

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

Section 172 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 do 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.

Some examples are set out below. As part of its decision making, 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.

- Continued enhancement of the Retail Protection and ZCR propositions, including improvements to the products and investment in value added services.
- As part of a continued focus on Longevity swap transactions, the Board approved a new Longevity swap in 2025.
- The Board approved a number of matters relating to the changes to the administration of the Life business following Capita PLC's decision to leave the Life and Pensions market. This included migrating Capita PLC employees to Zurich effective 1 November 2025.
- The Board considered material transactions which included the approval of a dividend of £185m to the parent company.

### **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 2025.

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| <p><b>Employees</b></p> | <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 and reviewing 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> <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 provision of a range of resources and tools through the Zurich UK Wellbeing hub to help employees keep active, healthy, and safe.</li> <li>• The Board also monitors the arrangements in place to facilitate whistleblowing and the handling of instances of whistleblowing.</li> </ul> |
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| <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 NPS programme is in place across all major product lines which encompasses tNPS 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>• There are regular reports to the Board on the delivery of good customer outcomes.</li> <li>• The Board's annual learning and development event in 2025 included a deep dive on consumer duty; customer case studies; fair value assessments and consumer value; and customer experience.</li> </ul> <p>Under the FCA's new Consumer Duty, implemented in July 2023 and July 2024, for open products and services as well as for closed books, 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>The Board and the Risk Committee ("RC") receive regular reports on the arrangements put in place to support vulnerable customers. Ongoing monitoring of customer outcomes and feedback is utilised to support the identification of improvements to enhance the customer experience.</p> |
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| <b>Suppliers</b> | <p>ZIG operates in a global sourcing environment, endeavouring to work with third parties and suppliers who operate responsibly, share Zurich values and adhere to the spirit of the Zurich Code of Conduct.</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 has inbuilt 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 Operations Director. 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, in which it provides clear guidance to ensure that our suppliers act in a manner that is compatible with Zurich's own ambitions. The Code sets out the environmental, social and ethical standards expected of our suppliers.</li> </ul> |
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## Communities

The Company believes in contributing positively to Society and in having a positive impact on the communities in which it operates.

The following summarises how the Company continues to consider its impact on communities in its deliberations:

- The UK Public Affairs team strives to make Zurich UK an influential and prominent voice in all relevant areas of public policy. Its primary focus is the identification and monitoring of key policy and legislative developments, and the communication of these to the wider business to determine whether to lead, drive, oppose or support, with consideration of any external engagement activity.
- The Company holds membership of, and the 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.
- The UK Public Affairs team also provides internal updates on stakeholder engagement across the UK together with details of government consultations and inquiries as relevant to the business.
- 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.
- 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 2025, the Company donation was £1m (2024: £1m). Through a range of partnerships, fundraising and volunteering programmes led by ZCT, we are helping to build a more inclusive and resilient society. There are a wide range of initiatives and activities ZCT have been involved with engaging with society. A complete description of these activities can be found on 'People and society' section of the Zurich Insurance UK website.

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| <b>Regulators</b>     | <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 PRA and the 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> <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> </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>                                                                             |
| <b>Sustainability</b> | <p>The UK Chief People &amp; Sustainability Officer ("CP&amp;SO") is responsible for implementing and monitoring the Group Sustainability Framework, ensuring sustainability priorities and targets are aligned and achieved across the UK business.</p> <p>The following summarises how the Board considers sustainability in its deliberations:</p> <ul style="list-style-type: none"> <li>• The RC has oversight of the financial risks of climate change, with accountability being documented within the Terms of Reference.</li> <li>• The RC assists the Board in carrying out its responsibilities in relation to the oversight of risk management in accordance with law and regulations.</li> <li>• The UK CP&amp;SO is responsible for the Company's response to climate change and escalates matters to the RC as appropriate. The Market Development and Sustainability Execution Team takes inputs from across the UK business to align with the UK Sustainability Strategy; these inputs are collated into the UK Sustainability Dashboard for the UK CP&amp;SO to review. The dashboard is an internal tool that helps demonstrate progress against the UK Sustainability targets.</li> </ul> |