to the Board for approval targets on ESG matters which have a material impact on business strategy, underwriting or business performance. Zurich's materiality analysis identified climate change as one of three core issues for the company to focus on as part of our sustainability ambition. Our commitment to climate action is part of our sustainability objectives and strategy. By reviewing and approving our objectives and strategy, the GNSC also asks for progress updates against our targets on a quarterly basis. The GNSC receives quarterly updates on strategy implementation, reporting and progress against targets including the climate-related issues. This includes activities within operations such as emissions targets, investments and underwriting. The Risk and Investment Committee, chaired by a member of the Board, oversees Zurich's overall risk management framework. In general, the Risk and Investment Committee oversees the Group's risk management which includes climate risk, in particular the Group's risk tolerance, including agreed limits that the Board regards as acceptable for Zurich to bear, the aggregation of agreed limits across the Group, the measurement of adherence to agreed risk limits and the Group’s risk tolerance in relation to anticipated capital levels and oversees the investment process.</td>
</tr>
</tbody>
</table>
(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

<table>
<thead>
<tr>
<th>Name of the position(s) and/or committee(s)</th>
<th>Reporting line</th>
<th>Responsibility</th>
<th>Coverage of responsibility</th>
<th>Frequency of reporting to the board on climate-related issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td>Reports to the board directly</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Risks and opportunities related to our investing activities, Risks and opportunities related to our insurance underwriting activities, Risks and opportunities related to our other products and services, Risks and opportunities related to our own operations</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Chief Investment Officer (CIO)</td>
<td>CEO reporting line</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Risks and opportunities related to our investing activities</td>
<td>As important matters arise</td>
</tr>
<tr>
<td>Chief Risks Officer (CRO)</td>
<td>CEO reporting line</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Risks and opportunities related to our investing activities, Risks and opportunities related to our insurance underwriting activities, Risks and opportunities related to our other products and services, Risks and opportunities related to our own operations</td>
<td>As important matters arise</td>
</tr>
<tr>
<td>Sustainability committee, Sustainability Leaders Council</td>
<td>Corporate Sustainability/CSR reporting line</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Risks and opportunities related to our investing activities, Risks and opportunities related to our insurance underwriting activities, Risks and opportunities related to our other products and services, Risks and opportunities related to our own operations</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Chief Operating Officer (COO)</td>
<td>CEO reporting line</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Risks and opportunities related to our investing activities, Risks and opportunities related to our insurance underwriting activities, Risks and opportunities related to our other products and services, Risks and opportunities related to our own operations</td>
<td>As important matters arise</td>
</tr>
<tr>
<td>Other C-Suite Officer, please specify (CEO Commercial Insurance)</td>
<td>CEO reporting line</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Risks and opportunities related to our investing activities, Risks and opportunities related to our insurance underwriting activities, Risks and opportunities related to our other products and services, Risks and opportunities related to our own operations</td>
<td>As important matters arise</td>
</tr>
</tbody>
</table>

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

While climate change is not singled out as a separate item in Zurich's Organizational Rules, clear roles and responsibilities, both at the level of the Zurich Board of Directors and Zurich management, ensure effective oversight and action with respect to climate change-related risks.

- The Chief Executive Officer Europe, Middle East and Africa (EMEA) and Bank Distribution is responsible for the Group's Sustainability strategy and objectives and is heading the Group's Sustainability team. She reports to the Group CEO. She proposes the sustainability and climate strategy and objectives to the Governance, Nominations and Sustainability Committee (GNSC), a standing committee of the Board, for review and approval. Climate risks can impact Zurich via its investment portfolio, underwriting activities and own operations. Accountability for delivery of key areas of Zurich's climate approach is assigned to the Group CEO direct reports with chief responsibility for these areas:
  - The Group Chief Investment Officer is responsible for execution of Zurich's responsible investment approach and climate change investment strategy and reporting progress against objectives to the Risk and Investment Committee.
  - The Group Chief Risk Officer sponsors an annual Climate Risk assessment during which climate related risks are assessed and appropriate mitigating actions defined as part of his responsibility for the overall risk management framework for the Group. The Group CRO is also responsible for Zurich’s annual Task force on Climate Change-related Financial Disclosure (TCFD) reporting.
  - The Group Chief Operating Officer is responsible for embedding the Group's sustainability principles and governance framework in the Group's underwriting framework, as he is responsible for setting the Group’s underwriting governance framework and has oversight over the Group's retail insurance business. He is also responsible to manage and report on the Group’s environmental performance as part of his accountability for Zurich’s operational footprint (Scope 1, 2 & 3 excluding investments).
  - The Commercial Insurance CEO and country Chief Underwriting Officers are responsible for reviewing relevant external trends and driving Zurich’s underwriting strategy for Commercial and Retail business, including climate relevant aspects. Progress against strategy is regularly reviewed and reported in business unit reviews.

Zurich’s sustainability committee, the Sustainability Leaders Council, ensures that Zurich’s approach to sustainability is effectively integrated in the way we do business and enables Zurich to live up to its Code of Conduct and purpose and values and the principles of the UN Global Compact. The Council comprises senior executives from across the business and is chaired by Group Head of Public Affairs and Sustainability. The Council has the following responsibilities:

- Formulate and formalize the integration of sustainability across businesses and functions including target setting and tracking.
- Lead the ongoing implementation of that ambition by providing management support, time and sufficient resources.
- Ensure that sustainability principles are adequately reflected in ongoing and future change projects or initiatives.
- Advocate and communicate about Zurich’s sustainability ambition.

The Chair of the Sustainability Leaders Council reports to the CEO for EMEA & Bank Distribution and also, at least twice a year, provides an update to the Group CEO and his direct reports and the GNSC on progress and new developments.

C1.3
(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

<table>
<thead>
<tr>
<th>Provide incentives for the management of climate-related issues</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Zurich’s remuneration framework is regularly reviewed to ensure it complies with regulatory requirements, supports our strategic objectives, incentivizes the right behaviours and our commitment to sustainability considering the interests of our stakeholders. The members of the Board receive fixed remuneration as an annual fee, of which the basic fee is paid half in cash and half in five-year sales-restricted shares which are not subject to the achievement of any specific performance conditions. Total remuneration for employees, including members of the Executive Committee (ExCo), comprises as applicable, fixed remuneration consisting of base salaries, pensions and employee benefits, as well as variable remuneration consisting of short- and long-term incentive awards.</td>
</tr>
</tbody>
</table>

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

<table>
<thead>
<tr>
<th>Entitled to incentive</th>
<th>Type of incentive</th>
<th>Activity incentivized</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate executive team</td>
<td>Monetary reward</td>
<td>Other (please specify) (Members of the Executive Committee have relevant targets and accountabilities supporting the Group’s sustainability and climate strategy.)</td>
<td>Determination of cash incentives for members of the Executive Committee are based on the performance of the business and an individual’s performance achievements. Individual performance is assessed in relation to targets set for each member’s area of responsibility. Targets include financial measures supporting the execution of the strategy, quantitative customer and employee metrics, as well as additional ESG and strategic project targets and accountabilities.</td>
</tr>
</tbody>
</table>

C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG principles, including climate change?

<table>
<thead>
<tr>
<th>We offer an employment-based retirement scheme that incorporates ESG principles, including climate change.</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, as the default investment option for some plans offered</td>
<td>Zurich offers a multitude of plans (both Defined Benefits and Defined Contributions) across the many countries we are active in and ESG criteria are included as a default option in a number of our largest countries. We are constantly working on integrating ESG criteria as default option in additional countries.</td>
</tr>
</tbody>
</table>

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

<table>
<thead>
<tr>
<th>From (years)</th>
<th>To (years)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Medium-term</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Long-term</td>
<td>5</td>
<td>For the purpose of defining scenario narratives related to climate change we mostly apply a 10-year time horizon, however for some long-term risks such as real-estate investments and Life assurance risks longer time horizons are considered.</td>
</tr>
</tbody>
</table>

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Identified scenarios with an estimated inherent impact of more than USD 500m and a probability above 18 percent, or less likely scenarios with an estimated inherent impact above USD 1bn are considered substantive in the context of our climate risk assessment. Additionally sustainability risks, including climate change, can have a substantive impact on the reputation of a company. Reputational impacts are however difficult to quantify and we use a qualitative measure for reputational risks, with risk ranked minor, moderate, major or severe.
(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

**Value chain stage(s) covered**
- Direct operations
- Upstream
- Downstream

**Risk management process**
Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**
Annually

**Time horizon(s) covered**
- Short-term
- Medium-term
- Long-term

**Description of process**
Zurich uses the TCFD framework to support our understanding of climate change-related risks and opportunities linked to physical and transition risks, using scenarios to explore different possible futures & options to respond. We have devised a framework built around two scenarios: one based on the failure to act on climate change, with rising 'physical risk', the other assumes that effective measures are taken to reduce carbon emissions, but this carries a number of 'transition risks'. The two scenarios are not mutually exclusive as transition risks and physical risks coexist, but Zurich's initial assessment shows that a physical risk pathway currently is significantly more likely than a transition pathway. Overall the Group considers its near-term (less than five years) climate change-related risks to be manageable and foreseeable, whereas long-term (more than 10-15 years) risks to be elevated and highly uncertain. 12 critical areas required for transition to a low-carbon economy are monitored and assessed with the help of a scorecard to gauge the likelihood of two representative scenarios. Scorecard assessment and narratives are updated annually and serve as the basis for the internal climate risk assessment conducted using the Total Risk Profiling™ (TRP) risk assessment methodology. This annual Group-wide assessment is conducted under the sponsorship of the Group Chief Risk Officer. Our proprietary Total Risk Profiling™ (TRP) process allows Zurich to identify and evaluate the frequency and severity of a risk scenario and to implement and monitor appropriate mitigating actions. To complement the TRP assessment, Zurich uses its Sustainability Risk framework, which is aligned with our purpose and values of 'standing up for what’s right', to proactively and systematically identify and assess detailed sustainability risk issues including from climate change. Zurich’s Sustainability Risk team monitors ongoing developments around physical and transition climate risks, in close collaboration with the Public Affairs team, to maintain visibility of regulatory developments. Relevant climate risks are assessed in detail by the Sustainability Risk team and developed into sustainability risk positions for our insurance and investment businesses where appropriate, such as with our policy on reducing exposure to thermal coal and oil sands. Ultimately, Zurich’s approach to managing climate risk is embedded within its multi-disciplinary Group-wide enterprise risk management processes. For example, through its property insurance business Zurich is already exposed to present day physical climate risks from natural catastrophes. The Group models exposures in a center of excellence, which works with local businesses to help improve the overall quality of data to have a consistent approach and to form a global perspective on accumulations. The risk modelling principally addresses climate-induced perils such as windstorms, river floods, tornadoes and hailstorms and geologically induced perils such as earthquakes. Potential gaps are addressed as part of Zurich’s model validation process and the ‘Zurich View’ approach that provides uplifts for impacts we consider under-represented in the standard models. The Zurich view also underpins profitability assessment & strategic capacity allocation & guides the type & quantity of reinsurance Zurich buys. Zurich’s reinsurance purchases protect the company’s balance sheet from large natural catastrophe impacts & support earnings volatility management. As catastrophe models are typically based on historical data and hence backward looking, the ability to account for potential future changes gives additional importance to the Zurich View when modelling climate risks. The development of the Zurich View leverages both internal & external expertise. One such source of external knowledge is the Advisory Council for Catastrophes that provides insights into the patterns of occurrence, predictability & destructiveness of catastrophes & gives feedback about Zurich’s approach to such catastrophes. The main concentrations of risks arising from such potential catastrophes are regularly reported to executive management. The most important climate related peril regions are U.S. and Caribbean tropical cyclone & Europe windstorm. For investment risks, Zurich analyzed physical and transition risks for selected parts of its investment portfolio, although exposure is expected to be further mitigated with ongoing implementation of Zurich’s responsible investment and climate change investment strategies, e.g. through allocations to impact investments, including green bonds, & through a comprehensive approach of ESG integration. Zurich will consider impact investments that help increase energy efficiency, generate renewable energy or mitigate climate change and/or protect the environment in other ways. Through its commitment to the green bonds market, Zurich is seeking to capture opportunities across the universe of green, social & sustainable bonds. While most green bonds are focused on either climate change mitigation or adaptation, Zurich will also consider investing in green bonds that provide financing to other projects that offer benefits to the environment, such as sustainable water use, waste management, biodiversity as well as social & sustainability bonds. As an example, Zurich invested in a transition opportunity via a green bond of a transitioning issuer. The issuer, a US-based energy producer, plans to retire from nine coal-fired generating units by 2024 while doubling the renewable generation by 2030. The green bonds use of proceeds were fully allocated to solar power projects. Climate change risk & opportunities are important factors in Zurich’s proxy voting & engagement strategy. Zurich’s Sustainability Leaders Council ensures identified risks and opportunities are effectively integrated in the way we do business. The Council comprises senior executives from across the business and is chaired by Group Head of Public Affairs and Sustainability. The Council has the following responsibilities: • Formulate and formalize the integration of sustainability across businesses and functions including target setting and tracking • Lead the ongoing implementation of that ambition by providing management support, time and sufficient resources • Ensure that sustainability principles are adequately reflected in ongoing and future change projects or initiatives • Advocate and communicate about Zurich’s sustainability ambition.
Which risk types are considered in your organization’s climate-related risk assessments?

<table>
<thead>
<tr>
<th>Relevance &amp; inclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current regulation</td>
<td>Laws and regulations on both national and international level can have an influence on both our own operations and change liability exposure or operating costs of our customers and investee companies. Our Regulatory Affairs and Public Affairs teams monitor and regularly report on relevant regulatory developments, with those reports serving as input to our risk assessments. There are already a number of existing regulations such as the UK Climate Change Act or legislation passed as part of Germany’s ‘Energiewende’. Their substance and implementation impact the transition path and transition risk for the respective countries.</td>
</tr>
<tr>
<td>Emerging regulation</td>
<td>Laws and regulations on both national and international level can have an influence on both our own operations and change liability exposure or operating costs of our customers and investee companies. Our Regulatory Affairs and Public Affairs teams monitor and regularly report on relevant regulatory developments, with those reports serving as input to our risk assessments. A number of national legislators and international bodies are currently working on updating existing or creating new climate change and sustainability related regulations that have a potential to impact Zurich’s own operations, e.g. in the area of disclosure and compliance. Proactive approach with engaging regulators to understand impacts and support decision making. An example is the current development of the EU framework for sustainable finance that is expected to have a strong focus on climate change and supporting the transition to a low-carbon economy.</td>
</tr>
</tbody>
</table>

Technology

| Relevance & included | Technology is an important driver of climate change, but is also required to achieve the transition to a low carbon economy. As part of our climate change scenario planning, our transition scenario scenario track technologies and developments such as energy supply, energy integration and storage and electric vehicles. Changes in technologies can have a direct impact on our insurance business. For example, car insurance is a significant line of business for Zurich and new risk characteristics of electric vehicles such as fire hazards from their lithium batteries need to be reflected in pricing and risk selection. Another example is the vulnerability of wind farms and solar panels to extreme weather events. Technologies also provide new business opportunities, such as tailored propositions covering the fear of being stranded with empty batteries (called range anxiety). As climate change mitigation becomes more pressing, technologies with unfeasible consequences might increasingly be considered as solutions. Such technological risks are closely monitored by the Sustainability Risk team in collaboration with our Emerging Risk Group and the Current Risk Group to identify relevant risks. |

Legal

| Relevance & included | As part of some types of insurance policies we may assume part of the legal risks of our customers, such as legal defence costs. Managing legal risks is therefore an integral part of our insurance business and our own operations. Global and local teams provide on-going monitoring of legal trends to enable mitigation as required. Although not considered material in the near term, the increasing frequency of climate-related legal action suggests climate-related litigation represents a potential risk in the long term. As impacts of climate change on companies’ performance becomes more obvious over time, we may see an increase of shareholder actions against their executives, for failing to adequately manage the risk of climate change on their business and to disclose these risks to investors. While we have not yet been impacted by such suits, this could trigger claims under our Directors & Officers policies. |

Market

| Relevance & included | Market risk is the risk associated with the Group’s balance sheet positions where the value or cash flow depends on financial markets. Zurich is exposed to market risk both on the investment and insurance side. In the context of climate change, asset corrections for carbon related assets as a result of an accelerated climate transition could become particularly relevant. Carbon intensive industries such as the energy sector, and particularly companies using coal as a high emission intensive fuel, can be expected to be impacted the most. The coal sector’s exposure to market risk was a contributing factor for our policy to reduce our relevant investment and insurance exposure. Longer term there is also a risk that physical impacts increase market risk across a number of asset classes (e.g. equities impacted by supply-chain interruptions, real estate affected by sea-level rise and natural catastrophes, sovereign or corporate bonds as losses from physical impacts rise and the capacity to withstand repeated shocks diminishes), though analysis suggests that very significant impairments would be required for the Zurich portfolio to be materially impacted. Our Sustainability Risk positions, such as our position to reduce our exposure to coal, and ESG integration in our investment portfolio address climate specific market risks. |

Reputation

| Relevance & included | Reputation risk can arise from act or omissions by the Group or any of its employees that could damage the Group’s reputation or lead to a loss of trust among its stakeholders. For climate change we also identified and manage a risk resulting from a failure to deliver on publicly stated commitments. The Group aims to preserve its reputation by adhering to applicable laws and regulations, and by following the core values and principles of the Group’s code of conduct, which promotes integrity and good business practice. Our sustainability risk framework also allows us to assess and react to reputation risks we assume through our customers. For example, based on our assessment we do not insure companies denying the majority of their revenue from thermal coal or oil sands related business. |

Acute physical

| Relevance & included | Under acute physical risks we understand extreme weather events for which frequency, severity or geographical distribution is expected to change as a result of climate change, such as tropical cyclones and extreme rainfall and associated flooding or heatwaves. Current climate models, such as the IPCC models we base our internal climate scenarios on, indicate that physical climate change risk begins to rise more materially beyond the next couple of decades. Regional variations will be large, however, and low-lying land and coastal areas are likely to see from sea-level change earlier on. Assessing and managing the impact of extreme weather events is part of our core business competency. Changes in frequency and severity of events caused by climate change however add to the challenges in accurately measuring expected impacts. Our assessment also considers that the physical impacts reduce the profitability of investments across all asset classes (e.g. equities, real estate, sovereign or corporate bonds), though analysis suggests that very significant impairments would be required for the Zurich portfolio to be materially impacted. Physical impacts to our people and operations are not deemed material at this time, given the strong local disaster and recovery planning in place for all facilities. |

Chronic physical

| Relevance & included | Climate change is expected to also lead to chronic physical changes, such as rising sea-levels, change in droughts and indirect impacts on health and resources such as water availability and crop yield. While there is a large degree of uncertainty around the timing and impact of overall physical risk, some effects are less sensitive to modelling assumptions, notably the rising of sea levels. Due to their slow-moving and gradual nature, the chronic climate risks above are particularly relevant for long-term decisions, such as required for our real-estate portfolio that might be affected by sea-level rise for coastal property. |

Do you assess your portfolio’s exposure to climate-related risks and opportunities?

<table>
<thead>
<tr>
<th>We assess the portfolio’s exposure</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank (lending) (Bank)</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Investing (Asset managed)</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Investing (Asset owner)</td>
<td>Yes</td>
</tr>
<tr>
<td>Initial results identifying portfolio exposure are provided by our annual climate risk assessment, scenario analysis and issues highlighted via our sustainability risk framework, these results allow us to perform deep-dive analysis for the most relevant portfolio exposures. Also, we have purchased external data that allows us to identify the carbon footprints as well as transition risks of corporate investees, to assess their relative contribution in our portfolio.</td>
<td></td>
</tr>
<tr>
<td>Insurance underwriting (Insurance company)</td>
<td>Yes</td>
</tr>
<tr>
<td>Initial results identifying portfolio exposure are provided by our annual climate risk assessment, scenario analysis and issues highlighted via our sustainability risk framework, these results allow us to perform deep-dive analysis for the most relevant portfolio exposures. Also, we have purchased external data that allows us to identify the carbon footprints of commercial customers, to assess their relative contribution in our portfolio. For physical risks, exposure of relevant perils such as windstorms, river floods, tornadoes and hailstorms, are modelled by our catastrophe modelling team, using vendor models, modified to our own requirements.</td>
<td></td>
</tr>
<tr>
<td>Other products and services, please specify</td>
<td>Not applicable</td>
</tr>
<tr>
<td>All products and services are subject to the insurance underwriting processes.</td>
<td></td>
</tr>
</tbody>
</table>
(C-FS2.2c) Describe how you assess your portfolio’s exposure to climate-related risks and opportunities.

