

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, 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; and
- 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. It ensures that the engineering inspection services and risk engineering consultancy services generate sufficient fee income and good customer outcomes. These considerations form the basis of its decision making in respect of the Company.

The Board receives quarterly reports on risk engineering and engineering inspection matters; outlining the operational and financial aspects of the business performance. This allows the Board to assess the appropriateness of its strategy and make alterations should it need to. The Board reviews engineering inspections’ Total Risk Profile (TRP) each quarter, ensuring that all relevant and applicable risks that could impact the company’s strategy and business are captured, monitored and mitigated in the most appropriate way.

Interests of employees

The Company does not have any direct employees but a management charge is made to the Company from a number of employing entities (Zurich UK General Employee Services Limited, Zurich UK General Services Limited and Zurich Global Corporate UK Limited) in respect of employees who work on behalf of the Company and have a responsibility for the Company. 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.

Stakeholder relationship and engagement

Business relationships with suppliers, customers and others

The principal activity of the Company is the delivery of fee-based engineering inspection services and risk engineering consultancy services to both private and public sector organisations.

The Zurich Engineering Inspection business helps customers to identify, manage and control engineering risks through its national team of approximately 500 highly trained and experienced engineer surveyors that help customers comply with a wide range of legislation through independent in-service examinations of plant and machinery.

The Risk Engineering business supports improved risk selection and pricing, to drive fee income and cross sell new premium business and support renewal retention. The engineers within the Risk Engineering organisation work with general insurance customers to identify, assess and mitigate potential risks to their business. The Company contracts with customers for the provision of these consultancy services in return for a service fee.

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 Company's long-term strategy.

Business conduct

The Heads of the Engineering Inspection business and the Risk Engineering business report on a quarterly basis to the Board on matters concerning the health and safety of the Company's engineers and consultants, business performance and other issues affecting the Company.

The Company manages and mitigates health and safety risks (in so far as is reasonably practicable) by providing robust safe systems of work, risk assessments and escalation in the classification of defects to customers in a timely manner. It works closely with customers to provide a safe place of work for the engineers and specialist help where necessary. The company employs only suitably qualified and experienced engineers and adheres to the SAFed health and safety passport scheme. All engineering inspection staff have access to a market leading training and induction programme and to regular technical bulletins and toolbox talks, which offer/provide technical assistance during working hours by a duty senior engineer.