



**Zurich Financial Services in the UK
2007 YEAR-END REPORT FOR HEALTH & SAFETY**

1. Governance

As a world-class provider of financial services, we are committed to managing health & safety to a high standard. The Health & Safety Strategic Management Group (H&SSMG) provides Zurich's UK employing companies with a single consultative committee in compliance with the Safety Representatives and Safety Committees Regulations, 1977 and the the Health and Safety (Consultation with Employees) Regulations 1996. Its role is to lead Health & Safety policy-making so that a legally compliant and consistent approach can be implemented across the UK business.

The governance framework agreed in 2006 has enabled the statutory Employing Boards and the Executive Committees to have line of sight to their representatives on the H&SSMG and to be kept informed of key decisions. The Employing Boards and Executive Committees have formally agreed the updated UK H&S Policy Statement and noted the annual H&S report. Throughout this year they have also received reports on the operation of the H&SSMG. Senior management were directly consulted about our approach to managing pressure at work and dealing with occupational road risk.

In addition to the H&SSMG's well-established working groups on occupational road risk and managing pressure at work, during 2007 a new UK-wide working group was established for home-based workers and field staff.

2. Risk profiling

During the year UK Risk conducted a completely new total risk profiling exercise involving the active participation of the H&SSMG and invited representatives from certain key business areas. This provided an up to date assessment and ranking of H&S risks. Each risk has a reference number shown in a matrix with "severity" plotted against "probability". Named individuals are accountable for implementation of the agreed action plans developed to maintain risk levels in line with our policy. This exercise has provided a framework for a revised agenda for the H&SSMG from 2007.

3. Progress on the top Health & Safety risks

3.1 - Occupational road risk

During 2007 the H&SSMG reviewed the Driving Policy and the Executive Committees agreed to make certain improvements to our Motor Declaration, the specification of minimum vehicle safety standards and the implementation of Zurich Driver Solutions.

Employees using a vehicle on business trips would be required to comply with updated minimum vehicle requirements which will be rolled out over a period of three years.

Every year we ask a sample of around 30% of employees for copies of their driving licences and, if they are using a personal car, their Personal Insurance Certificate showing that they are covered for business use. In 2007 it was agreed that all employees who drive on Zurich business would be required to sign an on-line motor safety declaration on an annual basis.

We have developed an online risk assessment package, known as Zurich Driver Solutions, to help businesses reduce the risks associated with employees driving on company business. It provides a comprehensive risk profile of all drivers registered by a company on the scheme. Zurich Driver Solutions is administered by Interactive Driving Systems (IDS). Following on from its success in the UK market, a decision was taken to roll out the product on a risk assessed basis. The programme takes about 90 minutes to complete and includes the following on-line sections:

- A test based on the content contained in the driver handbook.
- A driver profile looking at some key elements of work-related driving.
- A competency-based risk assessment looking at driver core competencies.

Once all of the sections have been completed, the individual and their line manager will then be able to access the system to see their individual risk profile. At this point our Practice Leader of Motor Fleet in Risk Engineering UK, will provide independent expert advice about the most appropriate support options.

3.2 - Managing pressure at work

Since September 2006 the H&SSMG have been applying the Health & Safety Executive (HSE) guidance for managing the causes of work-related stress. During 2007 Zurich participated in an HSE 'masterclass' for the financial services sector leading to valuable information being fed into the H&SSMG's working group on managing pressure at work. The HSE's 'stress tool' was completed by over 800 employees at UK General Insurance and about 550 employees in Global Corporate UK. During the year the risk assessment process moved onto focus groups and then the implementation of specific action plans.

3.3 - Terrorist threats

Since 11/9/2001 the UK Government has been encouraging businesses to make emergency plans for dealing with a serious and sustained threat from international terrorism. A web-conference has been developed to acquaint all line managers with their responsibilities for Health, Safety and Business Continuity. This 35-minute presentation includes a series of on-line questions to reinforce the learning. Local Incident Response Teams were reorganised so that they can receive support from a virtual team of specialists in UK Shared Services. Following a staff survey about what to do in the event of an emergency, special response cards were re-issued to our employees. Postal workers were given training in the health & safety aspects of using X-ray equipment as well as joint training with security staff using 'dummy packages'.

4. Monitoring

The H&SSMG has again made awards for good health and safety management based on the extent to which our buildings comply with the Health and Safety Policy. The awards look at all areas from physical working conditions to more subtle welfare needs across the different business divisions and on a location by location basis, and in the 2007 the winners were:

- UK General Insurance as the business making the greatest improvement between 2006 and 2007 (up by 6% on 2006)
- Bamburgh House, Newcastle as the location having the top score in 2007 (98% compliance up from 78% in 2006).

Once again, Zurich was not subject to any enforcement action or improvement notices by the Health & Safety Executive, Environmental Health Officers or Fire and Emergency Services.