<table>
<thead>
<tr>
<th>Portfolio coverage</th>
<th>Assessment type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank lending (Bank)</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Investing (Asset managed)</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Investing (Asset owner)</td>
<td>All of the portfolio</td>
<td>Qualitative and quantitative</td>
</tr>
</tbody>
</table>

In 2017, Zurich’s Macroeconomic and Market Strategy team developed a climate-change scorecard to monitor the probabilities of transition and physical risks, which is updated annually. The 2019 update indicated that the likelihood of missing the Paris Agreement's target of limiting global warming to 2°C or below was higher than achieving it. Zurich has subsequently done further analysis of mid (3-5-year) and long-term (5-10-year) effects under high transition risk and high physical risk scenarios, which have informed further action points for 2019, resulting in our updated position on climate change. We are helping our customers and communities become more resilient to natural disasters and extreme weather; we make a difference through our responsible investment approach; and we are swiftly reducing our carbon footprint. As part of this, we were the first insurer to commit to the UN Global Compact's Business Ambition for 1.5°C. In 2019, Zurich onboarded a new data provider, providing additional information on transition risk on a company level. As part of our ESG integration, this additional information forms part of a more holistic risk analysis, but also helps us to understand where the climate-related risk and opportunities lie in the investment portfolio. The transition score analysis feeds into the company’s overall climate change total risk profile. In March 2019, Zurich published first impact numbers for ‘CO2e emissions avoided’ / 'people benefited'. The impact was achieved through a majority of its impact portfolio. We further increased the scope of green and social bonds and also developed a methodology to calculate the impact of our impact infrastructure private debt portfolio in 2019. In June 2019 we published the full methodology of our impact measurement framework: https://www.zurich.com/-/media/project/zurich/dotcom/sustainability/docs/zurich-impact-measurement-framework.pdf?la=en

(C-FS2.2d) Do you assess your portfolio’s exposure to water-related risks and opportunities?

<table>
<thead>
<tr>
<th>We assess the portfolio’s exposure</th>
<th>Portfolio coverage</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank lending (Bank)</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Investing (Asset managed)</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Investing (Asset owner)</td>
<td>Yes</td>
<td>Majority of the portfolio</td>
</tr>
<tr>
<td>Insurance underwriting (Insurance company)</td>
<td>Yes</td>
<td>Minority of the portfolio</td>
</tr>
<tr>
<td>Other products and services, please specify</td>
<td>Not applicable</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

In 2019, Zurich onboarded a new data provider, providing additional information on insurance underwriting (Insurance company) as part of our ESG-integration, we use data from a third-party provider. If water exposure is a risk factor for a business model, the scores would cover that and alert us. Moreover, our Green and Sustainability bond portfolio allocates proceeds towards water-related investment opportunities. We count those investment as part of our impact investment portfolio. Moreover, one of the constituents of the Transition Risk score, a score we use to analyse our liquid investments, measures the water-intensity, defined as ‘sum of cooling, process and purchased water divided by revenue’.

Part of Zurich’s property insurance book includes coverage for water-related risk and exposure is therefore assessed in detail. Exposure to flood risks is modelled by sophisticated flood models leveraging external vendor models in a center of excellence, which works with local businesses to help improve the overall quality of data. Potential model gaps are addressed as part of Zurich’s model validation process and the ‘Zurich View’ approach that provides uplifts for impacts we consider under-represented in the standard models. The Zurich view also underpins profitability assessment & strategic capacity allocation & guides the type & quantity of reinsurance Zurich buys. Zurich’s reinsurance purchases protect the company’s balance sheet from large natural catastrophe impacts & support earnings volatility management. As catastrophe models are typically based on historical data and hence backward looking, the ability to account for potential future changes gives additional importance to the Zurich view when modelling climate risks. The development of the Zurich View leverages both internal & external expertise. One such source of external knowledge is the Advisory Council for Catastrophes that provides insights into the patterns of occurrence, predictability & destructiveness of catastrophes & gives feedback about Zurich’s approach to such catastrophes. For transition risk, exposure is determined more by industry sector, with carbon intensive sectors such as mining or power generation showing elevated risks. For example, Zurich’s exposure to coal companies was identified as particularly high transition risk based on their carbon intensity and reputational risks. The use of external data on coal production data of individual companies then allowed us to identify relevant companies and take action in line with our coal policy.

Other products and services, please specify
**C-FS2.2e** Do you assess your portfolio’s exposure to forests-related risks and opportunities?

<table>
<thead>
<tr>
<th>We assess the portfolio’s exposure</th>
<th>Portfolio coverage</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank lending (Bank)</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Investing (Asset manager)</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Investing (Asset owner)</td>
<td>Yes</td>
<td>Majority of the portfolio</td>
</tr>
<tr>
<td>Insurance underwriting (Insurance company)</td>
<td>No, we don’t assess this</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Other products and services, please specify</td>
<td>Not applicable</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

As part of our ESG integration, we use data from a third-party provider. If forest-related exposure is a risk factor for a business model, the scores would cover that and alert us. Our Green and Sustainability bond portfolio allocates proceeds towards forest-related investment opportunities.

**C-FS2.2f**

Do you request climate-related information from your clients/investees as part of your due diligence and/or risk assessment practices?

<table>
<thead>
<tr>
<th>We request climate-related information</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank lending (Bank)</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Investing (Asset manager)</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Investing (Asset owner)</td>
<td>Yes, for some</td>
</tr>
<tr>
<td>Insurance underwriting (Insurance company)</td>
<td>Yes, for some</td>
</tr>
<tr>
<td>Other products and services, please specify</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

Zurich believes that ESG factors, such as climate change under “E” environment, do have an impact on the risks and opportunities associated with the assets in which we invest. As a consequence, we believe that proactively including ESG factors in the investment process across asset classes, and alongside traditional financial metrics and state-of-the-art risk management practices will support us in our mission to achieve superior risk-adjusted long-term financial returns. Given its complexity and long-term nature, climate change represents a particular challenge for ESG integration. Additional data and tools are required to raise awareness among investment professionals and to support integration in investment strategies.

For the heavy emissions sectors such as mining and energy production, we do request data from relevant customers on coal mining, coal power production, oil sands and oil shale involvement as part of our coal, oil sands and oil shale policy. The data is used to confirm if they are below our thresholds for these fuel types, or have credible plans to decarbonize in the coming years. If based on their information new or existing customers exceed these limits, we will engage them in a risk-based dialogue – not to exceed 24 months – with the aim to drive a deeper discussion regarding their credible mid-to-long term transition plans.

**C2.3**

Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

**C2.3a**

Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Downstream

**Risk type & Primary climate-related risk driver**

| Acute physical | Increased severity and frequency of extreme weather events such as cyclones and floods |

**Primary potential financial impact**

Increased insurance claims liability

**Climate risk type mapped to traditional financial services industry risk classification**
Market risk

Company-specific description
Climate change is expected to change the severity and probability of extreme weather events such as tropical cyclones including storm surge, extreme rainfall and associated flooding or heatwaves. Regional variations will be large, however, and low-lying island and coastal areas are likely to see risk from sea-level change earlier on. Damages from extreme weather events also vary due to natural, not climate change induced, variability on annual and longer-term time horizons. We consider the impact of climate change on a five-year time horizon to be smaller than the impact of the natural cycles and the general variability of catastrophe events. Zurich does, however, deem the impact of climate change over the long term (more than 15 years) to be elevated and highly uncertain. Based on our current portfolio and scientific consensus, perils requiring particular monitoring focus are: • Atlantic hurricanes, as there is increasing evidence that the proportion of high intensity (Category 4 and 5) hurricanes will increase. • Sea level rise, particularly in conjunction with tropical cyclones. • Extreme rainfall is expected to increase with progressing climate change as the temperature increases. So far we have not yet seen claims trends that can be specifically attributed to climate change versus other trends, such as increased accumulation of (property) assets in areas exposed to extreme weather events. Impacts are expected to emerge gradually, providing time to react by re-balancing portfolios and pricing. As a result, over the longer term some combinations of perils, regions and lines of business, in particular property, and to a lesser extent business interruption and contingent business interruption, can be expected to result in higher natural catastrophe loads that would go into the model price for a significant share of contracts under the assumption of unchanged policy terms. For other perils, regions and/or products we would not expect higher natural catastrophe loads to go into the model price for a significant share of contracts to result from climate impacts. The risk to our business comes from a potential lack of understanding of the dynamics of climate change and insufficient ability to isolate gradual changes to the risk in order to ensure increases in risk due to climate change impacts is sufficiently priced. A failure to do this means we could be anti-selected against in the market, with potential impacts to profitability and market share.

Time horizon
Long-term

Likelihood
More likely than not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
500000000

Potential financial impact figure – maximum (currency)
1000000000

Explanation of financial impact figure
The financial impact range is an estimation based on expert judgement by our internal Accumulation Identification and Management Group supported the Advisory Council for Catastrophes (ACC). The ACC is a panel of external experts that provides insights into the patterns of occurrence, predictability and change of catastrophes & gives feedback about Zurich’s approach to such catastrophes. The ACC also provides insights on expected changes of modelled perils for different temperature increase scenarios. The estimation takes into account expected extreme weather impacts due to climate change based on latest scientific models combined with our specific exposure to such perils based on our insurance book at the 250 year probability level. Generally, annual policy renewals provide a degree of insulation against increasing physical risks for short-tail business, however the ability to isolate gradual changes to the risk (e.g. a change in frequency, severity or correlations) and therefore capture the impacts of a changing climate becomes more pressing over a longer time frame.

Cost of response to risk
300000

Description of response and explanation of cost calculation
Zurich’s catastrophe management and modelling processes provide a sound basis to understand changes in climate related risks. Zurich uses third-party models as the base to manage its underwriting and ensure accumulations stay within intended exposure limits. While Zurich recognises natural catastrophe models are regularly updated and designed to reflect today’s risk, including climate change, potential gaps are addressed as part of Zurich’s model validation process and the ‘Zurich View’ approach, leveraging both internal and external expertise. In line with the increased sophistication of Zurich’s catastrophe model management, resources for modelling and validation have increased over time. In 2019 Zurich increased the resource in the Catastrophe Research & Development team by 2 roles dedicated to climate change, explaining the costs of management. The main focus will be to integrate the results from Global Circulation Models into our Catastrophe Modelling with the goal to quantify future risk. So far, we have not yet seen claims trends that can be specifically attributed to climate change versus other trends, such as increased accumulation of (property) assets in areas exposed to extreme weather events. Impacts are expected to emerge gradually, providing time to react by rebalancing portfolios and pricing.

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver
Reputation increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
Reputational risk

Company-specific description
Climate change is a defining topic of today’s society and stakeholders have growing expectations for responsible conduct from companies and that they contribute to mitigating impacts from climate change to the best of their ability. How an organization plans and invests in a transition to a low-carbon economy may positively or negatively affect perceptions about the organization and its reputation, which in turn may affect its future earning capacity, market valuation, employee relationships, and relationships with regulators and customers. At Zurich, being a responsible and sustainable company is at the foundation of our business and we made strong commitments...
towards this ambition, such as signing up to the We Mean Business 1.5°C pledge and as part of the Net Zero Asset Owner Alliance. Given our strong stance on combating the impact of climate change on our customers and society, any perceived or real failure to live up to our set objectives and targets could have a particularly significant impact on our reputation compared to companies with a less ambitious vision.

**Time horizon**
Long-term

**Likelihood**
Unlikely

**Magnitude of impact**
Medium-low

**Are you able to provide a potential financial impact figure?**
No, we do not have this figure

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
Reputational impacts are difficult to quantify and we use a qualitative measure for reputational risks, which is determined through expert judgement as part of our proprietary Total Risk Profiling™ (TRP) risk assessment process. Out of the categories minor, moderate, major and severe, this risk has been assessed as moderate, potentially damaging reputation with critical impact on the business.

**Cost of response to risk**
0

**Description of response and explanation of cost calculation**
Authorities within the Group have been set up in a way that ensures adequate oversight over sustainability targets and their implementation. The governance on both Board and management level allows for regular monitoring of our progress and can respond to deviance from our externally communicated targets: The Governance, Nominations and Sustainability Committee (GNSC), chaired by the Chairman of the Board, oversees the Group’s approach and conduct with regard to sustainability and oversees that the Group maintains adequate focus on our climate change ambition and delivery of targets. This ensures the topic is given adequate priority throughout the Group and: On a management level, Zurich’s Sustainability Leaders Council (SLC) has been established to ensure that Zurich’s approach to sustainability and climate change is effectively integrated in the way we do business. The Council comprises senior executives from across the business and is chaired by Group Head of Public Affairs and Sustainability. The Council has the following responsibilities: •Formulate and formalize the integration of sustainability across functions and functions including target setting and tracking •Lead the ongoing implementation of that ambition by providing management support, time and sufficient resources •Ensure that sustainability principles are adequately reflected in ongoing and future change projects or initiatives •Advocate and communicate about Zurich’s sustainability ambition. The Chair of the Sustainability Leaders Council reports at least twice a year to the Group CEO and his direct reports and the GNSC on progress and new developments and allow the GNSC to perform its oversight role. The GNSC and SLC are staffed by existing Board and management roles, and therefore do not create additional FTE costs.

**Comment**

**Identifier**
Risk 3

**Where in the value chain does the risk driver occur?**
Downstream

**Risk type & Primary climate-related risk driver**

<table>
<thead>
<tr>
<th>Market</th>
<th>Uncertainty in market signals</th>
</tr>
</thead>
</table>

**Primary potential financial impact**
Reduced profitability of investment portfolios

**Climate risk type mapped to traditional financial services industry risk classification**
Market risk

**Company-specific description**
If the world is to keep global temperature increases to well below 2°C, as set out in the Paris agreement, the transition to a low-carbon economy will affect every business and asset. Depending on how carbon intensive a company’s business model is and how willing and able they are to decarbonize, there will be winners and losers of the transition. This will lead to significant asset price corrections over time. In an orderly and internationally coordinated transition, such shifts in asset prices will play out in a predictable way over time. However, depending on political and societal reactions, the transition could play out in an unordered way with significant asset price volatility and market uncertainty as well. The performance of Zurich’s investment portfolio could be negatively impacted, if any such changes in asset value are not sufficiently understood and managed.

**Time horizon**
Long-term

**Likelihood**
More likely than not

**Magnitude of impact**
Medium-low

**Are you able to provide a potential financial impact figure?**
Yes, an estimated range

**Potential financial impact figure (currency)**
<Not Applicable>
(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Development of climate adaptation, resilience and insurance risk solutions

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Climate related regulations aimed at incentivizing a low carbon economy and evolving consumer behaviour, result in an increased demand for alternative low carbon solutions, providing opportunities for new markets. Products are: Liability Insurance: A flexible solution that can respond to a wide range of environmental exposures including clean-up costs and environmental damage costs to restore environmental damage to protected species or natural habitats, surface water or ground water and land; Crop insurance: RCIS is owned by Zurich. RCIS can insure more than 130 different crops through a broad portfolio of products, including hail, supplemental and stand-alone insurance products, as well as multi-peril insurance policies available through the US State Department of Agriculture’s (USDA) Risk Management Agency. Zurich recently joined the US-based consortium Field to Market to explore the utilization of insurance in incentivizing sustainable agricultural practices; Carbon Capture and Storage and Reclamation bonds. Also, we have introduced electric vehicle insurance propositions in Ireland, Switzerland, Germany, Spain, Austria and Portugal. These are among the first customized electric vehicle insurance products globally and they support the move toward more environmentally friendly transportation. The percentage includes hybrid vehicles also. Zurich proudly insured the construction of many renewable energy projects around the world which have been successfully completed and are now in operation. For example, Zurich insured 'Desert Sunlight', the building of one of the largest solar power projects in California, 'Xina Solar One' in South Africa, and Ashalim a solar thermal power plant in Israel. In Italy, Germany and Switzerland, Zurich provides customized coverage for private homeowners and small to midsize commercial companies to build renewable energy facilities, such as photovoltaic, solar thermal, biomass and geothermal installation, Also in 2019, Zurich announced the launch of a new Climate Risk Resilience Service to support customers to understand how their business operations, strategy, and financial position might be affected by ever-increasing climate risks in the coming years and decades.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
Low
Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
9500000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
We are living in a changing world that requires innovation. This is now transforming the way we protect customers, turning insurance from an industry that pays compensation when harm is done, to one that keeps people out of harm’s way. We realize that the next generation is facing many new risks, related to health and well-being, climate change, cyber security, automation, and more. Therefore, our aim as an insurer is to offer our customers risk-focused solutions that help society adapt to transformation with confidence and support the future we all want to be a part of. The potential financial impact figure is based on approximate revenues (USD) over the next 5 years based on revenues from the products described in the company-specific description section.

Cost to realize opportunity
11000

Strategy to realize opportunity and explanation of cost calculation
Using electric vehicles as an example. The impact is low in the short to medium term, but electric vehicles (EV) are inevitably going to be a significant, growing, segment of the new vehicle market, with Zurich leading the way in developing customised motor insurance solutions that meet the needs of EV customers. Zurich’s Irish based resource is responsible for managing and co-ordinating our global EV insurance initiative. This involves research and strategy development, including the development of a very detailed, extensively researched Guide to EV Insurance Proposition Development for local business units, together with the carrying out global and local market research. The role also involves identifying countries where the proposition can be developed, while also working closely with local underwriting and marketing teams as the proposition goes through Zurich’s rigorous assessment and proposition development processes. One example of this is the launch of an innovative EV motor insurance product in Zurich Portugal in 2018, tailored to meet the specific needs of EV owners. This is the sixth country where Zurich has introduced an EV motor insurance product. The development of an e-car proposition at a local level involves a number of local Zurich employees. These costs are part of our business as usual proposition development costs. Development costs would be typically under USD 11,000 development costs per country and therefore this is the stated cost to realize figure.

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Move to more efficient buildings

Primary potential financial impact
Other, please specify (Reputation impact)

Company-specific description
Zurich has a clear strategy, and track record, for ensuring new or redeveloped headquarters and large office locations achieve accredited environmental qualifications such as Leadership in Energy and Environmental Design (LEED), German Sustainable Building Council (DGNB), Minergie (Switzerland’s construction standard for new and modernized buildings), and BREEAM UK (the world’s leading sustainability assessment method for master planning projects, infrastructure and buildings). Our workplace strategy drives space efficiency improvements, while delivering enhanced workplace experiences for our employees. Where formal environmental or efficiency certifications are not in scope for new office locations, efficiency improvements are still often achieved with moves into newer, facilities, with technical upgrades. Some company specific Zurich examples: - In 2014, Zurich’s Swiss headquarters locations received the first LEED Platinum certification for office buildings in Switzerland - in 2016, Zurich opened the doors to its LEED Platinum certified Zurich North America headquarters This location has demonstrated 30% actual annual operational savings compared to the previous location. - Germany’s new headquarter office in Cologne achieved DGNB Gold certification in 2019. This one new location supports employees that were previously spread across 16 offices in Cologne and Bonn. - Zurich’s new global headquarters in Zurich, Switzerland, planned to open in 2021, is targeting to achieve both LEED Platinum and Minergie certifications. This office will be one of the most energy efficient buildings in the city, will have onsite photovoltaic installations, will use lake water for heating and cooling, and will use no fossil fuels. These certified buildings offer additional benefits specific to Zurich in terms of recruiting and retention potential due to the attractive work environment, and employee productivity improvements, including but not limited to improvements to occupant comfort, high air quality standards, increased flexibility, increased collaboration, biophilic elements, etc.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
10000000

Potential financial impact figure – maximum (currency)
500000000

Explanation of financial impact figure
The true financial benefits from sustainable office buildings are very difficult to measure as they positively impact employees’ health and well-being, productivity, recruiting
and retention. Further, reputational benefits with investors and customers are also likely. One area that is more tangible is the cost savings resulting from significant energy efficiency gains. Considering Zurich’s headquarters in Switzerland and Zurich North America, and a number of other smaller, yet significant, office locations, it is estimated that Zurich saves at least USD 1,000,000 each year on energy and water costs, compared to if we have remained in, or moved to, locations with no environmental or sustainability qualifications. With space efficiency achievements, rental savings are also achieved. The potential financial impact range is estimated to be at least our operational cost savings (minimum) over ten years, ranging up to 500,000,000 over ten years, as a very high level estimate of potential impacts to reputation, employee productivity, and rental savings.

