

Responsible business for a healthier world



About this report

Welcome to ZS’s 2023 Environmental, Social and Governance (ESG) Report.

This report details our progress, performance and commitments across our ESG priorities. Information presented reflects our global operations during calendar year 2023, unless otherwise noted.

We have structured the report around three pillars that center us in working to deliver healthy, fair and sustainable outcomes for all:

- Ethical operations for a better future
- Equitable opportunities for an innovative workforce
- Health equity for all people and communities

We track and report progress against these pillars with reference to the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and United Nations (U.N.) Sustainable Development Goals (SDGs).

Please note that statistics for employee data in this report are rounded and may not sum to 100%. Additionally, ZS leadership mentioned throughout the report refers to ZSers who are principals, associate principals and managers.

In 2023, we received assurance on key internal processes across the organization, including our climate impact.

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A letter to our stakeholders



Pratap Khedkar (he/him)

For 40 years, the patients and consumers our clients serve have been the inspiration for our work.

What started as a side business created by two friends in 1983 has turned into a 13,000-person-strong firm working in 35 offices globally to help improve health outcomes for all by partnering with clients in and outside healthcare. With this growth comes social and environmental responsibility—a task that we do not take lightly.

In 2023, we made strides toward greater accountability for our environmental impact. We gained approval from the Science Based Targets initiative (SBTi) for our near-term greenhouse gas emissions targets, and set our 2045 net-zero target, for which we are still awaiting approval. We are approaching solutions head-on, effectively decreasing Scopes 1 and 2 emissions by 63% and Scope 3 by 57% while achieving 93% renewable energy across our offices globally.¹

As times change, so do we. Over 40 years, we have evolved the diversity of our workforce to reflect the clients we serve and places where we work. This includes remaining steadfast in our efforts to create an environment in which women have the opportunity to lead the way at every level of our firm.

This year, we've sustained our global representation of women employees at ZS, as well as underrepresented racial and ethnic minorities. We know there's more progress to be made in increasing the representation of these groups, as well as that of veterans, LGBTQIA+ individuals and other diverse talent.

Amid this progress, one thing has remained the same—our commitment to translating passion into tangible impact by fostering a healthier world for all. In the past year alone, ZS delivered 731 patient health and equity projects and invested over \$5 million in partnerships through our patient health equity work and social impact program, ZS Cares—many of which address health disparities. Through our work, we have affected approximately 23 million potential lives.

ZS itself is proof that great things start from humble beginnings. We are proud of cultivating ESG in our business from the ground up, and our journey will continue to move forward with strategic intention and direction.

The climate crisis and the social disparities that underpin it are complex challenges that require us to draw on the values that guide ZS: Get it right, do the right thing and treat people right.

The remarkable dedication of ZSers, coupled with the trust of our clients and the support of our partners and suppliers, has made our journey possible so far.

In our 2022 report, I invoked the wisdom of Mahatma Gandhi. To draw on his words again: *"If you want to change the world, start with yourself."* Thank you to all the ZSers helping our firm get it right, and to our clients, suppliers and local communities for partnering with us to drive the change we want to see in the world.

I look forward to continuing our work in 2024.

Pratap Khedkar

Managing Director and Chief Executive Officer

¹ Versus a 2019 baseline. Please note, an earlier version of ZS's 2023 ESG report stated that we achieved 88% renewable energy usage globally in 2023. However, a recalculation of our emissions data confirmed we achieved 93% renewable energy usage globally. The version you see today reflects that updated change.

About ZS

Since 1983, we have worked side by side with companies to drive customer value and solve their business challenges. Our purpose, vision and values bind our firm together, guiding us to deliver tangible impact and do what we do best—use management consulting, analytics and technology to improve health outcomes for all. We’re proud that, more than 40 years later, we still embody our values every day and in everything we do.

Our purpose

We solve complex problems to enable our clients and their customers to thrive. We work with companies in healthcare, high tech, financial services and more to bring ideas to life, backed by our strategy consulting, analytics, platform and technology capabilities.



Our vision

We aim to transform global healthcare and beyond by driving toward a connected ecosystem. We leverage the power of data, science and technology to make more intelligent healthcare decisions and deliver innovative solutions to improve health outcomes for all.



Our values

In 1983, Andy Zoltners and Prabha Sinha founded ZS on three core values—get it right, do the right thing and treat people right.



Get it right

We apply industry expertise, leading-edge analytics, technology and strategy to bring bold ideas to life.



Do the right thing

Our commitment to ethical behavior is what allows us to approach our work and our clients—and each other—with integrity.



Treat people right

We treat others with dignity and respect, providing a supportive and collaborative culture that inspires real action.



ZS by the numbers

ZS is powered by passionate employees and trusting partners. Together, we work to make the future of health accessible, compassionate and fair for all.

13,000+
ZSers globally

35
global offices

1,200+
clients served

97%
repeat clients

1
passionate team



2023 in summary

Our team of driven and innovative ZSers work together to do the right thing. In 2023, we continued to take a values-led approach to evolve our operations while delivering results together with our clients.

While we do not measure our success through awards, we are honored to be recognized for our efforts to make a positive impact within ZS and beyond.

Best places to work



Fortune 2023 Best Workplaces in Chicago™



Great Place to Work Certified™: *Germany, India, Switzerland, U.K. and U.S.*



Built In's Best Places to Work, U.S.; Best Large Companies to Work For, U.S.; Best Large Companies to Work For and Best Places to Work: *Atlanta, Boston, Chicago, Los Angeles, New York City, San Diego, San Francisco, Seattle and Washington D.C.*

Equality and diversity



Avtar and Seramount Top 10 Best Companies for Women in India



Built In's 2023 Moxie Awards Women in Tech Award



Fairygodboss Best Consulting Companies for Women



Human Rights Campaign Equality 100 leader in LGBTQ+ Workplace Inclusion, with a Corporate Equality Index score of 100

Climate



ZS received a B rating on climate change from CDP, a testament to the coordinated efforts we are taking to reduce ZS's environmental impact.

Early careers



Handshake Early Talent Awards

ZS achieves EcoVadis Silver

In 2023, we were proud to receive a Silver rating from EcoVadis, the world's largest provider of sustainability ratings. The Silver medal puts us in the top 15% of companies that were rated by EcoVadis in the last 12 months² across themes of Environment, Labor and Human Rights, Ethics and Sustainable Procurement.

Compared to our last rating in 2022, our score increased by 20 points, largely due to our environmental progress. The score is testament to our commitment to responsible business practices and celebrates the steps we have taken to mitigate our climate impact, evolve our operations and improve health outcomes for all.



² The percentile rank of a company is calculated at the time of scorecard publication and appears at the top of the scorecard. It compares a company's performance with all rated companies in EcoVadis's database over the previous 12 months. The percentile rank is calculated across all companies in all industries, not per industry.

Our approach to ESG governance

Over the last 40 years, we learned that ESG is preeminent for the health of our people, our clients’ business needs and our world.

That’s why we embed ESG from the top down and look to three governing bodies—the Shareholders’ Council, ESG Steering Committee and ESG Core Team—and various subcommittees to drive positive impact. They ensure sustainable and responsible operations are embedded throughout the firm, from driving and managing initiatives to mitigating risk and auditing areas of our business.

Shareholders’ Council

To have the greatest impact, ESG must be driven from the very top of a business. At ZS, it starts with our Shareholders’ Council: ZS principals, including our **CEO, outside advisors and an ESG sponsor**, who are elected by their peers to serve three-year terms. The members of the Shareholders’ Council serve as our Board of Directors, represent the best interests of ZSers and fulfill ZS’s governance needs by providing guidance and oversight.

Supported by subcommittees and councils—including the Diversity, Equity and Inclusion Council; Risk, Compliance and Professionalism Committee; and Compensation Committee, among others—the Shareholders’ Council meets regularly and is tasked with delivering high-level oversight of our ESG strategy, commitments and operations.

Along with members of our C-suite, Legal team and ESG Steering Committee, the Shareholders’ Council is responsible for reviewing and approving our annual ESG Report. ESG was classified as an emerging risk for ZS in 2023 and is continually monitored, with updates given to the Shareholders’ Council for alignment.



ESG Steering Committee

The ESG Steering Committee is a cross-functional team of principals who collaborate monthly to discuss progress against our ESG strategy and opportunities for advancement. The committee develops and manages initiatives that support our ESG goals, oversees reporting and disclosures and designs strategic, data-driven approaches to keep us on track. It also works closely with other committees who govern our risk, compliance and legal policies to ensure alignment.

This year, the ESG Steering Committee has been engaged in the assurance of the greenhouse gas (GHG) emissions data presented in this report.



ESG Core Team

The ESG Core Team executes ESG programs and interventions designed by the ESG Steering Committee and approved by the Shareholders’ Council. It works with cross-business leaders—including in Legal, Compliance, Human Resources, Finance, Marketing and Communications—to drive holistic, sustainable change at every level of ZS and facilitate stakeholder engagement across ZS’s material issues. The core team, which includes emissions experts, further manages elements of our firm’s risk using the Task Force on Climate-related Financial Disclosures (TCFD) framework.



Defining the issues that matter

During 2022, we reviewed employee engagement data, conducted client interviews and engaged ZS principals to gain a qualitative understanding of what matters most to our business and stakeholders.

Based on this insight, we identified the most relevant material issues, prioritizing five core topics.

In 2023, the ESG Core Team refined the topics further by conducting desk-based research, creating an assessment framework and interviewing ZS subject matter experts to evaluate various subtopics based on their impact across environmental, social and economic dimensions. Subsequently, we prioritized material subtopics based on their significance to ZS. In the coming years, we will conduct a full double materiality assessment and update our materiality matrix annually to reflect ongoing trend analyses and input from stakeholders. We will also consult the SASB sectoral guidance and GRI as a basis for defining our material topics, alongside the 10 global principles of the U.N. Global Compact.

<div>Health equity</div> <div>Reducing health disparities around the world</div> <div>Prioritized subtopics<ul style="list-style-type: none">- Access to healthcare by addressing health disparities- Patient centricity- Community health engagement</div>	<div>Data security and privacy</div> <div>Maintaining the safety, security and privacy of our assets</div> <div>Prioritized subtopics<ul style="list-style-type: none">- Responsible use of artificial intelligence (AI)- Risk management- Data privacy and compliance</div>	<div>Diversity, equity and inclusion</div> <div>Fostering a culture where every person can thrive</div> <div>Prioritized subtopics<ul style="list-style-type: none">- Diversity in the workforce (recruiting, development and retention)- Inclusive leadership and accountability- Bias-mitigation and equity audits</div>	<div>Climate impact</div> <div>Combating the negative effects of climate change and operating sustainably</div> <div>Prioritized subtopics<ul style="list-style-type: none">- Greenhouse gas emissions- Renewable energy transitions- Environmentally responsible supply chain</div>	<div>Ethics and transparency</div> <div>Staying accountable as we make progress</div> <div>Prioritized subtopics<ul style="list-style-type: none">- Ethical and compliant business practices- Employee safety and well-being- Ethical supply chain (including diversity)- Corporate citizenship</div>
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Delivering equitable outcomes

We embrace an integrated ESG approach to deliver healthy, fair and sustainable outcomes for all. By acknowledging the intrinsic overlap between the dimensions of E, S & G, we cultivate a nuanced understanding of sustainability and responsibility and ensure our actions drive meaningful impact.

Our work contributes to five SDGs:

- 3 Good health and well-being
- 7 Affordable and clean energy
- 10 Reduced inequalities
- 12 Responsible consumption and production
- 13 Climate action

Equitable opportunities for an innovative workforce

Our people are our most valuable asset. We prioritize fostering a culture where every ZSer uses their passions to drive impact, receives support based on their unique needs, feels heard and respected and is enabled to thrive.

Read more on [page 30](#)

Ethical operations for a better future

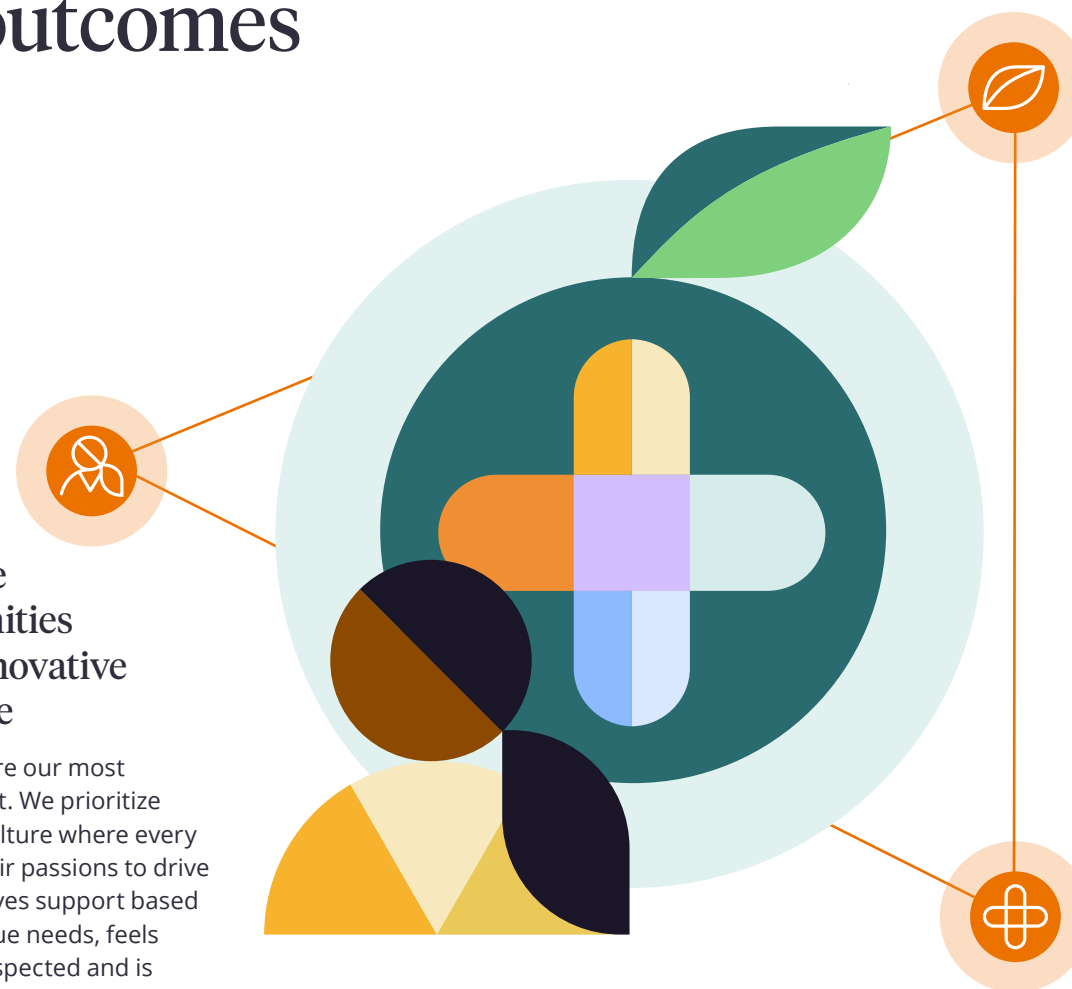
We work to build trust with our clients, partners, colleagues and suppliers by addressing the impacts of climate change, ensuring data security and privacy and staying accountable as we make progress.

Read more on [page 13](#)

Health equity for all people and communities

We work to understand and address the social and environmental drivers of health. We seek partnerships and opportunities that drive change, bringing together stakeholders in healthcare and beyond to tackle inequities.

Read more on [page 48](#)



Our journey in numbers

Throughout 2023, we continued our efforts in environmental sustainability, health equity, ethical and equitable practices and responsible governance. We have measured our impact over the last three years, tracking key performance indicators across our ESG goals to drive continual improvement.

Status

Underway

Ongoing

Complete

Ethical operations for a better future						
Our goals	2019 (baseline)	2020	2021	2022	2023	Status
Set science-based, near-term emission-reduction targets by 2023	n/a	n/a	n/a	Submitted near-term targets to the SBTi for approval.	Received approval from the SBTi on our near-term targets to achieve the following by 2030: - Reduce absolute Scope 1 and 2 GHG emissions 48.8% - Reduce Scope 3 GHG emissions 55% per full-time equivalent (FTE)	<div><div></div><div></div><div></div></div>
Set a science-based, net-zero-emissions target by 2025	n/a	n/a	n/a	n/a	Submitted 2045 net-zero target to the SBTi for validation.	<div><div></div><div></div><div></div></div>
Reduce absolute Scope 1 and 2 ³ GHG emissions 48.8% by 2030	4,137 tCO ₂ e	17%	21%	29%	63%	<div><div></div><div></div><div></div></div>
Reduce Scope 3 GHG emissions 55% per FTE by 2030 ⁴	7.98 tCO ₂ e	60%	70%	51%	57%	<div><div></div><div></div><div></div></div>
Achieve 100% renewable electricity usage globally by year-end 2030 ⁵	16%	8%	9%	53%	93%	<div><div></div><div></div><div></div></div>
Establish a sustainable procurement function by the end of 2023	n/a	n/a	n/a	n/a	Hired a procurement leader to develop and oversee our sustainable procurement function and strategy.	<div><div></div><div></div><div></div></div>
Require targeted suppliers to sign our Supplier Code of Conduct and integrate it into key contracts by year-end 2024	n/a	n/a	n/a	n/a	Between June 1 and Dec. 31 2023, 39% of executed MSAs contained our Supplier Code of Conduct.*	<div><div></div><div></div><div></div></div>
Engage with key suppliers on emissions-reduction strategies	n/a	n/a	n/a	n/a	18% of our total supplier spend was allocated to suppliers that underwent a sustainability assessment (ESG questionnaire).	<div><div></div><div></div><div></div></div>

3 We calculate Scope 2 emissions using market-based emissions.

4 Scope 3 emissions vary slightly from previous reports due to differences in FTE count methodology.

5 By year-end 2024, we will deliver select client services from offices powered by 100% renewable energy.

* In 2023, ZS published its Supplier Code of Conduct and subsequently incorporated it into 39% of executed master service agreements (MSAs) of that year. During the first quarter of 2024, 97% of executed MSAs contained our Supplier Code of Conduct, underscoring our commitment to instituting a systemic framework for ensuring supplier compliance with our mandated standards.

Equitable opportunities for an innovative workforce ⁶						
Our goals	2019 (baseline)	2020	2021	2022	2023	Status
Increase the representation of women and gender expansive ⁷ ZSers globally	33%	33%	33%	35%	34%	<div><div></div><div></div><div></div></div>
Increase the representation of women within the ZS India workforce to reach market levels	28%	27%	28%	32%	31%	<div><div></div><div></div><div></div></div>
Increase Black and Hispanic/Latinx representation within the ZS U.S. workforce to reach market levels	2% Black 3% Hispanic/Latinx	2% Black 3% Hispanic/Latinx	2% Black 3% Hispanic/Latinx	3% Black 3% Hispanic/Latinx	3% Black 3% Hispanic/Latinx	<div><div></div><div></div><div></div></div>
Increase the overall diversity of principal, associate principal and manager representation, including women globally and Black and Hispanic/Latinx ZSers in the U.S.	27% women 1% Black 2% Hispanic/Latinx	28% women 1% Black 2% Hispanic/Latinx	28% women 1% Black 2% Hispanic/Latinx	29% women 1% Black 2% Hispanic/Latinx	28% women 1% Black 2% Hispanic/Latinx	<div><div></div><div></div><div></div></div>

Health equity for all people and communities						
Our goals	2019 (baseline)	2020	2021	2022	2023	Status
Expand our work with clients and partners to advance health equity globally	n/a	n/a	n/a	n/a	Delivered 731 patient health and equity projects in 2023 across 112 unique clients. Invested \$5 million in partnerships that address health disparities. Read more about our healthcare partnerships in action .	<div><div></div><div></div><div></div></div>
Improve access to and quality of care for underserved communities using strategic focus, insight, innovation, cultural relevance, connection and measurement	n/a	n/a	n/a	n/a	~23 million potential lives impacted by our patient health and equity partnerships.* Read more about our healthcare partnerships in action .	<div><div></div><div></div><div></div></div>
Work with our clients and partners to expand representation in clinical development, including portfolio strategy, clinical trial design and implementation	n/a	n/a	n/a	n/a	Read more in Health equity for all people and communities and how ZSers work to increase patient voices and diversify clinical trials .	<div><div></div><div></div><div></div></div>
Support legislation and regulation that improves access to healthcare and health equity	n/a	n/a	n/a	n/a	Read more about our partnership with the Healthcare Leadership Council .	<div><div></div><div></div><div></div></div>

⁶ Based on an analysis of market data and our deviation from it.

