

## **Duty to Promote Success of the Company ('Section 172(1) Statement')**

Section 172 ("s172") of the Companies Act 2006 requires the Board to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard for the interests of stakeholders including shareholders, customers, employees, suppliers, regulators and the wider society in which the Company operates.

The Company is a wholly owned subsidiary of ZIG and is subject to policies and governance arrangements set by the ZIG group, as well as local statutory and regulatory requirements. The Board derives its collective authority by direct delegation from its shareholder. Its key purpose is to ensure the Company's prosperity by collectively directing the Company's affairs while meeting the appropriate interests of its shareholder and relevant stakeholders.

The Board's principal aim is to ensure the fair treatment of the Company's customers, while enhancing the Company's long-term value to its shareholder through the sustainable and compliant delivery of financial performance targets within a framework of prudent and effective controls.

During the financial year, the Board has considered the duty to promote the success of the Company when making decisions, including the:

- Likely consequences of any long-term decision
- Interests of employees
- Company's business relationships with suppliers, customers and others
- Impact of the Company's operations on the community and the environment; and
- Maintenance of the Company's reputation for high standards of business conduct.

As a wholly owned subsidiary of the ZIG group, the Company has only one member and therefore the Board does not need to consider the fairness between members.

### **Long term decisions**

The Board considers the interests of stakeholders as part of its overall long-term business objectives and continues to align the Company's strategic direction with the shareholder's aspirations for growth and sustainability. For each matter that is considered by the Board, stakeholders who may be impacted are identified and their interests considered as part of the Board's decision-making process.

An example is the approval of a number of Longevity swap transactions throughout 2024. The Board considered the interests of stakeholders and the Company's strategy and risk appetite in its decision-making process, aided by papers presented at meetings. The transactions were deemed to be beneficial to all key stakeholders.

## Policies around anti-bribery and corruption

In accordance with section 414CB of the Companies Act, the Company is covered by the UK Financial Crime policy, including Anti-Bribery and Corruption. The content for guidance documents and local standards is driven by the content of ZIG group policies, with the inclusion of UK specific legislation and regulations. The Fraud and Financial Crime Risk Management Framework is supported by policies, protocols, standards, guidance, and procedures that ensure a robust control environment. Documentation is subject to annual review and the Board is kept informed through quarterly reporting on key matters and any changes to the regulatory landscape.

## Stakeholder engagement

The Company's workplace pension policyholders are represented through the Zurich Governance Advisory Arrangement to ensure that their interests are being considered individually and collectively. The Board is provided with regular updates pertaining to Zurich Governance Advisory Arrangement activities and engagement with the business. Papers submitted to the Board and/or Committees indicate that, where appropriate, customer interests have been considered and inform on what action has been taken.

The Board considers the interests of stakeholders as part of its overall long-term business objectives.

The following table sets out details of key stakeholder engagement undertaken by the Company during 2024.

<b>Employees</b>	<p>As the Company does not have any direct employees, a management charge is made to the Company from the UK employing entity, Zurich Employment Services Limited, in respect of employees who work on behalf of the Life business. The principal disclosures in respect of these staff, including the approach to employee engagement and the employment of staff with disabilities in the United Kingdom, appear in the Annual Reports and Financial Statements of Zurich Employment Services Limited, Unity Place, 1 Carfax Close, Swindon, Wiltshire, United Kingdom, SN1 1AP.</p> <p>The following summarises how the Board considered employees in its deliberations:</p> <ul style="list-style-type: none"><li>• The Company's employee engagement mechanisms include the Board receiving regular updates on the results of employee surveys to keep fully apprised of employee engagement levels and the quality of leadership across the workforce, as well as a broad range of subjects including collaboration, working conditions, wellbeing, reputation, benefits and rewards, diversity and inclusion and responsible business.</li><li>• The Board's annual calendar includes a strategy event where a cross-section of employees are invited to present and provide updates on current matters or areas of focus to the Board.</li></ul>
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<p><b>Employees (continued)</b></p>	<ul style="list-style-type: none"> <li>• The Nomination and Remuneration Committee is responsible for succession planning and focuses on the performance of executives and key employees outside of the executive. It ensures that a talent pipeline is in place, and engagement is encouraged with those individuals through presenting at Board and Committee meetings, the strategy event, and deep dives on the Board’s areas of focus. It also regularly seeks feedback and updates from senior management on morale and wellbeing.</li> <li>• The Wellbeing hub provides a range of resources and tools to help employees keep active, healthy, and safe.</li> </ul>
<p><b>Customers</b></p>	<p>The Board ensures that it is well informed about customer outcomes and customer sentiment about its propositions. This includes ensuring mechanisms are adequate in respect to vulnerable customers.</p> <p>The following summarises how the Board considered customers in its deliberations:</p> <ul style="list-style-type: none"> <li>• All customer propositions are reviewed regularly, to ensure they continue to support the delivery of good customer outcomes, and that proposed changes do not cause foreseeable harm to customers.</li> <li>• Existing propositions for long-term insurance products are enhanced and new propositions are developed and offered from time to time to customers.</li> <li>• A comprehensive customer Net Promoter Score programme is in place across all major product lines which encompasses Transactional Net Promoter Score touchpoints. The NPS programme obtains feedback from customers on their experiences with the Company throughout the customer lifecycle and is actively used to drive improvements in the customer experience.</li> <li>• An Executive Management Customer Committee oversees the delivery of good customer outcomes and reports to the Board.</li> <li>• The Board’s annual learning and development event in 2024 included a deep dive on consumer duty, customer journeys, and customer experience.</li> </ul> <p>Under the FCA’s new Consumer Duty, implemented in July 2023 for open products and services and July 2024 for closed books of business, the Board have adopted an enhanced role in monitoring the delivery of customer outcomes to ensure the firm’s products and services remain compliant with the new Consumer Duty standards. The Board-level Consumer Duty Champion (Heather Lauder - Independent Non-Executive Director) continues to liaise with Board members and the business to ensure that Consumer Duty is discussed regularly and raised in all relevant Board and Committee discussions.</p>