Cost to realize opportunity
600000

Strategy to realize opportunity and explanation of cost calculation
Zurich has public carbon and energy reduction targets. Planning environmental and sustainability certification for our headquarters and larger office locations is key to reaching these targets. Sustainable buildings are well perceived by our customers, investors and employees, further reinforcing the value of sustainable buildings. In 2014, Zurich formally embedded sustainable building requirements in our project management processes and governance requirements. In 2018, the LEED Platinum certified headquarters building in North America reported a more than 50% reduction in electricity costs compared to 2015 electricity costs at the previous headquarters location, validating a direct cost savings resulting from the decision to move to highly efficient buildings. We are continuously improving our approach to sustainable buildings, and this remains a key focus in workplace projects around the Group. Cost associated with the building efficiency transition are embedded as business as usual project costs. However, when it comes to new builds, where Zurich is the single or anchor tenant, Zurich will make the premium investment to achieve a formal efficiency certification (including certification and resource costs). Considering Zurich’s headquarters projects, we have taken an estimate of costs based on an estimate of three projects running concurrently, all seeking their local sustainable building certification, requiring an estimated USD 200,000 in costs per project, per year. The ‘cost to realize opportunity’ considers 2019 only.

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Resilience

Primary climate-related opportunity driver
Other, please specify (Help customers and communities reduce the devastating impact of floods)

Primary potential financial impact
Other, please specify (To help make 2 million people more resilient to flooding)

Company-specific description
Floods affect more people globally than any other type of natural hazard and cause some of the largest economic, social and humanitarian losses. By using our risk expertise as a global insurer, we can help customers and communities to reduce the devastating impacts of floods, even before a flood ever hits. Zurich, together with academic institutions and NGO partners, has developed a flood resilience model with innovative pre-event mitigation measures to help the poorest communities in the world protect themselves from floods. The Zurich Flood Resilience Alliance, a multi-sector partnership focusing on finding practical ways to help communities strengthen their resilience to floods globally – and save lives was launched in 2013. In the first phase of the program which ran from 2013 to 2018, we reached over 225,000 direct beneficiaries across our 13 programs in nine countries. In 2019, we have scaled up the Alliance operations and now have programs running in 18 countries around the globe. A large focus of these programs is on scaling and partnering with other civil society, NGO and private sector organizations, and on sharing learning. The Alliance is open source and is sharing its knowledge through its dedicated flood resilience portal at https://floodresilience.net/ that now features three spin-off versions for the Latin America region in Spanish and for Nepal and Bangladesh. In the second five-year phase of the program launched in July 2018, the Alliance aims to increase the investment going into pre-event resilience building by USD 1 billion and commits to scaling up its work in climate action, to help make 2 million people more resilient to flooding, both by the end of 2023. Knowledge success for 2019 further included the completion and dissemination of 119 knowledge products, largely focusing on sharing Alliance best practice. Zurich’s efforts have been recognized through awards such as the UNFCCC’s ‘Momentum for Change Lighthouse Award’ in 2014 and a Convergences’ “Special Climate Prize” in 2015. In 2019, Zurich won an Outstanding Achievement Award from the 2019 National Hurricane Conference. Zurich earned this honor for its work to develop and implement its Post Event Review Capability (PERC) approach, an open-source methodology designed to evaluate how natural hazards events turn into community disasters and to provide practical recommendations that promote community resilience.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
700000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
One of Zurich’s objectives is to enhance the effectiveness of disaster risk reduction solutions by improving understanding of the barriers to more effective measures to build physical, natural, human, social and financial resilience to floods. Demonstrating and advocating the benefits of pre-event risk reduction over post-event disaster relief. Developing and delivering innovative, sustainable solutions that make communities more resilient to floods and taking them to scale globally. Finally, developing perspectives on appropriate risk transfer and risk management solutions in flood vulnerable areas, including prerequisites for their effective functioning. As an insurer the flood resilience program supports our aim to lower our customers’ and hence our own exposure to floods. The potential financial impact figure can be benchmarked against recent natural hazards. In the second five-year phase of the program launched in July 2018, the Alliance aims to increase the investment going into pre-event resilience building by USD 1 billion and commits to scaling up its work in climate action, to help make 2 million people more resilient to flooding, both by the end of 2023. As an insurer the flood resilience program supports our aim to lower our customers’ and hence our own exposure to floods. The potential financial impact figure can be benchmarked against recent natural hazards. For example, Zurich’s estimated net claims related to hurricanes Harvey, Irma and Maria of USD 700m as published in 2017.
C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative

(C3.1b) Provide details of your organization’s use of climate-related scenario analysis.

<table>
<thead>
<tr>
<th>Climate-related scenarios and models applied</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>RCP 4.5</td>
<td>Zurich has developed 2 climate change scenarios that map out probable climate change impacts over a 10-year horizon, which are updated annually. The scenarios consider potential impact to both the insurance &amp; investment management areas of our business. Scenario 1 - Failure to act: Business as usual. In this scenario, governments &amp; businesses do too little too late to tackle climate change, with temperature rising steadily to well above 2°C. Models show that this leads to a very high likelihood of increased health events and coastal flooding. The environmental damage of the 2°C scenario is significant, leading to many areas becoming uninhabitable. Scenario 2 - A 2-degree world: Change ahead. At the other end of the spectrum is a 2°C compliant world where measures are taken to make progress towards a low carbon economy, with the temperature rise from preindustrial levels kept at or below 2°C by 2100 (IPCC’s RCP 4.5 scenario forecasting mean temperature and sea level rise of 1.8°C and 0.47 meters, is a reference point based on ambitious but still realistic emission reductions. We do not believe that even more ambitious scenarios such as RCP 2.6 are sufficiently likely to be selected for regular consideration.).</td>
</tr>
</tbody>
</table>

(C3.1d) Provide details of your organization’s use of climate-related scenario analysis.

Physical risk is contained relative to the failure to act scenario, though not eliminated, & some regions will be more exposed than others. In the near to medium term, this scenario is dominated by transition risk, as far-reaching changes to the global energy system are needed to reduce the carbon footprint, and every part of the economy will be affected. Independence of the precise pathway to reach a 2°C compliant world, the transition will be disruptive, as significant asset price moves are required to shift resources to the renewable sector on a global scale. The transition will be particularly costly if action is initially delayed, so timing is critical when assessing transition risk. To monitor developments in scenario probability, Zurich has developed a scorecard approach to assess the likelihood of the 2 scenarios described above, judging the “failure to act” scenario as the most likely outcome at present. For the 2° scenario to become more likely our assumption is that progress in policy, technology & sentiment & behaviours needs to increase in speed and depth from today’s levels. The scorecard assessment & scenario narratives are used as the basis for Zurich’s Group-wide annual climate change risk assessment & the 8-point climate change investment strategy. We are taking the analyzed scenarios into our investment considerations & looking for physical data providers to implement this data into our investment decisions & process. The scenarios & risk assessment also form the basis for our external climate risk disclosure in line with the TCFD framework. The time horizons were chosen so as to capture relevant internal strategic & financial planning cycles (near & medium term) as well as more extended periods over which physical impacts of climate change might accentuate (long-term).
(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

<table>
<thead>
<tr>
<th>Products and services</th>
<th>Yes</th>
<th>Description of influence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>As part of its climate strategy, Zurich has decided to reduce its exposure to potential transition risk by aligning its investment portfolio to a pathway that is compatible with a 1.5°C future by 2050. This has also been communicated by our commitments to the Net-Zero Asset Owner Alliance, Business Ambition for 1.5°C pledge and the Science Based Target Initiative. The decarbonization of the portfolio will reduce exposure to carbon intensive industries, protecting our portfolio against asset price corrections expected as part of the required transition to a low-carbon economy. Zurich has defined a clear strategy to reflect climate change in its investment approach and we are committed to action in eight areas: 1. Establishing scenarios 2. Strengthening ESG integration 3. Benchmarking: ESG integration practices might fail to effectively capture all climate change-related risks and opportunities. 4. Financing the transition to a low-carbon economy 5. Driving change through advocacy 6. Engaging with others: as part of engaging with the companies in which we invest, climate change is reflected on the agenda and considered in voting practices. 7. Making selective exclusions: recognizing the particularly harmful impact of coal on climate. Zurich has developed a Group approach on selectively excluding companies from its underwriting and investing activities that get significant revenues from mining thermal coal or using it to generate electricity. 8. Net Zero portfolios by 2050 on the insurance side, to date, no material changes in claims trends can be observed that could be attributed to physical climate risk impacts. Also, no systematic negative demand impact can be identified from industry sectors exposed to transition risks. Zurich does take advantage of its considerable expertise in providing insurance solutions for green assets, thus gaining additional premium income, for instance through products and services for electric vehicles, renewable energy, etc. around the world, but not all types of ‘green’ assets represent, to date, profitable business opportunities for insurance. Zurich continues to develop and evaluate products that support climate change mitigation and adaptation, such as providing climate change resilience services to customers, to test customer demand and prepare to scale profitable products.</td>
</tr>
<tr>
<td>Supply chain and/or value chain</td>
<td>No</td>
<td>Due to the nature of our business, we are predominantly a consumer of services, and not products or raw materials. Compared with other industry sectors such as manufacturing, the risks associated with the environmental, social and governance (ESG) impact of Zurich’s supply chain are low. Nonetheless, we are committed to effectively managing such issues within our supply chain. No in-depth analysis of climate risk exposure through Zurich’s supply chain was conducted. However, with professional services as an important component of procurement spend and no material reliance on manufactured inputs, risk exposure through the supply chain can be deemed low. We aim to work with suppliers who share our values, and we expect high standards of business conduct from those who represent us or do business with us. We are continually working to improve policies, processes and guidelines for managing sustainability issues in the supply chain. We incorporate appropriate evaluation criteria to assess the goods and services we buy, taking into account ESG factors in line with best practice and in compliance with relevant legislation. We also ensure relevant sustainability clauses are included in contracts with suppliers, such as ethical conduct and labor, health and safety and environmental standards. In addition, we strive to develop an understanding of the ESG impact on the diversity of goods and services we buy, while implementing processes to ensure these factors are taken into account on an ongoing basis. Reflecting our commitment to promoting supplier diversity, we engage a wide range of different suppliers, aimed at giving Zurich the possibility to source from the most suitable, agile and innovative companies. Our work with social enterprises is one example of how Zurich is ensuring its supply chain takes into account environmental issues.</td>
</tr>
<tr>
<td>Investment in R&amp;D</td>
<td>No</td>
<td>R&amp;D efforts are part of our product and service development and therefore integral part of strategic elements disclosed under that point.</td>
</tr>
<tr>
<td>Operations</td>
<td>Yes</td>
<td>Given the low-carbon nature of Zurich’s business, continuous progress on energy and carbon reduction targets, Zurich’s voluntary carbon offsetting scheme, and strong local disaster and recovery planning in place for all facilities, Zurich does not consider operational risks related to climate change to be material due to a low magnitude of impact. However, low magnitude risks exist for example, in the area of increases to energy costs or risks of new external carbon taxes or fees. For example, in the past, Zurich has faced increases in electricity cost, with little forewarning. Operating budgets had to increase in the short-term to react to the risk. To manage these risks we take advantage of opportunities such as renewable electricity purchasing, carbon neutrality, carbon and energy reduction targets, travel reductions and moving to a more efficient real estate portfolio. For example, in 2019 we joined the RE100 initiative committing to move to 100% renewable power by end 2022. We also conduct an annual operational risk assessment covering energy cost, high risk locations, regulatory, operational supply chain, stakeholder expectations and employee safety.</td>
</tr>
</tbody>
</table>

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

<table>
<thead>
<tr>
<th>Financial planning elements that have been influenced</th>
<th>Description of influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 Indirect costs</td>
<td>We are already using dedicated staff and data to address climate change as part of an overarching approach to integrate sustainability into Zurich’s operational activities. Related expenses are budgeted and planned for. In addition, Zurich budgets and plans for changes in energy prices, the purchase of renewable electricity, energy efficiency initiatives, including the transition to more efficient facilities. These practices are integrated into business as usual financial planning processes. For example, we joined the RE100 initiative in 2019, committing to move to 100% renewable power by end 2022. During 2019, a central budget was made available to cover necessary consulting costs to develop the RE100 Roadmap. Business unit level budgets are being adjusted to account for planned cost increases for renewable power, already in 2020.</td>
</tr>
</tbody>
</table>

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

(C-FS3.2) Are climate-related issues considered in the policy framework of your organization?

Yes, both of the above

(C-FS3.2a)
(C-FS3.2a) Which policies are climate-related issues integrated?

<table>
<thead>
<tr>
<th>Type of policy</th>
<th>Portfolio coverage of policy</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank lending (Bank)</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Investing (Asset manager)</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Investing (Asset owner)</td>
<td>Engagement policy: Sustainable/Responsible Investment Policy</td>
<td>All of the portfolio Climate-related issues are covered in many of our policies. In our Responsible investment policy (White paper), we have defined a clear strategy to reflect climate change in its investment strategy and we are committed to action in eight areas: 1. Scenarios: it is hard to take action without context. Zurich’s Market Strategy and Macroeconomics team has defined high-level scenarios and is monitoring developments with the help of a scorecard that is updated regularly. The analysis is available on Zurich.com. 2. Strengthen ESG integration: given its complexity and long-term nature, climate change presents a particular challenge for ESG integration. Additional data and tools are required to raise awareness among investment professionals and to support integration in investment strategies. 3. Benchmarks: ESG integration practices might fail to effectively capture all climate change-related risks and opportunities. We are testing in selected asset classes the use of bespoke benchmarks that incorporate a climate risk assessment and will evaluate the application of such benchmarks for new and existing portfolios on a case-by-case basis. 4. Finance the transition to a low-carbon economy: as part of our ongoing commitment to impact investing and our target to help avoid the emission of five million tons of CO2 per year, we will evaluate green investments across different asset classes on an ongoing basis. 5. Drive change through advocacy: public and private sectors need to take decisive action. Zurich has defined clear positions on topics such as transparent risk disclosure, carbon pricing, etc. 6. Engagement: as part of engaging with the companies in which we invest, climate change should be reflected on the agenda and considered in voting practices. 7. Selective exclusions: recognizing the particularly harmful impact of coal on climate Zurich has developed a Group approach on selectively excluding companies related to the mining of or electricity generation from thermal coal from its underwriting and investing activities &amp; Net Zero portfolios by 2050: working on transitioning our investment portfolios to net-zero GHG emissions by 2050 consistent with a maximum temperature rise of 1.5°C above pre-industrial levels, taking into account the best available scientific knowledge. The Responsible Investment strategy covers all our assets under management. As a responsible investor the policy is substantive.</td>
</tr>
<tr>
<td>Insurance underwriting (Insurance company)</td>
<td>Insurance underwriting policy</td>
<td>Majority of the portfolio Zurich’s internal underwriting policy requires that all new products and product refresh exercises consider their impact and/or contribution to sustainable business practices, including climate change, and that aggregate exposure modelling and outcomes consider climate change and / or other impactful trends.</td>
</tr>
<tr>
<td>Other products and services, please specify</td>
<td>Please select</td>
<td>Please select</td>
</tr>
</tbody>
</table>

C-FS3.2b

(C-FS3.2b) Describe your exclusion policies related to industries and/or activities exposed to or contributing to climate-related risks.

<table>
<thead>
<tr>
<th>Type of exclusion policy</th>
<th>Portfolio</th>
<th>Application</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>Insurance underwriting investing (Asset owner)</td>
<td>Existing business/investment for existing projects</td>
<td>Zurich generally will no longer underwrite or invest in companies that: generate more than 30% of their revenue from mining thermal coal, or produce more than 20 million tons of thermal coal per year; generate more than 30% of their electricity from coal; are in the process of developing any new coal mining or coal power infrastructure; Zurich will engage with both clients and investee companies with more than 30% exposure to thermal coal in a dialogue over a 2 year period with the aim to drive a deeper conversation regarding their credible mid to long-term transition plans.</td>
</tr>
<tr>
<td>Other, please specify (Oil sands and oil shale)</td>
<td>Insurance underwriting investing (Asset owner)</td>
<td>Existing business/investment for existing projects</td>
<td>Zurich generally will no longer underwrite or invest in companies that: generate at least 30% of their revenue directly from the extraction of oil from oil sands; are purpose-built (or “dedicated”) transportation infrastructure operators for oil sands products, including pipelines and railway transportation; generate more than 30% of their revenue from mining oil coal, or generate more than 30% of their electricity from oil shale. Zurich will engage with both clients and investee companies with more than 30% exposure to oil sands and oil shales in a dialogue over a 2 year period with the aim to drive a deeper conversation regarding their credible mid to long-term transition plans.</td>
</tr>
</tbody>
</table>

C-FS3.3

(C-FS3.3) Are climate-related issues factored into your external asset manager selection process? Yes, for all assets managed externally

C-FS3.3a

(C-FS3.3a) How are climate-related issues factored into your external asset manager selection process?

<table>
<thead>
<tr>
<th>Process for factoring climate-related issues into external asset management selection</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1 Review asset manager’s climate-related policies</td>
<td>A set of responsible investment questions is integrated into the request for information (RFI) and request for proposal (RFP) questionnaires. Asset managers Sustainability policies, and such the climate policy, are studied as part of the due diligence process and we ask them to provide their climate policies in an annual ESG questionnaire.</td>
</tr>
</tbody>
</table>
C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?
Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

<table>
<thead>
<tr>
<th>Target reference number</th>
<th>Int 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year target was set</td>
<td>2017</td>
</tr>
<tr>
<td>Target coverage</td>
<td>Company-wide</td>
</tr>
<tr>
<td>Scope(s) (or Scope 3 category)</td>
<td>Scope 1+2 (market-based) +3 (upstream)</td>
</tr>
<tr>
<td>Intensity metric</td>
<td>Metric tons CO2e per unit FTE employee</td>
</tr>
<tr>
<td>Base year</td>
<td>2015</td>
</tr>
<tr>
<td>Intensity figure in base year (metric tons CO2e per unit of activity)</td>
<td>2.43</td>
</tr>
<tr>
<td>% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure</td>
<td>100</td>
</tr>
<tr>
<td>Target year</td>
<td>2025</td>
</tr>
<tr>
<td>Targeted reduction from base year (%)</td>
<td>20</td>
</tr>
<tr>
<td>Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]</td>
<td>1.944</td>
</tr>
<tr>
<td>% change anticipated in absolute Scope 1+2 emissions</td>
<td>20</td>
</tr>
<tr>
<td>% change anticipated in absolute Scope 3 emissions</td>
<td>20</td>
</tr>
<tr>
<td>Intensity figure in reporting year (metric tons CO2e per unit of activity)</td>
<td>1.75</td>
</tr>
<tr>
<td>% of target achieved [auto-calculated]</td>
<td>139.917695473251</td>
</tr>
<tr>
<td>Target status in reporting year</td>
<td>Achieved</td>
</tr>
</tbody>
</table>

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Please explain (including target coverage)
Zurich INT 1 targets sets the goal for Zurich to achieve and maintain an at least 20% reduction in total emissions, normalized by FTE, until 2025, based on a 2015 baseline. After having reached our previous target in 2016 (50% reduction in total CO2e per FTE (against a 2007 baseline)), Zurich set the new target in 2017. We defined 2015 as the new baseline year and implemented a number of improvements in our reporting methodology: Our baseline year’s data has been adjusted to exclude major divestitures – ensuring a more consistent scope across the years - Farmers Group, Inc. [1] was previously included in Zurich’s global reporting. The new 2015 baseline now excludes this business to align with our operational control boundary [1] The Farmers Exchanges are owned by their policyholders. Farmers Group, Inc., a wholly owned subsidiary of Zurich Insurance Group, provides certain non-claims services and ancillary services to the Farmers Exchanges as attorney-in-fact and receives fees for its services. - The electricity extrapolation methodology has been re-aligned to regional electricity intensity figures to better reflect variances in building performance typically seen between regions - A heating extrapolation methodology has been defined and implemented - IT has developed a new extrapolation methodology to account for the electricity demand from our in-house servers where actual data is not available - Rail travel has been added to our scope 3 business travel - A new scope 3 category has been added to our reporting to account for emissions in energy generation/extraction and transmission loss - Moved to the Greenhouse Gas Protocol (GHG) / International Energy Agency (IEA) emissions factors as the primary factor set We plan to define a new science-based operational emissions reduction target in 2020.

