

Corporate Governance Arrangements and Duty to Promote 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, 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 and customers. In particular, the Board has given consideration to the:

- Likely consequences of any decision in the long term;
- Interests of employees;
- Need to foster the Company’s business relationships with suppliers, customers and others;
- Impact of the Company’s operations on the community and the environment;
- Desirability of the Company maintaining a reputation for high standards of business conduct.

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 Property and Casualty 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, including the approach to employee engagement, appear in the financial statements of Zurich UK General Employee Services Limited, Zurich UK General Services Limited and Zurich Global Corporate UK Limited, copies of which can be obtained from The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire, PO15 7JZ.

Stakeholder Relationships and Engagement

Business relationships with suppliers, customers and others

The principal activity of the Company is as a holding company to companies within the Zurich Group which provide services to other group companies and businesses such as the delivery of fee based engineering inspection services (through Zurich Engineering) and risk engineering consultancy services (through Risk Engineering) to both private and public sector organisations. The principal disclosures in relation to these activities can be found in the financial statements of these individual companies.

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.

Impact of operations on the community and environment (continued)

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 three overarching responsibilities:

1. To manage the capital funding requirements of its subsidiary companies within the UK Property and Casualty Business;
2. To maintain the company's business as a going concern in line with its strategic aims and targets for sustainable growth; and
3. 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:

- A comprehensive overview of activity, financial performance, strategy and updates on regulatory matters are provided on a regular basis by the UK Branch Manager of the UK Property and Casualty business to the CEO of Zurich Insurance plc;
- Chief Risk Officer; and
- Chief Finance Officer.