

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

Section 172 of the Companies Act 2006 requires the Board of Directors (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 to 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 Zurich Insurance Group Ltd ("ZIG") and is subject to policies and governance arrangements set by ZIG 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 whilst 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 stakeholders within a framework of prudent and effective controls, whilst enhancing the Company's long-term value to its shareholder through the sustainable and compliant delivery of financial performance targets.

During the financial year, the Board considered these duties when making decisions to further the Company's strategic purpose, including the:

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

As a wholly owned subsidiary of ZIG, the Board are not required to consider the fairness between members.

Long term decisions

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

Policies around anti-bribery and corruption

In accordance with section 414CB of the Companies Act, the Company is covered by the Zurich UK Financial Crime policy, including Anti-Bribery and Corruption. The content for guidance documents and local standards is driven by the content of ZIG 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.

Employees

The Company does not have any direct employees, but a management charge is made to the Company from the UK 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 P&C business 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.

The following summarises how Zurich UK (Zurich business conducted within the UK) considered employees in its deliberations:

- Employee engagement mechanisms including 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, a talent pipeline, working conditions, wellbeing, reputation, benefits and rewards, diversity and inclusion, and responsible business.
- Support for employees through the Flex Work scheme, Emergency Leave policy, and regular feedback and updates from senior management on morale and wellbeing.
- The Wellbeing hub provided a range of resources and tools to help employees keep active, healthy and safe.

Suppliers

The principal activity of the Company is as a holding company to subsidiary companies within ZIG and the Company does not receive services from external suppliers. The subsidiary companies provide services to other ZIG companies and external businesses, such as the delivery of fee-based engineering inspection services (through Zurich Engineering) and risk engineering consultancy services (through Zurich Resilience Solutions) to both private and public sector organisations. The principal disclosures in relation to these activities can be found in the financial statements of Zurich Management Services Limited.

Communities

The Company believes in contributing positively to society to have a positive impact on the communities in which it operates. The following summarises how the Board considered communities in its deliberations:

- The UK Public Affairs team strives to make Zurich 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 UK Public Affairs team provide internal updates on stakeholder engagement across the UK together with details of Government consultations and inquiries as relevant to the Company.
- 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 employees in the UK.
- There are a wide range of initiatives and activities that we have been involved with that focus on engagement with society. A complete description of these activities can be found on <https://www.zurich.co.uk/sustainability/people-and-society>.

Sustainability

Sustainability is at the centre of the UK business and part of the ZIG's purpose which inspires us to leverage our business model to scale positive impact for customers, people and planet and to build partnerships that can drive transformative change. ZIG aims to have a positive impact in its role as an insurer, investor, employer and in society and manage its own environmental, social and governance risks. The UK Chief Sustainability Officer holds responsibility for sustainability in the UK.

As the ultimate parent company, ZIG sets the sustainability strategy and goals for all Zurich entities globally. The UK business have set targets aligned to ZIG's sustainability strategy and manage sustainability actions to support the strategy and continue to build on our progress, aiming to meet the evolving needs of our stakeholders. Our ambitions are grouped across three focus areas - planet, customers and people. We will continue to use the levers we have as a global insurer to make a positive impact in the world. Under People Sustainability, as an employer and provider of protection solutions to millions of people, we seek to create a more skilled and inclusive society in our workforce and communities.

Sustainability continues to grow in importance for many of Zurich's stakeholders and the organisations we do business with. The passing of the Social Value Act in 2012 increased this demand and many of Zurich's customers now require us to provide information about our corporate responsibility and sustainability activity and targets. Zurich UK's Climate Transition Plan outlines how we plan to reach net-zero and is continuously monitored and updated.