Target reference number
Int 2

Year target was set
2017

Target coverage
Company-wide
Scope(s) (or Scope 3 category)
Other, please specify (Facilities emissions: scope 1 onsite heating + scope 2 electricity and purchased steam + scope 3 fuel and energy related activities)

Intensity metric
Metric tons CO2e per unit FTE employee

Base year
2015

Intensity figure in base year (metric tons CO2e per unit of activity)
1.18

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure
49

Target year
2025

Targeted reduction from base year (%)
20

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]
0.944

% change anticipated in absolute Scope 1+2 emissions
14

% change anticipated in absolute Scope 3 emissions
4

Intensity figure in reporting year (metric tons CO2e per unit of activity)
0.79

% of target achieved [auto-calculated]
165.254237288136

Target status in reporting year
Achieved

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Please explain (including target coverage)
Zurich INT 2 targets sets the goal for Zurich to achieve and maintain an at least 20% reduction in facilities emissions, normalized by FTE, until 2025, based on a 2015 baseline. After having reached our previous target in 2016 (50% reduction in total CO2e per FTE (against a 2007 baseline)), Zurich set the new target in 2017. We defined 2015 as the new baseline year and implemented a number of improvements in our reporting methodology: - Our baseline year’s data has been adjusted to exclude major divestitures – ensuring a more consistent scope across the years - Farmers Group, Inc. [1] was previously included in Zurich’s global reporting. The new 2015 baseline now excludes this business to align with our operational control boundary [1] The Farmers Exchanges are owned by their policyholders. Farmers Group, Inc., a wholly owned subsidiary of Zurich Insurance Group, provides certain non-claims services and ancillary services to the Farmers Exchanges as attorney-in-fact and receives fees for its services. - The electricity extrapolation methodology has been re-aligned to regional electricity intensity figures to better reflect variances in building performance typically seen between regions - A heating extrapolation methodology has been defined and implemented - IT has developed a new extrapolation methodology to account for the electricity demand from our in-house servers where actual data is not available - A new scope 3 category has been added to our reporting to account for emissions in energy generation/extraction and transmission loss - Moved to the Greenhouse Gas Protocol (GHG) / International Energy Agency (IEA) emissions factors as the primary factor set Zurich INT 2 includes emissions from the following sources: - facilities onsite heating emissions (scope 1) - facilities district heating emissions (scope 2) - facilities electricity emissions (scope 2) - fuel and energy related activities (transmissions, generation and distribution losses ) (scope 3) We plan to define a new science-based operational emissions reduction target in 2020.

Target reference number
Int 3

Year target was set
2017

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Other, please specify (Business travel emissions: scope 1 car fleet and scope 3 air, rental, rail travel)

Intensity metric
Metric tons CO2e per unit FTE employee

Base year
2015

Intensity figure in base year (metric tons CO2e per unit of activity)
1.24

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure
51

Target year
2025

Targeted reduction from base year (%)
20

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]
0.992
% change anticipated in absolute Scope 1+2 emissions
6

% change anticipated in absolute Scope 3 emissions
18

Intensity figure in reporting year (metric tons CO2e per unit of activity)
0.96

% of target achieved [auto-calculated]
112.903225806452

Target status in reporting year
Achieved

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Please explain (including target coverage)
Zurich INT 3 targets sets the goal for Zurich to achieve and maintain an at least 20% reduction in business travel emissions, normalized by FTE, until 2025, based on a 2015 baseline. After having reached our previous target in 2016 (50% reduction in total CO2e per FTE against a 2007 baseline), Zurich set the new target in 2017. We defined 2015 as the new baseline year and implemented a number of improvements in our reporting methodology: - Our baseline year’s data has been adjusted to exclude major divestitures – ensuring a more consistent scope across the years - Farmers Group, Inc. [1] was previously included in Zurich’s global reporting. The new 2015 baseline now excludes this business to align with our operational control boundary [1] The Farmers Exchanges are owned by their policyholders. Farmers Group, Inc., a wholly owned subsidiary of Zurich Insurance Group, provides certain non-claims services and ancillary services to the Farmers Exchanges as attorney-in-fact and receives fees for its services. - The electricity extrapolation methodology has been re-aligned to regional electricity intensity figures to better reflect variances in building performance typically seen between regions - A heating extrapolation methodology has been defined and implemented - IT has developed a new extrapolation methodology to account for the electricity demand from our in-house servers where actual data is not available - Rail travel has been added to our scope 3 business travel - A new scope 3 category has been added to our reporting to account for emissions in energy generation/extraction and transmission loss - Moved to the Greenhouse Gas Protocol (GHG) / International Energy Agency (IEA) emissions factors as the primary factor set Zurich INT 3 includes emissions from business travel from the following sources: - fleet travel (scope 1) - air travel (scope 3) - rental car travel (scope 3) - rail travel (scope 3) We plan to define a new science-based operational emissions reduction target in 2020.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Target(s) to increase low-carbon energy consumption or production
Other climate-related target(s)

C4.2a
(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2019

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)
Percentage

Target denominator (intensity targets only)
<Not Applicable>

Base year
2019

Figure or percentage in base year
53

Target year
2022

Figure or percentage in target year
100

Figure or percentage in reporting year
53

% of target achieved [auto-calculated]
0

Target status in reporting year
New

Is this target part of an emissions target?
It is related. Purchasing 100% renewable power will significantly reduce facilities emissions - INT 2

Is this target part of an overarching initiative?
RE100

Please explain (including target coverage)
In 2019, Zurich joined the RE100 Leadership Initiative with the commitment to purchase 100% renewable power by end 2022. The target applies to 100% of Zurich's global operations.

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number
Oth 1

Year target was set
2017

Target coverage
Business division

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

<table>
<thead>
<tr>
<th>Green finance</th>
<th>Other, please specify (tons of CO2 avoided through impact investments)</th>
</tr>
</thead>
</table>

Target denominator (intensity targets only)
<Not Applicable>

Base year
2018
As part of our impact investment targets, Zurich is committed to making up to USD 5 billion in impact investments. Achieving this level, we believe, will avoid 5 million tons of CO2-equivalent emissions per year, and separately, make a positive contribution to the lives and livelihoods of 5 million people.

Scope includes Real Estate Investments in Switzerland (40% of global direct real estate investment value). Buildings in the real estate investment portfolio are largely not used by Zurich. The environmental footprint of Zurich’s own-use real estate is reported in Zurich’s environmental section. The data are based on meter readings and energy supplier information and are heating degree adjusted. Impact of real estate investment data 2019 will be available in Q1 2021.
Target type: absolute or intensity
Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

| Energy consumption or efficiency | Other, please specify (kg CO2 per square meter) |

Target denominator (intensity targets only)

| square meter |

Base year

2014

Figure or percentage in base year

100

Target year

2020

Figure or percentage in target year

80

Figure or percentage in reporting year

84

% of target achieved [auto-calculated]

80

Target status in reporting year

Underway

Is this target part of an emissions target?

Emission reduction in Real Estate (investment portfolio)

Is this target part of an overarching initiative?

Other, please specify (Part of our impact investment portfolio targets.)

Please explain (including target coverage)

Scope includes Real Estate Investments in Switzerland (40% of global direct real estate investment value). Buildings in the real estate investment portfolio are largely not used by Zurich. The environmental footprint of Zurich's own-use real estate is reported in Zurich's environmental section. The data are based on meter readings and energy supplier information and are heating degree adjusted. Impact of real estate investment data 2019 will be available in Q1 2021.

Target reference number

Oth 4

Year target was set

2017

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

| Energy consumption or efficiency | MW h |

Target denominator (intensity targets only)

| unit FTE employee |

Base year

2015

Figure or percentage in base year

4.32

Target year

2025

Figure or percentage in target year

3.45

Figure or percentage in reporting year

2.97

% of target achieved [auto-calculated]

155.172413793103

Target status in reporting year

Achieved

Is this target part of an emissions target?

It is related. Reducing our overall energy demand and increasing energy efficiency, supports reductions in facilities emissions (where non-renewable power and fossil fuels are consumed) - INT 2

Is this target part of an overarching initiative?

CDP
No, it's not part of an overarching initiative

Please explain (including target coverage)
Zurich has not joined an overarching initiative related to energy efficiency. This target refers to the target to achieve and maintain a 20% reduction in energy per FTE, by 2025, compared to a 2015 base year. The target applies to 100% of Zurich’s global operations.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

<table>
<thead>
<tr>
<th>Stage of Development</th>
<th>Number of Initiatives</th>
<th>Total Estimated Annual CO2e Savings in Metric Tonnes CO2e (only for rows marked *)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Investigation</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>To be implemented*</td>
<td>1</td>
<td>68</td>
</tr>
<tr>
<td>Implementation commenced*</td>
<td>1</td>
<td>7000</td>
</tr>
<tr>
<td>Implemented*</td>
<td>3</td>
<td>34</td>
</tr>
<tr>
<td>Not to be implemented</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

<table>
<thead>
<tr>
<th>Initiative category &amp; Initiative type</th>
<th>Low-carbon energy consumption</th>
<th>Low-carbon electricity mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated annual CO2e savings (metric tonnes CO2e)</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Scope(s)</td>
<td>Scope 2 (market-based)</td>
<td></td>
</tr>
<tr>
<td>Voluntary/Mandatory</td>
<td>Voluntary</td>
<td></td>
</tr>
<tr>
<td>Annual monetary savings (unit currency – as specified in C0.4)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Investment required (unit currency – as specified in C0.4)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Payback period</td>
<td>No payback</td>
<td></td>
</tr>
<tr>
<td>Estimated lifetime of the initiative</td>
<td>Ongoing</td>
<td></td>
</tr>
<tr>
<td>Comment</td>
<td>During 2019, we worked with the landlord at our regional Headquarter in Lugano, Switzerland to install vertical photovoltaic panels which resulted in a move from consuming grid mix electricity (used within the common areas) to consuming 100 percent renewable electricity for this location. Estimated annual CO2 savings estimated at 4 tonnes per year.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Initiative category &amp; Initiative type</th>
<th>Company policy or behavioral change</th>
<th>Resource efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated annual CO2e savings (metric tonnes CO2e)</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>Scope(s)</td>
<td>Scope 2 (market-based)</td>
<td></td>
</tr>
<tr>
<td>Voluntary/Mandatory</td>
<td>Voluntary</td>
<td></td>
</tr>
<tr>
<td>Annual monetary savings (unit currency – as specified in C0.4)</td>
<td>5142</td>
<td></td>
</tr>
</tbody>
</table>
Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
Ongoing

Comment
Three offices in China have implemented operational efficiency improvements through a program to reduce electricity consumption by turning off all lighting fixtures when employees are not occupying the building and through employee engagement activities to influence behavioral changes, resulting in ongoing cost and energy savings. Estimated energy savings are 35,000 kWh with an estimated CO2 savings of 23 tonnes annually.

<table>
<thead>
<tr>
<th>Initiative category &amp; Initiative type</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy efficiency in buildings</td>
<td>Lighting</td>
</tr>
</tbody>
</table>

Estimated annual CO2e savings (metric tonnes CO2e)
7

Scope(s)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
997

Investment required (unit currency – as specified in C0.4)
3330

Payback period
1-3 years

Estimated lifetime of the initiative
Ongoing

Comment
In 2019, Zurich’s Malaysian business installed 345 units of LED lighting within eleven branch offices nationwide. Estimated annual kWh savings are 9,789. Estimated annual CO2 savings are 7 tonnes per year.

(C4.3c)

What methods do you use to drive investment in emissions reduction activities?

<table>
<thead>
<tr>
<th>Method</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance with regulatory requirements/standards</td>
<td>In many of the markets in which Zurich operates, local regulations require energy efficient solutions to be implemented as part of a workplace project's investment.</td>
</tr>
<tr>
<td>Financial optimization calculations</td>
<td>Energy efficiency improvements and renewable electricity purchasing are included in cost benefit analyses to ensure we are considering and delivering operational savings where possible as part of workplace projects and ongoing operational activities.</td>
</tr>
<tr>
<td>Internal price on carbon</td>
<td>Zurich is in the process of further developing the carbon fee and fund structure to embed a stronger polluter pays principle, in the allocation of the fee. We are also planning to increase the internal price on carbon, to create a direct funding pool for emissions reduction activities, in addition to leveraging the price to drive investment decisions (e.g. in renewable power or energy efficiency initiatives).</td>
</tr>
</tbody>
</table>

(C4.5)

Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

(C4.5a)
(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

**Level of aggregation**
Company-wide

**Description of product/Group of products**
Electric vehicles: We have introduced electric vehicle insurance propositions in Ireland, Switzerland, Germany, Spain, Austria and Portugal. These are among the first customized electric vehicle insurance products globally and they support the move toward more environmentally friendly transportation. Renewable energy: Zurich proudly insured the construction of many renewable energy projects around the world which have been successfully completed and are now in operation. For example, Zurich insured ‘Desert Sunlight’, the building of one of the largest solar power projects in California, ‘Xina Solar One’ in South Africa, and Ashalim a solar thermal power plant in Israel. In Italy, Germany and Switzerland, Zurich provides customized coverage for private homeowners and small to mid-size commercial companies to build renewable energy facilities, such as photovoltaic, solar thermal, biomass and geothermal installations. Our Renewable Energy Generating Equipment policy covers loss of renewable energy generating equipment that a customer owns or operates. Carbon Capture and Sequestration (CCS) liability insurance: Carbon Capture and Sequestration (CCS) is the process of capturing carbon from a waste stream, compressing it into a liquid, and storing it in geological foundations thousands of feet below the surface. The CCS liability policy covers loss associated with Carbon Capture and Sequestration operations. Z Choice Pollution liability insurance: This policy covers loss associated with an existing or new pollution event and includes an embedded Green Remediation supplementary payment. Green remediation includes the increase in costs for following standards, products, methods and processes for improving the environment, increasing energy efficiency and enhancing safety and property protection. This also includes the increase in costs attributable to applying green techniques which operate to minimize waste generation, reduce energy consumption, or conserve natural resources in the execution of a clean-up. Liability Insurance: A flexible solution that can respond to a wide range of environmental exposures including clean-up costs and environmental damage costs to restore environmental damage to protected species or natural habitats, surface water or ground water and land.

**Are these low-carbon product(s) or do they enable avoided emissions?**
Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**
Other, please specify (Electric vehicle, renewable energy and CCS liability insurance)

**% revenue from low carbon product(s) in the reporting year**
0.51

**% of total portfolio value**
0.51

**Asset classes/ product types**

| Insurance underwriting | Property & Casualty |

**Comment**
We do not track our customers' total avoided emissions per year. This is expressed as a percentage of Property and Casualty GWP.

**Level of aggregation**
Product

**Description of product/Group of products**
As part of Zurich's continued efforts to reduce our environmental footprint and support the Paris Agreement's target of limiting global warming, we have launched a new tree planting initiative being piloted in the UK. Zurich will offer to plant a tree for every single life policy that is issued digitally through Zurich UK's Life Protection Platform through reforestation specialists Tree-Nation. Each customer will receive a certificate of authenticity from Tree-Nation and will be able to monitor the growth of Zurich's forest and tree-planting project, which will be centered on Tanzania https://tree-nation.com/profile/zurich

**Are these low-carbon product(s) or do they enable avoided emissions?**
Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**
Other, please specify (Not applicable)

**% revenue from low carbon product(s) in the reporting year**
0

**% of total portfolio value**
0

**Asset classes/ product types**

| Insurance underwriting | Life |

**Comment**
This is an initiative introduced for each Life product sold.

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**C5. Emissions methodology**

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**C5.1**
C5.1 Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1, 2015

Base year end
December 31, 2015

Base year emissions (metric tons CO2e)
26,478.01

Comment
In 2017, Zurich established 2015 as the new baseline year for environmental reporting.

Scope 2 (location-based)

Base year start
January 1, 2015

Base year end
December 31, 2015

Base year emissions (metric tons CO2e)
6,819.89

Comment
In 2017, Zurich established 2015 as the new baseline year for environmental reporting. Zurich does not use the location-based methodology for core reporting purposes, but we have configured our reporting tool to calculate these figures for CDP reporting purposes.

Scope 2 (market-based)

Base year start
January 1, 2015

Base year end
December 31, 2015

Base year emissions (metric tons CO2e)
3,743.84

Comment
In 2017, Zurich established 2015 as the new baseline year for environmental reporting.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

- IPCC Guidelines for National Greenhouse Gas Inventories, 2006

C6. Emissions data

C6.1

(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
20,994.69

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
2019 scope 1 emissions include emissions from onsite heating and fleet vehicles. In line with our continuous improvement approach to environmental management, Zurich took advantage of the move to a new baseline year to holistically re-evaluate our environmental reporting methodology. We identified a number of improvements that would help further align us to evolving best practices: Our baseline year's data has been adjusted to exclude major divestitures – ensuring a more consistent scope across the years. Farmers Group, Inc. [1] was previously included in Zurich’s global reporting. The new 2015 baseline now excludes this business to align with our operational control boundary. A heating extrapolation methodology has been defined and implemented. Moved to the Greenhouse Gas Protocol (GHG) / International Energy Agency (IEA) emissions factors as the primary factor set [1]. The Farmers Exchanges are owned by their policyholders. Farmers Group, Inc., a wholly owned subsidiary of Zurich Insurance Group, provides certain non-claims services and ancillary services to the Farmers Exchanges as attorney-in-fact and receives fees for its services.
C6.2

(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
Zurich uses the market-based approach for calculating scope 2 emissions, however we have configured our reporting tool to calculate location-based emissions for the purpose of our CDP submission.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year
Scope 2, location-based
42983.72

Scope 2, market-based (if applicable)
24850.92

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
2019 scope 2 market-based emissions include emissions from district heating and grid electricity. In line with our continuous improvement approach to environmental management, Zurich took advantage of the move to a new baseline year to holistically re-evaluate our environmental reporting methodology. We identified a number of improvements that would help further align us to evolving best practices: Our baseline year’s data has been adjusted to exclude major diversities – ensuring a more consistent scope across the years. Farmers Group, Inc. [1] was previously included in Zurich's global reporting. The new 2015 baseline now excludes this business to align with our operational control boundary. The electricity extrapolation methodology has been re-aligned to regional electricity intensity figures to better reflect variances in building performance typically seen between regions. IT has developed a new extrapolation methodology to account for the electricity demand from our inhouse servers, within our data centers, where actual data is not available. Moved to the Greenhouse Gas Protocol (GHG) / International Energy Agency (IEA) emissions factors as the primary factor set. [1] The Farmers Exchanges are owned by their policyholders. Farmers Group, Inc., a wholly owned subsidiary of Zurich Insurance Group, provides certain non-claims services and ancillary services to the Farmers Exchanges as attorney-in-fact and receives fees for its services.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
539.53

Emissions calculation methodology
Zurich follows the Greenhouse Gas Protocol “Corporate Value Chain (Scope 3) Accounting and Reporting Standard” and the “Technical Guidance for Calculating Scope 3 Emissions”. Total kg of copy paper was multiplied by the DEFRA CO2e factor for “Paper and board: Paper (destination: closed loop recycling)”. Emissions figures from paper were not included as part of our 2019 environmental data assurance audit, and are provided here as estimates only.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
During 2018/2019, we worked with an external consultant, to help assess the completeness of Zurich's scope 3 emissions inventory. An external benchmarking exercise was conducted against a limited set of peer and non-peer companies. The majority of our peer companies included in this exercise reported emissions from paper. Paper is not one of the most important scope 3 emissions sources for our business, especially considering the size of the emissions, but as part of our Scope 3 work, we have prepared an estimated calculation. These emissions are not included in Zurich's publicly disclosed emissions for 2019.
Capital goods

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Zurich follows the Greenhouse Gas Protocol "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" and the "Technical Guidance for Calculating Scope 3 Emissions". Zurich does not have any capital goods that are not already accounted for in our scope 1 or scope 2 emissions. During 2018/2019, we worked with an external consultant, to help assess the completeness of Zurich's scope 3 emissions inventory. An external benchmarking exercise was conducted against a limited set of peer and non-peer companies. None of the financial services peers included in the scope 3 benchmarking exercise included emissions from capital goods in their external reporting. This is in line with Zurich's assessment that this emissions category is not relevant.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
5867.48

Emissions calculation methodology
Zurich follows the Greenhouse Gas Protocol "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" and the "Technical Guidance for Calculating Scope 3 Emissions". Zurich follows the methodology defined for fuel and energy related emissions reporting. We apply an emissions factor to our energy consumption to account for the associated indirect emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Zurich follows the Greenhouse Gas Protocol "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" and the "Technical Guidance for Calculating Scope 3 Emissions". Zurich considers fuel and energy related emissions relevant, as they are directly related to our total energy consumption. In 2018/2019 Zurich engaged an external consultant, to help assess the completeness of Zurich's scope 3 emissions inventory. An external benchmarking exercise was conducted against a limited set of peer and non-peer companies. The majority of companies included in this exercise reported emissions from fuel and energy related activities.