<p><b>Customers (continued)</b></p>	<p>The Board and the Risk Committee receive regular reports on the arrangements put in place to support vulnerable customers. As a result of ongoing monitoring of customer outcomes and feedback, the Company identified and delivered several improvements to products which have enhanced the overall customer experience. An example of this is the assessment of capabilities regarding the early identification of vulnerable customers and monitoring vulnerable customer outcomes.</p>
<p><b>Suppliers</b></p>	<p>The Company expects all its business partners to embrace high standards of ethical and business conduct. The following summarises how the Board considered suppliers in its deliberations:</p> <ul style="list-style-type: none"> <li>• Our recruitment process includes robust checks throughout the on-boarding journey, to ensure we do not employ individuals that are facing, or are involved in, enforced servitude. Our annual code of conduct training is completed by all Zurich staff and includes content around fair and compliant conduct, including the protection of human rights.</li> <li>• Employees directly involved with on-boarding and management of suppliers receive additional UK supplier management training and are made aware of how to report any concerns.</li> <li>• Oversight of suppliers is the responsibility of the UK Chief Operating Officer. A governance framework is in place to support the supply management lifecycle and to ensure effective and efficient management of our suppliers. The framework ensures that a rigorous and diligent process is followed during the procurement process, whereby the third parties' structure, operations, culture, human resources, supplier and customer relationships and future outlook are assessed.</li> <li>• The Board reviews and publishes its annual Modern Slavery Act statement, outlining how it mitigates the risk of slavery and human trafficking within its business and its supply chains. As part of this process, the Company has in place a Modern Slavery and Human Trafficking Policy, which seeks to identify and manage such risks.</li> <li>• An integral aspect of Zurich's sustainability is our Supplier Code of Conduct (the "Code"), in which it provides clear guidance to ensure that our suppliers act in a manner that is compatible with our own ambitions. The Code sets out the environmental, social and ethical standards expected of our suppliers.</li> </ul>

<p><b>Communities</b></p>	<p>The Company believes in contributing positively to society and in having a positive impact on the communities in which it operates.</p> <p>The following summarises how the Company continues to consider its impact on communities:</p> <ul style="list-style-type: none"> <li>• The UK Public Affairs team strives to make Zurich an influential and prominent voice in all aspects of the public policy process. Its primary focus is the identification and monitoring of key regulatory and legislative developments, and the communication of these to the wider business to determine whether to lead or support on any external engagement activity.</li> <li>• The Company has an established policy of communicating with employees regularly through all employee emails and workplace updates to promote its commitment to risk management, compliance, good conduct, social responsibility, diversity and inclusion, and maintaining employee wellbeing.</li> <li>• The Company holds membership of, and the UK Public Affairs Team works closely with, industry bodies such as the Association of British Insurers (“ABI”), to ensure that it is coordinated and effective in influencing the public policy agenda.</li> <li>• The UK Public Affairs team provides a weekly internal update on stakeholder engagement across the UK together with details of government consultations and inquiries of relevance to the Company.</li> <li>• The Company is committed to diversity and inclusion and Zurich UK is signed up to the Race At Work Charter, an initiative designed to improve outcomes for Black, Asian and Minority Ethnic employees in the UK.</li> <li>• Zurich Community Trust's (“ZCT”) Strategic Funding programmes focus on challenging social issues and support the most vulnerable in society. These programmes are wholly funded by the annual donation made to ZCT by the Zurich UK businesses. For 2024, ZAL donated £1m (2023: £1m).</li> </ul>
<p><b>Regulators</b></p>	<p>Positive engagement with regulators ensures high business standards are maintained and customers are protected.</p> <p>The following summarises how the Board considered regulators in its deliberations:</p> <ul style="list-style-type: none"> <li>• The Company maintains an open relationship with the Prudential Regulation Authority (“PRA”) and the Financial Conduct Authority (“FCA”), which includes regular dialogue and complying with all regulatory reporting requirements, in addition to providing regular management information to the PRA.</li> <li>• The Board receives regular updates on the Company’s interactions with regulators including forthcoming changes to regulatory requirements.</li> </ul> <p>The Company routinely provides copies of the Board, Risk and Audit Committee meeting papers to the PRA and responds to any ad hoc requests for information from regulatory bodies when required.</p>

## Sustainability

The UK Chief Sustainability Officer (“CSO”) is responsible for Sustainability, which is at the centre of the Company’s ambition to be known as one of the most responsible and impactful businesses in the world.

The following summarises how the Board considered sustainability in its deliberations:

- The Board Risk Committee (“BRC”) has oversight of the financial risks of climate change, with accountability being documented within the Terms of Reference.
- The BRC assists the Board in carrying out its responsibilities in relation to the oversight of risk management in accordance with law and regulations.
- The UK CSO is responsible for climate change, and the BRC has approved a formal governance framework which includes a UK Corporate Responsibility and Sustainability Committee (“CR&SC”) (which convenes on a quarterly basis). This ensures the reporting and oversight of relevant management information in line with the ZIG group’s Sustainability Strategy.