Accident statistics across our UK locations have been collected since 1988. As much as Zurich strives to eliminate work-related accidents and illness, we have inevitably had some incidents amongst our UK population of about 8,500 employees. There were 192 accidents in 2007 (183 in 2006), although only 16 had to be notified to the HSE (10 in 2006). Each accident was investigated and learning points noted with a view to preventing any recurrence.

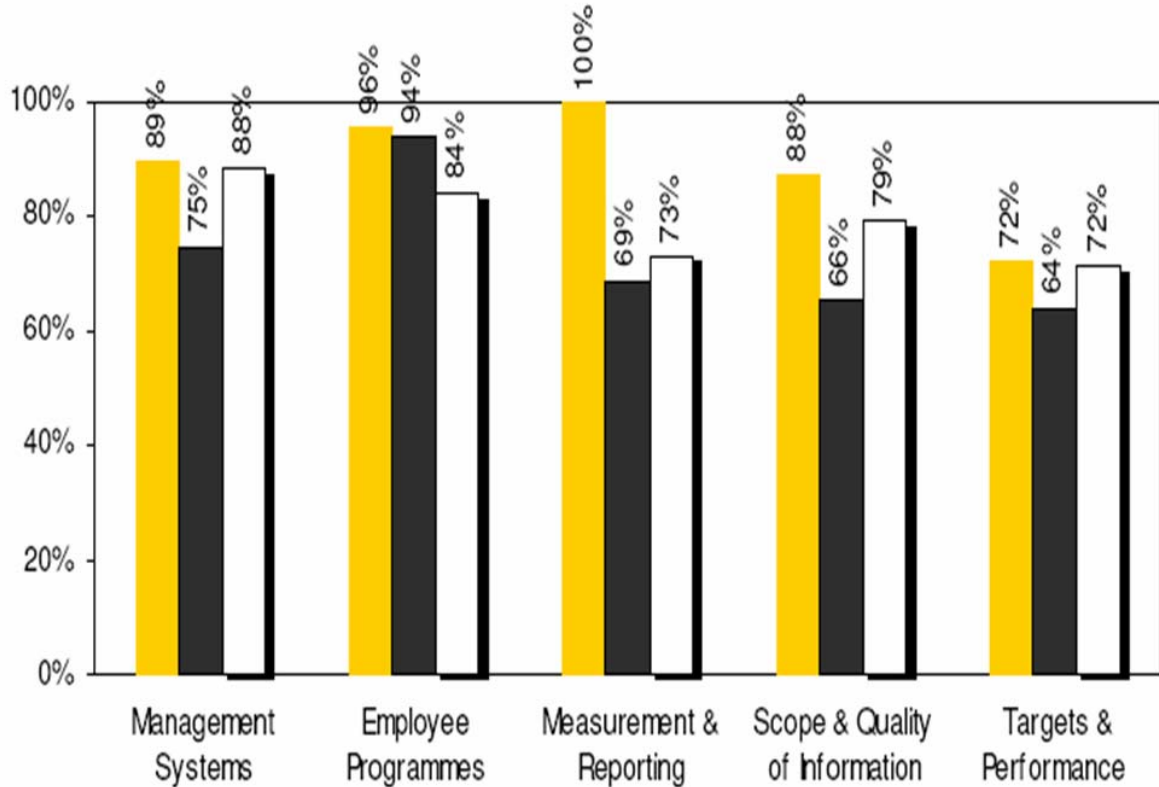
By far the most significant incident during the year was the July floods which resulted in several hundreds of our employees being trapped overnight in the Bishop's Cleeve office until the police gave the 'all clear' for travel. Our employees were supported through-out this period, with catering and other facilities. Subsequently this support extended to those who were affected at home. This provided a learning opportunity and a thorough review was undertaken and various learning points have been applied.

5. Benchmarking


We have maintained contact with a wide range of stakeholders, including: legislators and regulators, local communities, analysts (through the Corporate Centre), investors, suppliers, customers, consumers, industry associations, NGOs, academia and the media. We have shared best practices by participation in the Safety, Health & Environmental Intra-industry Benchmarking Association (SHEiiBA). In September 2007 we again participated in the Business in the Community's (BiTC) annual Corporate Responsibility survey. Our overall score of 87.5% (84.5 in 2006) placed Zurich in the Silver Band of top UK companies.

Health, Safety and Wellbeing was one of three social impact areas considered and the results are presented in the following histogram. In 2007 the H&SSMG focussed on enhancing the scope and quality of information and our results show a marked improvement across all dimensions.

Health, Safety and Well-Being



 = Zurich in the UK

 = UK insurance sector (7 companies)

 = CR Index (129 companies)

6. External reporting

For the fifth year our annual Health & Safety report is being disseminated within Zurich as well as through the Corporate Responsibility section of <http://www.zurich.co.uk/>. Zurich is aware of several methods for Health & Safety reporting and benchmarking, for example, we are members of the Safety, Health & Environmental Intra-Industry Benchmarking Association.

Arthur Champion
UK Occupational Health, Safety & Environmental Adviser
20/5/08