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Zurich follows the Greenhouse Gas Protocol "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" and the "Technical Guidance for Calculating Scope 3 Emissions". As an insurance company, we do not purchase products like machinery, that would generate emissions relevant for this category. Our "product" is a service, and we therefore do not generate emissions relevant for this category. In 2018/2019 Zurich engaged an external consultant, to help assess the completeness of Zurich's scope 3 emissions inventory. An external benchmarking exercise was conducted against a limited set of peer and non-peer companies. No financial services peers included in this exercise included emissions from upstream transportation and distribution in their external reporting. This is in line with Zurich's assessment that this emissions category is not relevant.

Waste generated in operations

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
610.34

Emissions calculation methodology
Zurich follows the Greenhouse Gas Protocol "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" and the "Technical Guidance for Calculating Scope 3 emissions". Waste categories are broken down into landfill waste, waste incinerated, and recycled waste. Emissions factor were applied to each (applying one figure per waste category globally). Emissions figures from waste are not included as part of our environmental data assurance audit, and are provided here as estimates.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
In 2018/2019 Zurich engaged an external consultant, to help assess the completeness of Zurich's scope 3 emissions inventory. An external benchmarking exercise was conducted against a limited set of peer and non-peer companies. Less than half of the companies included in this exercise reported emissions from waste. Waste is not one of the most important scope 3 emissions sources for our business, especially considering the size of the emissions, but as part of our Scope 3 work, we have prepared an estimated calculation. These emissions are not included in Zurich's publicly disclosed emissions.
Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
23949.35

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
In 2018/2019 Zurich engaged an external consultant, to help assess the completeness of Zurich’s scope 3 emissions inventory. An external benchmarking exercise was conducted against a limited set of peer and non-peer companies. Business travel emissions represent a significant portion of Zurich’s total emissions. The figure above excludes emissions from Zurich’s fleet vehicles, although Zurich does publicly report on total business travel emissions on zurich.com which includes fleet, rail, air and rental cars. Zurich is dependent on suppliers to provide fuel consumption (when available), fuel source and distance traveled to calculate all travel emissions.

Employee commuting

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Zurich follows the Greenhouse Gas Protocol “Corporate Value Chain (Scope 3) Accounting and Reporting Standard” and the “Technical Guidance for Calculating Scope 3 Emissions”. In 2018/2019 Zurich engaged an external consultant, to help assess the completeness of Zurich’s scope 3 emissions inventory. An external benchmarking exercise was conducted against a limited set of peer and non-peer companies. Only one third of the financial sector companies included in the external benchmarking exercise considered emissions from commuting as relevant. Data to estimate emissions from commuting was not available in 2019. It would take strong stakeholder buy-in to capture this data due to resource requirements, which was not present in 2019.

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Zurich follows the Greenhouse Gas Protocol “Corporate Value Chain (Scope 3) Accounting and Reporting Standard” and the “Technical Guidance for Calculating Scope 3 Emissions”. Zurich includes emissions from all upstream leased assets within our scope 1 and scope 2 reporting. In 2018 Zurich engaged an external consultant, to help assess the completeness of Zurich’s scope 3 emissions inventory. An external benchmarking exercise was conducted against a limited set of peer and non-peer companies. Only one company reported emissions for this category.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Zurich follows the Greenhouse Gas Protocol “Corporate Value Chain (Scope 3) Accounting and Reporting Standard” and the “Technical Guidance for Calculating Scope 3 Emissions”. Our “product” is a service, and we therefore do not generate emissions relevant for this category. In 2018/2019 Zurich engaged an external consultant, to help assess the completeness of Zurich’s scope 3 emissions inventory. An external benchmarking exercise was also conducted against a limited set of peer and non-peer companies. No financial services peers included in the scope 3 benchmarking exercise included emissions from downstream transportation and distribution in their external reporting. This is in line with Zurich’s assessment that this emissions category is not relevant for an insurance company.
Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Zurich follows the Greenhouse Gas Protocol “Corporate Value Chain (Scope 3) Accounting and Reporting Standard” and the “Technical Guidance for Calculating Scope 3 Emissions”. Our “product” is a service, and we therefore do not generate emissions relevant for this category. In 2018/2019 Zurich engaged an external consultant, to help assess the completeness of Zurich’s scope 3 emissions inventory. An external benchmarking exercise was also conducted against a limited set of peer and non-peer companies. No financial services peers included in the scope 3 benchmarking exercise included emissions from processing of sold products in their external reporting. This is in line with Zurich’s assessment that this emissions category is not relevant for an insurance company.

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Zurich follows the Greenhouse Gas Protocol “Corporate Value Chain (Scope 3) Accounting and Reporting Standard” and the “Technical Guidance for Calculating Scope 3 Emissions”. Our “product” is a service, and we therefore do not generate emissions relevant for this category. In 2018/2019 Zurich engaged an external consultant, to help assess the completeness of Zurich’s scope 3 emissions inventory. An external benchmarking exercise was also conducted against a limited set of peer and non-peer companies. No financial services peers included in the scope 3 benchmarking exercise included emissions from processing of sold products in their external reporting. This is in line with Zurich’s assessment that this emissions category is not relevant for an insurance company.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Zurich follows the Greenhouse Gas Protocol “Corporate Value Chain (Scope 3) Accounting and Reporting Standard” and the “Technical Guidance for Calculating Scope 3 Emissions”. Our “product” is a service, and we therefore do not generate emissions relevant for this category. In 2018/2019 Zurich engaged an external consultant, to help assess the completeness of Zurich’s scope 3 emissions inventory. An external benchmarking exercise was also conducted against a limited set of peer and non-peer companies. No financial services peers included in the scope 3 benchmarking exercise included emissions from processing of sold products in their external reporting. This is in line with Zurich’s assessment that this emissions category is not relevant for an insurance company.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Zurich follows the Greenhouse Gas Protocol “Corporate Value Chain (Scope 3) Accounting and Reporting Standard” and the “Technical Guidance for Calculating Scope 3 Emissions”. Emissions from leased assets would be included in the investment category if they were relevant. In 2018/2019 Zurich engaged an external consultant, to help assess the completeness of Zurich’s scope 3 emissions inventory. An external benchmarking exercise was also conducted against a limited set of peer and non-peer companies. No financial services peers included in the scope 3 benchmarking exercise included emissions from processing of sold products in their external reporting. This is in line with Zurich’s assessment that this emissions category is not relevant for an insurance company.
Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Zurich follows the Greenhouse Gas Protocol “Corporate Value Chain (Scope 3) Accounting and Reporting Standard” and the “Technical Guidance for Calculating Scope 3 Emissions”. Zurich is not a franchisor. In 2018/2019 Zurich engaged an external consultant, to help assess the completeness of Zurich's scope 3 emissions inventory. An external benchmarking exercise was also conducted against a limited set of peer and non-peer companies. No financial services peers included in the scope 3 benchmarking exercise included emissions from franchises in their external reporting. This is in line with Zurich's assessment that this emissions category is not relevant for an insurance company.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Not applicable, Zurich has not identified any "Other (upstream)" emissions sources that are relevant.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Not applicable, Zurich has not identified any "Other (downstream)" emissions sources that are relevant.
Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
6e-7

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
45846

Metric denominator
unit total revenue

Metric denominator: Unit total
71792000000

Scope 2 figure used
Market-based

% change from previous year
41

Direction of change
Decreased

Reason for change
2019 - 0.0000006 metric tons CO2e per USD. 2018 - 0.00000108 metric tons CO2e per USD. In 2019, scope 1+2 emissions have reduced due to efficiency measures in our office portfolio, for example the behavior change initiative in China to support turning off lights in offices when space was not in use. Total revenues have increased to a more significant degree, therefore this has been the primary driver for the 41 percent decrease compared to the previous year. Zurich does not consider emissions per revenue dollar a relevant metric to track as revenues are not directly related to our emissions from our operational footprint. Note: Revenue in USD includes USD 5,245 million of business operating profit (BOP) revenues for Farmers* (Reference Annual Report 2019 page 277 of the Consolidated financial statements). *The Farmers Exchanges are owned by their policyholders. Farmers Group, Inc., a wholly owned subsidiary of Zurich Insurance Group, provides certain non-claims services and ancillary services to the Farmers Exchanges as attorney-in-fact and receives fees for its services.

C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?
Decreased

C7.9a
(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

<table>
<thead>
<tr>
<th>Change in emissions (metric tons CO2e)</th>
<th>Direction of change</th>
<th>Emissions value (percentage)</th>
<th>Please explain calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in renewable energy consumption</td>
<td>0</td>
<td>No change 0</td>
<td>0</td>
</tr>
<tr>
<td>Other emissions reduction activities</td>
<td>5010.96</td>
<td>Decreased 10</td>
<td>10</td>
</tr>
<tr>
<td>Divestment</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisitions</td>
<td>600</td>
<td>Increased 1</td>
<td>1</td>
</tr>
<tr>
<td>Mergers</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in output</td>
<td>0</td>
<td>No change 0</td>
<td>0</td>
</tr>
<tr>
<td>Change in methodology</td>
<td>0</td>
<td>No change 0</td>
<td>0</td>
</tr>
<tr>
<td>Change in boundary</td>
<td>0</td>
<td>No change 0</td>
<td>0</td>
</tr>
<tr>
<td>Change in physical operating conditions</td>
<td>0</td>
<td>No change 0</td>
<td>0</td>
</tr>
<tr>
<td>Unidentified</td>
<td>0</td>
<td>No change 0</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>No change 0</td>
<td>0</td>
</tr>
</tbody>
</table>

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

<table>
<thead>
<tr>
<th>Indicate whether your organization undertook this energy-related activity in the reporting year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel (excluding feedstocks)</td>
</tr>
<tr>
<td>Consumption of purchased or acquired electricity</td>
</tr>
<tr>
<td>Consumption of purchased or acquired heat</td>
</tr>
<tr>
<td>Consumption of purchased or acquired steam</td>
</tr>
<tr>
<td>Consumption of purchased or acquired cooling</td>
</tr>
<tr>
<td>Generation of electricity, heat, steam, or cooling</td>
</tr>
</tbody>
</table>

C8.2a
(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

<table>
<thead>
<tr>
<th>Description</th>
<th>Heating value</th>
<th>MWh from renewable sources</th>
<th>MWh from non-renewable sources</th>
<th>Total (renewable and non-renewable) MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel (excluding feedstock)</td>
<td>Unable to confirm heating value</td>
<td>0</td>
<td>85213.36</td>
<td>85213.36</td>
</tr>
<tr>
<td>Consumption of purchased or acquired electricity</td>
<td>&lt;Not Applicable&gt;</td>
<td>48188.43</td>
<td>42488.63</td>
<td>90677.06</td>
</tr>
<tr>
<td>Consumption of purchased or acquired heat</td>
<td>&lt;Not Applicable&gt;</td>
<td>0</td>
<td>20282.57</td>
<td>20282.57</td>
</tr>
<tr>
<td>Consumption of purchased or acquired steam</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Consumption of purchased or acquired cooling</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Consumption of self-generated non-fuel renewable energy</td>
<td>&lt;Not Applicable&gt;</td>
<td>48.53</td>
<td>&lt;Not Applicable&gt;</td>
<td>48.53</td>
</tr>
<tr>
<td>Total energy consumption</td>
<td>&lt;Not Applicable&gt;</td>
<td>48236.96</td>
<td>147984.57</td>
<td>196221.53</td>
</tr>
</tbody>
</table>

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

**Description**

- Energy usage

**Metric value**

2.97

**Metric numerator**

128,370

**Metric denominator (intensity metric only)**

43,199

**% change from previous year**

18

**Direction of change**

Decreased

**Please explain**

Zurich is focused on reducing our total energy demand as a primary driver for CO2e reduction. Zurich has a public target to reduce our total energy per employee (MWh /FTE) by 20% until 2025, based on a 2015 baseline.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

<table>
<thead>
<tr>
<th>Scope</th>
<th>Verification/assurance status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Third-party verification or assurance process in place</td>
</tr>
<tr>
<td>2 (location-based or market-based)</td>
<td>Third-party verification or assurance process in place</td>
</tr>
<tr>
<td>3</td>
<td>Third-party verification or assurance process in place</td>
</tr>
</tbody>
</table>

C10.1a
**C10.1a** Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

<table>
<thead>
<tr>
<th>Verification or assurance cycle in place</th>
<th>Annual process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status in the current reporting year</td>
<td>Complete</td>
</tr>
<tr>
<td>Type of verification or assurance</td>
<td>Limited assurance</td>
</tr>
</tbody>
</table>

Attach the statement

Page/section reference
All

Relevant standard
ASAE3000

Proportion of reported emissions verified (%)
100

---

**C10.1b**

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

<table>
<thead>
<tr>
<th>Scope 2 approach</th>
<th>Scope 2 market-based</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verification or assurance cycle in place</td>
<td>Annual process</td>
</tr>
<tr>
<td>Status in the current reporting year</td>
<td>Complete</td>
</tr>
<tr>
<td>Type of verification or assurance</td>
<td>Limited assurance</td>
</tr>
</tbody>
</table>

Attach the statement

Page/section reference
All

Relevant standard
ASAE3000

Proportion of reported emissions verified (%)
100

---

**C10.1c**
(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

**Scope 3 category**
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**

**Relevant section reference**
All

**Proportion of reported emissions verified (%)**
100

**Scope 3 category**
Scope 3: Business travel

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**

**Relevant section reference**
All

**Proportion of reported emissions verified (%)**
100

---

**C10.2**

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

Yes

**C10.2a**

**(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?**

<table>
<thead>
<tr>
<th>Disclosure module verification relates to</th>
<th>Data verified</th>
<th>Verification standard</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>C8. Energy Renewable energy products</td>
<td></td>
<td>ASAE3000 International Standard on Assurance Engagements (ISAE) 3000 (revised) 'Assurance engagements other than audits or reviews of historical financial information' and with ISAE 3410 'Assurance Engagements on Greenhouse Gas Statements'.</td>
<td>Zurich's environmental data assurance audit requires the inclusion of our renewable electricity certificate confirmation, to ensure we are only counting certifiable renewable electricity sources. PwC_ZIG_env_performance_limited_assurance_report 2019.pdf</td>
</tr>
</tbody>
</table>

---

**C11. Carbon pricing**

---

**C11.2**
C11.2 Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

<table>
<thead>
<tr>
<th>Credit origination or credit purchase</th>
<th>Credit purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project type</td>
<td>Forests</td>
</tr>
<tr>
<td>Project identification</td>
<td>Rimba Raya Biodiversity reserve project in Indonesia <a href="https://rimba-raya.com/">https://rimba-raya.com/</a></td>
</tr>
<tr>
<td>Verified to which standard</td>
<td>VCS (Verified Carbon Standard)</td>
</tr>
<tr>
<td>Number of credits (metric tonnes CO2e)</td>
<td>75662</td>
</tr>
<tr>
<td>Number of credits (metric tonnes CO2e): Risk adjusted volume</td>
<td>75662</td>
</tr>
<tr>
<td>Credits cancelled</td>
<td>Yes</td>
</tr>
<tr>
<td>Purpose, e.g. compliance</td>
<td>Voluntary Offsetting</td>
</tr>
</tbody>
</table>

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

<table>
<thead>
<tr>
<th>Objective for implementing an internal carbon price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholder expectations</td>
</tr>
<tr>
<td>Change internal behavior</td>
</tr>
<tr>
<td>Drive energy efficiency</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GHG Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
</tr>
<tr>
<td>Scope 2</td>
</tr>
<tr>
<td>Scope 3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zurich offsets 100% of emissions included within our target reporting boundary (Scope 1: onsite heating and fleet; Scope 2: electricity and district heating purchased; Scope 3: air, car rental and rail business travel, and fuel and energy related activities). During 2020, a new carbon fee structure is being developed to embed a stronger polluter pays principle. A new internal price of 15$ per metric ton is being reviewed. The resulting carbon fund is intended to be used to drive emissions reduction opportunities.</td>
</tr>
<tr>
<td>Actual price(s) used (Currency /metric ton)</td>
</tr>
<tr>
<td>4.8</td>
</tr>
<tr>
<td>Variance of price(s) used</td>
</tr>
<tr>
<td>Currently, Zurich calculates the cost of carbon based on the direct price of our Voluntary Emissions Reductions Certificates (USD 4.80 per VER)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of internal carbon price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal fee</td>
</tr>
<tr>
<td>Offsets</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Impact &amp; implication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zurich's internal carbon price is currently covered partially via an internal rebate received, the Z Zurich Foundation, a charitable foundation funded by Zurich, and through a central budget that is funded by the business units. During 2020, a new carbon fee structure is being developed to embed a stronger polluter pays principle. A new internal price of 15$ per metric ton is being reviewed. This will enable Zurich to transition from a purely offset driven strategy, to focusing on emissions reduction opportunities, for example, funding RE100 solutions in challenging markets.</td>
</tr>
</tbody>
</table>

C12. Engagement
(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers
Yes, our customers
Yes, our investee companies
Yes, other partners in the value chain

(C12.1a) Provide details of your climate-related supplier engagement strategy.

<table>
<thead>
<tr>
<th>Type of engagement</th>
<th>Details of engagement</th>
<th>% of suppliers by number</th>
<th>% total procurement spend (direct and indirect)</th>
<th>% of supplier-related Scope 3 emissions as reported in C6.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance &amp; onboarding</td>
<td>Included climate change in supplier selection / management mechanism</td>
<td>25</td>
<td>87</td>
<td>0</td>
</tr>
<tr>
<td>Code of conduct featuring climate change KPIs</td>
<td>Climate change is integrated into supplier evaluation processes</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Rationale for the coverage of your engagement
Due to the nature of our business, we are predominantly a consumer of services, and not products or raw materials. Compared with other industry sectors such as manufacturing, the risks associated with the environmental, social and governance impact of Zurich’s supply chain are low. Nonetheless, we are committed to effectively managing such issues within our supply chain. We aim to work with suppliers who share our values, and we expect high standards of business conduct from those who represent us or do business with us. We are continually working to improve policies, processes and guidelines for managing sustainability issues in the supply chain. Zurich ensures that sustainability is an integral part of its sourcing and procurement function to ensure that we are able to uphold our commitment to sustainability through the products and services we purchase, and contractual agreements we enter into. We incorporate appropriate evaluation criteria to assess the goods and services we buy, taking into account environmental, social and governance (ESG) factors in line with best value and in compliance with relevant legislation. Zurich, as a standard includes sustainability language in all supplier contracts. For the Group Coordinated suppliers, we require the inclusion of a specific exhibit named “Exhibit 6”. This exhibit requires the following: ‘SUPPLIER shall strive to continuously improve its environmental performance and reduce its negative environmental impact.’ Given the size of Zurich’s Procurement operations, it is difficult to validate the contractual language across 100% of suppliers. Therefore, for the purpose of this question, we have taken a conservative approach, considering the top 25% of suppliers with a greater than USD 100,000 spend in 2019. We are confident that considering these parameters, we are reporting a conservative figure for the coverage of suppliers that have successfully met our standard contractual language, demonstrated through signed agreements. It is likely the actual coverage is significantly higher.

Impact of engagement, including measures of success
As a result of our compliance and onboarding engagement, Zurich ensures that our suppliers understand the value Zurich places on environmental performance, including minimizing the consumption of energy and natural resources, and that they are legally committed to aligning with our expectations. The measure of success is the resulting number of contracts successfully executed with environmental requirements agreed between both contracting parties.

Comment
Give details of your climate-related engagement strategy with your customers.

