

Duty to promote the success of the Company in accordance with s172(1) Companies Act 2006

The Company is a wholly owned subsidiary entity of Zurich Insurance Group AG and is subject to policies and governance arrangements set by the Zurich Group as well as local statutory and regulatory requirements. In accordance with The Companies (Miscellaneous Reporting) Regulations 2018, the Company is required to make disclosures in respect of s.172 of the Companies Act 2006 “Duty to promote the success of the Company” and stakeholder engagement.

During the course of the financial year, the Board consider, both individually and together, that they have acted in a way they consider would be most likely to promote the success of the Company for the benefit of its shareholder and customers.

Long term decisions

The Board has involvement with any UK projects where there is an impact on employees. Updates will be given as to any Transfer of Undertakings (Protection of Employment) Regulations (TUPE) arrangements proposed and the Board will consider the interests of employees. The Board will also have sight of any UK transformation projects.

Interests of employees

The Company has direct employees who then provide services for other companies within the ZIG Group. The principle disclosures in respect of these staff appear in the financial statements (see note 7).

Stakeholder relationships and engagement

Business relationships with suppliers, customers and others

The Board receives regular updates on supplier management in the form of a dashboard. This dashboard provides commentary on all critical and important outsourcing arrangements in the UK.

Business relationships with suppliers, customers and others

The Company is made aware of any challenges and what actions are being taken by the UK Outsourcing and Supplier Management team. The Board ensures all outsourced critical or important functions and activities delivered through external suppliers and intra-group arrangements, continue to be overseen by extensive and proportionate governance arrangements.

The Board requests regular updates from the People team on employees. Commentary is provided on HR initiatives such as Dignity @ Work and Wellbeing. Insights into the workforce are provided with data such as headcount overall and by business area; turnover and talent acquisition. Various deep dives are presented to the Board throughout the year on topics such as gender pay gap and employee engagement. In addition, the Board receives quarterly updates on Health and Safety arrangements, including minutes from the Health and Safety Strategic Management Group.

Impact of operations on the community and environment

The UK Corporate Affairs team are responsible for Diversity & Inclusion and Social Media and provide a weekly update on stakeholder engagement across the UK together with details on governmental consultation and inquiries.

Zurich Group announced in July 2019 its commitment to the UN Climate Change targets to using only renewable energy by 2022. The Zurich Group has also taken a stance on single use plastics, i.e. to eliminate its use and to reduce internal paper usage by 80%. Zurich is part of a project to help financial institutions align lending and investment portfolios with the Paris Agreement targets.

This commitment to climate change is driven down from the top level board and management through all jurisdictions and this commitment will come through as part of the Company's long term strategy. Papers submitted to the Board

indicate that, where appropriate, customer interests and conduct outcomes have been considered and what action has been taken.

Business conduct

As an employing entity, the Board ensures that it receives regular updates on employee matters, which includes any transformation programmes or projects in the UK. The Board regularly assesses the composition of the workforce overall and in the different business sectors.