

Zurich's approach to operational sustainability



Zurich Insurance Group (Zurich)'s ambition is to be one of the most responsible and impactful businesses in the world. This document summarizes how Zurich manages risks and opportunities in its operations arising from the integration of sustainability considerations into its operational business processes, generally referred to as operational sustainability.



Our approach is further detailed in our internal guidelines, which are based on ISO14001 and align with the expectations of our shareholders, investors, customers, employees and corporate peers for Zurich to demonstrate best-practice operational sustainability performance.

As an insurer of the physical world, we must do everything we can to help accelerate emissions reductions, enhance resilience to climate change and regenerate nature.

Operational sustainability responsibilities

Sustainability forms an integral part of Zurich's business strategy, which is defined by the Board of Directors upon recommendation by the Group CEO. As an element of global strategy, operational sustainability is delivered in alignment with the Zurich Code of Conduct and the Group's sustainability strategy and objectives.

As Zurich's purpose is to create a brighter future together, each business unit is responsible for integrating operational sustainability into their respective business areas and is expected to align operational sustainability across the Group. All employees are responsible for supporting the operational sustainability principles within the scope of their respective duties and to adopt ethical and environmentally friendly behavior at work, including making sensible decisions to minimize travel.

Operational sustainability framework

Zurich's operational sustainability framework applies to daily operational processes such as the provision of workplaces, information technology, travel and transport, and the procurement of goods and services. Performance is driven by, and complies with, the following four principles:

1. Transparency

Zurich reports on the carbon dioxide equivalents (CO₂e) of the following sources of emissions to track progress towards our science-based targets for reducing emissions, in line with efforts to cap global temperature rise at 1.5°C:

- **Scope 1** emissions from fleet and onsite heating in Zurich's workplaces.
- **Scope 2** emissions from purchased electricity, heat and steam in Zurich's workplaces.
- **Scope 3** emissions from air, rental and rail business travel, employee commuting, strategic data centers, printed paper and waste, as well as indirect energy impact.

Zurich regularly evaluates (at least once every three years) whether to incorporate the impact of other indirect emissions into its operational emissions reporting.

Additional operational sustainability performance indicators are defined and measured in line with our targets, ambitions and programs (e.g., reporting on the percentage of renewable electricity used and the number of electric vehicles in our car fleet).

2. Accountability

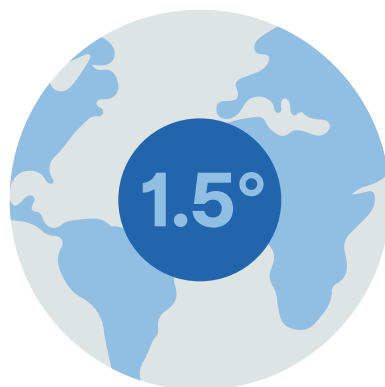
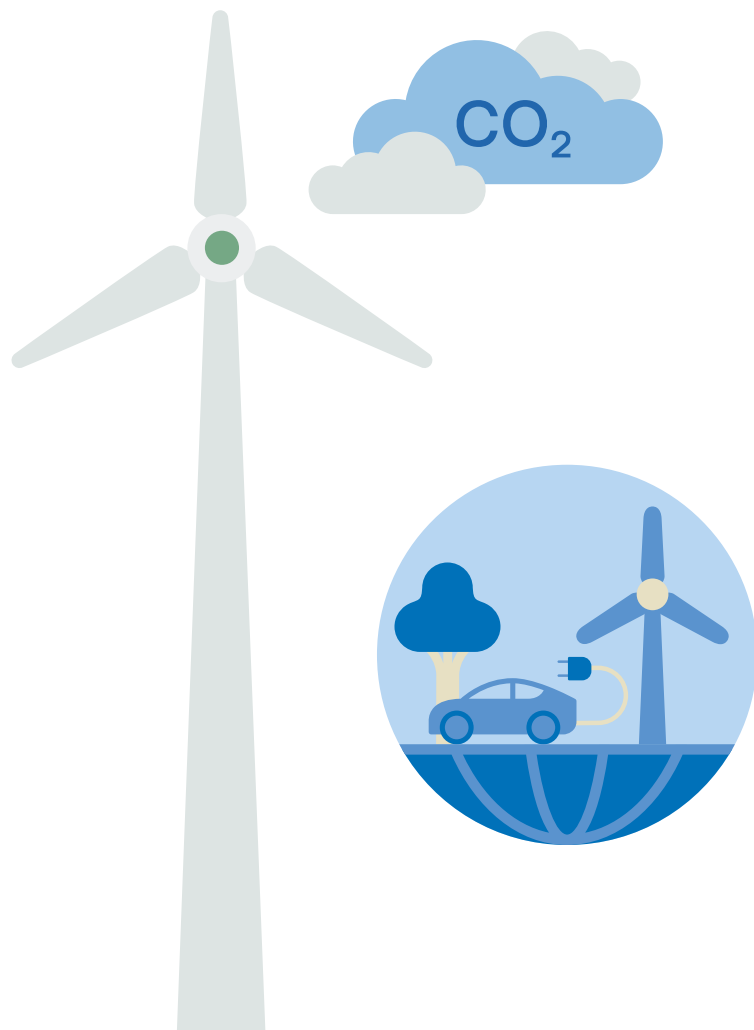
Our global targets