**Type of engagement**
Other, please specify

**Details of engagement**
Other, please specify (Zurich provides products and services that support the transition to a low carbon economy)

**% of customers by number**
5.55

**% of customer-related Scope 3 emissions as reported in C6.5**
0

**Portfolio coverage (total or outstanding)**
Minority of the portfolio

Please explain the rationale for selecting this group of customers and scope of engagement
Support customers as society moves to a low-carbon economy. The 5.55% relates to the percentage of total revenues from climate change product(s) in FY 2019, as a percentage of total revenue.

Impact of engagement, including measures of success
We are living in a changing world that requires innovation. This is now transforming the way we protect customers, turning insurance from an industry that pays compensation when harm is done, to one that keeps people out of harm’s way. We realize that the next generation is facing many new risks, related to health & well-being, climate change, cyber security, automation, & more. Our aim as an insurer is to offer our customers risk-focused solutions that help society adapt to transformation with confidence and support the future we all want to be a part of. We continuously work to develop relevant products & services that help solve today’s most pressing societal & environmental issues. These products are: Liability Insurance: A flexible solution that can respond to a wide range of environmental exposures including clean-up costs & environmental damage costs to restore environmental damage to protected species or natural habitats, surface water or ground water & land; Crop insurance: RCIS is owned by Zurich. RCIS can insure more than 130 different crops through a broad portfolio of products, including hail, supplemental & stand-alone insurance products, as well as multi-peril insurance policies available through the USDA’s Risk Management Agency. Zurich recently joined the US-based consortium Field to Market to explore the utilization of insurance in incentivizing sustainable agricultural practices; Carbon Capture & Storage and Reclamation bonds. We introduced electric vehicle (EV) insurance propositions in Ireland, Switzerland, Germany, Spain, Austria and Portugal. These are among the first customized EV insurance products globally and they support the move toward more environmentally friendly transportation. The percentage includes hybrid vehicles also. Zurich proudly insured the construction of many renewable energy projects around the world which have been successfully completed and are now in operation. For example, Zurich insured ‘Desert Sunlight’, the building of one of the largest solar power projects in California, ‘Xina Solar One’ in South Africa, and Ashalim a solar thermal power plant in Israel. In Italy, Germany and Switzerland, Zurich provides customized coverage for private homeowners and small to midsize commercial companies to build renewable energy facilities, such as photovoltaic, solar thermal, biomass and geothermal installations.

**Type of engagement**
Collaboration & innovation

**Details of engagement**
Other, please specify (Engaging with customers on climate change related topics.)

**% of customers by number**
15

**% of customer-related Scope 3 emissions as reported in C6.5**
0

**Portfolio coverage (total or outstanding)**
Minority of the portfolio

Please explain the rationale for selecting this group of customers and scope of engagement
By understanding risks across many industries and customer segments, we help reduce risk and mitigate loss. Through our philosophy, approach, products and services, Zurich Risk Engineering provides environmental sustainability by: helping prevent losses that may otherwise harm the environment, such as serious fires and pollution; if things go wrong, through our proactive risk improvement action management programs, we help mitigate losses and reduce their environmental impact; supporting customers with new build projects suggesting the latest safety design features and use of sustainable materials; sharing our expertise and contributing to global thinking to mitigate risks around flood, storm and earthquake. Our risk management approach uses a process of continuous improvement that starts with us understanding our customers’ business and identifying the associated risks. Our risk engineers assess and grade a customer’s exposures, helping them to prioritize and manage their risks. Our findings allow us to share insights based on best practice, industry benchmarks and loss history with our customers, and suggest risk improvement actions. Note: Percentage relates to an approximate percentage of Zurich’s Commercial insurance gross written premium.

Impact of engagement, including measures of success
The Risk Engineering function has a dedicated team advising customers on physical and organizational resilience to natural hazards and climate change. Such assessments consider supply chain and infrastructure reliability. Their advice covers existing assets and future investments e.g. support to customers on natural hazard-related risks for new projects, from the land acquisition to engineering design phases. Zurich Risk Engineering provides environmental sustainability by: helping prevent losses that may otherwise harm the environment, such as serious fires and pollution; if things go wrong, through our proactive risk improvement action management programs, we help mitigate losses and reduce their environmental impact; supporting customers with new build projects suggesting the latest safety design features and use of sustainable materials. Sharing our expertise and contributing to global thinking to mitigate risks around flood and storm. Our Risk Engineers also help customers with practical implementation of risk mitigation and adaptation measures into planning for business continuity, emergency response, supply chain management and infrastructure sourcing. In the last year we have engaged with 57 customers on climate change related topics and have undertaken 63 site visits. In addition, to support our proposition in this area for have recruited an additional Principal Climate Change Risk Engineer who started on June 01, 2020.
(C-FS12.1c) Give details of your climate-related engagement strategy with your investee companies.

**Type of engagement**
Engagement & incentivization (changing investee behavior)

**Details of engagement**
Initiate and support dialogue with investee boards to set Paris-aligned strategies

**% of investees by number**
0.7

**% Scope 3 emissions as reported in C-FS14.1a/C-FS14.1b**
0

**Portfolio coverage**
Minority of the portfolio

**Rationale for the coverage of your engagement**
The engagement covers the heavy emission emitters in the steel, energy and utility sector. As part of Zurich's Business Ambition 1.5°C Pledge, Zurich engages with both clients and investee companies with more than 30% exposure to thermal coal, oil sands and oil shales in a dialogue over a 2-year period with the aim to drive a deeper conversation regarding their credible mid to long-term transition plans.

**Impact of engagement, including measures of success**
Successful engagement means companies either are already below our thermal coal thresholds and this can be proven with updated data, or have set science-based targets to achieve a 1.5°C alignment.

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(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

We have allocated over 7.4 percent of our investment portfolio to real estate, around half of which is currently held in Switzerland. We are committed to reducing the energy consumption and carbon emissions of our Swiss real estate portfolio by 20 percent by 2020 and 80 percent by 2050, against a 2010 baseline. By the end of 2018, energy consumption has been reduced by 10.7 percent and greenhouse gas emissions by 16.3 percent, compared to the baseline. (2019 data will be available in Q1 2021.) Currently we are investing in refurbishing and re-developing our properties to achieve these targets.

Another example relates to our work with social enterprises. In 2016, Zurich in the UK signed up to Social Enterprise UK’s ‘Buy Social’ Corporate Challenge, which commits a group of high profile companies in different types of industries to spend GBP 1 billion in total by 2020 on purchasing goods and services from social enterprise companies. The initiative, set up by Social Enterprise UK and the Cabinet Office, promotes sourcing and buying from British social enterprises. These are businesses that reinvest their profits to address social and environmental issues - from homelessness and unemployment to landfill waste and climate change.

As a responsible investor, we use capital markets to search for – and fund – solutions to many of the pressing social or environmental issues of our time. Zurich is committed to making up to USD 5 billion in impact investments. Achieving this level, will, we believe, avoid 5 million tons of CO2-equivalent emissions per year, and separately, make a positive contribution to the lives and livelihoods of 5 million people. Zurich evaluates impact investments within the context of specific asset classes and creates dedicated strategies for impact investments within those classes. While continuing to make systematic use of environmental, social and governance (ESG) data in investment decision-making, we will look at a variety of ways to grow our impact investment portfolios around the world. From a climate change perspective, we focus on:

**Green bonds:** The green bond market has shown impressive growth over the past several years. As of December 2019, Zurich had invested USD 3.1 billion in green bonds.

**Impact private equity:** We will keep working toward our 10-percent impact target in private equity.

**Impact infrastructure private debt:** Including direct private debt lending toward infrastructure such as solar/wind farms and social institutions. Zurich will evaluate new prospective opportunities across asset classes to broaden the approach and increase the investment volume.

Based on our engagement policy, whenever a company initiates dialogue through investor calls, roadshows, or meetings, investment professionals at Zurich are required to:

- a) review ESG performance and controversial business practices and bring up material ESG topics in the discussion and
- b) cite the importance of sustainability, and hence company transparency, in their sustainability strategy and material ESG factors. Engaging on climate change topics is also one of the 7 strategic points in our climate change investment strategy. In 2018, we developed an impact measurement framework to track the success of our impact portfolio. Zurich’s study of the majority of its impact investments revealed that it helped to avoid 2.8 million tons of CO2-equivalent emissions and, separately, improves the lives of 4.2 million people annually, as of December 2019.

Zurich also updated its position on some of the most carbon-intensive fossil fuels. In line with Zurich's prior thermal coal policy, Zurich engages with both clients and investee companies with more than 30% exposure to thermal coal, oil sands and oil shales in a dialogue over a 2 year period with the aim to drive a deeper conversation regarding their credible mid to long-term transition plans.

Also, by using Zurich's risk expertise as a global insurer, we can help customers and communities reduce the devastating impacts of floods - even before a flood hits - and build community flood resilience in a more integrated way. The Zurich Flood Resilience Alliance, a multi-sector partnership focusing on finding practical ways to help communities strengthen their resilience to floods globally – and save lives was launched in 2013. In the first phase of the program, we have reached over 225,000 direct beneficiaries across our 13 programs in nine countries. In the second five-year phase of the program, the Alliance has been broadened to include new members in more countries, and more ambitious goals have been set, including increasing the investment from others going into pre-event resilience by USD 1 billion and scaling up its work in climate action, to help make 2 million people more resilient to flooding.
Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Trade associations
- Funding research organizations
- Other

**Focus of legislation**
- Climate finance

**Corporate position**
- Support

**Details of engagement**
Zurich participated in the insurance workstream of the Green Finance Taskforce (GFT) which led to the recommendation to improve climate risk management with advanced data. In June 2018 the UK government announced that it will fund a new Green Finance Institute alongside the City of London Corporation to "promote sustainable finance" in the UK and abroad, helping to develop the UK’s green finance market and mobilize the investment required to reach the country’s climate targets. In July 2019 the Government published its ‘Green Finance Strategy’ building on the work of the GFT. Zurich submitted a response to the Treasury Select Committee on its inquiry into decarbonisation of the UK economy and green finance in July 2019.

**Proposed legislative solution**
Policy outcome: The launch of an institute to develop the UK’s green finance market was a key recommendation from the government’s green advisers in March 2018. The Green Finance Taskforce has also called for a re-launch of the UK’s green finance activities through a new unified brand, and the integration of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations through the UK’s corporate governance and reporting framework. The Green Finance Strategy outlines how the finance sector, and better climate disclosure from corporate actors, can drive progress in relation to climate change and help the UK achieve its net-zero emissions target. The Greening Finance pillar within the document outlines robust actions, including ensuring that all listed companies and large asset owners disclose environmental and climate change information in line with the TCFD by 2022. The Treasury Select Committee inquiry was delayed due to the General Election and the dissolution of Parliament but has since been re-launched (March 2020) under a new Chair. The inquiry aims to scrutinise the role of HM Treasury, regulators and financial services firms in supporting the Government’s climate change commitments as well as the role of UK financial services firms in the decarbonisation of the economy.

**Adaptation or resilience**
- Support

**Topics of Engagement:**
- We have provided specific focus on wildfire, carbon capture and sequestration, flood resilience and loss and damage dialogues.
- Specific details of local wildfire efforts: Farmers Group, Inc., (a wholly owned subsidiary of Zurich Group) is active on multiple climate related fronts. It manages a member of Zurich North America is also on the Board, adopts and periodically revises a set of best practices to educate homeowners on how to create a fire-resistant home. It also supports the Fire Regions Training Institute, which provides training to the volunteer public safety region, including non-profit, industry, and tribal fire agencies, and whose mission is to bring quality training to fire fighters and to promote community safety. It has also engaged with policymakers to secure U.S. federal government funding for much needed forest training / fire abatement projects, in the wake of increased incidences of wildfires. Farmers Group, Inc. has attended joint meetings with federal policymakers and SBIP (formerly Saint Bernard Project) to discuss climate-resilience related legislative proposals. Farmers Group, Inc. is a partner of the federal government in the National Flood Insurance Program, and its input was sought by Congressional offices specifically in the context of its experience in communities where SBIP is leading recovery efforts. Zurich North America has also attended SBIP meetings with the Federal Emergency Management Agency (FEMA) and White House officials.

**Actions / Policies advocated:**
- We have advocated for the expanded use of insurance as a method for facilitating adaptation to climate change impacts in collaboration with improved building codes, - to expand the use of insurance in flood zones in combination with risk reducing building codes and public infrastructure improvements, - for the deployment of new technologies in a manner which clearly weights all costs and benefits to the deployment. We continue to engage in advocating for nature-based solutions. Our message remains consistent in core content: Insurance has the ability to encourage risk reduction both ex-ante and ex-post by establishing risk-based pricing signals in the form of premium charges (e.g. riskier behaviour or conditions result in higher premiums) and delivering claims services which improve resilience where required by law or contract and permitted by law. We have advocated for the efficient use of financial resources to build resilience by mainstreaming risk and resilience thinking into all three major global ambitions, namely UNFCCC, UNDRR and the SDGs. We are asking for policy makers and decision-making authorities to promote and implement climate-smart, risk-informed development and to foster policies that improve the condition of current risk (corrective risk reduction) and to ensure the creation of new risk is avoided through appropriate policy instruments such as land zoning, financing of large scale green, blue combined with grey infrastructure measures as well as e.g. building codes (proactive risk reduction). In July 2019 Zurich advocated for these issues before the US House Select Committee on the Climate Crisis. In addition, at the end of 2019, we have been invited to join the newly formed OECD Task Force on Climate Change Adaptation.

**Adaptation or resilience**
- Support

**Topics of Engagement:**
- With the increasing frequency of catastrophes across the U.S. we have seen multiple proposals by federal/state regulators and legislators that have the potential to change the insurance regulatory environment for catastrophic events in certain jurisdictions. These items have focused primarily on issues related to insurance policy coverage disclosures, data calls, use of deductibles, claims investigation, moratoria, mediation, and specific underwriting restrictions. In the state and federal regulatory space, Zurich has testified before the National Association of Insurance Commissioners (NAIC) and the US House of Representatives Special Committee on the Climate Crisis to promote the importance of pre-event mitigation and resilience. We continue to engage with individual state insurance commissioners on flood hazards to educate/advocate on the benefits of pre-mitigation and resilience. On the federal level, Zurich continues to work with the Administration and Congress in two key areas. First, the focus is on pro-resilience policy focusing on mitigation, preparedness, response, and recovery. Second, Zurich is working with the Congressional Committees of jurisdiction on reforming the National Flood Insurance Program, providing our risk expertise to reduce the impact of floods by understanding the cost benefits of pre-event mitigation to create resilience. Unfortunately, Congress has been unable to move forward with any reforms.

**Proposed legislative solution**
Within the NFIP reform movement, Zurich is focusing its advocacy on elevating the importance of pre-event mitigation and preparedness through a variety of policy discussions including: developing early warning systems to build resilience and mitigate risk; fully developed flood emergency and contingency planning; and green finance in July 2019. Zurich advocated for these issues before the US House Select Committee on the Climate Crisis. In addition, at the end of 2019, we have been invited to join the newly formed OECD Task Force on Climate Change Adaptation.
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<td>Support</td>
<td>Storms Ciara and Dennis which hit the UK at the beginning of 2020 caused significant damage and disruption to families and businesses across the UK. Zurich has been actively engaged with Defra's Property Flood Resilience Roundtable to help produce a code of practice around flood resilience measures. This is a critical deliverable for the Roundtable and was published in early 2020. The Zurich Flood Resilience Alliance, through its alliance member London School of Economics' Grantham Research Institute, is working to implement the Flood Resilience Measurement for Communities (FIRMC) in coastal communities through local councils in the East and Northeast of England. This will include the baseline measurement to assess strengths and weaknesses using our SC-4R model and to identify options to build community resilience, with the idea of supporting existing mechanisms and endeavours to identify and prioritize implementation projects.</td>
<td>We note that Flood Re only provide reinstatement on a like-for-like basis and moving forward we would call on Flood Re to formally acknowledge what is required in terms of resilience repair and in-kind contributions. In particular, they need to ensure that key communications and awareness are key to managing flood risk and encouraging flood resilience measures but quantitative statements about risk can be misinterpreted.</td>
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<td>Adaptation or resilience</td>
<td>Support</td>
<td>Zurich’s flood resilience program has developed a detailed methodology, the Post Event Review Capability (PERC), to review large flood events to investigate what went wrong and what can be improved to avoid similar losses in future floods. Zurich conducted these studies in Germany, Switzerland, Morocco, Nepal, Peru, the US, the UK and Southeast Africa. For both developed and developing countries, these studies highlight the strengths of early warning systems, green infrastructures and community engagement while being challenged with lack of maintenance of physical infrastructure, lack of risk awareness among the population and limited investments and incentives for investments in risk reduction measures. To make this more directly tangible for risk managers in business and industry, we have published two summary reports highlighting the joint lessons learnt and how they are relevant for risk managers globally, which have won Zurich an Outstanding Achievement Award from the National Hurricane Conference in the US in 2019 and the Insurance Business Innovation Award for our PERC reports and the associated methodology. We are continuing to expand and scale the PERC approach and have turned them into a professional continued education course. See more at <a href="https://www.zurich.com/en/knowledge/articles/2019/05/events-are-natural-disasters-are-not">https://www.zurich.com/en/knowledge/articles/2019/05/events-are-natural-disasters-are-not</a>.</td>
<td>In the US the past event reviews have enabled discussions with the US representatives working to reform the National Flood Insurance Program but also with state decision makers where the studies were conducted. We presented before the NAIC Catastrophic Insurance Working Group in December 2016 on findings and recommendations to insurance commissioners. We have actively shared our learnings with FEMA, Department of Natural Resources, Directors of Environmental Affairs &amp; Health Services, Department of Health and Environmental Control, Department of Insurance, Office of Regulation, Department of Homeland Security, in North &amp; South Carolina &amp; Texas. In the UK, as well as being represented on four out of the five working groups of the roundtable development group hosted by the UK Department for Environment, Food &amp; Rural Affairs (DEFRA) Zurich has also actively engaged Parliamentary stakeholders on a number of key flood resilience issues identified in the post event reviews. In particular, as part of our Parliamentary stakeholder engagement, we have discussed the need to improve the communication of flood risk, highlighting our desire to move towards the communication of flood risk as a probability over a defined period &amp; away from misleading return periods (1-in-100 flood risk over a 30-year period). We have highlighted our concerns that the government’s National Planning Policy Framework (“NPPF”) safe for its lifetime” definition needs clarifying &amp; have highlighted that “safe for its lifetime” should take into account the flood risk at the 1 in 500 return period plus climate allowance for river &amp; sea flooding. This also formed a central aspect of our recent Parliamentary flood resilience roundtable where we discussed with MPs: Zurich’s Global Exposure and Accumulation Management (GLEAN) flood mapping tool and communicating flood risk; improving property level resilience &amp; access to grants; and lessons learnt from our Post Event Review Capability (PERC) reports. Through our PERC series, we have provided learning reports about why events turn into disasters, how recovery can be used for building back better and how past events can help us learn build resilience to future events. We have published a review on Hurricane Florence in the US as well as a compilation of all global lessons learnt from 14 PERC reports.</td>
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<td>Adaptation or resilience</td>
<td>Support</td>
<td>Engagement with the Swiss Agency for Development and Cooperation (SDC): The Zurich Flood Resilience program has an ongoing collaboration with the SDC in Switzerland and at global level for advocacy and policy purposes. We are supporting the SDC in their engagement with the Swiss Agency for Development and Cooperation (SDC) and the Swiss government were the co-host of the conference). The SDC is responsible for aligning the industry position and to liaise with the European institutions. In addition, Zurich participated in Insurance Europe European Green Deal and Transition Fund. Zurich organized meetings with senior officials of the Commission. In addition, Zurich participated in Insurance Europe and Pensions Europe Long Term Sustainable Investments Working group in order to align the industry position and to liaise with the European institutions representatives. Zurich’s senior management and Responsible Investment team met with EU representatives on several occasions.</td>
<td>In the UK, the SDC has been actively engaged with Defra’s Property Flood Resilience Roundtable to help produce a code of practice around flood resilience measures. This is a critical deliverable for the Roundtable and was published in early 2020. The Zurich Flood Resilience Alliance, through its alliance member London School of Economics’ Grantham Research Institute, is working to implement the Flood Resilience Measurement for Communities (FIRMC) in coastal communities through local councils in the East and Northeast of England. This will include the baseline measurement to assess strengths and weaknesses using our SC-4R model and to identify options to build community resilience, with the idea of supporting existing mechanisms and endeavours to identify and prioritize implementation projects.</td>
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Adaptation or resilience Support

Zurich had a strong presence at the UN Climate Action Summit in September 2019, where we announced new commitments and targets. Zurich was actively engaged in the COP25 in Madrid, Spain. Through the Zurich Flood Resilience Alliance, we hosted sessions with the Government of Bangladesh, one of our core program countries. We continue our commitment to improving resilience to floods and the important risk that the private sector plays. We provided new policy briefs on findings to overcome investment barriers for resilience and how new, innovative financing for resilience can be implemented. We emphasize the urgency of climate finance to reach the local levels and continue to outline the challenges that exist for the most vulnerable communities to access such finance.

