

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 (“ZIG”) and is subject to policies and governance arrangements set by the Zurich Group as well as local statutory and regulatory requirements, which take precedence. 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.

Long term decisions

The Board continually assesses the long term strategy of the company and its long term value to its shareholder. In doing so it oversees the UK Life and Savings Business to ensure the fair treatment of its customers whilst enhancing its long-term value to its shareholder through the sustainable and compliant delivery of financial performance targets and the fair treatment of its customers within a framework of prudent and effective controls.

Interests of employees

The company does not have any direct employees and accordingly the company does not incur direct staff or pension costs. The principal disclosures in respect of these staff appear in the financial statements of Zurich Employment Services Limited, copies of which can be obtained from The Secretary, The Grange, Bishops Cleeve, Cheltenham, Gloucestershire, GL52 8XX.

Stakeholder Relationships and Engagement

Business relationships with suppliers, customers and others

The company is the principal employer of the Zurich Financial Services UK Pension Scheme (“Zurich Scheme”) and holds the obligation to procure that the participating employers meet their ongoing funding obligations to the Zurich Scheme. The company also guarantees contributions to the Endsleigh Insurance Services Ltd Pension and Assurance Scheme (“Endsleigh Scheme”).

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.

Business conduct

The company has four overarching responsibilities:

1. To fulfil its role as the principal employer of the Zurich Pension Scheme with particular emphasis on its funding obligations;
2. To provide capital funding support, as required, to its subsidiary companies within the UK Life and Savings Business whilst maintaining and managing its own capital funding and liquidity requirements;
3. To maintain the company's business as a going concern; and
4. To ensure that the company remains compliant with local law and meets the expectations of its regulators, paying due regard to jurisdictional best practice.

The company is supported in delivering and executing the above responsibilities by reviewing considering and challenging reports submitted by the following stakeholders:

- The CEO of the UK Life and Savings business: provides a quarterly comprehensive overview of activity, financial performance, strategy and an update on regulatory matters;
- Chief Risk Officer;
- Chief Finance Officer; and
- The Head of Pensions and Benefits of Zurich Scheme.