⁷ Gender expansive is an umbrella term for any expression of gender that falls outside of society's current gender binary standards.

^{*} This number was determined based on the estimate of people affected by our patient health and equity partnerships, including 200,000 adult Black women at risk for breast cancer in Illinois and California, ~2.5 million underserved children are living with asthma in the U.S., 20 million patients are benefiting from American Heart Association programs, there are ~160,000 multiple myeloma patients globally and ~80,000 patients benefited from an anemia eradication program.

Ethical operations for a better future

Sustainability starts from the inside by evolving our firm’s operations. We are dedicated to embracing responsible practices to reduce our environmental impact. These changes make us resilient—enabling us to continue delivering innovations and high value to our clients and other stakeholders, now and in the future.

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ZS's approach to sustainability

We anchor our efforts in our material issues and the U.N. SDGs to enhance the well-being of individuals and communities. By doing so, we evolve our operational capabilities, deliver long-term value and meet our responsibility to treat our employees, clients, suppliers and communities right.

ZS's commitment to operating responsibly is rooted in our material issues:

Climate impact

Combating the negative effects of climate change and operating sustainably

Data security and privacy

Maintaining the safety, security and privacy of our assets

Ethics and transparency

Staying accountable as we make progress

Our work contributes to four SDGs:

- 3 Good health and well-being
- 7 Affordable and clean energy
- 12 Responsible consumption and production
- 13 Climate action



Our commitment to net zero

ZS is ahead of sustainability expectations set for suppliers by the Health Systems Task Force, in part because of our commitment to reach net-zero GHG emissions across our value chain by 2045.⁸ We are awaiting approval from the SBTi on this target.

In 2023, the SBTi validated and approved our near-term GHG targets⁹—an important milestone in our sustainability journey. These targets are to reduce Scope and 1 and 2¹⁰ GHG emissions by 48.8% and Scope 3 emissions by 55% per FTE¹¹ by 2030, from our 2019 baseline year.¹²

At first glance, it may seem we met our short-term emission targets in 2023. However, our targets are centered on reducing emissions from our 2019 baseline year, which had nearly 100% in-office attendance. Although our post-COVID-19 attendance is increasing year-over-year, many of our emissions per FTE are still lower due to reduced attendance. Our short-term goal assumes a return to near 100% in-office attendance by 2030, as was the firm plan when our targets were validated. It is crucial that we sustain lower emissions levels well beyond 2030, especially as our operations expand and lead to increased emissions due to workforce growth, global footprint expansion and acquisitions. It is essential that we consistently mitigate and manage the expected rise in emissions each year to effectively maintain our reductions.

⁸ The Task Force asks for suppliers to have a near-term target with the SBTi by 2025. We already have a near-term target approved and have submitted a net-zero target to match the ambition of industry leaders. See more at: https://a.storyblok.com/f/109506/x/7d3363a8b1/smi_suppliertargets.pdf

⁹ Scope 1 emissions are direct emissions from sources an organization controls, such as generators and owned vehicles. Scope 2 emissions are indirect, such as emissions from electricity, steam, heat or cooling. Finally, Scope 3 emissions occur in the value chain of a company, such as supplier emissions and business travel.

¹⁰ We calculate Scope 2 emissions using market-based emissions.

¹¹ FTE is a carbon intensity ratio used to normalize carbon emissions against the number of full-time hours worked by employees in a business.

¹² The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks.

¹³ By year-end 2024, we will deliver select client services from offices powered by 100% renewable energy.

* These numbers are compared to our 2019 baseline.

A snapshot of our progress

In 2023, we continued to transform our operations. We:

Submitted our net-zero emissions-reduction target to the SBTi

Audited and assured our 2023 emissions in accordance with the Greenhouse Gas Protocol and ISO 14064-1

Obtained and maintained our ISO 27017:2015, ISO 27701:2019, ISO 27001:2013, ISO 14064-1, HITRUST CSF, SOC 2 Type 2 and SOC 3 certifications

Achieved SBTi-approval on our validated near-term emissions-reduction targets

Developed an advanced emissions-allocation methodology for our clients

Launched QUEST—our tailor-made RSA Archer platform

63%
reduction in our absolute Scope 1 and 2 GHG emissions*

57%
reduction in our Scope 3 GHG emissions* per FTE

93%
global renewable electricity usage, our target is 100% renewable by 2030¹³



Teams leading the way

Improving health outcomes requires passion, innovation, cross-industry partnerships and integrity. Alongside the Shareholders' Council, ESG Steering Committee and ESG Core Team, several teams at ZS hold us accountable for bringing responsible business practices to life.

Legal team

Our Legal team, led by the general counsel and chief risk officer, is responsible for monitoring the regulatory landscape and ensuring we mitigate potential legal and reputational risks. Our lawyers and legal professionals protect the firm's interests within the boundaries of the law while achieving our business objectives. This includes overseeing any contractual agreements and providing subject matter expertise in the areas of employment, corporate, privacy and intellectual property.

The team also continually monitors the risk landscape, identifying and mitigating situations that put our firm and clients at risk.

Risk management teams

Several teams further monitor emerging risks within our firm, including:

- Enterprise Risk Management, a new team under the chief risk officer's mandate dedicated to identifying and assessing risks by emphasizing internal and external factors that may impact ZS
- The Quality Risk Management team, which identifies and manages risks for our digital- and technology-related opportunities and projects
- The Delivery Excellence Office, which helps ZSers deliver risk management across client programs to increase our partners' confidence in our work
- The IT Governance, Risk and Compliance (GRC) team, which shapes our internal risk management, compliance and internal audit best practices

Information Security team

The Information Security team enforces our corporate information security strategy—including infrastructure, IT governance, risk management and compliance—to protect ZS against cyberattacks, phishing, data breaches and information misuse. Information Security also provides ongoing training and awareness programs internally to empower ZSers to handle sensitive client information appropriately and confidently.

Information Security partners with the Information Security Working Group (ISWG), which reviews existing and emerging threats related to information security and provides oversight to mitigate concerns. ISWG reports to the Risk, Compliance and Professionalism Committee and has a direct line to the Shareholders' Council.

ZS Cares

ZS Cares is our global social impact program that sparks sustainable and responsible change. Driven by the passion of our people, ZS Cares enables ZSers to improve their communities through volunteering, pro bono consulting,

donation matching, nonprofit board service, client and industry partnerships and other opportunities related to our ESG material issues.

Read more about [ZS Cares](#).

In 2023, several ZS Cares teams implemented responsible practices within their offices, playing a critical role in our emissions-reduction strategy. These have included a waste-diversion-enhancement project, a sustainable catering pilot in our San Francisco office and a plastics-reduction and elimination effort in our Pune office. Local ZS Cares teams have also worked on building sustainable communities, from cleaning reservoirs near our Singapore office to volunteering at a food co-op in London to offer nutritious meals to people in need.

ZS Cares has further collaborated with our GRC team to champion causes in India. These include digital awareness and STEM (science, technology, engineering and mathematics) cybersecurity education for students of various ages. We also donated laptops to ZS Cares-affiliated schools, colleges and shelter homes to reduce e-waste and improve access to technology for those from lower-income backgrounds.

Accounting for our climate impact

Climate change has vast and disparate impacts on health outcomes, and we recognize that action cannot wait. That’s why ZS is committed to taking clear, intentional steps to reduce our climate impact, aligning our environmental efforts with our purpose as a business.

To guide our actions, we have established reduction targets for our Scope 1, 2 and 3 emissions. In 2023, we were proud to submit our net-zero GHG target to the SBTi for validation and approval, as well as successfully receiving approval of our SBTi near-term targets.



The 2023 GHG inventory shared throughout this report has been externally audited and assured. Looking forward, we aim to continually improve our emissions data sets and integrate a common methodology across ZS for reporting and tracking, so that our firm has a robust measurement and audit infrastructure in place.

Our road to net zero

Reaching net zero is both a journey and a long-term commitment. We’re taking meaningful steps to reduce our emissions while considering our yearly growth and travel-intensive business and supplier management models. In 2023, we made strides in improving our data collection, analysis and implementation planning, focused on our office management, suppliers, employee commuting, energy attribute certificates (EACs/ RECs) and efficient business travel practices for internal and client purposes.

Measuring our 2023 carbon footprint

In 2023, we collaborated with an independent third party and emissions-reporting expert to calculate our 2019–2022 GHG emissions, in line with the Greenhouse Gas Protocol and SBTi standards. Our 2023 GHG inventory has been prepared with the same experts and has been externally audited and assured to ensure we have the most accurate information possible to support the implementation of our climate strategy. By engaging external assurance and validating our emission data, we have successfully attained verification of our 2023 GHG inventory of our global offices and operations in alignment with ISO 14064-1.

See our full [GHG emissions by scope](#).

¹⁴ These target boundaries include biogenic land-related emissions and removals from bioenergy feedstocks.

Year	2019	2022	2023	2024
Action	Set our baseline	Submitted a 2030 science-based target and achieved measurable reductions across all Scopes (compared to our 2019 baseline)	The SBTi approved our 2030 science-based target Submitted our net-zero target for 2045 to the SBTi, for which we are awaiting approval	Receive SBTi approval of our net-zero target
Absolute Scope 1 and 2 emissions	4,137 tCO ₂ e	2,955 tCO ₂ e 29% absolute reduction in Scope 1 and 2 emissions (market-based), compared to 2019 baseline	1,532 tCO ₂ e 63% absolute reduction in Scope 1 and 2 emissions (market-based), compared to 2019 baseline	Continue implementing local, regional and global initiatives for emissions reductions Continue GHG data accuracy through our employee commuting survey, site manager survey, new and streamlined <u>data collection platform</u> and travel-tracking platform, which includes improved environmental metrics Further integrate sustainability into procurement and our supplier management model
Scope 3 emissions per FTE	7.98 tCO ₂ e	3.89 tCO ₂ e 52% reduction in Scope 3 per FTE, compared to 2019 baseline	3.43 tCO ₂ e 57% reduction in Scope 3 per FTE, compared to 2019 baseline	
Renewable energy	16%	53%	93%	Achieve 100% renewable energy for select client services by year-end

Examining our operational impact: Scope 1 and 2

Scope 1 refers to the emissions produced from sources that are owned or controlled by ZS, while Scope 2 is the indirect emissions from the generation of purchased electricity and cooling consumed by our firm. Taken together, in 2023, our Scope 1 and 2 emissions accounted for 3% of our total emissions.

100%

renewable energy by 2030¹⁵

100%

refrigerant phaseout by 2040

100%

building electrification by 2040

Increase

our direct consumption of renewable energy from the grid and onsite generation of renewable energy

Support

green energy development through EACs as appropriate

Our three main categories of Scope 1 emissions are office natural gas, refrigerants and company vehicles, while purchased electricity and cooling are our key sources of Scope 2 emissions. We are committed to reducing both Scopes 1 and 2 by 48.8% by 2030, with four subtargets guiding our efforts.

Renewably powered operations and energy efficiency

Our most significant initiative to reduce Scope 1 and 2 emissions is to achieve 100% renewable energy by 2030. Last year’s reduction in market-based Scopes 1 and 2 emissions was driven by more of our offices procuring renewable energy from the grid and ZS purchasing EACs.

Powering renewable energy initiatives in India

During 2022, our World Trade Center office in Pune, India—our largest office globally by both square footage and employee headcount—completed its transition to 100% renewable energy. In 2023, we further improved our sustainability in Pune by powering our International Tech Park office with 100% renewable energy. Pune is responsible for up to 25% of ZS’s electricity consumption annually and previously made up 40% of our worldwide carbon emissions from electricity. This renewable energy transition will save an estimated 1,170 metric tons of CO₂ emissions annually.

¹⁵ As part of our SBTi objectives, we set the goal to power 100% of our offices with renewable energy by 2030. To meet the requirements of select clients, we will deliver their services from offices powered by 100% renewable energy.

Innovative solutions for carbon reduction at ZS India

In early 2024, ZSers came together to contribute ideas to actively reduce GHG emissions in their workplaces.

ZSers submitted a diverse range of projects and case studies, such as solutions for waste management, energy efficiency and electric and hybrid taxi fleet transitions.

In recognition of our collective commitment to sustainability, we were awarded the Sustainability Champion Award for Innovation in Responsible Recycling by MSME Chamber of Commerce and Industry of India, alongside the runners-up award for Outstanding Demonstration in Sustainability at the eighth Workplace Excellence Conference & Awards hosted by the Infrastructure, Facility, Human Resource & Realty Association.

“It’s incredible to see the pace at which environmental requirements are speeding up from our clients and our people. Our teams in India have wonderful ideas that we want to take back to all ZS offices and start making a difference for our organization on our path to net zero.”

Jennifer Gold, Global ESG Lead (she/her)

ZSers in India

To deliver renewable energy services to our clients, we set a goal that our India offices will account for 100% renewable energy from the grid and EACs by year-end 2024. ZS leases floors in multi-tenant buildings for our office spaces in India, and continually assesses new and existing leases for alignment with our sustainability strategy.

In partnership with an external vendor, we spent four months gathering information and reviewing our data through several working sessions, finalizing the renewable energy procurement strategy for each of our India offices. In the short term, we are purchasing EACs for each building to close the existing gap between renewables sourced from the grid and achieving 100% renewable energy. In the future, we will pursue virtual power purchase agreements and open access (offsite renewable) agreements.

A global approach to energy efficiency

Globally, 11 of our offices currently operate on 100% renewable energy from onsite sources or the grid, including Frankfurt, London, New York and Tokyo.¹⁶ An additional seven offices globally, including those in the U.S. and our office in Toronto, procure some renewable energy from the grid. Meanwhile, all ZS offices in the U.S. are in LEED¹⁷-certified or ENERGY STAR-certified buildings.

We are negotiating lease agreements across offices to ensure the buildings we work in use renewable energy sources.

For offices across Asia, Europe and North America that are not procuring renewable energy from the grid, we purchase EACs, which enable us to track and document our renewable electricity consumption. Through these actions, we reached 93% renewable energy across our office buildings in 2023.

As a professional services firm, we value face-to-face interactions with our colleagues. Given our increased attendance in-office since the pandemic, our total electricity consumption increased 37% year-over-year. We will continue to find ways to make our offices more energy-efficient, including investing in technologies across our IT infrastructure, virtualization and power management tools. This includes server virtualization, data center optimization and extensive use of cloud platforms such as Amazon Web Services and Microsoft Azure, as well as the use of energy-efficient hardware. We have also invested heavily in optimizing our data centers by using advanced cooling systems.

¹⁶ The 11 offices operating on 100% renewable energy are Evanston, Tokyo, New York, Copenhagen, Frankfurt, Berlin, Pune (two offices), London, Osaka and Zurich.

¹⁷ Leadership in Energy and Environmental Design, a rating system used to assess the environmental performance of buildings.

We continue to upgrade electrical systems and invest in renewable energy globally, and plan to expand our focus on energy by optimizing our air conditioning systems and technology hub spaces for efficiency.

Water and waste

We recognize water and sanitation availability is a global priority. While our water consumption is limited to kitchens and washrooms, we continually explore ways to educate ZSers about water-conservation efforts.

	2019 (baseline)	2023 ¹⁸
Renewable energy (procured at source)	16%	43%
Renewable energy credits	0%	49%
Nonrenewable energy	84%	7%
Total electricity consumption	7,945 MWh	10,441 MWh

Certified
for ISO 14001:2015 (Environmental
Management) in Pune, New Delhi
and Bengaluru offices

¹⁸ Numbers may not round up to 100% due to rounding.

ZSers are also proactive in finding ways to improve their office’s waste management practices. In 2023, we launched a campaign to eliminate single-use plastics in all our India offices by switching to glass bottles for condiments and using biodegradable cutlery. Similarly, at our annual Americas principal, associate principal and manager meeting, we asked ZSers to bring their own reusable water bottles—reducing unnecessary single-use plastic.

ZS has developed an e-waste disposal strategy that ensures responsible disposal of electronic equipment, including partnerships with certified e-waste-recycling companies to handle our obsolete IT assets.

As part of an ongoing effort to increase the accuracy of our Scope 1 and Scope 2 emissions data, ZSers in Bengaluru, Buenos Aires, Chicago and more are quantifying the collective waste of their office procedures. This was complemented by our local 2023 Waste Measurement Improvement pilot, which assessed the feasibility of improving waste data granularity. By evaluating waste management practices and using data-tracking capabilities shared through our office site survey and pilot programs in Buenos Aires and San Francisco (see right), we aim to develop waste management guidelines and deploy them to all our offices. This will help us navigate an inevitable increase in waste generated due to higher in-office attendance of our colleagues.

Sustainable initiatives
powered by our people

ZSers are a vital force driving our ESG journey and progress.

In our San Francisco office, ZSers promote a more sustainable workplace through a waste-diversion-enhancement project and sustainable catering pilot. In 2023, this focused on reducing emissions associated with catered office meals, decreasing single-use plastics and landfill waste and increasing sustainable packaging. Meals in the pilot used 100% compostable and reusable cutlery and dishware and were sourced from vendors who exclusively use recyclable and compostable packaging.

Additionally, San Francisco ZSers have joined a local service that connects employees to free carpooling, shuttles and more—enabling a lower-emission commute to work. By treating sustainable and responsible operations as a collective endeavor, ZSers around the world can suggest and develop solutions that work for them, with the support and encouragement of our firm.



Building operations

We are working to improve how we measure and track carbon emissions in each of our office spaces. This includes distributing an annual survey to site managers to gather details on sustainable commuting options, energy consumption and use of refrigerants while planning accordingly for their phaseout, in alignment with our net-zero goal. Our surveys also include details on waste management and local sustainability initiatives.

Zooming in on Scope 3

Scope 3 is our greatest area of impact on the environment, encompassing the indirect emissions produced because of ZS's business activities. Our core categories of Scope 3 emissions are purchased goods and services, business travel, employee commuting and areas such as waste generated in operations, capital goods and upstream transportation.

In 2023, our Scope 3 emissions were 3.43 tCO₂e per FTE—a 57% reduction from our 2019 baseline—and accounted for 97% of ZS's total emissions. We continued our focus on Scope 3 emissions, embedding relevant expectations into our procurement strategy and implementing new initiatives that reduce our indirect emissions.

Employee commuting and business travel

As mentioned, our global team values onsite presence whenever possible with clients and colleagues, contributing to higher business travel emissions. In fact, those emissions have nearly doubled year-over-year from 2022.

To accommodate in-person interactions and sustainable modes of travel, we encourage ZSers to use hybrid and fully electric vehicles (EVs) whenever possible. Our corporate rideshare accounts for vendors such as Uber and Lyft prioritize EV options. Relatedly, we also intentionally select office sites that are close to clients and offer ZSers convenient access to public transit or eco-friendly modes of transportation.

We are in the formative stages of procuring hybrids and EVs from rental car suppliers in locations that offer taxi services to employees, with an emphasis on India. Despite some recent challenges, we continue to look toward our goal of achieving 100% EV usage in both our Pune and New Delhi offices by 2030.

127,130 miles

travelled with electric vehicles by Pune ZSers, preventing 46 tCO₂e (equivalent to 8.9 homes' electricity use for one year)

Cutting meeting milage for responsible leaders

Reducing our business travel emissions is vital to the sustainability of our operations. During the 2024 Americas regional leadership meeting, ZS used a shuttle service to efficiently move attendees between the airport and meeting space. This saved 1,390 one-way transfers, equating to about 7 metric tons of CO₂. We also encouraged ZS client teams to use the meeting to connect with local clients and cross-regional teams in person, which avoided 1,232 flights, equating to about 341 metric tons of CO₂. While travel is an important way for our employees and clients to connect, we are committed to

ensuring this happens in an efficient and responsible way.