Adaptation or resilience Support

Zurich is part of the Department for Environment, Food and Rural Affairs’ (Defra) roundtable on Flood Resilience. This was established following the UK storms of late 2015/early 2016. This is a government-sponsored initiative to bring multiple stakeholders together to raise awareness and increase take-up of flood resilience measures. A number of Zurich employees sit on the roundtable working groups which meets to discuss flood risk management and how best to respond to floods in the UK. The working groups are attended by Government ministers, Defra and Environment Agency representatives, the Association of British Insurers (ABI), representatives from other insurance firms and loss adjusters, small business representatives and resilient repair firms. Zurich is represented on four sub-working groups which report back to the roundtable: Immediate Response; Embedding Resilience; One Stop Internet Shop for Guidance and Certification; Standards and Skills.

Adaptation or resilience Support

On an EU level, we are providing our risk expertise to reduce the impact of floods by understanding the cost benefits of pre-event mitigation to create resilience. Engagement has taken place with the European Commission, in particular the Directorate Generals for Environment (ENV), Climate Action (CLIMA) and Financial Stability, Financial Services and Capital markets Union (FISMA). Zurich supported the publication of an Issue Paper “Adapting to change: Time for climate resilience by understanding the cost benefits of pre-event mitigation to create resilience.” A key aim of this Issue Paper is to promote the use of risk-based decision making tools aimed at reducing the vulnerability and exposure of communities to extreme weather events. The paper builds on the findings of two EPC workshops organised in 2019 and paves the way for a revision of the EU’s Adaptation Strategy.

Clean energy generation Support

Zurich’s participation in the 2018 UK government’s Carbon Capture Use and Storage (CCUS) Cost Reduction Taskforce and the Carbon Capture and Storage (CCS) Development Forum. 2019 has been a year of Carbon Capture Use and Storage (CCUS) and government policy shifting to a deployment focus and commitment to fund new CCUS business models. The new Government elected in December 2019 quickly committed to funding £800m for Carbon Capture & Storage (CCS) infrastructure and £500m additional funding for industrial decarbonisation.

Adaptation or resilience Support

In the UK, the Prudential Regulation Authority’s (PRA) Climate Financial Risk Forum (CFRF) on which Zurich is represented by its UK Chief Risk Officer continues work to build intellectual capacity and share best practice. It is co-chaired with the Financial Conduct Authority (FCA). The CFFR brings together senior representatives from across the financial sector including banks, insurers and asset managers. The four working groups of the forum have focused on: "Climate scenarios analysis; disclosure; innovation. Zurich participated and fed into the discourses working group paper. The final outputs will be shared with industry more widely by summer 2020. The PRA has stated it will issue follow-on guidance on its 2019 Supervisory Statement on enhancing firms’ approaches to managing the financial risks from climate change also this summer. The Bank of England issued a discussion paper entitled “The 2021 biennial exploratory scenario on the financial risks from climate change which proposes stress testing to explore the financial risks posed by climate change and to which Zurich submitted a response.

Adaptation or resilience Support

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Adaptation or resilience Support

The 2021 biennial exploratory scenario on the financial risks from climate change was published in 2016 and focused on improving the uptake of flood resilience measures and proposed a number of recommendations for improving individual property resilience, as well as community resilience measures. The focus of the scenario is to work towards a change in building regulations which we hope will ensure that properties, particularly new stock will have in-built resilience. As part of task group 4 which focuses on ‘Skills, Certification and Standards’ of resistant and resilient products in a property, it was agreed that a ‘Code of Practice’ should be developed. This Code has now been finalised and launched, which Zurich supported. The Code is a set of standards that specify the requirements for good practice at various stages of installing property level resilience within a property. The hope is that the Code can be used to improve the standard and effectiveness of property level resistance measures and improve the level of confidence insurers can have on the measures working and, therefore, reducing the associated claims costs of flooded properties. It is hoped that eventually, coupled with developing a database of properties that have these measures and detail of their level of effectiveness, that insurers will be able to take these measures into account more easily. The other work streams are continuing, most notably the Code is the Building Research Establishment’s (BRE) work to provide accredited training, with a number of courses already up and running, as well as the drive to introduce a kite mark for flood resilience products. This is to ensure that consumers and insurers can have confidence that all aspects of the resilience fulfilment process (such as flood surveying/risk assessment, flood products, installation) to ensure the development of resilient properties. We believe that this will incentivise the take-up of such measures whilst also ensuring that risks can be more accurately priced, making flood insurance more accessible and affordable whilst reducing claims costs when an event occurs.

Clean energy generation Support

Policy Outcome: In early 2019 the UK government established a new CCUS Advisory Group (ACG) an industry body with representation from the Department for Business, Energy & Industrial Strategy and HM Treasury to develop potential business models needed across various elements of CCUS. Zurich is represented on the CAC by the CCBA, which Zurich continues to be a member of, and influence policy in this area. Minister Kwasi Kwarteng responded to a parliamentary question in January 2020 saying that “The government is committed to deploying CCUS in the 2020s” and very positive about prospects for CCUS and progress towards CCUS deployment. During the year we also ran a number of courses already up and running, as well as the drive to introduce a kite mark for flood resilience products. This is to ensure that consumers and insurers can have confidence that all aspects of the resilience fulfilment process (such as flood surveying/risk assessment, flood products, installation) to ensure the development of resilient properties. We believe that this will incentivise the take-up of such measures whilst also ensuring that risks can be more accurately priced, making flood insurance more accessible and affordable whilst reducing claims costs when an event occurs.

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Clean energy generation Support

In 2015/16 the 22 Zurich Foundation invested USD 10 million into the Global Resilience Partnership’s (GRP’s) Water Window Challenge. Through this program, funding was made available to 12 teams, mainly from South and South East-Asia. The selected teams were located at COP21 in Paris, France and at COP25 in Madrid, Spain. Through the Zurich Flood Resilience Alliance, we hosted sessions with the Government of Bangladesh, one of our core program countries. We continue our commitment to improving resilience to floods and the important risk that the private sector plays. We provided new policy briefs on findings to overcome investment barriers for resilience and how new, innovative financing for resilience can be implemented. We emphasize the urgency of climate finance to reach the local levels and continue to outline the challenges that exist for the most vulnerable communities to access such finance.
Adaptation or resilience

Support

In July 2019, the House Select Committee on the Climate Crisis held a hearing on 'Creating a Climate Resilient America: Business Views on the Costs of the Climate Crisis'. Zurich’s Group Head of Public Affairs and Sustainability testified at the hearing. The purpose of the hearing was to examine the escalating risks and costs of the climate crisis.

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C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association
ClimateWise

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association’s position
Zurich in the UK is a member of ClimateWise, a group of insurance company members committed to action, individually and collectively, on climate change. Zurich reports publicly on its own performance against the following revised TCFD aligned principles: 1) Be accountable; 2) Incorporate climate-related issues into our business strategies; 3) Lead in understanding risk identification and analysis; 4) Reduce the environmental impact of our business; 5) Inform public policy making; 6) Support climate awareness amongst our customers/clients; and 7) Reporting. Zurich’s ClimateWise submission is published each year alongside our other environmental reporting and commitments on our UK website: http://www.zurich.co.uk/corporateresponsibility/environment/

How have you influenced, or are you attempting to influence their position?
Zurich has continued its active involvement as a member of ClimateWise, an initiative to encourage the insurance industry to take collective action on climate change. Zurich is represented on the ClimateWise Leaders’ Council and the ClimateWise Managing Committee. Zurich is also represented on the ClimateWise Policy Engagement Task Group, which aims to take stock of the policy landscape around greening the financial system, to ensure that the voice of the industry and ClimateWise’s global membership is represented, anticipate business implications and identify points of engagement and influence. Zurich is a key part of the current project to focus on policy engagement to enhance insurance industry understanding of the key climate-related policy issues, what insurers are currently doing, and setting out key policy asks to further the sustainable agenda.

Trade association
Confederation of British Industry

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association’s position
Supportive of EU 50% carbon reduction target and the UK net zero by 2050 target.

How have you influenced, or are you attempting to influence their position?
We are not attempting to influence this (high-level) position.

Trade association
Carbon Capture and Storage Association (CCSA)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association’s position
The Carbon Capture and Storage Association (CCSA) exists to represent the interests of its members in promoting the business of Carbon Capture and Storage (CCS). The CCSA works to raise awareness, both in the UK and internationally, of the benefits of CCS as a viable climate change mitigation option, and the role of CCS in moving the UK towards a low-carbon economy.

How have you influenced, or are you attempting to influence their position?
In 2019 and 2020 Zurich has contributed views on the Carbon Capture Use and Storage (CCUS) policy via the CCSA to the new CCUS Advisory Group (CAG) an industry body with representation from Department for Business, Energy & Industrial Strategy (BEIS) and HM Treasury to develop potential business models needed across various elements of CCUS. Zurich is represented on the Council CAG by the CCSA, which Zurich continues to be a member of to influence policy in this area. The CAG is the primary forum for engaging the CCUS sector on CCUS. CCUS presents a large global economic opportunity and can be used across a wide range of activities such as producing lower emission power, decarbonising industry where fossil fuels are used and/or industrial processes as well as providing a decarbonised production method for hydrogen which can be used in heating, transport and hydrogen fuel cells.

Trade association
The American Property Casualty Insurance Association (APCIA), Global Business Alliance (GBA), the US Chamber of Commerce, the Institute for Legal Reform (ILR) and the Insurance Information Institute (III).

Is your position on climate change consistent with theirs?
Mixed

Please explain the trade association’s position
In the US Zurich sits on the board of the American Property Casualty Insurance Association (APCIA), the Global Business Alliance (GBA), the Institute for Legal Reform (ILR) and the Insurance Information Institute (III). We are members of the trade organizations and participate in their processes. These organizations are not single-issue organizations. These organizations have focused on a natural catastrophe but some are beginning to engage on climate change. Climate change impacts a variety of issues...
and we are an advocate for climate change issues within these organizations. We may agree with some but not all of the advocacy positions taken by these trade organizations.

**How have you influenced, or are you attempting to influence their position?**
The position on governmental intervention for catastrophe related events is consistent with Zurich's to the extent it involves risk-based pricing, the ability to send appropriate price signals to the marketplace, drive robust building codes (including enforcement), and sanctity of contract in post-event environments. We continue to work closely with the trade organizations to share our expertise on catastrophe related regulatory matters and market experience. In addition, we have urged the APCIA and others to increase their engagement on climate resilience related topics.

**Trade association**
World Economic Forum

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association's position**
Zurich is a major contributor to the Global Risk Report, produced by the World Economic Forum. The World Economic Forum’s annual Global Risks Report provides leaders from the private and public sectors with an independent platform to map, monitor and mitigate global risks. It analyses the perceived impact and likelihood of prevalent global risks over a ten-year time horizon. In January 2020, the World Economic Forum released the Global Risk 2020 report, which was developed with expert contributions from Zurich and other leading financial and academic institutions. The report identified and grouped risks into the five customary categories: economic, environmental, geopolitical, societal and technological. Environmental risks have grown in prominence in recent years. This trend has continued this year, with all five risks in the environmental category being ranked higher than average for both likelihood and impact over a 10-year horizon.

**How have you influenced, or are you attempting to influence their position?**
The report takes a 10-year outlook and assesses risks that are global in nature and have the potential to cause significant negative impact across entire countries and industries if they take place. Zurich is partnering with the World Economic Forum because we strongly believe in its value in identifying and discussing themes that shape the global agenda. Zurich has also continued its active involvement in the WEF mainstreaming impact investment initiative and in the WEF oil and gas community providing input to discussions on decarbonizing the oil and gas sector. This included attending a high-level workshop in November 2019 on “Oil and Gas Industry in Energy Transitions” and then subsequently providing editorial review of the International Energy Agency (IEA) report with the same title, issued in January 2020. In addition, Zurich’s Group CEO is a member of the WEF’s Alliance of CEO Climate Leaders.

**Trade association**
Investment Leaders Group

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association’s position**
The Investment Leaders Group (ILG) is a global network of pension funds, insurers and asset managers, with over USD 12 trillion under management and advice, committed to advancing the practice of responsible investment.

**How have you influenced, or are you attempting to influence their position?**
Zurich became one of the founding members of the Investment Leaders Group (ILG).

**Trade association**
Institute for Business and Home Safety (IBHS) Flood Committee

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association’s position**
The Institute for Business and Home Safety (IBHS) Flood Committee is the primary technical and advisory committee for the National Flood Insurance Program (NFIP). The Flood Program Manager serves on the committee. The NFIP is one of the most successful public/private partnerships in the U.S. government and the IBHS flood committee is one of the reasons for that success. The IBHS Flood committee serves as the link between the National Flood Insurance Program (NFIP)/Federal Emergency Management Authority (FEMA) and the insurance carriers which sell and service NFIP flood insurance.

**How have you influenced, or are you attempting to influence their position?**
By working together with FEMA to increase pre-event mitigation, we help improve the NFIP and help the NFIP to achieve its goals.

**Trade association**
Institute for Business and Home Safety (IBHS), including IBHS’ Research Advisory and Commercial Lines Committees

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association’s position**
The Insurance Institute for Business & Home Safety (IBHS) is an independent, non-profit, scientific research and communications organization supported solely by property insurers and reinsurers. IBHS’ building safety research leads to real-world solutions for home and business owners, helping to create more resilient communities. The work that IBHS performs is intended to establish clear, scientifically sound benchmarks for disaster resistant construction in part to influence commercial and residential building codes. Zurich sits on the Research Advisory Committee and the Commercial Lines Committee.

**How have you influenced, or are you attempting to influence their position?**
Through our engagement with IBHS we influence the projects performed towards the work that will drive greater use of improved construction standards.

**Trade association**
Principles for Responsible Investment (PRI)

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association’s position**
The United Nations-supported Principles for Responsible Investment (PRI) Initiative is an international network of investors working together to put the six Principles for Responsible Investment into practice. In implementing the Principles, signatories contribute to the development of a more sustainable global financial system.
How have you influenced, or are you attempting to influence their position?
Zurich is a member of the PRI’s environmental and social-themed investments working group.

**Trade association**
Geneva Association

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association’s position**
Zurich is a signatory of the Climate Risk Statement of the Geneva Association.

How have you influenced, or are you attempting to influence their position?
Zurich is a signatory and therefore supports the statement.

**Trade association**
UNEPFI: United for disaster resilience

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association’s position**
Zurich is a signatory of the UNEPFI: United for disaster resilience statement.

How have you influenced, or are you attempting to influence their position?
Zurich is a signatory and therefore supports the statement.

**Trade association**
Global Impact Investing Network

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association’s position**
The Global Impact Investing Network (GIIN) is a non-profit organization dedicated to increasing the effectiveness of impact investing.

How have you influenced, or are you attempting to influence their position?
Zurich is a member of the Global Impact Investing Network’s (GIIN) Investors’ Council.

**Trade association**
Association of British Insurers

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association’s position**
The ABI’s work on climate change is focusing on both adaptation and mitigation strategies with its members to aid the transition to a low carbon economy. This includes working with government and insurance industry regulators to ensure that buildings and communities are resilient to the effects of climate change in the long term as well as promoting ways in which the insurance industry can support the growth of the low carbon economy such as insuring renewable energy generation and investing in green infrastructure.

How have you influenced, or are you attempting to influence their position?
We support the ABI’s focus on climate change and its focus on both adaptation and mitigation. In particular, Zurich is working in collaboration with the ABI to help better understand and mitigate flood risk exposure as well as the grants available for flood resilience measures and the government backed approach for risks unable to find cover in the commercial market. Moreover, we have welcomed the ABI’s support in understanding how the industry can support the growth of the low carbon economy and, as part of this, investing in green infrastructure. The UK Chief Risk Officer now sits on a (Prudential Regulatory Authority mandated) Senior Managers Responsible for Climate Change Risk Committee. Zurich has presented at an ABI Climate Change roundtable on scenario analysis and attends and contributes regularly to these.

**Trade association**
Green Bond Principles

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association’s position**
The Green Bond Principles (GBP) are a non-profit industry association that aims at increasing the flows of capital for environmental impact via the establishment and support of global green bond markets.

How have you influenced, or are you attempting to influence their position?
Zurich is a member of the Executive Committee and Steering Committee of the Green Bond Principles (GBP).

**Trade association**
Paris Pledge for Action

**Is your position on climate change consistent with theirs?**
Consistent

**Please explain the trade association’s position**
The pledge demonstrates that non-Party stakeholders are ready to play their part to support the objectives of the Paris Agreement. By joining the pledge, businesses, cities, civil society groups, investors, regions, trade unions and other signatories promise to ensure that the ambition set out by the Paris Agreement is met or exceeded to limit global temperature rise to less than 2 degrees Celsius.

How have you influenced, or are you attempting to influence their position?
Zurich is a signatory and therefore supports the statement.
Trade association
UNEP FI Principles for Sustainable Insurance

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association’s position
The United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance (PSI) serve as a global framework for the insurance industry to address environmental, social and governance risks and opportunities.

How have you influenced, or are you attempting to influence their position?
Zurich is a signatory of the Principles for Sustainable Insurance. Signing the UNEP FI Principles for Sustainable Insurance allows us to build on those efforts by being part of the broader dialogue on the role insurance plays in shaping a more resilient tomorrow. We actively contribute to their ongoing pilot on TCFD aligned scenario analysis for insurance portfolios and help shape future standards of climate risk reporting for the industry.

Trade association
The Investor Agenda

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association’s position
The Investor Agenda provides the guidance investors need to act boldly, swiftly and collectively to help keep global temperature rise below 2˚ Celsius. It will also amplify investor voices calling for government implementation of the Paris Agreement, and increased support for low-carbon initiatives by policymakers.

How have you influenced, or are you attempting to influence their position?
Zurich is a signatory to the Investor Agenda.

Trade association
Swiss Sustainable Finance (SSF)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association’s position
SSF’s goal is for Switzerland to become a leading centre for sustainable finance, offering growth opportunities for the Swiss economy and benefitting society at large. SSF advocates to strengthen the position of Switzerland in the global marketplace for sustainable finance by informing, educating and catalysing growth.

How have you influenced, or are you attempting to influence their position?
Zurich Invest Ltd (ZIAG) joined the Swiss Sustainable Finance (SSF) network in spring 2019 and aims to promote sustainable finance as a core competence of the Swiss financial center. Zurich Invest Ltd manages the Zurich Investment Foundation (ZAST) which is Switzerland’s largest non-bank investment foundation with over CHF 20 billion in assets under management, providing pension plans with a wide range of investment solutions.

Trade association
Swiss Insurance Association (SVV)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association’s position
The Swiss Insurance Association (SVV) and its members are committed to a sustainable economy. The goals for sustainable development set out in the UN Sustainable Development Goals (SDG) form a central component of insurers’ business models. The association advocates for the insurance industry to become climate-friendly, positions the industry as actively committed to climate policies that contribute to achieving the objectives of the Paris Agreement and as supporting voice in favour of measures to adapt to climate change. The SVV has crafted a Sustainability Report which will be published in 2020 and has established a sustainability committee.

How have you influenced, or are you attempting to influence their position?
Zurich is an active and leading voice within the association, notably with regards to sustainability in general and to responsible investment in particular. Zurich contributed to the (to be published) SVV Sustainability Report and Zurich is represented in the SVV’s new sustainability committee.

Trade association
Swiss Business Federation Economiesuisse

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association’s position
Economiesuisse stresses the global dimension around the challenges of climate change and advocates for an internationally coordinated approach that leaves room for entrepreneurial solutions, embraces new technological developments and sets innovation-friendly framework conditions.