Zurich is accelerating actions and we aim to achieve net-zero in our operations by 2030, after achieving a 70 percent reduction in absolute emissions by 2029. We have set an interim target to reduce operational emissions by 60 percent by 2025. Our emission reduction targets are science-based and set against a 2019 baseline. We have been carbon neutral since 2014, and in 2021 we launched our path to net-zero operations with our first carbon removal purchases. For further details about our approach to net-zero in our operations, visit our website [here](#).

Our internal programs

- Zurich launched an internal carbon fund to support our carbon neutrality and net-zero carbon commitments, and to support innovative solutions to drive down emissions from operations, as well as those from other sources related to our business.
- Zurich's sustainable sourcing program applies environmental, social and ethical considerations when evaluating and contracting external suppliers, as defined in the Zurich **Supplier Code of Conduct**. We set targets for suppliers' compliance to the code and measure their progress. We have also set engagement targets for our suppliers, encouraging them to have science-based and net-zero targets in place. Learn more about Zurich's sustainable sourcing [here](#).
- Zurich's sustainable IT program focuses on data usage at our own strategic data centers and through cloud services. It also considers electronic waste (e-waste) and the use of technology to enhance working experience and reduce the need for business travel.
- Zurich's sustainable building and sustainable food programs support the delivery of sustainable working spaces and marry well-being and environmental workplace requirements.

Zurich regularly monitors progress and reviews operational sustainability performance against respective targets, ambitions and programs.





3. Collaboration

We can only be successful if we address sustainability risks and opportunities together. In addition to cross-functional collaboration, which is required internally to deliver our operational sustainability agenda, we specifically focus on:

Employee engagement

Environmental and well-being considerations are addressed in Zurich's physical and virtual workplaces, including workplace services, tools and supporting processes.

Zurich educates and motivates its workforce to understand, adopt and maintain behaviors that support improvements in operational sustainability performance and also in employees' lives outside of work.

Zurich raises awareness amongst employees and business partners of the importance of making responsible and sustainable choices.

Sustainable supply chain

Procurement and vendor management programs leverage our spending power to influence positive change within our supplier base. Whether procuring new goods and services, participating in regular business reviews with existing suppliers, or participating in supplier events and customer advisory boards, we actively engage dialogue about sustainability, sharing knowledge and influencing more positive environmental, social and ethical outcomes.

Additional stakeholder engagement

Zurich works with universities, NGOs, and other external stakeholders to share knowledge, promote research and improve our own understanding of evolving operational sustainability risks and opportunities.

4. Continuous improvement

Zurich's operational sustainability is based on a model of continuous improvement of processes: 'plan-do-check-act.' We focus on increasing the quality of our:

- Engagement.
- Data transparency.
- Data coverage.

Our commitment to respect the planet is part of the Zurich Code of Conduct. In Zurich's approach to operational sustainability, we focus on doing the right thing. As knowledge and technology evolve, we regularly re-evaluate our approaches and ideas.

As a minimum requirement, Zurich's procedures and practices for operational sustainability follow the requirements of applicable laws and regulations in each country in which it operates. Zurich continuously develops and improves such procedures and practices.