Meanwhile, for our April 2024 EU leadership meeting, we selected a venue largely accessible by train to prevent unnecessary air travel. We estimate that this change saved 34 metric tons of CO₂e.

383 tCO₂e
estimated to have been saved

“By reducing reliance on gas-powered vehicles, encouraging the use of public transit and incentivizing eco-friendly options such as electric vehicles, the EU leadership meeting this year aims to set a new standard for environmentally conscious event planning, minimizing our carbon footprint and contributing to a healthier planet.”

Luca Girardi, Meetings and Travel Assistant (he/him)





ZSer in India

Improving our understanding of ZS commutes

We continually work to make our emissions data more accurate by capturing travel data directly from ZSers instead of external emissions benchmarks. In 2023, we introduced our employee commuting survey to improve emissions measurements while identifying opportunities for low-emission travel.¹⁹ While our business travel (including commuting) emissions nearly doubled year-over-year, our commuting survey found that ZSers' traveling habits are more sustainable than those found in public benchmark data. In other words, ZSers typically and intentionally take greener modes of transportation when traveling to and from the office. In the future, we aim to use this data to plan commuter benefits programs and office locations. We will carry out this survey annually moving forward.

62%

of respondents across our offices²⁰ report using lower-emission modes of transportation to commute to our offices, including carpooling, biking, walking, hybrids and EVs, and public transportation

Managing supplier emissions

Supplier management makes up 60% of ZS's emissions-reduction potential and is a key part of how we address Scope 3 emissions. While our emissions from purchased goods and services decreased 39% year-over-year, as did our spend in this category, our sustainable procurement practices did not lessen. We continued to partner with suppliers and held them accountable in operating sustainability. Effective supplier management aims to foster strong relationships to ensure responsible sourcing, reduce environmental impact and promote ethical practices throughout the value chain.

We are advancing our approach to procurement and improving processes to manage supplier sustainability, ethics and adherence to ZS's **Supplier Code of Conduct**. As just one example, our travel team engages airline suppliers in negotiations to integrate sustainable aviation fuel options into contracts. We also use a carbon-insight technology to calculate carbon output as part of our travel-booking tool. This equips ZSers with the information they need to make more sustainable choices during their travel booking journey.

¹⁹ As ZS India largely relies on a taxi fleet system, it has a separate mechanism in place to collect commuting data.

²⁰ Except for Pune, Noida and New Delhi; see footnote above.

We are also working on incorporating sustainability criteria into our IT procurement process. By choosing responsible IT solutions and suppliers, we aim to build a more sustainable supply chain and reduce the environmental impact of our technology acquisitions.

Using offsets intentionally

We recognize there are certain supply chain impacts where emissions are unavoidable or difficult to mitigate. As such, we look to high-quality carbon credits as part of our long-term net-zero strategy, in alignment with the GHG Protocol and SBTi standards, to help offset residual emissions.

At ZS, we are assessing how we can implement the use of carbon credits in the future to offset supplier emissions. We are proceeding deliberately and thoughtfully in this process, prioritizing ethical considerations and taking the necessary time to do things right.

In 2023, ZS launched our Carbon Credit and Sustainable Aviation Fuel (SAF) Strategy, which outlines best practices for purchasing carbon credits aligned with the SBTi, the Verified Carbon Standard and Gold Standard, and ZS’s material issues.

We will only pursue high-quality carbon credits that are validated and verified, going beyond what is required by law and ensuring that adequate safeguards are in place to confirm projects leave a permanent, positive impact on the environment.

B Rating
by CDP for Supplier Engagement in 2023;
an improvement from our 2022 rating of D²¹

Supplier spotlight: Aviva’s nature-based solutions

We are proud to partner with suppliers who dedicate themselves to funding and supporting carbon-reduction initiatives. One example of this is Aviva, our U.K. private health insurance provider.

Fifty percent of Aviva’s total investment and lending activities are dedicated to supporting emissions-reduction efforts,²² with £100 million of funding committed to nature-based solutions for carbon capture. Collaborating with organizations such as the Wildlife Trusts, the Woodland Trust and the

Nature Trust, Aviva is reintroducing woodland across 3,000 hectares of land. This initiative is projected to remove 1.4 million metric tons of carbon from the atmosphere throughout the lifetime of these woodlands.

By partnering with organizations who engage in these kinds of environmental initiatives, we can encourage environmental sustainability across our value chain and reduce Scope 3 emissions as a result.



²¹ Supplier Engagement Rating is a letter grade that indicates how effectively companies are engaging their suppliers on climate change and influencing their supply chains.
²² This percentage is calculated based on assets under management as of the year 2019.

Keeping ZS secure by design

Cybersecurity is a shared responsibility that extends beyond ZS and clients to include the end-user's experience. By placing cybersecurity at the center of our innovations, we aim to be an agile, adaptive and trustworthy leader in information security.

Securing our firm and our clients

We take a multifaceted approach to information security, including mandatory ongoing training for ZSers, systems designed to meet ISO and International Electrotechnical Commission (IEC) standards and ZS's Information Asset Protection Policy (IAPP), which applies to all confidential data.

Our IAPP is reviewed annually and sets out ZS's approach to keeping data protected. This includes the safeguards we maintain to ensure information and ZS systems remain secure against unauthorized use, loss, destruction and release. It also details our expectations that all ZSers commit to legal and ethical information-handling practices.

Due to our efforts, we had no substantiated complaints in 2023 concerning breaches of client privacy and no identified leaks, thefts or losses of customer data.

Embedding security throughout our organization

ZS created the Information Security Strategy and Excellence (ISSE) Center in 2023 to further embed cybersecurity as an integral part of business delivery and client interactions—deepening collaboration between our clients and the ZS Information Security team.

2023 brought numerous updates to the ISSE, including:

- A new business information security officer role to support collaboration between clients and the ZS Information Security team
- An established operating model and toolkit for engaging key clients on cybersecurity
- Focused research—using current requests for proposals, requests for information and client security questionnaires—to identify opportunities to improve our information security maturity
- Workshops with ZS client leads to support client conversations involving ZS's information security maturity and best practices

31

ZS offices are ISO 27001, 27701 and 27017 certified



ZSer in Evanston

ZS Quest

ZS QUEST, a workflow platform, marks a significant stride in managing quality, compliance, risk and security, helping us to build client trust. It establishes robust automated workflows to simplify and unify quality practices, unified compliance (security and privacy), risk management (from silos to holistic systematic representation and reporting) and security.

The immediate impact on ZSers has been enhanced Quality, Reliability and Consistency evaluations, streamlined policy management and automated compliance across 15 standards. Efficient third-party risk management, information security management system life cycle management and audit automation have further bolstered operational efficiency and risk management across our firm.

100+

third parties have been onboarded since implementation in 2023

1,400+

quality, risk and compliance assessments have been completed so far using Quest for our client-facing projects

In 2022, ZS also established the Application Security Center of Excellence to ensure robust security practices across our technological infrastructure and software development life cycles (SDLC).

The center supports both internal and client application development environments, offering on-demand support for any security requirement while delivering best practice training for ZSers and clients through our online training platform.

The center is focused on early detection of coding and infrastructure security issues within the applications we design. Once built by development teams, applications undergo a thorough review process, including automated and manual scans throughout the SDLC, and receive the “Seal of Application Security Governance Framework Compliance.”²³ This review process allows ZS to proactively identify and address security gaps before we deliver applications to our clients.

140+ apps

have been assessed by the center so far with proposed tailored security plans for each

“With the Application Security Center of Excellence’s help, we are able to have security practices embedded in our pipelines when developing and deploying an app.”

Personalize.AI Project Team

Data privacy

Several policies govern the use and protection of personal information. These include our Privacy Policy, Global Data Retention Policy, Data Protection Policy and IAPP.

ZS maintains a standard operating procedure for assessing privacy, security and business continuity risks for third-party vendors. This includes business continuity practices to protect ZS and our clients’ data. Read more about our [Privacy Policy](#).

²³ The “Seal of Application Security Governance Framework Compliance” is a ZS certificate of completion that assures a rigorous security process implemented in the building of client technologies and solutions.

Reaching data security milestones in 2023

We continue to successfully pass surveillance audits for ISO/IEC 27001:2013, ISO/IEC 27701:2019 and ISO/IEC 27017:2015 certifications, increasing our certified offices from 28 to 31.

In 2023, we also attained:

- SOC 2²⁴ and SOC 3 certifications
- HITRUST CSF²⁵ compliance in Connected Health and HiSec

We are progressing toward HITRUST certification and HIPAA Type 1²⁶ compliance for **ZAIDYN Connected Health** in 2024, further fortifying our commitment to data security in the healthcare sector. We also comply with China’s Multi-Level Protection Scheme for our ZAIDYN products, reinforcing our commitment to stringent security standards in this crucial market.

Safeguarding AI solutions

At ZS, we integrate stringent security protocols into all AI development and usage. Our AI Advisory team, composed of internal experts, monitors the evolving AI landscape to anticipate, evaluate and mitigate such risks. We also equip ZSers with digital literacy training and recruit individuals with the necessary skills for AI development.

We closely evaluate any third-party AI tools before incorporating them into our internal processes or client-facing services. Using secure areas called sandboxes, we experiment with third-party tools using fabricated data to ensure confidential information is not put at risk. Within the sandboxes, we also perform security testing in a protected space, giving ZS the ability to identify and address any gaps.

To mitigate risks related to personal information, we follow ZS’s data privacy framework aligned with the General Data Protection Regulation (GDPR). This emphasizes data minimization, anonymization and pseudonymization. Data protection impact assessments are also conducted for high-risk processing activities to ensure compliance and data protection.

Investing in cybersecurity training

To promote a culture of risk management and vigilance, we regularly train ZSers on new security and privacy frameworks, standards and requirements. In 2023, we launched Secure Coding 101—a training course for team members who support technology delivery. This hour-long, self-guided course delivered secure coding skills to more than 2,700 developers in 2023.

We also deploy a mandatory data management compliance course for all ZSers or contractors who work on projects involving (or may work on projects involving) U.S. prescriber-level data. The course provides an overview of requirements and restrictions that apply to using patient-level data.

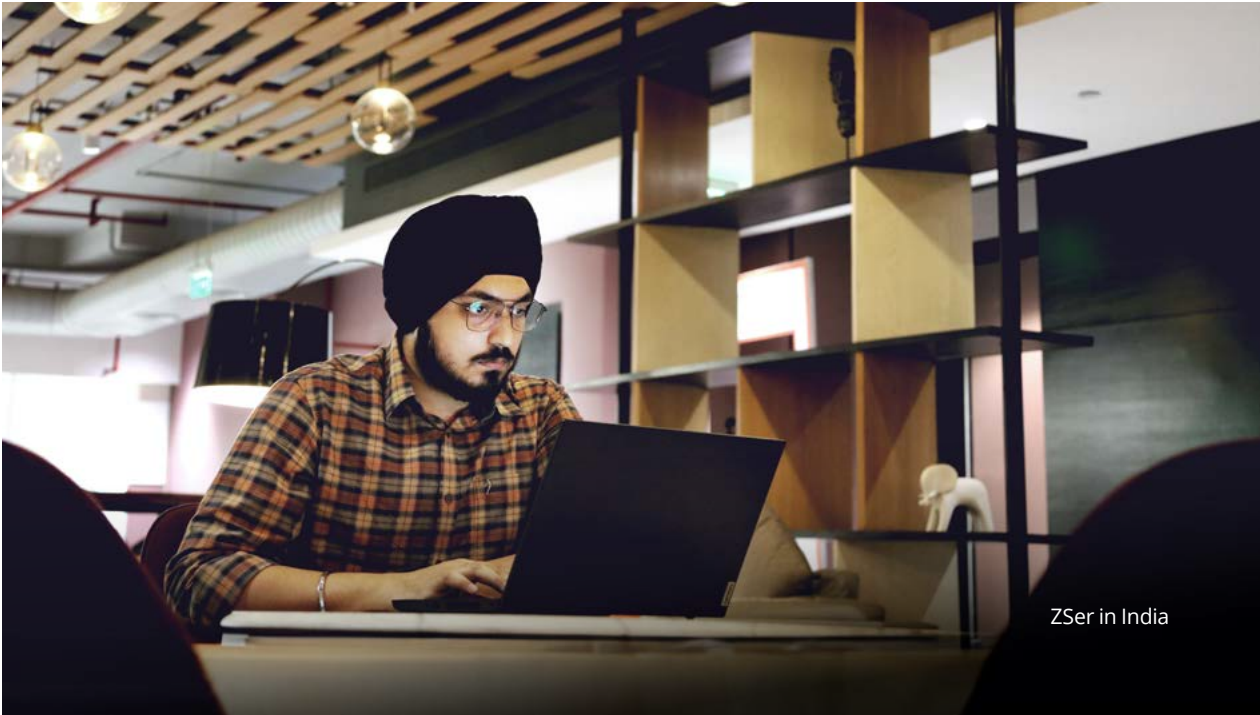
Finally, all ZSers are required to complete Be Safe Be Sure, an annual compliance cybersecurity training where employees gain fundamental skills and knowledge on data security, confidentiality and privacy best practices to successfully protect ZS and client data.

100%
of ZSers are required to complete the Be Safe Be Sure cybersecurity training

²⁴ SOC 2 and 3 are certifications that assess controls for various Trust Services Criteria, including security, confidentiality, availability, processing integrity and privacy.

²⁵ The HITRUST CSF is a certifiable framework for regulatory compliance and risk management, relating to organizational processes and technical controls for processing, storing and transmitting sensitive data.

²⁶ HIPAA Type 1 is an independent assessment by an American Institute of Certified Public Accountants auditor of design and implementation controls, in accordance with HIPAA requirements.



Acting with professional integrity

For every action we take and decision we make, we commit to protecting the people who work for us by maintaining ethical standards and integrity within our operations. Our responsible business policies are key to driving this agenda throughout our organization.

100%

of ZSers are required to complete training on recognizing, preventing and reporting situations of harassment or inappropriate behavior

Living the ZS values

ZS ensures ZSers and suppliers are prohibited from engaging in any form of corruption and bribery. We provide policies and guidance on a range of topics—from anti-corruption to environmental and social responsibility—that apply to all directors, officers and colleagues. We also flow these obligations through our supply chain, by requiring agents, subcontractors and suppliers to comply with our policies.

Labor and human rights

At ZS, we do not tolerate harassment, violence or discrimination. As an equal opportunity employer, we are committed to providing employment and advancement opportunities to all ZSers, regardless of any personal characteristic protected by applicable law.

Read more about our [Equal Employment Opportunity Policy](#) and [Mitigating bias in hiring](#).

Managing a responsible supply chain

96

vendor risk assessments initiated by GRC to assess suppliers on privacy, security and business practices

18%

of our 2023 spend went to suppliers that completed a sustainability assessment

Supplier spotlight: Fostering diversity with SHI International Corp

ZS aims to support a community of diverse suppliers. For over a decade, we have worked with SHI, the largest minority- and woman-owned business enterprise in the U.S. Along with providing IT infrastructure and end-user computing to ZS, they maintain a database of over 2,800 diverse-owned businesses, using their influence to uplift other underrepresented groups. In 2023, SHI invited our chief information officer to serve on their CIO Advisory Board—allowing ZS to actively engage in a resilient and stable supply chain.



ZSers in Philadelphia

Supplier Code of Conduct

Supplier requirements are defined in our [Supplier Code of Conduct](#)—suppliers are prohibited from engaging in any form of bribery or corruption, including that related to environmental and social responsibility. After publishing the code in Q2 2023—and between June 1 and Dec. 23, 2023—we ensured that 39% of executed master service agreements (MSAs) contained the Supplier Code of Conduct. As of April 2024, this number has increased already, with 97% of executed MSAs containing the Supplier Code of Conduct.

For more on what we expect from our suppliers, see [Managing supplier emissions](#).

Inclusive sourcing and supplier diversity

In 2023, we hired an experienced procurement leader to execute a robust supplier diversity program.

We also used TealBook—a third-party tool—to collect ZS’s internal spend data and analyze the number of diverse- and minority-owned businesses that we support in the U.S. and Canada. In 2024, we aim to expand this to certified diverse suppliers outside of North America and establish a spend-tracking system within our procurement processes, reported quarterly to our internal function leads and external clients.

14% of our total addressable spend²⁷ was allocated to certified diverse,²⁸ disadvantaged²⁹ and small³⁰ business entities in both 2022 and 2023

Our strategies for ethics and compliance

Our Risk, Compliance and Professionalism Committee escalates discussions of risk to the Shareholders’ Council so we can uphold the highest standards of ethical and legal compliance.

Preventing fraud in our firm

Our Policy Against Bribery and Corruption prohibits engagement in any form of dishonest or fraudulent conduct and applies to every ZSer, providing guidance on anti-corruption and bribery. Additionally, our Policy on Insider Trading provides guidance on personal investments and insider trading.

ZS follows applicable laws wherever we operate, including laws against fraud and corruption in the many jurisdictions where we operate. Internally, we take steps to prevent fraud and affirm our anti-fraud compliance annually through our **Be Safe Be Sure** training. One hundred percent of ZSers—including members of our Shareholders’ Council—are required to complete Be Safe

Be Sure, and they are educated on additional, related policies such as Conflicts of Interest and Confidentiality.

ZS takes a risk-based approach to target areas of our business where fraud may be more likely to take place. For example, controls and training exercises are used to test our Finance team’s protections against fraud. Using these assessments, we have put specific targeted trainings and controls in place.

Speaking up at ZS

ZS’s policies and procedures, including our Whistleblower Policy, Policy Against Harassment, Policy Against Discrimination and Discipline Policy, provide guidance to ZSers on maintaining a safe and respectful workplace and reporting concerns. In addition to reporting concerns to a member of Human Resources (HR) or the Leadership Team, ZSers can also discretely report workplace concerns through our Speaking Up platform. The Employee Relations team thoroughly investigates all concerns raised and makes sure ZS takes appropriate follow-up action.

Our Safe and Respectful Workplace training—delivered annually or biannually depending on location—also reminds ZSers of the importance of reporting harassment, discrimination and violations of ZS values and policies. Principals, associate principals and managers receive additional training as an extension of Safe and Respectful Workplace.

138 matters raised by ZSers through HR, ZS leaders and the Speaking Up inbox were investigated by the Employee Relations team in 2023

We have also added appropriate prompts to our Ask ZS chatbot, allowing ZSers to easily locate the Speaking Up platform when they need support.

Modern slavery: Prevention and action

We have zero tolerance for threats or acts of harm or violence of any kind and expect all suppliers to comply with our [Global Modern Slavery Statement](#) (scroll to the bottom of the page). Should we suspect a violation of any kind, we will act immediately and address accordingly.

²⁷ Addressable spend is the part of a company’s expenditure that can be managed and optimized through procurement strategies. Non-addressable spend, such as taxes, intercompany payments and salaries, are excluded.

²⁸ Businesses that are at least 51% owned, operated and controlled by an individual or group that has been historically underrepresented. These include minority-owned business enterprises, women-owned business enterprises, disabled person-owned business enterprises and U.S. veteran-owned business enterprises.

²⁹ Businesses operating in a Historically Underutilized Business Zone (HUBZone) as certified by the U.S. Small Business Administration.

³⁰ Businesses categorized as small based on revenue and/or employees as determined by the U.S. Small Business Administration’s classification standards.

Risk management

Understanding our climate-related risk

As of 2023, mitigating ZS's climate impact and climate-related risks and opportunities is part of our risk function.

We measure and update our risks quarterly, following the TCFD framework. The Enterprise Risk Management team uses TCFD to assess relevant risks and opportunities and applies the results within the ZS Risk Management Framework, which is used broadly across the organization.

Our key ESG risk components include client expectations, current and future talent, climate change patterns, governance and regulation. If we fail to account for these risks, we face several potential impacts, including increased or decreased business, breach of client legal contracts, noncompliance with ESG regulations and overall client perception.