How have you influenced, or are you attempting to influence their position?
Zurich and other Swiss insurers represent the insurance industry within the Swiss Business Federation Economiesuisse and is actively engaged in various bodies of the Federation.

Trade association
Insurance Development Forum

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association’s position
The IDF is a public-private partnership consisting of insurers, development agencies, NGOs and others focused on utilizing the insurance mechanism to reduce the protection gap in vulnerable communities, particularly in the developing world.

How have you influenced, or are you attempting to influence their position?
As a member of its Policy and Regulatory Affairs working group Zurich is working directly with insurance supervisors to encourage a climate-sensitive risk-aware approach
to insurance regulation, macro-prudential supervision and other national policies.

Trade association
UN Net Zero Asset Owner Alliance

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association’s position
Representing more than USD 4.6 trillion in assets under management, the United Nations-convened Net-Zero Asset Owner Alliance is an international group of institutional investors delivering on a bold commitment to transition their investment portfolios to net-zero GHG emissions by 2050. The initiative demonstrates united investor action to align portfolios with a 1.5°C scenario, addressing Article 2.1c of the Paris Agreement. Zurich is a founding member.

How have you influenced, or are you attempting to influence their position?
As a founding member of the Alliance, Zurich is actively engaged in various working groups in the Alliance.

Trade association
United Nations Global Compact

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association’s position
The UN Global Compact supports companies to: Do business responsibly by aligning their strategies and operations with Ten Principles on human rights, labour, environment and anti-corruption; and Take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

How have you influenced, or are you attempting to influence their position?
By signing the United Nations Global Compact in July 2011, we are committed to aligning our strategy, culture and day-to-day operations with the Global Compact’s ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

Trade association
BSR

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association’s position
BSR™ (Business for Social Responsibility) is a global nonprofit organization that works with its network of more than 250 member companies and other partners to build a just and sustainable world. From its offices in Asia, Europe, and North America, BSR™ develops sustainable business strategies and solutions through consulting, research, and cross-sector collaboration.

How have you influenced, or are you attempting to influence their position?
Zurich is a member of BSR and has used its resources to help inform its approach to sustainability reporting.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?
Yes

C12.3e
(C12.3e) Provide details of the other engagement activities that you undertake.

Based on our engagement policy, whenever a company initiates dialogue through investor calls, roadshows, or meetings, investment professionals at Zurich are required to a) review ESG performance and controversial business practices and bring up material ESG topics in the discussion and b) cite the importance of sustainability, and hence company transparency, in their sustainability strategy and material ESG factors. Engaging on climate change topics is also one of the 7 strategic points in our climate change investment strategy. A priority for 2019 was to drive a top-down engagement campaign, which Zurich did in connection with updating its position on some of the most carbon-intensive fossil fuels. Insights gathered through this process were shared with portfolio managers.

In 2019, we further raised the ambitions with our commitments in view of the significant United Nations Climate Summit convened by UN Secretary General in September (https://www.zurich.com/en/media/news-releases/2019/2019-0924-01/). As part of the flood resilience program, the Alliance committed to scaling up its work in climate action, to help make 2 million people more resilient to flooding and will elevate community voices and research findings with international donors and all levels of government.

Floods affect more people globally than any other type of natural hazard and cause some of the largest economic, social and humanitarian losses. Almost 730 million people were affected by floods between 2008 and 2017. Our own research has highlighted the benefit of investing in resilience and that more needs to be done in this space. We find that USD 1 invested in prevention saves, on average, USD 5 in future losses, but only 13% of humanitarian aid spending goes into pre-event resilience and risk reduction while 87% still goes into post-event relief.

In 2019, we have scaled the Alliance operations and now have programs running in 18 countries around the globe. A large focus of these programs is on scaling and partnering with other civil society, NGO and private sector organizations, and on sharing learning. The alliance is open source and sharing its knowledge through its dedicated flood resilience portal at https://floodresilience.net/ that now features three spin-off versions for the Latin America region in Spanish and for Nepal and Bangladesh.

Knowledge success for 2019 further included the completion and dissemination of 119 knowledge products, largely focusing on sharing Alliance best practice.

Our unique flood resilience measurement framework is now also in its second generation with a simplified and updated end-to-end mobile app and online software. We have started to scale this framework with external non-profit organizations in both developing and developed countries, including Nepal and India but also Germany and the United Kingdom and have developed the corresponding local language versions.

The advocacy strand of our program is continuing to be very active. We have produced a set of advocacy and policy briefs that helped us engage in the three main global dialogues around climate change (UNFCCC and the Paris Accord), the development arena (the 2030 SDGs) and disaster risk reduction (Sendai Framework for DRR and the UNDRR office), and how our approach to resilience and development helps ensure these three agendas work collectively together. In this context, we have produced advocacy products around our ambition to implement ourselves and advocate for ‘climate-smart, risk-informed development’. We have had a significant presence at the UNDRR Global Platform 2019 in Geneva, where our policy content positively contributed to the Swiss government’s official statement for the 2019 Global Platform for Disaster Risk Reduction and our wording on climate-smart, risk-informed development were picked up by international media.

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

To ensure consistency Zurich published its climate change position statement. Being a responsible and sustainable company is at the foundation of our business to help our customers and communities become more resilient to natural hazards and extreme weather events. Our published climate change position statement and associated Zurich Climate Change White Paper sets out everything we do in this context. To enhance collaboration, Zurich has joined UN Net-Zero Asset Owner Alliance as a founding member, committing to a zero-emission portfolio of investments by 2050, signed-up to the Business Pledge for 1.5°C Pledge aimed at limiting average global temperature increases to 1.5°C above pre-industrial levels, joined the Paris Pledge for action, expressed its support for the TCFD, became a signatory to the 2018 Global Investor Statement to Governments on Climate Change. On flood resilience specifically, Zurich has developed a public policy position on flood resilience that has been shared with relevant employees engaging policy makers on the topic. We also publish “Risk Nexus Issue Briefs” on topics to improve awareness and influence policy around flood resilience related topics such as the potential savings from investing in pre-event risk reduction to become more resilient to natural hazards and extreme weather. Zurich, together with academic institutions and NGO partners, has developed a flood resilience model with innovative pre-event mitigation measures to help the poorest communities in the world protect themselves from floods. After five very successful years of helping communities around the world to dramatically improve their flood resilience, the Zurich’s Flood Resilience Program has moved into the second phase. We have extended the program to 2023 following our approach of long-term and flexible funding to focus on problem analysis and innovative solutions to build community flood resilience, including a unique flood resilience measurement framework and our learning methodology PERC. We have joined our efforts with civil society organizations Concern Worldwide, the International Federation of the Red Cross and Red Crescent Societies (IFRC), Mercy Corps, Plan International and Practical Action as well as research partners International Institute for Applied Systems and Analysis (IIASA), the London School of Economics and the Institute for Social and Environmental Transition-International (ISET) to form the multi-sectorial Zurich Flood Resilience Alliance. Zurich, with the Alliance, is aiming to leverage USD 1 billion more investment into prevention actions and resilience building, improving global and national level policy on flood resilience, and generating best practice examples from flood resilience community work on the ground in 16 countries or more. We are implementing an integrated impact measurement framework across all activities and alliance partners that will look at what change in people’s wellbeing has been achieved through the Zurich flood resilience alliance. In 2019 at the UN Climate Action Summit, we have increased our commitments to help make 2 million people more resilient to flooding.

Zurich has a Group Public Affairs function which ensures that Zurich develops and advocates consistent public policy positions. This function also ensures that processes are in place to coordinate engagement with policy makers. A Public Policy Framework is in place, which ensures such matters are managed consistently across the Group at Zurich. Also, significant new or changed public policy positions are syndicated before members of the Group Executive Committee including the Group CEO. Position taking is driven by processes designed to assure strategic alignment and subject matter consistency. Before public positions are taken, a process to get subject matter review, in addition to other governance compliance, is taken. This process is applied across the institution for all public position taking – not just for climate change. In the UK, as part of the ClimateWise annual reporting process, we report to and receive sign-off from various key internal stakeholders on our involvement on topics and collaborative working.

(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places
other than in your CDP response? If so, please attach the publication(s).

Publication
In voluntary sustainability report
Status
Complete
Attach the document
sustainability highlights 2019.pdf
Page/Section reference
3, 4, 5, 8, 9, 11 - 20, 27 - 30, 35 - 37.
Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics
Comment

Publication
In mainstream reports
Status
Complete
Attach the document
annual-report-2019.pdf
Page/Section reference
3 - 7, 26, 31, 34, 39, 58, 127, 139, 157 - 160.
Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics
Comment

Publication
In voluntary communications
Status
Complete
Attach the document
Page/Section reference
34 - 37, 40, 44, 48, 49, 52, 58, 61 - 64, 66 - 69, 106, 131, 132, 134, 141, 150, 159
Content elements
Governance
Strategy
Risks & opportunities
Other metrics
Comment

Publication
In voluntary communications
Status
Complete
Attach the document
responsible investment at zurich.pdf
Page/Section reference
1 - 44
Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics
Comment
The Zurich Foundation (ZZF) is funded by members of the Zurich Insurance Group.
In voluntary sustainability report

**Status**
Complete

**Attach the document**

**Page/Section reference**
4 - 9, 21

**Content elements**
Governance  
Strategy  
Risks & opportunities  
Other metrics

**Comment**
The Zurich Flood Resilience Alliance is funded by the Z Zurich Foundation and the Z Zurich Foundation is funded by members of the Zurich Insurance Group.

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Publication
Other, please specify

**Status**
Complete

**Attach the document**
cro-carbon-foot-printing-methodology_0.pdf

**Page/Section reference**
1 - 19

**Content elements**
Strategy  
Risks & opportunities  
Other metrics

**Comment**
Zurich took part in producing this report.

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**C-FS12.5**

(C-FS12.5) Are you a signatory of any climate-related collaborative industry frameworks, initiatives and/or commitments?

<table>
<thead>
<tr>
<th>Industry collaboration</th>
<th>Comment</th>
</tr>
</thead>
</table>
| **Reporting framework** | **Principles for Responsible Investment (PRI)**  
Task Force on Climate-related Financial Disclosures (TCFD)  
UNEP FI Principles for Sustainable Insurance | The Green Bond Principles (GBP) and Social Bond Principles (GBP) are voluntary process guidelines promoting transparency, disclosure and integrity in developing green, social and sustainability bond markets. The International Capital Market Association (ICMA) is acting as the GBP’s secretariat. Zurich is a member of the GBP Executive Committee and the Investor Deputy Chair of the GBP Steering Committee. Global Impact Investing Network (GIIN) is a non-profit organization dedicated to increasing the scale and effectiveness of impact investing. Zurich is a member of GIIN’s Investors’ Council, which provides a platform for impact investors to connect, share ideas, seek feedback and use GIIN’s resources and expertise to measure impact. Zurich is a founding member of the International Finance Corporation (IFC) Operating Principles for Impact Management. |
| **Industry initiative** | **ClimateWise Principles**  
Net-Zero Asset Owner Alliance  
Science-Based Targets Initiative for Financial Institutions (SBTi-FI)  
UNEP FI  
UNEP FI TCFD Pilot  
We Mean Business  
Other, please specify (Green Bond Principles and Social Bond Principles, Global Impact Investing Network (GIIN) and International Finance Corporation (IFC) Operating Principles for Impact Management) | Zurich signed up as the first insurer to the Business Ambition for 1.5°C Pledge aimed at limiting average global temperature increases to 1.5°C above pre-industrial levels. Zurich has committed to utilize 100% renewable power in all global operations by the end of 2022. Three of the UN Global Compact’s principles relate to environment. Zurich became a signatory in July 2011. |

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**C14. Portfolio Impact**

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**C-FS14.1**
**C-FS14.1 Do you conduct analysis to understand how your portfolio impacts the climate? (Scope 3 portfolio impact)**

<table>
<thead>
<tr>
<th>We conduct analysis on our portfolio’s impact on the climate Disclosure metric</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank lending (Bank)</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Investing (Asset manager)</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Investing (Asset owner)</td>
<td>No, but we plan to do so in the next two years</td>
</tr>
<tr>
<td>Insurance underwriting (Insurance company)</td>
<td>No, but we plan to do so in the next two years</td>
</tr>
<tr>
<td>Other products and services, please specify</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

**Disclosure**

<table>
<thead>
<tr>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

- **Bank lending (Bank)**
  - Disclosure: Not applicable
  - Comment: Not applicable

- **Investing (Asset manager)**
  - Disclosure: Not applicable
  - Comment: Not applicable

- **Investing (Asset owner)**
  - Disclosure: Not applicable
  - Comment: As a founding member of the Net Zero Asset Owner Alliance we are committed to transitioning our investment portfolios to net-zero GHG emissions by 2050 consistent with a maximum temperature rise of 1.5°C above pre-industrial temperatures, taking into account the best available scientific knowledge including the findings of the IPCC, and regularly reporting on progress, including establishing intermediate targets every five years in line with Paris Agreement. We therefore have kicked off internal project groups to analyse the steps required to set those targets.

- **Insurance underwriting (Insurance company)**
  - Disclosure: Not applicable
  - Comment: Zurich recognizes the vital role science-based targets play to meet the Paris Agreement’s targets by specifying how much and how quickly companies need to reduce emissions. Currently, in the insurance sector, science-based targets do not typically exist for either Underwriting or Investment Portfolios. However, Zurich is playing an active role in developing industry methodology for measuring the carbon footprint of liabilities to enable setting such targets. Zurich has also joined the Stakeholder Advisory Group of the Science Based Target initiative, a project to help financial institutions align their lending and investment portfolios with the Paris Agreement ambition.

- **Other products and services, please specify**
  - Disclosure: Not applicable
  - Comment: All products and services are subject to the insurance underwriting processes.

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**C-FS14.1c Why do you not conduct analysis to understand how your portfolio impacts the climate? (Scope 3 Category 15 “Investments” emissions or alternative carbon footprinting and/or exposure metrics)**

Zurich recognizes the vital role science-based targets play to meet the Paris Agreement’s targets by specifying how much and how quickly companies need to reduce emissions. Currently, in the insurance sector, science-based targets do not typically exist for either Underwriting or Investment Portfolios. However, Zurich is playing an active role in developing industry methodology for measuring the carbon footprint of liabilities to enable setting such targets. Zurich has also joined the Stakeholder Advisory Group of the Science Based Target initiative, a project to help financial institutions align their lending and investment portfolios with the Paris Agreement ambition.

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**C-FS14.3 Are you taking actions to align your portfolio to a well below 2-degree world?**

<table>
<thead>
<tr>
<th>We are taking actions to align our portfolio to a well below 2-degree world</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank lending (Bank)</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Investing (Asset manager)</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Investing (Asset owner)</td>
<td>No, but we plan to do so in the next two years</td>
</tr>
<tr>
<td>Insurance underwriting (Insurance company)</td>
<td>No, but we plan to do so in the next two years</td>
</tr>
<tr>
<td>Other products and services, please specify</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

- **Bank lending (Bank)**
  - Disclosure: Not applicable
  - Comment: Not applicable

- **Investing (Asset manager)**
  - Disclosure: Not applicable
  - Comment: Not applicable

- **Investing (Asset owner)**
  - Disclosure: Not applicable
  - Comment: We are committed to the 1.5°C Business Ambition pledge and a founding member of the Net Zero asset owner alliance, aiming to have a net zero asset portfolio by 2050, ensuring a Paris aligned investment portfolio.

- **Insurance underwriting (Insurance company)**
  - Disclosure: Not applicable
  - Comment: Zurich is actively pursuing opportunities to insure low-carbon technologies and companies that share our goal of limiting climate change to 1.5°C to decarbonize our insurance portfolio. However, methodologies for carbon footprinting and temperature alignment for insurance portfolios are not yet available and a robust quantification of portfolio alignment is not yet feasible. Zurich is playing an active role in developing industry methodology for measuring the carbon footprint of liabilities to enable quantitative targets and will use evolving standards to make our decarbonization progress measurable (see CRO Forum report - Carbon footprinting methodology for underwriting portfolios).

- **Other products and services, please specify**
  - Disclosure: Not applicable
  - Comment: Not applicable

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**C15. Signoff**

**C-FI**

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**CDP**

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Disclaimer and cautionary statement

Certain statements in this document are forward-looking statements, including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives of Zurich Insurance Group Ltd or the Zurich Insurance Group (the Group). Forward-looking statements include statements regarding the Group’s understanding of general economic, financial and insurance market conditions and expected developments. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and plans and objectives of Zurich Insurance Group Ltd or the Group to differ materially from those expressed or implied in the forward-looking statements (or from past results). Factors such as (i) general economic conditions and competitive factors, particularly in key markets; (ii) the risk of a global economic downturn, in the financial services industries in particular; (iii) performance of financial markets; (iv) levels of interest rates and currency exchange rates; (v) frequency, severity and development of insured claims events; (vi) mortality and morbidity experience; (vii) policy renewal and lapse rates; (viii) increased litigation activity and regulatory actions; and (ix) changes in laws and regulations and in the policies of regulators may have a direct bearing on the results of operations of Zurich Insurance Group Ltd and its Group and on whether the targets will be achieved. Specifically in relation with the COVID-19 related statements, such statements were made on the basis of circumstances prevailing at a certain time and on the basis of specific terms and conditions (in particular applicable exclusions) of insurance policies as written and interpreted by the Group and may be subject to regulatory, legislative, governmental and litigation-related developments affecting the extent of potential losses covered by a member of the Group or potentially exposing the Group to additional losses if terms or conditions are retroactively amended by way of legislative or regulatory action. Zurich Insurance Group Ltd undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

All references to “Farmers Exchanges” mean Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange and their subsidiaries and affiliates. The three Exchanges are California domiciled inter-insurance exchanges owned by their policyholders with governance oversight by their Boards of Governors. Farmers Group, Inc. and its subsidiaries are appointed as the attorneys-in-fact for the Farmers Exchanges and in that capacity provide certain non-claims services and ancillary services to the Farmers Exchanges. Neither Farmers Group, Inc., nor its parent companies, Zurich Insurance Company Ltd and Zurich Insurance Group Ltd, have any ownership interest in the Farmers Exchanges. Financial information about the Farmers Exchanges is proprietary to the Farmers Exchanges, but is provided to support an understanding of the performance of Farmers Group, Inc. and Farmers Reinsurance Company.

It should be noted that past performance is not a guide to future performance. Please also note that interim results are not necessarily indicative of full year results.

Persons requiring advice should consult an independent adviser.

This communication does not constitute an offer or an invitation for the sale or purchase of securities in any jurisdiction.

THIS COMMUNICATION DOES NOT CONTAIN AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES; SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR EXEMPTION FROM REGISTRATION, AND ANY PUBLIC OFFERING OF SECURITIES TO BE MADE IN THE UNITED STATES WILL BE MADE BY MEANS OF A PROSPECTUS THAT MAY BE OBTAINED FROM THE ISSUER AND THAT WILL CONTAIN DETAILED INFORMATION ABOUT THE COMPANY AND MANAGEMENT, AS WELL AS FINANCIAL STATEMENTS.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

<table>
<thead>
<tr>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman of the Board of Directors</td>
<td>Board chair</td>
</tr>
</tbody>
</table>

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

<table>
<thead>
<tr>
<th>Annual Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>71792000000</td>
</tr>
</tbody>
</table>
SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?
Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

<table>
<thead>
<tr>
<th>ISIN country code (2 letters)</th>
<th>ISIN numeric identifier and single check digit (10 numbers overall)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CH</td>
<td>0011075394</td>
</tr>
</tbody>
</table>

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

<table>
<thead>
<tr>
<th>Allocation challenges</th>
<th>Please explain what would help you overcome these challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?
Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

The process is to be defined.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?
No

SC3.1

(SC3.1) Do you want to enroll in the 2020-2021 CDP Action Exchange initiative?
No
SC3.2

(SC3.2) Is your company a participating supplier in CDP's 2019-2020 Action Exchange initiative?
No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?
No, I am not providing data

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

<table>
<thead>
<tr>
<th>I am submitting my response</th>
<th>Public or Non-Public Submission</th>
<th>Are you ready to submit the additional Supply Chain Questions?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investors</td>
<td>Public</td>
<td>Yes, submit Supply Chain Questions now</td>
</tr>
<tr>
<td>Customers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please confirm below
I have read and accept the applicable Terms