Identifying enterprise risk in our firm

In 2022, we hired an external vendor to help us identify our enterprise risks through interviews with ZS principals and other core stakeholders. These were prioritized into key risks that have been targeted throughout 2023 using risk cards, which allow us to standardize and manage our risks at an enterprise level. The cards covered areas such as a risk description, potential impact, influencing factors, existing controls and proposed mitigation plans.

Enterprise Risk Management strategy

We maintain a robust Enterprise Risk Management (ERM) strategy, led by our chief risk officer, to manage all aspects of ZS risk (outside of TCFD) that could impact ZS's objectives and overall performance.

In 2023, the ERM team conducted a comprehensive risk re-prioritization exercise by engaging with senior leadership members and identifying an updated set of top risks for 2024. These will become the focus of our 2024 risk cards preparation and monitoring—allowing us to manage our emerging and existing risks.



Outside of the ERM team, we promote shared responsibility for risk awareness. This includes encouraging all ZSers to identify and report potential risks, take ownership of mitigation measures and seek leadership support to discuss concerns.

We further established the Delivery Excellence Office to support ZSers in sharing high-impact outcomes with clients and delivering risk management across our client programs. The updates increase trust and confidence in ZS's work, enabling our clients to feel confident that ZS will solve their most complex problems.

Managing opportunities and risk in digital technology

Digital technology is an integral part of ZS's service offerings, and we take several steps to safeguard our digital technology delivery against security flaws.

Our Opportunity Security Risk Assessment (OSRA) is a collaborative risk assessment initiative that identifies and proactively tackles risk. In 2023, the program assessed 66 digital technology opportunities to identify risks in client projects and ensure security as we venture into new technological spaces.

OSRA functions alongside our Risk Analysis Questionnaire and quality and risk management (QRM) processes. In 2023, we revamped our QRM program—which implements QRM processes throughout the full technology delivery life cycle—to version 2.0. This update focused on identifying and managing risks for our digital and technology-related client opportunities and projects, facilitating communication between leaders and the ZS Risk Management Office.

The Risk, Compliance and Professionalism Committee

The Risk, Compliance and Professionalism Committee oversees and manages risk management, regulatory and policy compliance and organizational professionalism.³¹ It meets quarterly to address topics such as:

- Risk management
- Risk appetite
- Compliance oversight
- Policy development
- Reporting and communication

In 2023, we enhanced this team by incorporating individuals with diverse expertise in risk management, compliance and industry-specific knowledge. Our chief risk officer serves as a permanent member of the Risk, Compliance and Professionalism Committee, providing periodic presentations to the Shareholders' Council, alongside participating in governance and risk workstreams, including those of the QRM and Delivery Excellence Office.

Managing risk through client vetting

To ensure that our clients align with our values, we have implemented a support framework for ZS principals, allowing them to assess client financial health and legal and reputational risk. This includes education and training for principals, risk consideration reminders for newly requested clients and ongoing reviews of client reputability.

Our vetting process for clients entails screening watchlists, adverse media and keyword associations using a third-party business information and research tool. Going forward, we plan to extend this framework to ZS vendors, ensuring that our supply chain is as risk-secure as our client pipeline.

ZSers in India

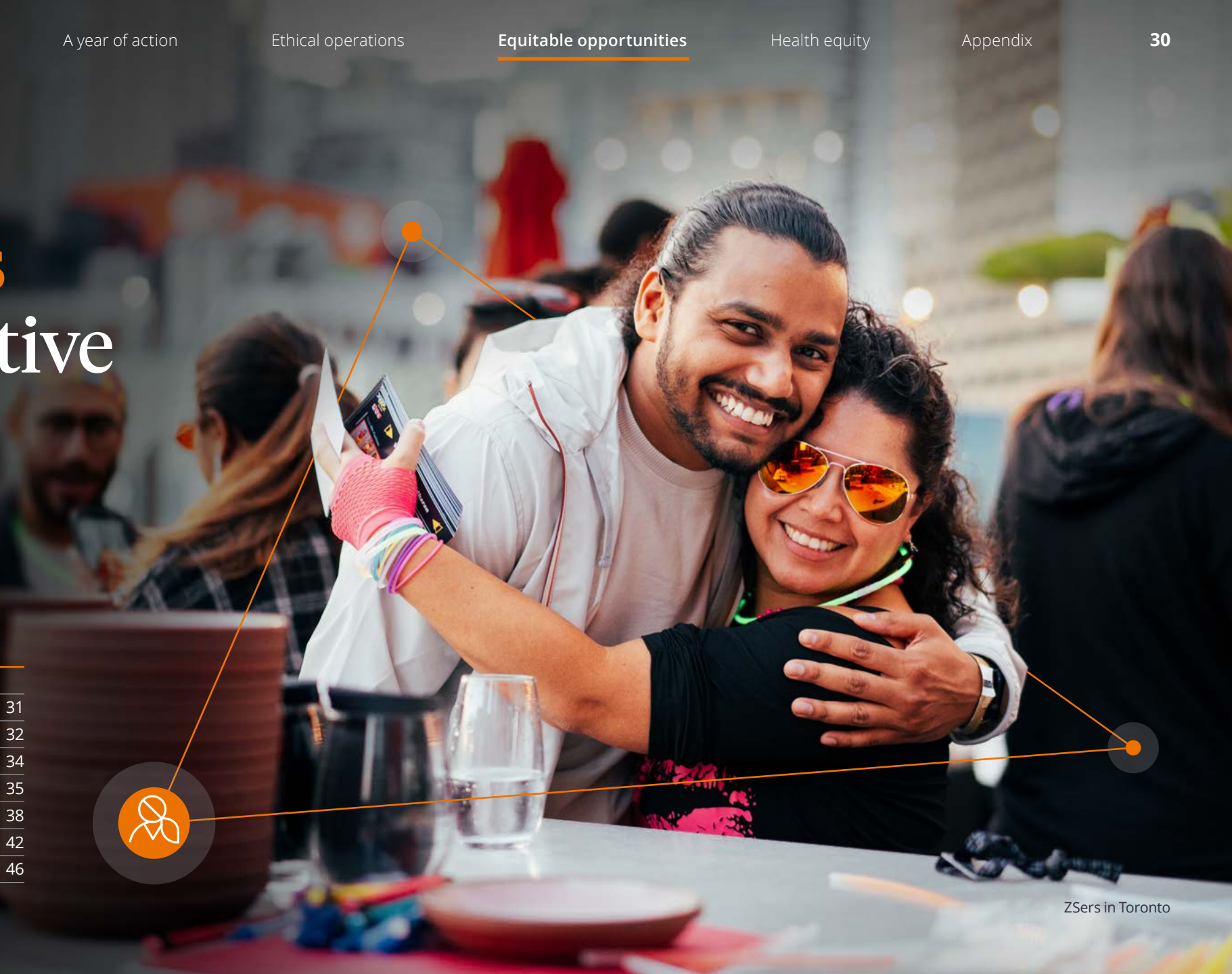


³¹ The Risk, Compliance and Professionalism Committee and the Shareholders' Council share an enterprisewide risk inventory maintained by the Chief Risk Officer team. Together, they provide insights on risk collection, and conduct biannual risk prioritization and risk re-prioritization exercises.

Equitable opportunities for an innovative workforce

Exceptional people are the power behind our vision. We believe ZSers are most able to reach their potential when they are heard and represented. To do this, we foster an environment of trust, accountability and belonging—one that benefits our personal journeys at ZS and permeates through to our client relationships and business practices.

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A strategic approach to DEI

Diversity, equity and inclusion (DEI) must be the backbone of our firm. It ensures our people feel seen, heard and understood, which enhances their ability to address client challenges. By approaching problems with diverse perspectives and staying accountable as we make progress, we can design transformative solutions that improve health outcomes for all.

By working to empower our people, we contribute to the following material issues:

Diversity, equity and inclusion

Fostering a culture where every person can thrive

Ethics and transparency

Staying accountable as we make progress

Our work contributes to two SDGs:

- 3** Good health and well-being
- 10** Reduced Inequalities

ZSers in Buenos Aires



Strengthening ZS in 2023

In 2023, we continued to evolve DEI practices at ZS, empowering our people to drive impact with clients, one another and their local communities. Our key highlights of the year include:

13,000+

ZSers globally

100%

of ZSers have a designated professional development coach to support their growth

34%

women globally, 17% of whom were promoted

100%

of ZSers have access to well-being services, including 24/7 support through our Employee Assistance Program

48%

of ZSers from racial and ethnic minorities in Canada, the U.K. and the U.S.

65%

overall engagement rate

2,243

ZSers promoted³²

2,000+

ZSers contributed 40,500+ hours to volunteering and pro bono activities

³² 18% of ZSers overall were promoted in 2023.

Our DEI maturity

Paradigm, a DEI consulting firm, assessed our DEI maturity in 2023 and scored ZS as above average compared to over 100 companies. This assessment highlighted our strengths in collecting robust employee demographic data, integrating DEI into our hiring practices, analyzing employee experiences and implementing a dedicated DEI budget. Going forward, we will continue to assess our DEI maturity and engage in practices that make ZS a more diverse, equitable and inclusive workplace.

Progressing our DEI goals

Through the assessment, we learned our biggest opportunity to create impact is by setting DEI goals—with support from a third party—to measure progress and take accountability for our results.

In 2019, we defined a gender-parity goal—known as “Commitment 0”—that set the stage for our DEI journey. We’ve spent the past few years building on this goal and, in 2023, honed Commitment 0 further by refocusing on achieving parity across women and gender expansive ZSers. Additionally, the DEI Council identified 10 other near-term goals to improve DEI and external impact.

This year, we have prioritized opportunities to improve representation across DEI goals 1, 2, 3 and 7.

Focus areas to achieve our DEI vision

Diversity

We will evolve the composition of our workforce to reflect the stakeholders we serve and the communities where we work

- 1. In India, ZS will reach market-level representation of women within the ZS India workforce.
- 2. In the U.S., ZS will reach market levels of Black and Hispanic/Latinx representation within the ZS U.S. workforce.
- 3. We will increase the overall diversity of our leadership population, including women globally, in addition to Black and Hispanic/ Latinx ZSers in the U.S.

Inclusion and belonging

We will create a sense of belonging at ZS by ensuring every ZSer feels valued and respected, and that equity is ingrained in our culture and practices

- 4. ZS regional leaders will establish and execute regional priorities within their business plans that align with ZS’s broad DEI goals.
- 5. We will clearly explain and strengthen bias-mitigation and equity strategies that impact all aspects of ZSers’ journeys.
- 6. We will increase awareness of career and professional development opportunities.
- 7. We will consistently retain ZSers across all racial/ethnic demographics.

External impact

We will expand our contributions externally, so that our approach to DEI is recognized, leveraged and sought after

- 8. We will increase the number of DEI opportunities and collaborations with clients.
- 9. We will regularly report on DEI updates firmwide, so ZSers are equipped to discuss ZS’s progress and commitment externally.
- 10. We will maintain and expand employer brand recognition in the DEI space.

Teams leading the way

Our mission is to cultivate an inspiring workplace that unifies our people and provides them with opportunities to thrive. We view this as a collective effort, with teams leading the way by setting priorities and measuring our progress.

Human Resources

Our dedicated team of HR professionals is critical to enhancing each stage of a ZSer's journey. HR is at the front line of addressing our people's needs and designing a competitive rewards and recognition program that provides meaningful, inclusive health benefits to ZSers and their families. Employee feedback—through regular engagement surveys and other channels—guides the HR team in delivering these comprehensive benefits, programs and equitable career-advancement opportunities, as well as ensuring well-being and safe workspaces for all.

Within the HR team is the DEI Center of Expertise, a team of dedicated DEI practitioners responsible for executing DEI priorities, driving inclusion and diversity through all aspects of our firm and guiding our pursuit of equity within our operational practices and business norms.

HR is also heavily involved in our People and Culture Team (PACT), a cross-functional team of ZSers who help ensure our culture and shared core values remain central to everything we do. PACT includes leaders from across regions and business and enterprise functions. From the processes that support ZSers to the expectations that leaders set, PACT brings our values to life and inspires functions across the firm to get it right, do the right thing and treat people right. Projects that PACT has supported include analyzing and interpreting HealthCheck employee feedback, supporting training programs that merge cultural considerations into leadership and performance management.

DEI Council

Under the guidance of chief operating officer Sandra Forero, our DEI Council works directly with the Shareholders' Council to create a strong sense of belonging for current and future ZSers. Committed to fostering Diversity, Equity and Inclusion at ZS, they set ZS's DEI strategy and prioritize actions and policies that attract, develop and empower individuals from diverse backgrounds and experiences.

Collaborating closely with the DEI Center of Expertise, the DEI Council drives impactful initiatives that ensure equity and embed a culture of belonging throughout ZS. This includes funding seven Inclusion and Diversity Groups (IDGs) and working with PACT to support our other employee-led Belonging Networks.

COO and DEI Council Chair Sandra Forero with fellow ZSers in Buenos Aires



Our focus on inclusion and belonging

Being an inclusive organization is integral to the health outcomes of our employees and communities. We strive to be a welcoming space for our people and everyone we work with, fostering a culture of impact, collaboration, empowerment, empathy, respect and equity. Put simply, we champion DEI because we treat people right. It is the right thing to do, and it will lead to better business outcomes for us *and* our clients.

100%

of ZSers are required to complete Inclusion at Work, our unconscious bias training

Inclusion at work

As ZS evolves, we need to invest in our greatest strength: our people.

During 2023, we launched Inclusion at Work—a mandatory compliance training program that equips ZSers with skills and knowledge to foster an inclusive environment. The training provides employees with the tools to understand and manage unconscious biases and create a psychologically safe space for all. One hundred percent of our people are required to complete this training, and by doing so, are tasked with a collective responsibility to create a workplace where everyone feels a sense of belonging.

This is the first section of a three-part compliance training series called Do Your Part, which encompasses our [Mitigating Bias in Hiring](#) training and our recurring Safe and Respectful Workplace training.

The power of feedback

The ZS Stay Taskforce, launched in 2023 by the DEI Council, is another feedback mechanism we implement to understand what makes our employees want to stay at ZS.

This year, the taskforce aimed to better understand the experiences of our Black and Hispanic/Latinx colleagues. In employee surveys, we found a disproportionate number of Black and Hispanic/Latinx ZSers reported lower feelings of belonging and leave ZS before completing two years of tenure.

Through the taskforce, we aimed to identify drivers that contribute to gaps in representation and learn how we can improve the experiences of underrepresented colleagues at our firm.

The taskforce conducted one-to-one interviews and small-group listening sessions for ZSers to share their individual perspectives and experiences. The results of these sessions will inform new measures and solutions to increase representation, retention and engagement.

“Doing a targeted assessment allows ZS to better understand the experience of our company culture across the board and focus our efforts on supporting those who aren’t having their needs met.”

Ebonee Anderson, Stay Taskforce Interview Lead and HR Inclusion and Diversity Specialist (she/her)

Learn more about [our efforts to foster belonging at ZS](#).



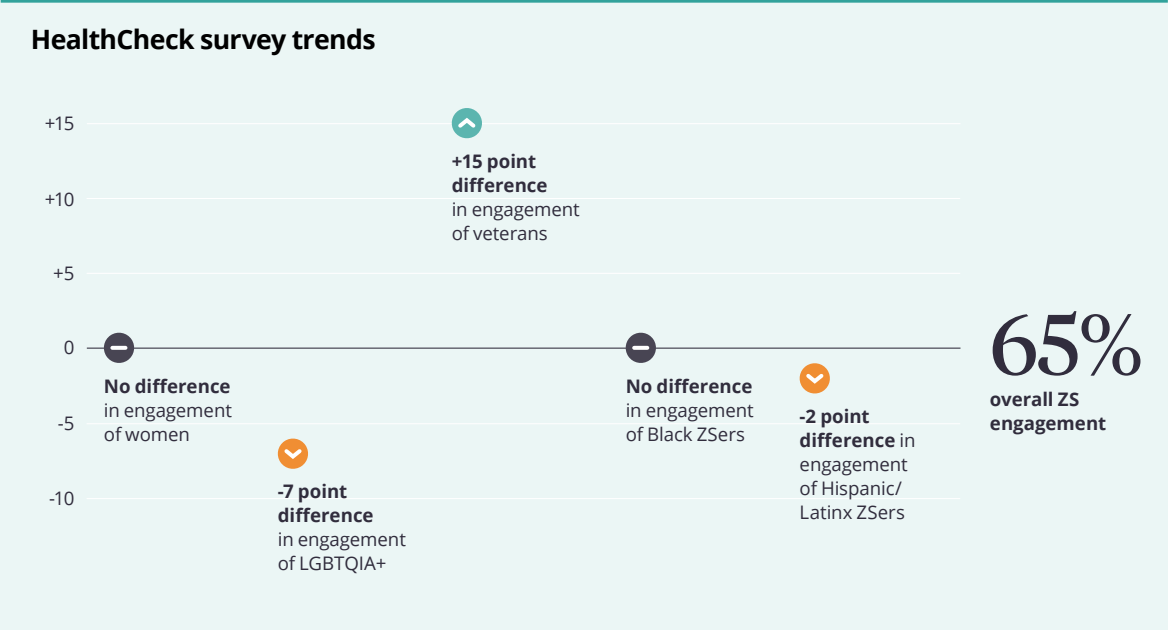
ZSers in Toronto

HealthCheck survey

We take every opportunity to listen to our employees and understand how we can make their experiences better. That is why we regularly conduct assessments on what makes our people stay at ZS.

One of our key assessments is our annual HealthCheck engagement survey, which measures employees’ feelings of safety, support and belonging. HealthCheck had a record number of responses this year at 77%, higher than the previous four years of distribution, with an overall engagement score of 65%.

In 2019, we noted gaps in levels of engagement with our HealthCheck survey between men and women. To reduce this, Women@ZS and the DEI Council launched an initiative, which aimed to listen to women colleagues, understand their barriers to engagement and ultimately foster inclusion. The research resulted in training for ZS leaders on championing women in the workplace, alongside a reduction in gendered engagement gaps. In 2023, we continued to reduce demographic differences in HealthCheck responses with the help of initiatives such as the Stay Taskforce.



Championing pride and allyship at ZS

At ZS, our priority is to foster an environment where every ZSer feels heard and respected and is enabled to thrive. Allies like Ali Khan and the Empowering Allies and Champions (EACH) program are a vital part of sustaining this culture of inclusion and belonging.

Launched in partnership with the **Forté Foundation**, EACH combines opportunities for education, interaction and personal reflection on the topic of diversity. This program provides tools, frameworks and peer support so that ZSers can take action within their teams, their local offices and ZS at large.

As a core leader within EACH, Ali developed an internal white paper to address allyship at ZS and partnered with Pride@ZS to support their events in India, expanding the group by over 20% in just three years. Alongside associate principal Rishu Batra, HR director Neha Arur and the Pride@ZS team, Ali has advocated for gender-neutral language across the firm and formalized a self-disclosure process for ZSers who change their name, gender or both.

In doing so, Ali has contributed to forging a safe space for ZSers to connect with their community, offer support and work toward a common goal of DEI. Read more about **Ali's role in championing allyship at ZS**.



ZSers in India

Inclusion and Diversity Groups (IDGs)

IDGs are ZS-sponsored, employee-led groups that build community and expand cultural awareness. These groups elevate the voices of underrepresented ZSers and advise on DEI priorities and approaches.

IDGs sit within a larger ecosystem of ZS Belonging Networks (known as employee resource groups elsewhere) that work independently to advance their unique missions and collaboratively to bring about change within ZS.

Our seven IDGs are touchpoints for ZSers to connect, inspire one another and amplify voices for change. They receive an annual budget to create opportunities for connection and education at local and regional levels, helping our people realize their full potential. As our groups grow and strengthen, so too do the opportunities for all ZSers to learn valuable skills for inclusion and allyship.

Accessibility @ ZS 

Asian @ ZS 

Black & Hispanic Alliance @ ZS 

Jewish @ ZS 

Pride @ ZS 

Veterans @ ZS 

Women @ ZS 

Enabling our people to grow and thrive

We invest in resources tailored to empower our smart, passionate and driven thinkers—ensuring they have unbiased access to the opportunities they need to thrive.

Professional development

At ZS, ongoing learning is an integral part of our culture. When we are recruiting new talent, we look for individuals who embrace innovation and a learning mindset, and we offer a range of programs to encourage their curiosity and develop their professional skills.

Promotions and paths to leadership

Our people deserve every opportunity to gain leadership skills. We provide all ZSers with access to leadership opportunities, facilitate mentorship throughout their career journeys and invest in programs and partnerships that make the path to leadership clear.

Professional development coaching

ZSers perform better and more confidently when they have a trusted advisor on their side. From their very first day, ZSers are connected with a professional development coach who supports their growth through regular one-on-one meetings and group gatherings.

Integrating new hires into our culture

An understanding of our business, skills for project readiness and alignment with our shared values are vital components for our people to succeed in their roles. Recently onboarded ZSers are enrolled into our New to ZS program, a global initiative with regional nuances designed to clarify role expectations and encourage continual development. Through it, new joiners are equipped with the tools for long-term success.

Advancing careers through Milestone training

At every stage in their career, ZSers are challenged to deepen their skills and advance their core competencies. From associate consultant to principal, we train ZSers for these professional milestones, so they are challenged and grow throughout their professional development.

When ZSers are promoted and enter a new chapter of their journey, we provide Milestone training to equip our people with the tools to succeed in a new role. The training teaches participants professional frameworks associated with their level that build trust and establish influence, with specific learnings for each stage.

2,243

ZSers were promoted in 2023

399,218

hours of training in total were completed by ZSers in 2023

1,245

hours of training were completed by 701 ZS contractors and interns in 2023

ZSers in India



Supporting employee well-being

Our priority is to advance health outcomes for everyone—including our team. We promote ZSer well-being through a generous benefits package and strong support systems. The package is designed to make our employees feel inspired, empowered and motivated to perform at their best and cultivate a performance-driven culture where excellence, determination and a shared sense of purpose propel us forward.

Through HR-funded initiatives, we ensure ZSers have equal access to the programs and mental health support they need. With offices around the world, local regulations and market standards inform benefit designs in each country—ZS goes above and beyond requirements to treat our people right.

Learn more about our [comprehensive benefits packages by clicking on the regions where we operate on ZS.com](#).

New and enhanced benefits in 2023

We regularly evaluate our benefits program to meet the evolving needs of our people. In the U.S. and India, groups such as the Human Rights

Campaign (HRC) Foundation and Avatar conduct external assessments of our benefits offerings to ensure they are inclusive and competitive. We also work with a set of regional DEI experts to ensure we receive ongoing guidance and regional expertise on how to format benefits for our ZSers.

Along with our standard benefits,³³ we introduced a range of country-specific benefits in 2023, tailored to ZSers in each of our regions (see below).

Argentina	Enhanced health and life insurance, childcare reimbursement, employee discount program and enhanced vacation policy
Brazil	100% coverage of dependent health and dental insurance premiums and enhanced life insurance
Canada	Gym discounts, enhanced Bright Horizons childcare program, coverage for gender-affirmation services and Milk Stork program
China	Enhanced health and critical illness insurance
Germany	Introduced life insurance
Jamaica	Enhanced health and accident insurance
Japan	Enhanced accident insurance and additional disability insurance
Singapore	Enhanced health insurance and military leave
U.K.	Enhanced disability benefit
U.S.	Enhanced Bright Horizons program, enhanced Alfac benefit, enhanced vision benefits, coverage for travel expenses (in instances when a covered member must travel at least 100 miles from their home to receive medical services).
Global	Enhanced Employee Assistance Program benefit, enhanced bereavement leave and added ACI Specialty Concierge Program

“I think all the time of how grateful I am for ZS’s generous support in caring for my family member, and the Benefits team’s personal help and guidance through that very difficult time.”

ZS New York Principal

RecognizeZS: Our employee recognition platform

We celebrate ZSers who go above and beyond through several avenues—including RecognizeZS. Throughout 2023, more than 9,000 ZSers used the RecognizeZS platform to acknowledge and appreciate their colleagues.

To enhance the experience and reward ZSers’ impact, we made several updates to the platform this year, including giving ZSers the option to send e-cards or awards to congratulate colleagues for embodying ZS core values, living our cultural hallmarks and fostering well-being. The system further allows ZSers to easily access recognitions and commendations, enabling them to provide tangible examples of their achievements during performance reviews and personal development sessions with their personal development coach.

5,100+
e-cards were shared with fellow ZSers this year, while 45% of active ZSers received one or more of the nearly 10,500 monetary awards shared in 2023

³³ Our other standard benefits include health insurance, Employee Assistance Program emotional health and personal support, parental and sick leave benefits in line with regional standards, life insurance and supplemental death benefits.

Earning Equality 100 for LGBTQIA+ benefits

We commit to helping every ZSer thrive and bring their authentic talents to ZS for meaningful careers and personal fulfillment.

This year, we made purposeful improvements to our LGBTQIA+ benefits offerings, expanding support for transgender and gender expansive colleagues by introducing medical insurance coverage for several gender-affirming care options. The HRC Foundation recognized our efforts by awarding ZS a perfect score, [Equality 100](#), in their annual Corporate Equality Index—a leading report that evaluates corporate policies and practices on LGBTQIA+ workplace equality in the U.S.

We are proud that this perfect score emphasizes ZS's ongoing dedication to LGBTQIA+ workplace equality.

Read more about [ZS's recognition as an Equality 100 Leader](#).

Occupational health and safety

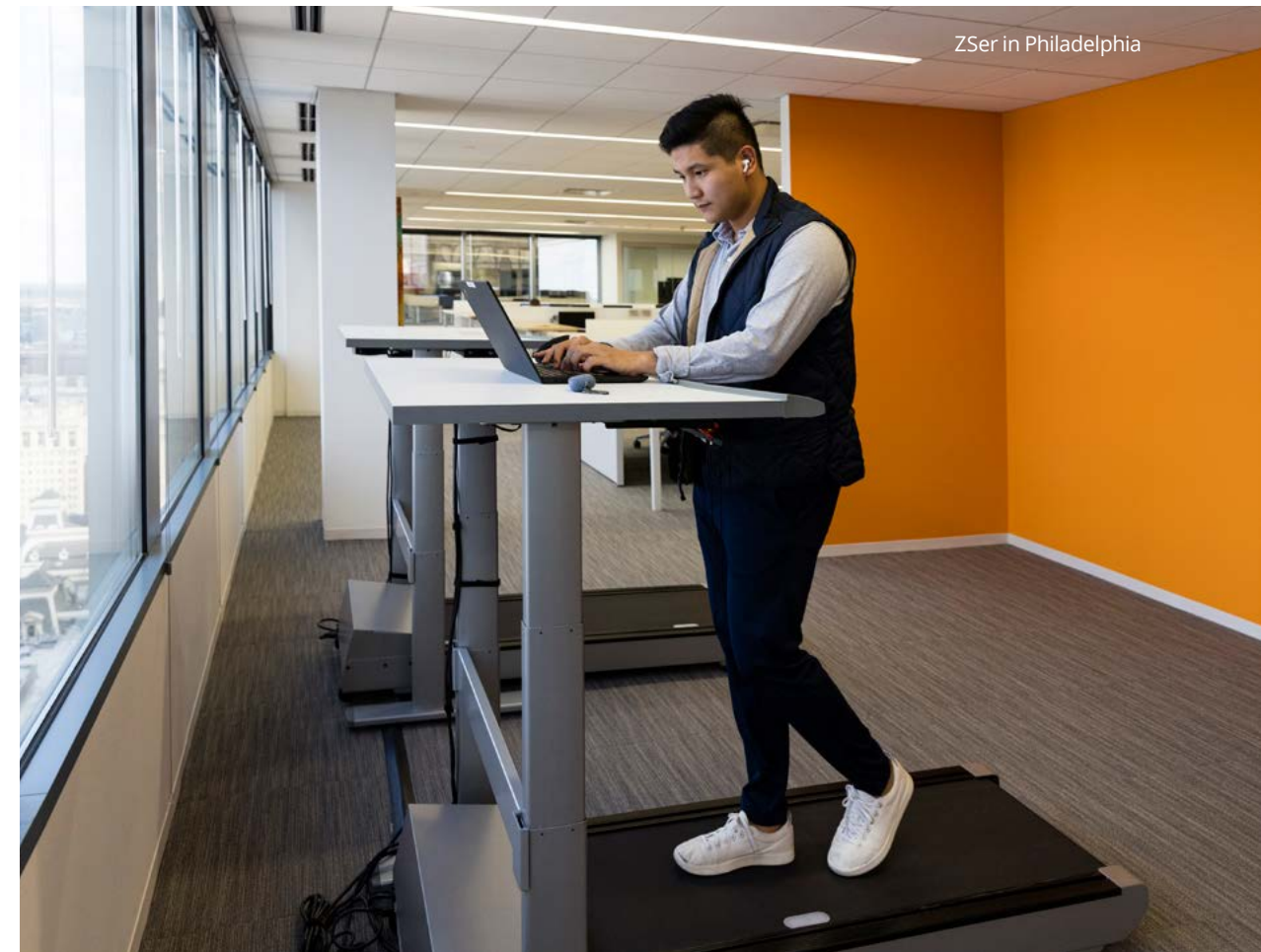
At ZS, we view health and well-being holistically, and our benefits are designed to support ZSers' safety.

Prioritizing stress management and workload management at ZS is crucial for a healthy and sustainable work environment, employee well-being and our ability to deliver high-quality services to clients. Knowing the high-pressure nature of our industry—and that overworked employees may be more prone to accidents and health issues—we provide resources for stress management and mental health support, including regional benefits and 24/7 support through our Employee Assistance Program. To prevent occupational injuries and illnesses, we also provide ergonomic mice, keyboards, chairs, desks and headphones to ZSers who request them.

Our five India offices across Pune, New Delhi, Noida and Bengaluru are ISO 45001 certified for Occupational Health and Safety Management Systems. These offices are also ISO 45003 certified for Psychosocial Health and Safety at Work, covering 100% of workers, contract staff, clients, visitors and suppliers working from our offices in India.

ISO 45003

In 2023, we became the first organization in India to achieve an ISO 45003 certification, recognizing the role of ZS in protecting the physical and psychosocial health of our staff



Belonging Networks for employee safety and well-being

Two employee-led Belonging Networks at ZS—known as employee resource groups elsewhere—are Healthy Minds@ZS and Life and Family@ZS.

Healthy Minds@ZS aims to support all ZSers with their mental health. One of several internal initiatives sponsored by the group is Mental Health Stories. Developed during the COVID-19 pandemic, the initiative aims to give ZSers a space to communicate their unique mental health experiences, with the mission of reducing stigma and barriers to seeking support.

Meanwhile, Life and Family@ZS assists ZSers in managing their personal and career development during each stage of life, from caretaking, home ownership and marriage to fertility, adoption and pregnancy loss. In 2023, Life and Family@ZS brought ZSers together from across the world to build community around shared experiences such as infertility and grief. With the help of Women@ZS and HR, they also sponsored a new Parenthood Program in India to support ZSers in navigating their parenting journeys.

Compensation and pay

Conducting annual compensation reviews is part of our dedication to an equitable workforce. It ensures every ZSer has equal opportunity to thrive and innovate at our firm.

Our pay philosophy is:

- **Merit-based:** We pay for the performance that is expected of ZSers based on their level and job description. We use a competency model as the basis for measuring ZSers' performance and progression.
- **Competitive:** We leverage external benchmarks and compare against talent competitors to ensure our total compensation package is competitive by role, level and country. We aim to keep our pay bands at the top half of these benchmarks. For certain roles with niche skills, we aim to be in the top quartile. We also evaluate turnover data, exit interview data and internal intelligence from our hiring efforts to keep pace with competitors.

- **Fair:** We ensure fairness and consistency by regularly auditing our compensation data to ensure ZSers receive equal compensation for performing equal work. Our audits are rigorous, and ZS complies with applicable laws and regulations regarding pay disclosures, such as the U.K. Gender Pay Gap.

In 2023, ZS worked with an external partner to audit pay practices across various levels and regions at ZS. Once we accounted for legitimate differences in pay—such as role, job level and prior experience—the audits showed no statistically significant differences in pay based on gender and race and ethnicity. We plan to continue and expand these audits in the future.



ZSers in London

Connecting with talent

Whether connecting with more women and veterans or reaching students from historically Black colleges and universities (HBCUs), we continually expand our partnerships to attract historically underrepresented talent in our industry.³⁴

Mitigating bias in hiring

We focus on equity in hiring processes to ensure a consistent, inclusive process that brings diversity to our workforce. To do this, we evaluate industry and market data to attract individuals from diverse backgrounds and sponsor equity initiatives to make our talent attraction process as objective as possible.

- **Ideal hiring process:** ZSers involved in the hiring process are equipped with the skills they need to make objective candidate evaluations. In 2023, we provided a required, custom-built Mitigating Bias in Hiring e-learning course that trains ZSers on how to mitigate biases throughout the entire hiring process.
- **Recruiting diverse talent:** We invest in school partnerships and external talent organizations to increase representation at our firm and reach exceptional, yet often overlooked, students.

DEI partnerships

Diverse partnerships connect us with new, passionate talent. Some of our key partners include:



ZS SEED and TMCf

ZS SEED is our multiyear, early-career micro-internship program that provides a hands-on consulting experience for students at HBCUs. One of our key partners, Thurgood Marshall College Fund (TMCf), connects us with these students.

Through the program, 20 currently enrolled sophomores and freshmen participate in a multiday ZS SEED Immersion program and work side by side with ZSers to deliver on client needs. Students are then invited back for the Apprenticeship phase, a 10-week paid summer program where they cycle through three roles at ZS, working with coaches and mentors along the way.

By the end of the program, students should have a clearer idea of how ZS can allow them to meet their professional goals while leveraging their unique talents.

Learn more about [ZS SEED](#).

³⁴ ZS is an equal opportunity employer and is committed to providing equal employment and advancement opportunities without regard to any class protected by applicable law. ZS complies with all applicable employment practices laws.



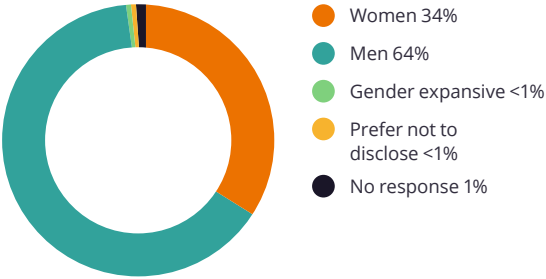
Our 2023 representative diversity

Although we invested heavily in DEI initiatives and worked toward our goals in 2023, our representative diversity remained the same as in 2022.

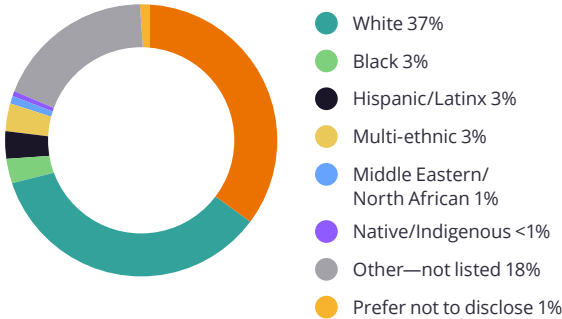
- Representation of Black, women and LGBTQIA+ ZSers was unchanged from 2022 to 2023
- Women and gender expansive ZSers globally—both overall and at the leadership levels—decreased by 1%
- Black and Hispanic/Latinx ZSers each still make up 3% of our U.S. workforce

Several factors contributed to a lack of year-over-year variance, including limited hiring efforts, attrition and low ZSer participation rates in voluntary demographic data disclosures. Our continued focus on recruitment and retention efforts in 2024 will prove vital to achieving our goals.

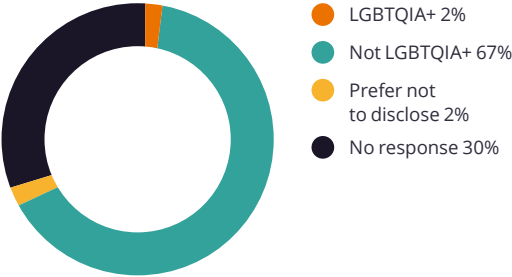
Overall representation: Gender (global)³⁵



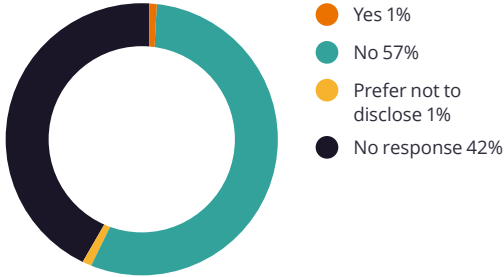
Overall representation: Race and ethnicity (U.S.)



Overall representation: LGBTQIA+ (Canada, India, U.K., U.S.)



Overall representation: Veteran (Canada, U.S.)

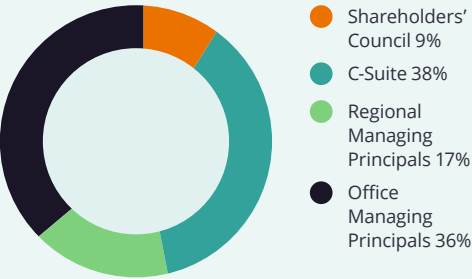


³⁵ Please note that statistics for employee data are rounded and may not sum to 100%.

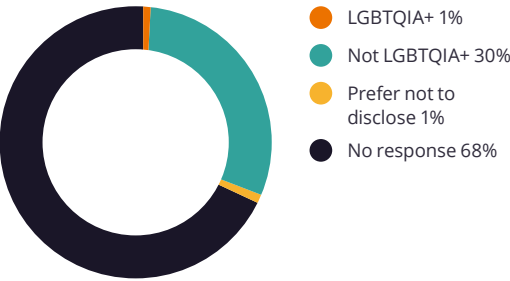
Increasing representation in leadership

One of our DEI goals is to increase leadership diversity, to ensure the decision-makers at the table resemble the clients, consumers and communities we serve. Similar to overall diversity, ZS's principal, associate principal and manager representation of women globally and racial and ethnic diversity in the U.S. remained largely flat from 2022 to 2023.

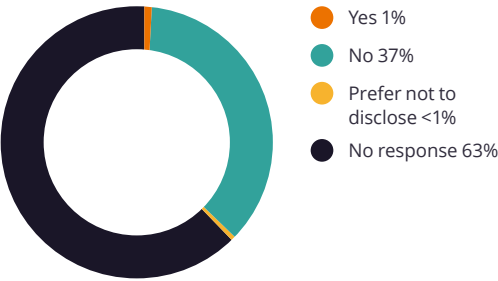
Gender representation of key governing bodies: Women (global)



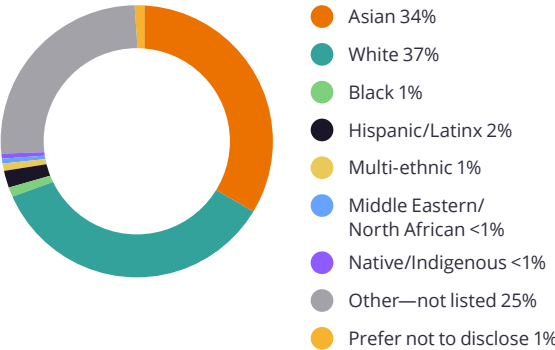
Leadership representation: LGBTQIA+ (Canada, India, U.K., U.S.)



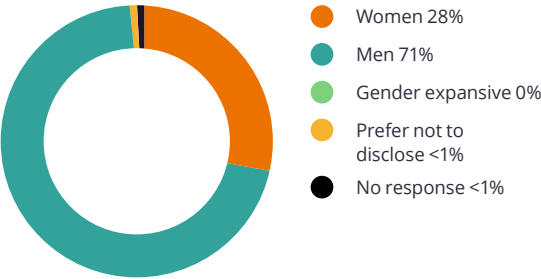
Leadership representation: Veteran (Canada, U.S.)



Leadership representation: Race and ethnicity (U.S.)



Leadership representation: Gender (global)³⁰



Empowering diversity with the Black and Hispanic Alliance (BHA) Summer Series

The BHA Summer Series aims to enhance diversity, foster inclusion and empower professional development among Black and Hispanic or Latinx ZSers.

The series focuses on affirmation, meaningful connection and personal growth, providing professional development opportunities. By offering tactical solutions for career success and creating spaces for community engagement, the series aims to increase the retention of Black and Hispanic or Latinx employees at ZS by ensuring they have the resources and tools for success.

Aiming to inspire Black and Hispanic or Latinx ZSers to get excited about their future at ZS, the series contributes to a more inclusive organizational culture, embodying our commitment to diversity and inclusion.

Empowering women as future leaders

Companies with an inclusive culture are six times more likely to be innovative.³⁶ At ZS, we empower women to use their skills in leadership positions, as we believe this is vital for building a strong, innovative and equitable future.

In 2023, ZS formed a taskforce designed to increase gender representation among ZS's leadership team. The taskforce found that many long-tenured, successful principals coach other principals, who are mostly male due to our current gender ratios. To counteract that trend, the taskforce—in partnership with Women@ZS and the DEI Council—launched

an initiative that encourages long-tenured principals to expand their coaching roster to support more managers and associate principals. The hope is to eliminate any barriers to advancement and create more diverse representation in senior principals' coaching rosters.

Additionally, Women@ZS, one of our IDGs, continued its Path2Principal (P2P) program, which equips managers in India with the skills for a leadership role at ZS.

Read more on how Women@ZS empowers managers as future leaders.

“My biggest takeaway from P2P was that I am not alone. There is a huge community within ZS that I can lean on to discuss my personal and professional dilemmas. The program catered to our development needs and addressed biases, helping us to develop holistically.”

Pavithra Kannan, Associate Principal,
ZS Bengaluru (she/her)

Retention at ZS

We work hard to mitigate bias during the hiring process. However, hiring cannot improve diversity alone—we must also emphasize retention and internal pipeline progression of ZSers.

Women at ZS, for example, have had historically higher attrition rates compared to men, a problem reflected throughout the professional services industry. However, years of interventions driven by HR and Women@ZS have helped bridge the gap in retention rates. We saw a seven-percentage point decrease in attrition of women between 2019 and 2023, which brought it on a par with the average 2023 overall ZS attrition rate.

We are now using lessons learned from this work to close the attrition rate gap for underrepresented minority ZSers. This will include ongoing tracking, improved data collection and intentional interventions such as the ZS Stay Taskforce.



P2P participants in India

³⁶ Deloitte (2018) “The Diversity and Inclusion Revolution,” *Deloitte Review*. Accessible at: [DI_Diversity-and-inclusion-revolution.pdf \(deloitte.com\)](https://www.deloitte.com/india/content/dam/india/press-releases/2018/01/22/2018-01-22-diversity-and-inclusion-revolution.pdf). Accessed on: 01/22/2024.

ZS Cares

Having started out as a small, office-level effort in 2016 driven by the passion of a few ZSers, ZS Cares has grown into our global social impact initiative. It unites ZSers to give back to causes they care about that contribute to our firmwide ESG priorities.

Donation matching

Our global Donation Match Program matches ZSers' monetary donations and volunteer time,³⁷ allowing ZSers to double their impact for causes that matter.

~\$825,000

raised by ZSers for 450+ causes through the Donation Match Program during 2023

ZS Cares by the numbers

In 2023:

2,000+

ZSers contributed 40,500 hours to volunteering and pro bono consulting efforts

1,650

ZSers served 7,000 hours volunteering across our local communities on ZS Cares Day

81%

of ZSers agree that ZS cares for the community around it

ZSer in Trinidad and Tobago

Letting communities lead the way with Mist

Throughout the year, our Pride@ZS team collaborated with Mist LGBTQ Foundation in India. Aligning with our commitments to DEI and health equity, volunteers assisted in organizing a medical camp and distributed pre-exposure prophylaxis (PrEP)—a drug used to reduce an individual's risk of contracting HIV.

Additionally, during a Diwali celebration in November, Mist fostered connections with over 200 members from the Hijra (transgender and intersex) sex worker community in Budhwar Peth, India's third largest red-light district. Workshops with Panna Guru, a Hijra community leader, shed light on the struggles of sex workers, galvanizing ZS's commitment to support marginalized communities in receiving the care they deserve.

³⁷ Up to an annual maximum of \$2,000 (USD or local equivalent) per ZSer.

Partnering with Working for Women™ to address barriers for women in the workforce

Over the last five years, [Working for Women](#) (W4W) and ZS's partnership has focused on helping women from marginalized communities grow their economic power by connecting them to jobs, investing in training and education and addressing barriers that women face in the workplace.

Highlights from our work in 2023 include:

Expanding the W4W Negotiation Skills Workshop programming with multiple W4W nonprofit partners to engage over 400 women across the U.S.—100% of participants reported increased confidence and tangible tools and tips gained from the workshop

Developing a learning module for Women's Way (nonprofit partner) to serve as an online [Gender Wealth Gap](#) resource for dispelling myths around wealth inequality for women

Supporting W4W's efforts with CareerCircle (nonprofit partner) to pilot an upskilling program to enable women to attain jobs in growing fields such as data analytics

Developing and hosting a panel series, [Health Equity is Women's Equity](#), to highlight and promote dialogue on the unique health challenges women face

“Since that initial day when I attended the informational session, my journey has been nothing short of transformative. The impact on my life, both personally and professionally, has been profound.”

CareerCircle Pilot Program Participant

Nonprofit Board Service Playbook

Serving on the board of a nonprofit is a valuable way for ZSers to advance their skills and knowledge while embracing opportunities to support their communities. Our Nonprofit Board Service Playbook guides ZSers who are interested in these opportunities, or who already contribute, to deliver value to the organizations they serve.

Making a difference on ZS Cares Day

To further our social impact, we proudly organize our annual global day of volunteerism—ZS Cares Day. In 2023, 1,650 ZSers around the world volunteered to deliver healthy, fair and sustainable outcomes for their communities.

This year's projects included supporting health check-up camps with the [Seva Arogya Foundation](#) and [Jeevan Stambh Foundation](#), planting trees in Jamaica for Bellevue Hospital, providing Chicago children with winter clothing through Cradles to Crayons, making children's dreams come true with Make-A-Wish Brazil and collaborating with the International Coastal Cleanup Trinidad and Tobago chapter.

Read more about [ZS Cares Day 2023](#).

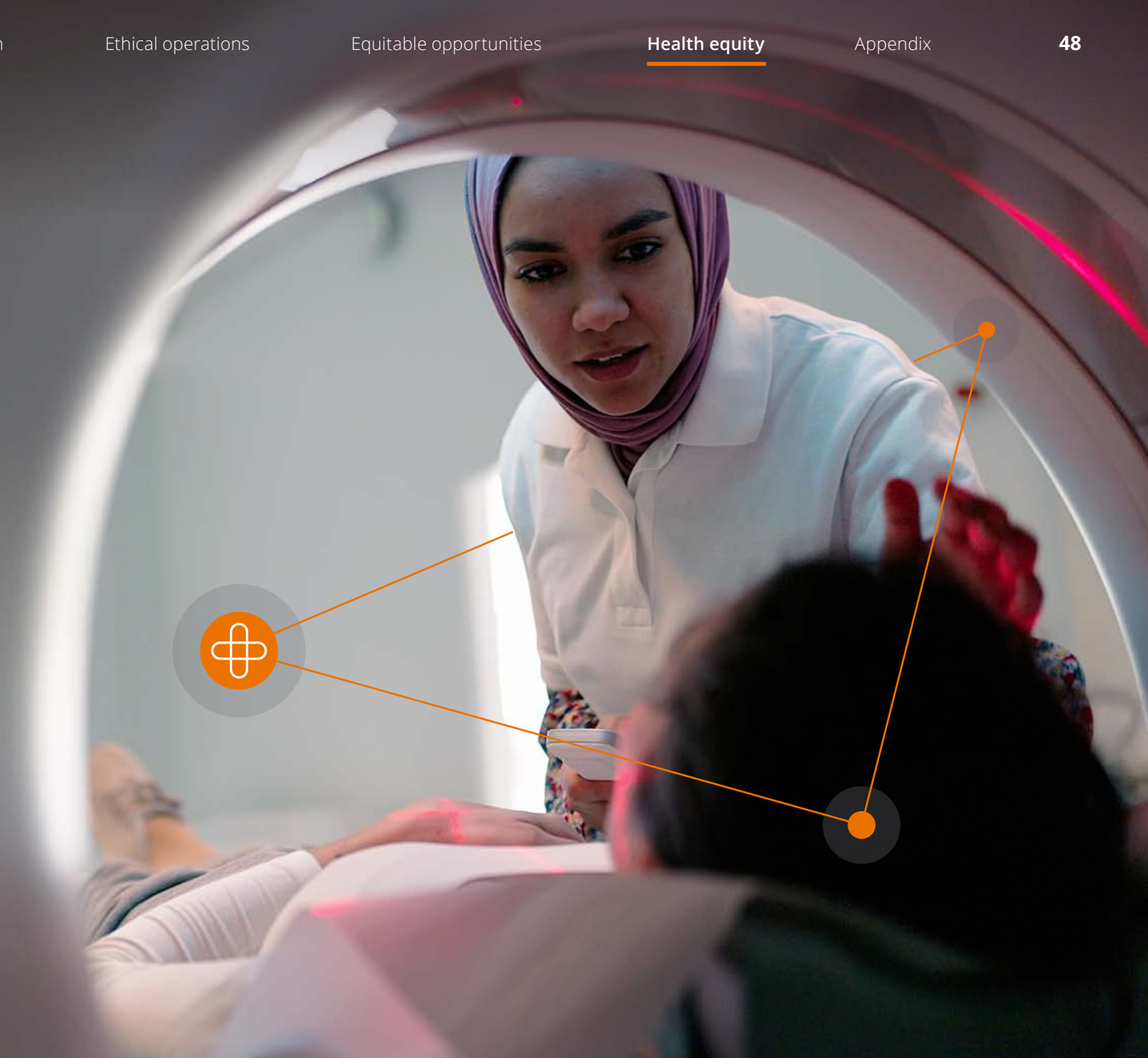


ZSers in São Paulo

Health equity for all people and communities

Reducing health disparities globally requires cross-sector partnerships and collaboration. ZS serves as a connector across the healthcare industry, facilitating partnerships to improve health outcomes for all people, all around the world.

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Our approach to health equity

We work with leaders across sectors to forge partnerships, understand the social determinants of health (SDOH) and promote patient centricity³⁸ within healthcare. By addressing disparities through inclusive research and building human-centered solutions, we—alongside our clients and other industry experts—can support the complex needs of patients, consumers and communities.

³⁸ Having an organizational culture, business practices and capabilities that put patients at the heart of decisions, meet patient needs as articulated by patients themselves and drive business outcomes.

Our goal of advancing health equity contributes to the following material issues:

Health equity

Reducing health disparities around the world

Diversity, equity and inclusion

Fostering a culture where every person can thrive

Data security and privacy

Maintaining the safety, security and privacy of our assets

Our work contributes to two SDGs:

- 3 Good health and well-being
- 10 Reduced Inequalities



2023: Our mission in action

Leveraging our expertise, strategic partnerships, innovative problem-solving, proprietary AI solutions and robust analytics capabilities, we delivered progress toward our healthcare mission. This year, we continued our progress toward our targets.

We have:

- Expanded our work with 112 unique clients and partners to advance patient health and equity globally
- Worked with our clients and partners to expand representation in clinical development, including portfolio strategy, clinical trial design and implementation
- Improved access to and quality of care—particularly for underserved communities—through strategic focus, insight, innovation, cultural relevance, connection and measurement, affecting approximately 23 million potential lives³⁹
- Supported legislation and regulation that improves access to healthcare and health equity

We delivered:

- 17+

therapeutic areas where we partner with our clients to address health equity:

Autoimmune disorders
Cancer/oncology
Cardiovascular and cardiac disorders
Diabetes
Eye disorders
Gastrointestinal disorders
Hematology disorders
HIV/HBV/HCV

Infections (non-HIV/hepatitis)
Musculoskeletal disorders
Neurological disorders
Orphan/rare diseases
Psychiatric disorders
Respiratory disorders
Skin disorders
Urology disorders
Others
- 731

patient health and equity (PHE) projects in 2023, across 112 unique clients
- 12

practice areas, including marketing, clinical development and supply chain and manufacturing
- \$5M⁴⁰

invested in partnerships through our patient health equity work and social impact program, ZS Cares—many of which address health disparities

³⁹ This number was determined based on the fact that ~200,000 adult Black women are at risk for breast cancer in Illinois and California, ~2.5 million underserved children are living with asthma in the U.S., 20 million patients are benefiting from American Heart Association programs, there are ~160,000 multiple myeloma patients globally and ~80,000 patients benefited from an anemia eradication program.

⁴⁰ Per the Companies Act 2013 in India, ZS is required to invest 2% of our net profits on corporate social responsibility (CSR) activities. In 2023, we spent ₹7.56 Cr (or \$900,000) on India CSR activities. Read more in our [2023 India social responsibility report](#).

ZS as thought leaders

In collaboration with our clients, nonprofit partners and fellow ZSers, we innovate to improve human health. We use advocacy, research and targeted interventions to work toward a more equitable healthcare landscape for all—sharing our knowledge to accelerate progress.

We invest in thought leadership initiatives to raise awareness of the most pressing challenges in healthcare, inspire innovation and share best practices to accelerate patient-centric, equitable care in our industry. Our work spans mediums, from white papers on health equity to our [Patient Centricity Podcast](#). In 2023, we published a range of thought leadership pieces on topics including:

- Social and environmental factors influencing health outcomes
- The evolving potential of AI in reducing data biases in life sciences
- Patient centricity as a vital component of healthcare innovation

A selection of our thought leadership pieces

[Driving Patient Outcomes Through Health Equity Partnerships](#)

[You Can't Improve What You Can't Measure: Measuring Patient Outcomes in Life Sciences](#)

[ZS data and research experts lead anemia mitigation in India](#)

[Living with myeloma: Patient advocate Yelak Biru's story](#)

[Scaling smart solutions with AI in health](#)

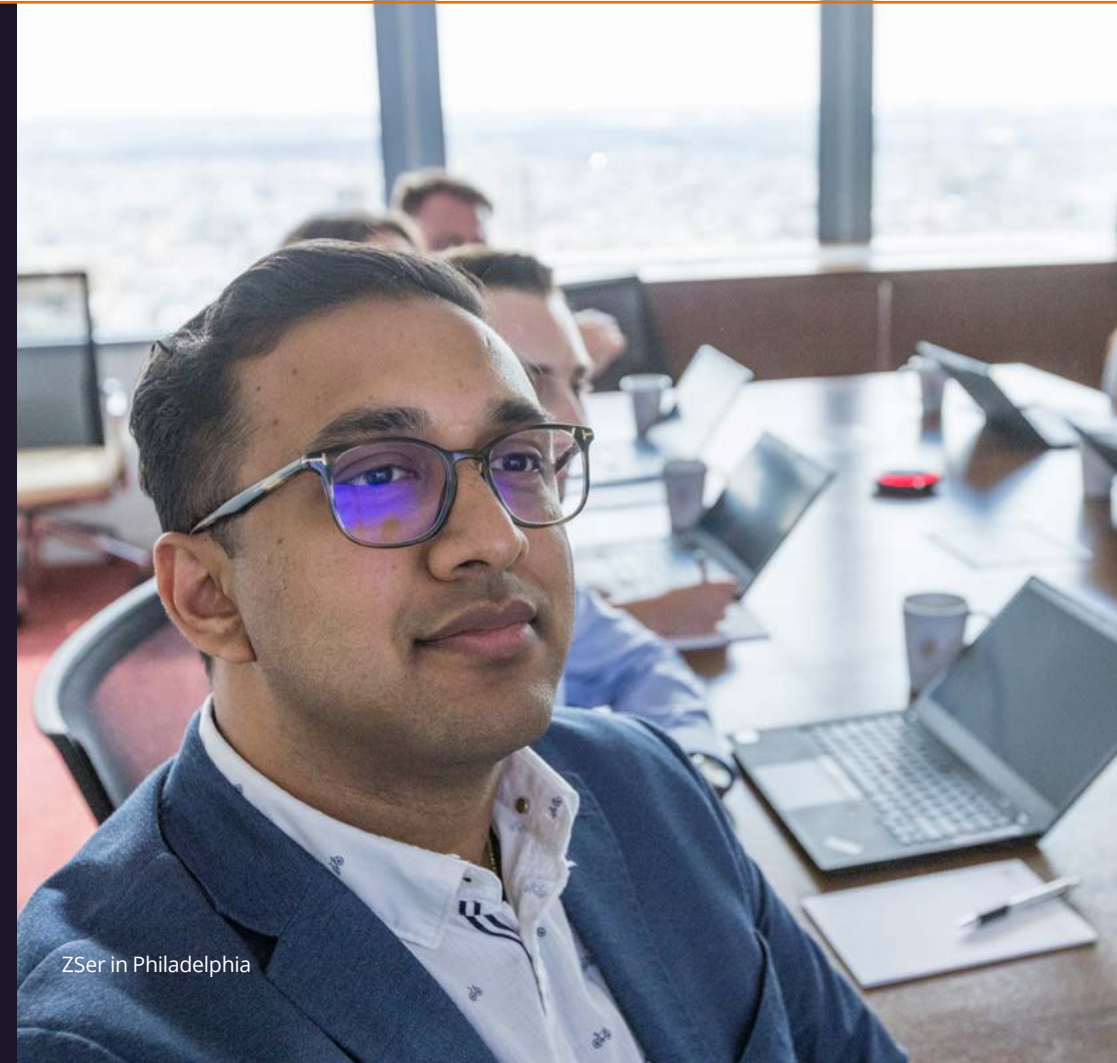
[The business imperative for health equity in life sciences: Repairing the patient journey](#)

[Discussing the rise of patient-centricity in life sciences](#)

[Think health equity doesn't impact pharma marketing? Think again](#)

[ZSers Dajzsa and Avery advocate for patient health equity](#)

[ZS works toward a universal healthcare language](#)



ZSer in Philadelphia

Teams leading the way

We believe in creating a future for healthcare that is more connected, accessible and quality-driven. To do this, we prioritize health equity in our research, innovations and solutions—an approach that is ingrained across our operations and driven by two teams.

Patient Health and Equity Accelerator

Across ZS, our work is grounded in making a meaningful difference for patients and their experiences of healthcare. The Patient Health and Equity Accelerator is a team of experts who embody ZS's health equity work and deepen our understanding of current disparities. Using cross-ecosystem partnerships and innovative problem-solving, the team supports our healthcare practice and therapeutic areas by leveraging ZS solutions to improve patient experiences and broaden access to care.

Women's Health Expertise Hub

Since 2022, ZS has delivered more than 700 projects for conditions that disproportionately affect women—such as autoimmune conditions, osteoporosis, migraines and multiple sclerosis—in addition to the more than 100 projects on women's reproductive health.

Recognizing the diverse challenges women encounter across various regions and demographics, we identified an opportunity to enhance our ability to assist clients with women's health issues. As a result, in 2023, we established the Women's Health Expertise Hub. This initiative aims to foster broad and inclusive perspectives on women's distinct experiences within healthcare systems.

ZS Cares

As part of our global social impact program, ZS Cares, we partner with nongovernmental organizations who—like us—strive to address the drivers of health inequities. Through industry partnerships, pro bono and low bono⁴¹ consulting, volunteering efforts, donation matching and more, ZSers apply their knowledge, skills and passions as a force for good to improve health outcomes in their communities.



ZSers volunteering in Pune

⁴¹ Low bono consulting is a business model where consulting services are provided at a reduced or discounted rate to clients who may not be able to afford traditional consulting fees.

Connecting leaders to address disparities

We develop programs and pioneer solutions that improve access to care and medicine for vulnerable populations. We partner with our colleagues and clients, sharing and evolving our expertise to create positive change together.

To demonstrate our dedication to this mission, we signed the [World Economic Forum's Zero Health Gaps Pledge](#) in 2023 and the [Healthcare Leadership Council's Pledge](#) in 2022, along with developing a [guide for life sciences companies](#) on how to quantify and approach health disparities.

We are consistently unlocking new opportunities to bring life sciences leaders together to share knowledge, facilitate connections and make a positive impact on patients' lives. Twice a year, we hold our Patient Centricity Advisory Boards, where leaders address the intersections of patient centricity and health equity.

Additionally, in the summer of 2023, the Patient Health and Equity Accelerator launched a series of health equity roundtables with clients across pharmaceutical and medtech companies, giving them an opportunity to share their successes and challenges in advancing health equity. Topics included compliance, measurement of health equity initiatives, team structure and funding, and health equity for marketers. Our clients also identified common challenges across their organizations, including clarity on ownership and accountability, measurement and communication of impact, embedding health equity into core business, budget constraints and the prioritization and focus of health equity efforts.

Given the appetite from participating clients to continue engaging with other industry leaders, we will continue the roundtable series to provide an ongoing forum for connection and innovation.

5

health equity roundtables held with healthcare leaders in 2023

Future of Health Survey

In January 2024, we published our [Future of Health Survey](#). It highlights research conducted in 2023 on healthcare providers and more than 9,500 healthcare consumers across six major markets— China, Germany, Japan, Sweden, the U.K. and the U.S.

One of the key findings showed that healthcare must be accessible, affordable and equitable.

The survey demonstrated that the industry's thorniest problems will require collaboration from every healthcare stakeholder, as well as governments.

In five of the countries polled, nearly 50% of respondents said they feel like the healthcare system “doesn’t care about people like me.” Within this number, we see respondents of all races, ages, incomes and health conditions

Healthcare frustrations are universal in all six major economies, as consumers are 50% less likely to feel cared for after a visit than their doctors believe

In the U.S., Black and Hispanic/Latinx individuals are more likely to avoid care due to hassle, cost and a fear of unexpected healthcare bills

Consumers keep moving toward convenience, resulting in fragmented healthcare journeys

“It’s not fair that people have to choose between their health and financial stability. It’s important for government and healthcare providers to work together to find a solution that makes healthcare affordable and accessible for everyone.”

Future of Health Survey respondent in the U.S.

Ensuring our partners put patients first

Throughout their treatment journeys, patients can face a range of challenges driven by SDOH, including financial burdens, limited access to care and difficulty understanding health information. By taking a patient-centric approach, life sciences companies can deliver interventions that effectively reach underserved communities, from prevention through diagnosis and treatment.

We assist our clients in capturing patients' voices and making patient centrality a core focus by:

- Defining their patient centrality strategies to improve capabilities, resources and incentives that meaningfully focus on patient outcomes
- Connecting patient needs and business impact through a culture shift that enables organizations to recognize and respect individual patient needs
- Introducing a diverse and representative patient voice across the product life cycle
- Helping to design products and services for patients, with the foundation of a patient-centric strategy, mindset and capabilities

300+

ZSers engaged with the Patients as People Co-Lab 121 times on solutions, initiatives and offerings during 2023

Seeing patients as people

Our [Future of Health Survey](#) found that the healthcare system must learn from the experiences of the people who use it most—patients with chronic conditions like autoimmune disease, cancer, cardiovascular disease, respiratory disease and obesity.

It is for reasons like this that we created the Patients as People Co-Lab to better integrate patient perspectives in our solutions. The Co-Lab consists of 25 patients living with various long-term health conditions, such as multiple myeloma, multiple sclerosis and focal segmental glomerulosclerosis, who share their perspectives on ZS's products and thought leadership.

In 2023, we grew the initiative to include six patient advocates in oncology, women's health, rare disease and immunology, to learn more about their experiences with the healthcare system and pharma.

ZSers are encouraged to use the Co-Lab to share patient stories in internal meetings, advise market research and commissioned work and inspire thought leadership pieces with patient perspectives at their heart. In 2023, more than 300 employees directly engaged with Co-Lab partners, and ZS completed 31 projects in total—double the number we completed in 2022.

Catalyzing patient-centered healthcare with ZAIDYN

To deliver the best possible patient outcomes, we must streamline a fragmented healthcare ecosystem. We aim to do this with ZAIDYN Connected Health—a suite of solutions that leverage data from across the healthcare ecosystem to transform patient outcomes.

The ZAIDYN Connected Health framework consists of three solution areas: Health Insights, Patient Engagement and Connected Research. It marks an important milestone in advancing ZS's vision of patient-centered healthcare. In 2023, a market leader in infectious disease approached ZS for help in reinvigorating its brand portfolio in response to health inequities. The company

aimed to identify latent demand across U.S. geographies at the ZIP code level and assess healthcare gaps. Our implementation of the ZAIDYN Care Gap and Health Equity solutions allowed the company to inform its health equity initiatives using data-backed visual insights, alongside engaging with disadvantaged patient communities.

As we move forward, we plan to encourage broader client outreach, leveraging the early feedback we've received to enhance the impact ZAIDYN Connected Health can have.

Learn more about [ZAIDYN health equity interventions](#).

 **ZAIDYN** BY ZS



Reinventing and measuring patient centricity

To help our clients quantify and demonstrate the impact of patient-centric efforts in a compliant way, ZS developed Patient Outcome Impact™ (POI™) metrics that bring a standardized and multidimensional approach to understanding, assessing and measuring patient impact. POI uses healthcare outcomes data, intervention data and patient segment data to holistically evaluate the impact of an organization’s effect on patients. By using our approach, life sciences organizations can ensure that their future investments put patients first.

Going forward, we aim to broaden POI measurement to all non-promotional activity measurement, enhancing the patient-focused impact that life sciences can bring to the world.

By benchmarking progress across areas of culture, governance, capability and cross-industry collaboration, organizations can improve patient centricity—with ripple effects across the entire healthcare ecosystem.

Read more on how we are [bringing patient-led business models to life](#).

Learn more about [rethinking patient-centered investments with POI](#).



Data-informed solutions

Using advanced analytics, predictive modeling and AI capabilities, we help our clients make data-driven, informed decisions, exploring new dimensions of the healthcare business to generate greater value from digital initiatives. In doing so, we transform ways of working, accelerating progress and forging connections across the healthcare ecosystem to shape the future of health.

Learn more about our focus on [digital transformation](#).

Improving health outcomes with AI

In 2023, we released a report with the World Economic Forum. This report emphasized the need for multilateral stakeholder collaboration on AI solutions—building trust and confidence in providers, patients, policy-makers and business leaders.

Informed by an analysis of over 400 AI use cases and interviews with 50 global

healthcare leaders, the report concludes that to maximize the impact of AI in healthcare, data must be plentiful and representative; AI solutions must be designed with transparency and inclusivity in mind; and applications must be scalable. However, even with these strong foundations, trust hinges on the implementation of ethical AI policies.

Read more in our [joint report](#).

“Delivering on the promise of AI to contribute to more equitable global health requires collaboration across sectors, borders and corporate walls. This report is an important step we’re taking to usher in a new era of innovation, collaboration and better healthcare for all.”

Pratap Khedkar, Managing Director and Chief Executive Officer

Finding the intersections of health equity and AI

AI holds the potential to revolutionize disease detection and close health equity gaps. AI may democratize the accessibility of healthcare information while customizing healthcare content across language, education and literacy levels. In the same way, AI tools may act as health coaches for patients and clinical trial participants, optimizing quality of care and targeting patient outreach.

While the opportunities are endless, it is essential that healthcare providers ensure AI does not exacerbate existing biases and disparities. This can be done through AI ethics and risk-mitigation frameworks, understanding data bias and constructing guardrails in analytical and training approaches.

ZS guidelines for artificial intelligence	
ZS follows five key principles for responsible AI design and deployment:	
Reliability AI systems must be accurate and reliable, prioritizing minimization of negative impacts and ensuring human intervention when necessary	Privacy Data collection and utilization must be done responsibly, with efforts to minimize data usage and protect personal information
Transparency The logic and methodologies behind AI decisions should be clear and accessible, promoting trust and understanding	Security AI systems should be safeguarded against unauthorized access or misuse to maintain trust and reputation
Fairness Bias is avoided by constant monitoring of inputs and outputs to ensure AI systems do not discriminate	

Data-driven solutions for SDOH

Social determinants of health, or SDOH, is a relatively new area of research that explores how social conditions affect patient health outcomes. To bring clarity to this burgeoning field, we designed the Risk Propensity Framework—a data solution that establishes consistent definitions of SDOH.

The framework includes more than 800 variables, which are processed into an analysis-ready database that organizations can use to explore the influences of SDOH on healthcare access, decisions, delivery and outcomes. It considers 14 types of risk scores across four social paradigms (see below).

Risks to healthcare access	Behavior risks	Community and social risks	Socioeconomic risks
<div><div>- Healthcare access</div><div>- Coverage</div><div>- Access to transport</div><div>- Digital adoption</div></div>	<div><div>- Behavior and lifestyle</div><div>- Mental health</div></div>	<div><div>- Family instability</div><div>- Immigrant integration</div><div>- Racial segregation</div><div>- Exposure to violence</div></div>	<div><div>- Food insecurity</div><div>- Housing</div><div>- Financial</div><div>- Education and awareness</div></div>

By combining SDOH data and applying it to custom models in our [Patient Analytics Cloud](#), we have already started using the tool to help clients:

- Adopt standardized SDOH data in business practices
- Predict health outcomes in a particular community
- Quantify health inequalities
- Identify barriers to care access and delivery
- Understand clusters of historically disadvantaged patient populations
- Acquire and analyze SDOH data

Using machine learning to tackle health disparities

At ZS, we are using AI and machine learning to improve care for populations disproportionately impacted by certain diseases.

In 2023, we received second place at the FDA-sponsored [Veterans Cardiac Health and AI Model Predictions \(V-CHAMPS\) Challenge](#), which required teams to develop

and evaluate AI and machine learning models to predict cardiovascular health-related outcomes in veterans—a demographic more likely to develop cardiovascular risk factors.⁴²

Through the potential of AI, we aim to reduce healthcare disparities for those disproportionately at risk of disease.



⁴² Office of Health Equity: [Differences in Cardiovascular Disease Mortality & Home-Based Cardiac Rehabilitation](#)

Healthcare partnerships in action

We are partnering with industry experts and leaders to build a future that is patient-centered, connected and equitable. By working with foundations and institutions across a range of health conditions, we aim to empower healthcare providers with detailed insights, solutions and analytics—enabling them to put patients first.

American Heart Association (AHA) and CKM patient experience

The AHA hired ZS to build a better understanding of the full range of experiences and SDOH challenges for people living with cardiovascular-kidney-metabolic (CKM) syndrome.

Using mobile ethnography survey methodology, ZS collected qualitative data on patients with CKM, including the SDOH factors that could lead to disparities in healthcare and health outcomes. Based on this qualitative data, combined with secondary data analysis, the Patient Health and Equity Accelerator team developed eight archetypes of CKM patients based on patients' levels of awareness of their conditions, engagement in their care and SDOH factors for the AHA. The AHA and ZS shared these draft archetypes with patients in a live workshop to solicit input, ensuring that the archetypes accurately represented the breadth of patients' experiences and needs.

Enhancing patient experience with the International Myeloma Foundation (IMF)

In 2023, we began a partnership with IMF, supporting their “Think Big Vision” to improve the quality of life for all myeloma patients while working toward prevention and cure. ZS created a strategic roadmap, including prioritized initiatives, data and AI strategy, capability maturity, architecture and integration blueprint, a value-realization framework and a strategic narrative for executive communication. We are also enhancing IMF's patient and care partner support system by integrating a custom patient-facing chatbot on their online platform.

Unconscious bias in pediatric asthma with Montefiore

Pediatric asthma is a condition with racial, ethnic and socioeconomic disparities, affecting patients' quality of care. In 2023, ZS partnered with The Children's Hospital at Montefiore in New York to identify bias in the treatment of patients with this condition. We surveyed over 300 U.S. physicians, revealing that socioeconomic factors have some impact on patients' health and ability to get treatment.

Shrimad Rajchandra Love and Care

Since 2022, ZS and Shrimad Rajchandra Love and Care (SRLC) have partnered to reduce the incidence of nutritional deficiency anemia in rural South Gujarat, India. ZS worked with SRLC as part of their Scientific Advisory Committee, identifying protocols and key performance indicators and taking proactive action to close the gaps in SRLC's current anemia-eradication program. As of year-end 2023, the partnership has impacted 39,000 people.

Partnering with the University of Chicago to improve the experience of women who are underserved

The University of Chicago recently developed the Chicago Alternative Prevention Study (CAPS), a research program that assesses how personalized breast cancer prevention screening supports women at high risk. It is designed to be inclusive of women of color—a population where breast cancer risk is understudied.

With the goal of expanding this trial to new sites of care across the U.S. in 2024, ZS assisted by understanding requirements and limitations of the university's existing trial communications. From there, ZS developed proto personas, website architecture and content designed to address anxieties while providing clear, practical information.

Healthcare Leadership Council (HLC)

HLC is a coalition of chief executives from within the healthcare system in the U.S. Together, they aim to ensure accessible, affordable and high-quality care for people in the U.S.

In 2022, HLC sought ZS's expertise to develop a [comprehensive report](#) on understanding and addressing health disparities. Moving into 2023, HLC built on this research with ZS, working with other member companies to diversify clinical trial recruitment, achieve greater diversity in the healthcare workforce and address SDOH.

ZS further supports HLC in its lobbying activities to create a more equitable and inclusive healthcare system that prioritizes the needs of underserved communities. For example, in 2023, HLC shared its [response](#) to the Centers for Medicare and Medicaid Services' proposed rule to revise the Medicare hospital inpatient prospective payment system (IPPS) for FY2024. Additionally, HLC staff discussed its [letter](#) to the Office of the National Coordinators proposed rule on health data, technology and interoperability, alongside soliciting feedback on the National Institutes of Health Clinical Trial Diversity Act.

Through HLC's efforts, we and other members champion advocacy that shapes government policies, resource allocation and public awareness of health disparities.

Making our local communities healthier places to live

ZSers are passionate, purpose-driven people who invest their time and expertise into causes that align with our ESG material topics. Through ZS Cares, ZSers are empowered to apply their unique skills to a range of initiatives as a force for good in our local communities.

Certified

for ISO 26001:2010 (Social Responsibility) in Pune, New Delhi and Bengaluru offices

Partnering with 3rd Street Youth Center

3rd Street Youth Center & Clinic, a nonprofit in Bayview Hunters Point (BVHP), San Francisco, was established in 2005 to address the lack of opportunities for young residents in this underserved community. Offering holistic services such as healthcare, therapy and housing support, the organization aims to provide youth with essential resources for a better future.

In early 2023, ZS set out to support 3rd Street through a pro bono project that would enable them to better understand the funding landscape and develop a targeted value story to support outreach and communication efforts. ZS's project provided actionable recommendations for engaging with private donors, including unpacking their decision-making and identifying activation strategies across the donor engagement life cycle.

The project will have a tangible impact on the lives of BVHP youth: with every additional \$3,500 3rd Street Youth Center & Clinic is able to raise, we would expect the organization to be able to provide one additional person with life and career navigation, housing, and mental health, physical health and crisis support resources.

Community health by the numbers

40,500+

hours spent on social impact efforts

~111,000

lives touched in our India social responsibility efforts

2,000+

ZSers engaged in volunteering and pro bono consulting



ZSers in Atlanta



ZSers volunteering in India

Improving healthcare accessibility in India

At our Pune and New Delhi offices in India, ZSers volunteered with the Seva Arogya Foundation and Jeevan Stambh Foundation, organizations dedicated to improving healthcare accessibility and quality for underserved communities. Our teams assisted medical professionals in health check-up camps for:

- **Women** by providing regular screenings, gynecological care, testing and medication to promote overall well-being
- **Children** by targeting nutritional health, immunization and detection of deficiencies
- **Senior citizens** by offering services such as eye check-ups to screen for cataracts, testing, diagnosis, treatment of general health ailments and medical support

Between these health camps and other health-awareness sessions, we served nearly 31,000 citizens.

Read more about our impact in our [India Corporate Social Responsibility Report](#)

Bpeace

ZS supports Bpeace—a nonprofit where entrepreneurs and small businesses in crisis-affected regions can access expert growth advice from international industry and business volunteers such as ZS.

In 2023, 28 ZS volunteers supported 12 Salvadoran chemical-pharmaceutical businesses, all part of the Association of Pharmaceutical Laboratories of El Salvador (ALFA). These small- and medium-sized businesses have high potential for expansion, creating local jobs and positively impacting thousands of families.

ZSers delivered 117 hours of support, including consulting and workshops on pharma trends, setting objectives and key results, pitch preparation and e-commerce. In May 2023, five participating businesses conducted a trade mission to the U.S. to deepen their knowledge of the pharmaceutical sector, concluding with a ZS-hosted networking reception in New York.

The support from ZSers came at a critical time, as businesses in El Salvador negotiated the uncertain and complex business and sociopolitical environment of the post-COVID-19 market.

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ZSers in Kingston



Data collection and methodology

Annual emissions and YoY changes from 2019 to 2023

(air travel emissions excluding radiative forcing/non-CO₂ effects)

	2019	2020	2021	2022	2023
Scope 1	324	324	283	391	716
Fleet Vehicles	30	35	24	26	37
Natural Gas	174	129	129	115	123
Generator	–	42	9	89	234
Refrigerants	120	118	121	160	322
Scope 2 (market-based)	3,814	3,111	2,980	2,564	816
Electricity (market-based)	3,588	2,858	2,723	2,145	534
Cooling	226	253	257	419	202
Steam	not measured	not measured	not measured	not measured	80
Scope 3	56,177	26,640	27,712	55,789	47,051
Purchased Goods and Services	28,845	21,758	23,683	37,887	22,938
Capital Goods	552	220	281	290	129
Fuel- and Energy-Related Activities	1,404	926	902	1,242	1,568
Upstream Transportation and Distribution	212	189	309	319	145
Waste Generated in Operations	861	157	14	371	735
Business Travel	13,344	1,260	2,130	10,783	16,578
Employee Commuting	10,372	1,821	173	4,584	4,473
Upstream Leased Assets	587	309	220	166	130
Investments	–	–	–	149	355

Annual emissions and YoY changes from 2019 to 2023 per FTE

(air travel emissions excluding radiative forcing/non-CO₂ effects)

	2019	2020	2021	2022	2023
Scope 1	0.05	0.04	0.02	0.03	0.05
Fleet Vehicles	0.00	0.00	0.00	0.00	0.00
Natural Gas	0.02	0.02	0.01	0.01	0.01
Generator	–	0.00	0.00	0.01	0.02
Refrigerants	0.02	0.01	0.01	0.01	0.02
Scope 2 (market-based)	0.54	0.37	0.26	0.18	0.06
Electricity (market-based)	0.51	0.34	0.24	0.15	0.04
Cooling	0.03	0.03	0.02	0.03	0.01
Steam	not measured	not measured	not measured	not measured	0.01
Scope 3	7.98	3.16	2.41	3.89	3.43
Purchased Goods and Services	4.10	2.58	2.06	2.64	1.67
Capital Goods	0.08	0.03	0.02	0.02	0.01
Fuel- and Energy-Related Activities	0.20	0.11	0.08	0.09	0.11
Upstream Transportation and Distribution	0.03	0.02	0.03	0.02	0.01
Waste Generated in Operations	0.12	0.02	0.00	0.03	0.05
Business Travel	1.90	0.15	0.18	0.75	1.21
Employee Commuting	1.47	0.22	0.02	0.32	0.33
Upstream Leased Assets	0.08	0.04	0.02	0.01	0.01
Investments	–	–	–	0.01	0.03

Share of renewable energy

	2019 (baseline)	2023
Renewable energy (procured at source)	16%	43%
Renewable energy credits	0%	49%
Nonrenewable energy	84%	7%
Total electricity consumption	7,945 MWh	10,441 MWh

Waste related to office operations

Although not a significant material issue, ZS is committed to avoiding, reducing and properly disposing of waste related to office operations. Please refer to the below table for estimated 2023 waste consumption and emissions related to waste disposal.

Read more about initiatives underway on [pages 18 and 19](#).

	Estimated Amount (mt)	Estimated Waste Disposal Emissions (tCO ₂ e)
Recycled waste	103.33	10.25
Composted waste	169.90	28.09
All other waste	905.31	692.18

Strategic partnerships

Stakeholder engagement

At ZS, we deeply integrate stakeholder engagement into our ESG strategy to uphold responsible, sustainable, ethical and equitable practices. We collaborate with a diverse array of stakeholder groups, fostering dialogue and partnerships to drive systemic change. By actively listening to and understanding the needs and perspectives of our people, clients, partners and communities, we continuously evolve our operations as needed to align with their best interests. This commitment not only enhances our organizational resilience but also ensures our contributions to a more inclusive and sustainable future.

Stakeholder	Who they are	Ways we engage		Key ESG topics raised in 2023	
ZS leadership	We engage with various leadership bodies—including our Shareholders’ Council, Operating Leadership Team, Enterprise Risk Management team, DEI Council and other groups of ZS principals—to set strategic direction, sustainability priorities, and risk management and compliance best practices for our firm.	<ul style="list-style-type: none">• Monthly or quarterly leadership calls• Internal employee social networking platform• Annual Global Principals Meeting	<ul style="list-style-type: none">• Monthly email updates	<ul style="list-style-type: none">• General ESG risk management• Business performance• Climate-related risk• Corporate governance• Climate reduction targets and net-zero goal• Sustainable procurement	<ul style="list-style-type: none">• Diversity, equity and inclusion priorities and progress• Ethical business practices and operations• Data security and privacy assurance
ZSers	We engage with ZSers constantly and draw on their insights to inform and sustain a culture of impact, collaboration, growth, empathy, equity and empowerment.	<ul style="list-style-type: none">• Belonging Network events• Engagement surveys• Quarterly town hall meetings• Weekly employee newsletter• Speaking Up email inbox for employee concerns	<ul style="list-style-type: none">• Internal employee social networking platform• Belonging Networks (employee resource groups)• DEI Council• People and Culture Team	<ul style="list-style-type: none">• Diversity, equity and inclusion priorities and progress• ZS’s impact on the environment• ZS’s stance on social issues• Compensation and benefits	<ul style="list-style-type: none">• Recognition• Health, well-being and safety• Career and talent development• Philanthropy
Clients	We help our clients solve complex problems by understanding their industries, customers, challenges and evolving demands. Through these deep partnerships, we evolve our services and offerings to best suit their needs and deliver high-quality, expertise-driven outcomes.	<ul style="list-style-type: none">• Formal engagement through request for proposals, request for information, etc.• Client relationship management	<ul style="list-style-type: none">• ZS-led Impact Summits and conferences• Reporting disclosures, including EcoVadis and CDP• Client-specific emissions accounting	<ul style="list-style-type: none">• Climate impact and reduction targets• Responsible business practices and sustainable supply chain	<ul style="list-style-type: none">• Data security and privacy assurance• Diversity, equity and inclusion priorities and progress

Stakeholder	Who they are	Ways we engage		Key ESG topics raised in 2023	
Future ZSers	We seek a powerful collective of thinkers and idea makers driving toward life-changing solutions and technology innovations that affect patients, caregivers and consumers globally. We evolve our recruiting strategies to create seamless, equitable experiences for all candidates and set them up for success on their ZS journey	<ul style="list-style-type: none">• Recruiting conferences• Job fairs• Digital marketing	<ul style="list-style-type: none">• Referrals and “Boomerang” program	<ul style="list-style-type: none">• Diversity, equity and inclusion commitments and actions• Climate impact and reduction targets• Compensation and benefits	<ul style="list-style-type: none">• Recognition• Health, well-being and safety• Career and talent development• Hybrid working model expectations
Civil society	We partner with industry experts and global initiatives, such as the World Economic Forum (WEF), to address the most complex health challenges disrupting our world today. We share knowledge and align on new practices and solutions together.	<ul style="list-style-type: none">• Industry forums• Roundtable discussions• Co-authored thought leadership	<ul style="list-style-type: none">• Industry association memberships	<ul style="list-style-type: none">• Patient centricity• Consumer centricity• Ethical and sustainable business	
Suppliers	We engage with our suppliers to bring cutting-edge technology, innovative programs and best-in-class services and products to our clients and people. We work to systematically engage with our suppliers to integrate ESG metrics and sustainable procurement across the entire value chain.	<ul style="list-style-type: none">• Third-party risk management engagement process• Formal annual assessments• Compliance with Supplier Code of Conduct	<ul style="list-style-type: none">• Supplier onboarding• Standardized contract requirements• Completion of required and applicable training	<ul style="list-style-type: none">• Supplier diversity• Ethical supplier relationships• Environmental sustainability	
Local communities	We partner with nonprofit organizations to make a positive impact on our local communities.	<ul style="list-style-type: none">• Pro bono consulting• Volunteering• ZS Donation Match Program	<ul style="list-style-type: none">• ZS Cares Day	<ul style="list-style-type: none">• Access to healthcare services• Economic stability• Transportation access	<ul style="list-style-type: none">• Food security• Environmental health and stewardship• Education

GRI Index

ZS is reporting in reference to the GRI Standards for the reporting period January 1–December 31, 2023.

GRI Standard	Disclosure No.	Disclosure	Location / Response
General Disclosures			
GRI 2: General Disclosures 2021	2-1	Organizational details	a. ZS b. Private company c. Evanston, IL d. Argentina, Brazil, Canada, China, Denmark, France, Germany, India, Italy, Jamaica, Japan, Singapore, Spain, Switzerland, Trinidad and Tobago, United Kingdom, United States of America
	2-2	Entities included in the organization's sustainability reporting	ZS is the only entity included in the sustainability reporting. As a private firm, we do not report financial statements or information.
	2-3	Reporting period, frequency and contact point	a. January 1–December 31, 2023 (unless otherwise noted) b. As a private firm, we do not report financial information c. May 13, 2023 d. ESG@ZS.com
	2-4	Restatements of information	No significant restatements for historical data and information in previous reporting periods have been identified.
	2-5	External assurance	About this report, p2
	2-6	Activities, value chain and other business relationships	a. Industries b. About ZS, p4 ZS by the numbers, p5 Managing a responsible supply chain, pp26–27 c. Healthcare partnerships in action, p58 d. No significant changes.

GRI Standard	Disclosure No.	Disclosure	Location / Response
GRI 2: General Disclosures 2021 continued	2-7	Employees	<p>a. 12,577 total employees (as of Dec. 31, 2023). 4,329 female, 8,093 male, 8 non-binary, 26 do not wish to disclose. 8,450 employees in India, 3,420 employees in the Americas, 467 employees in Europe, 240 employees in East Asia.</p> <p>b. 12,538 permanent employees (8,430 in India, 3,411 in the Americas, 466 in Europe, 231 in East Asia). 12,455 full-time employees (8,444 in India, 3,342 in the Americas, 438 in Europe, 231 in East Asia). 122 part-time employees (6 in India, 78 in the Americas, 29 in Europe, 9 in East Asia).</p> <p>c. The above reflects 2023 year-end Work-life data of ZS employees. It does not include contractors.</p> <p>d. Not applicable.</p> <p>e. No significant changes.</p>
	2-8	Workers who are not employees	ZS had 891 contractors in 2023. Several factors contributed to the drop in contractors between 2022 and 2023. This includes projects coming to an end and contractor resources no longer needed, some contractors being converted to permanent employees and some contractors leaving on their own for other opportunities or personal reasons.
	2-9	Governance structure and composition	Our approach to ESG governance, p7 Increasing representation in leadership, p44
	2-10	Nomination and selection of the highest governance body	Our approach to ESG governance, p7
	2-11	Chair of the highest governance body	Our approach to ESG governance, p7
	2-12	Role of the highest governance body in overseeing the management of impacts	<p>Our approach to ESG governance, p7</p> <p>The ESG Steering Committee develops and manages initiatives that support ESG goals, oversee reporting and disclosure requirements, assess our progress, and design data-driven and strategic paths forward.</p> <p>The Chief Risk Officer (CRO) team maintains an enterprisewide risk inventory, which is reviewed annually by senior leaders. A risk collection and prioritization exercise is performed every other year and a risk re-prioritization exercise on the “off” years.</p> <p>In 2023, ESG was identified as an emerging risk and voted on—ESG has a “risk card” and is being monitored by the CRO team. The CRO team provides quarterly updates to the Risk, Compliance and Professionalism (RCP) Committee, which is a Shareholders’ Council subcommittee. The Shareholders’ Council receives at least annual updates from the CRO team.</p>
	2-13	Delegation of responsibility for managing impacts	The Shareholders’ Council delegates responsibility for managing an enterprisewide risk inventory to the Chief Risk Officer (CRO) team, which encompasses the chief risk officer, lawyers and risk managers. They partner with the Enterprise Risk Management team, Quality Risk Management team, Delivery Excellence Office and IT Governance, Risk and Compliance team to monitor and manage the impacts of these risks. The CRO team then reports back and provides updates to the Shareholders’ Council annually, which votes on the risks.

GRI Standard	Disclosure No.	Disclosure	Location / Response
GRI 2: General Disclosures 2021 continued	2-14	Role of the highest governance body in sustainability reporting	Our approach to ESG governance, p7
	2-15	Conflicts of interest	Preventing fraud in our firm, p27 100% of ZSers, including those in our Shareholders' Council, must comply with our Conflicts of Interest Policy.
	2-16	Communication of critical concerns	Speaking up at ZS, p27 At least annually, the Employee Relation teams reports into the Risk, Compliance and Professionalism Committee, a subcommittee of the Shareholders' Council that reports to the council as needed and at least annually.
	2-17	Collective knowledge of the highest governance body	The Shareholders' Council receives quarterly ESG updates and discusses key items roughly twice per year. These updates include ESG emerging risks, recommended operational changes, compliance matters, client demands, progress or lack thereof across material issues and more.
	2-18	Evaluation of the performance of the highest governance body	The Shareholders' Council periodically evaluates its own performance across several dimensions typical to board effectiveness. Additionally, each Shareholders' Council member is subject to re-election by their peers at the end of their three-year term.
	2-19	Remuneration policies	This information is currently unavailable. Please refer to "Compensation and pay" (p41) for information on our progress in auditing pay practices globally in 2023.
	2-20	Process to determine remuneration	This information is currently unavailable. Please refer to "Compensation and pay" (p41) for information on our progress in auditing pay practices globally in 2023.
	2-21	Annual total compensation ratio	This data is unavailable due to confidentiality restraints.
	2-22	Statement on sustainable development strategy	A letter to our stakeholders, p3
	2-23	Policy commitments	Acting with professional integrity, p26
	2-24	Embedding policy commitments	<u>ZS Supplier Code of Conduct</u> <u>ZS Privacy Policy</u> <u>Equal Opportunity Policy</u> Keeping ZS secure by design, p23 Acting with professional integrity, p26 Risk management, p28
	2-25	Processes to remediate negative impacts	The Chief Risk Officer (CRO) team maintains an enterprisewide risk inventory, which is reviewed annually by senior leaders. In 2023, ESG was identified as an emerging risk, because the firm realized that not monitoring ESG may inhibit ZS's ability to meet stakeholder expectations and client agreements, impact our services, successfully manage environmental footprint and achieve diversity, equity and inclusion objectives. Thus far, we have not identified negative ESG-related impacts.

GRI Standard	Disclosure No.	Disclosure	Location / Response
GRI 2: General Disclosures 2021 continued	2-26	Mechanisms for seeking advice and raising concerns	Speaking up at ZS, p27
	2-27	Compliance with laws and regulations	In calendar year 2023, there were no noncompliances that materially affected our employee population, the quality of our services or our ability to serve our clients.
	2-28	Membership associations	Connecting with talent, p42 Healthcare partnerships in action, p58 Key partners include the Healthcare Leadership Council, Fairygodboss, Forté Foundation, Healthcare Businesswomen's Association, Thurgood Marshall College Fund (TMCf), Reaching Out MBA, Sticks & Stones, Black Young Professionals (BYP) Network (EU) and MBA Veterans Network.
	2-29	Approach to stakeholder engagement	Defining the issues that matter, p8 Stakeholder engagement, p65
	2-30	Collective bargaining agreements	ZS acknowledges and respects employees' rights to associate freely, engage in collective bargaining and voice their concerns. Information regarding collective bargaining is unavailable since collective bargaining is not fully applicable to ZS.
Material Topics			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Defining the issues that matter, p8
	3-2	List of material topics	Defining the issues that matter, p8
	3-3	Management of material topics	Our approach to ESG governance, p7 Defining the issues that matter, p8 Our journey in numbers, p10
Economic Impacts			
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	ZS Cares, p46 2023: Our mission in action, p50
	203-2	Significant indirect economic impacts	ZS Cares, p46 2023: Our mission in action, p50 Healthcare partnerships in action, p58 Making our communities healthier places to live, p59

GRI Standard	Disclosure No.	Disclosure	Location / Response
Procurement			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	In the fiscal year 2023, ZS allocated over 14% of our total addressable spend to certified diverse, disadvantaged and small business entities.
Anti-corruption			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	100% of operations are assessed for risks related to corruption at an enterprise level. ZS identifies regions that are at higher risk of fraud (for example, China) and implements specific interventions to prevent corruption.
	205-2	Communication and training about anti-corruption policies and procedures	Living the ZS values, p26 Preventing fraud in our firm, p27
	205-3	Confirmed incidents of corruption and actions taken	Speaking up at ZS, p27
Energy			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Examining our operational impact: Scope 1 and 2, p17
	302-2	Energy consumption outside of the organization	This data is unavailable.
	302-3	Energy intensity	This data is unavailable.
	302-4	Reduction of energy consumption	Examining our operational impact: Scope 1 and 2, p17
	302-5	Reductions in energy requirements of products and services	Managing supplier emissions, p21
Emissions			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Examining our operational impact: Scope 1 and 2, p17
	305-2	Energy indirect (Scope 2) GHG emissions	Examining our operational impact: Scope 1 and 2, p17
	305-3	Other indirect (Scope 3) GHG emissions	Zooming in on Scope 3, p20
	305-4	GHG emissions intensity	Accounting for our climate impact, p16
	305-5	Reduction of GHG emissions	Accounting for our climate impact, p16

GRI Standard	Disclosure No.	Disclosure	Location / Response
GRI 305: Emissions 2016 continued	305-6	Emissions of ozone-depleting substances (ODS)	This data is unavailable.
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	ZS produces near zero nitrous oxide emissions and zero sulfur oxides.
Supplier Environmental Assessment			
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Acting with professional integrity, p26 18% of ZS's 2023 spend went to suppliers that completed a sustainability assessment.
	308-2	Negative environmental impacts in the supply chain and actions taken	Managing supplier emissions, p21 Managing a responsible supply chain, p26
Employment			
GRI 401: Employment 2016	404-1	New employee hires and employee turnover	Connecting with talent, p42 ZS hired 1,854 new ZSers in 2023, of which 31% (579) were female and 62% (1,152) were male. One hundred and ninety new hires were in the Americas, 1,411 were in India, 57 were in Europe and 49 were in East Asia. Finally, 1,667 were under 30 years old, 176 new hires were 30–50 years old and 11 were over 50. ZS had 2,417 terminations in 2023, including 817 (19%) females and 1,584 males (19%). Six hundred and twenty-six voluntary and involuntary turnovers took place in the Americas, 1,657 took place in India, 90 took place in Europe and 44 took place in East Asia. Finally, 1,609 ZSers were under 30 years old, 779 were 30–50 years old and 29 were over 50 years old.
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Supporting employee well-being, p39 Please find a list of comprehensive benefits per region and office by visiting ZS.com .
	401-3	Parental leave	Supporting employee well-being, p39 100% of full-time ZSers eligible for paid parental leave. In 2023, 744 employees took parental leave (279 females, 464 males and 1 person who did not want to disclose). Three hundred and 94 ZSers in India, 286 ZSers in the Americas, 54 ZSers in Europe and 10 ZSers in East Asia took parental leave.
Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2016	403-1	Occupational health and safety management system	Occupational health and safety, p40

GRI Standard	Disclosure No.	Disclosure	Location / Response
GRI 403: Occupational Health and Safety 2016 continued	403-2	Hazard identification, risk assessment, and incident investigation	Omitted due to confidentiality.
	403-3	Occupational health services	Omitted due to confidentiality.
	403-4	Worker participation, consultation, and communication on occupational health and safety	Omitted due to confidentiality.
	403-5	Worker training on occupational health and safety	Omitted due to confidentiality.
	403-6	Promotion of worker health	Acting with professional integrity, p26 Supporting employee well-being, p39 Occupational health and safety, p40
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational health and safety, p40
	403-8	Workers covered by an occupational health and safety management system	Occupational health and safety, p40
	403-9	Work-related injuries	Occupational health and safety, p40
	403-10	Work-related ill health	Occupational health and safety, p40
Training and Education			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Enabling our people to grow and thrive, p38 32 average hours spent on learning in 2023.
	404-2	Programs for upgrading employee skills and transition assistance programs	Enabling our people to grow and thrive, p38
	404-3	Percentage of employees receiving regular performance and career development reviews	Enabling our people to grow and thrive, p38 100% of associate, associate consultant, consultant and manager ZSers receive regular performance reviews.

GRI Standard	Disclosure No.	Disclosure	Location / Response
Diversity and Equal Opportunity			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Our 2023 representative diversity, p43 Increasing representation in leadership, p44
	405-2	Ratio of basic salary and remuneration of women to men	Compensation and pay, p41
Non-discrimination			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and correction actions taken	Speaking up at ZS, p27
Security Practices			
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Investing in cybersecurity training, p25 Our strategies for ethics and compliances, p27
Local Communities			
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	ZS Cares, p46 Making our communities healthier places to live, p59
	413-2	Operations with significant actual and potential negative impacts on local communities	Omitted due to data being unavailable.
Supplier Social Assessment			
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	From June 1 to Dec. 23, 2023, we ensured that 39% of executed master service agreements (MSAs) contained the Supplier Code of Conduct. That number has increased already in 2024, with 97% of executed MSAs containing the Supplier Code of Conduct.
	414-2	Negative social impacts in the supply chain and actions taken	Omitted due to confidentiality.
Customer Privacy			
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There have been no substantiated complaints concerning breaches of customer privacy, and no identified leaks, thefts or losses of customer data.
ZS-specific disclosure		Responsible use of AI	Safeguarding AI solutions, p25

SASB

ZS is reporting in reference to the SASB Standards for the reporting period January 1–December 31, 2023.

Standard	Disclosure No.	Disclosure	Location / Response
Data Security			
	SV-PS-230a.1	Description of approach to identifying and addressing data security risks	Keeping ZS secure by design, p23
	SV-PS-230.2	Description of policies and practices relating to collection, usage and retention of customer information	Keeping ZS secure by design, p23
Professional Integrity			
	SV-PS-510a.1	Description of approach to ensuring professional integrity	Acting with professional integrity, p26
Workforce Diversity & Engagement			
	SV-PS-330a.1	Percentage of gender and racial/ethnic group representation for executive management and all other employees	Increasing representation in leadership, p44
	SV-PS-330a.3	Employee engagement as a percentage	HealthCheck survey, p36



About ZS

ZS is a management consulting and technology firm focused on transforming global healthcare and beyond. We leverage our leading-edge analytics, plus the power of data, science and tech products, to help our clients make more intelligent decisions, deliver innovative solutions and improve outcomes for all. Founded in 1983, ZS has more than 13,000 employees in 35 offices worldwide.

Learn more: zs.com/about/environmental-social-and-governance.

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