

# Corporate Responsibility

We believe we serve best our shareholders' and other stakeholders' long-term interests by pursuing our business with a focus on performance and responsibility. In these efforts, we are inspired and supported by Zurich *Basics*, our core values and basic principles that help guide our conduct and decisions. We also have an overall corporate responsibility strategy and framework, along with dedicated functions, to help us execute on our commitment and enhance the value we deliver to our stakeholders and society at large.

We focus our corporate responsibility work on compliance, ethics and corporate citizenship, including overall sustainability. In 2004 we worked to advance these areas through enhanced communications, training and other initiatives. The goal is to ensure that Zurich employees and managers worldwide understand how much the company's ability to deliver sustainable financial results also depends on how well we perform in these important areas. Governance as described in the Corporate Governance Report on pages 116–129 completes our efforts.

## Compliance and ethics

With regulation in most countries becoming more complex and expensive, there can be a business advantage for companies able to develop the capabilities and structures to meet these obligations more effectively and efficiently than their competitors. Zurich's compliance strategy is based on this recognition, as well as on our own values commitment to do what is right.

An important tool is our compliance performance standards that apply to our business units worldwide and help advance common foundations and processes. We also work to deepen the understanding of managers and

employees regarding compliance and ethical obligations generally. Inspired by Zurich *Basics*, these initiatives include multimedia awareness campaigns, specific training in detailed regulatory areas, and learning initiatives related to areas such as conflicts of interest, business practices and ethical decision-making.

## Corporate citizenship and overall sustainability

Corporate citizenship to us means thinking long-term and working to integrate social and environmental considerations into how we run our business and develop and market our products. It also means reaching out to contribute directly through time and financial contributions where we can add value.

To improve the management of corporate citizenship activities globally, we established in 2003 a Group-level Corporate Citizenship Council. In the past year, the council worked to bring strategic focus and identify areas of priority such as helping the disadvantaged and promoting employee involvement. It also concentrated on increasing financial effectiveness and speed of reaction in times of need. An example was our swift response to relief efforts after the devastating tsunami at the end of 2004. The environment is another area of focus. In 2004, a number of our units advanced with their environmental goals, including efforts aimed at energy usage efficiency and reduction of commuting and business travel.

To be able to provide on-going and updated information, we report on our specific progress and activities in the environmental, social, and other areas of corporate responsibility on our Web site [www.zurich.com](http://www.zurich.com).

*Zurich shares qualify for various indexes and funds that focus on companies making progress in corporate responsibility and long-term orientation, including the Dow Jones World and STOXX Sustainability and the FTSE4Good Global and Europe indexes.*

Group Financial Review	33
Segmental Financial Analysis	45
Consolidated Financial Statements	63
Embedded Value Results – Life Insurance	112
Corporate Governance Report	116
Remuneration Report	130
Holding Company – Financial Statements	135
Shareholder Information	142

33	Group Financial Review
45	Segmental Financial Analysis
63	Consolidated Financial Statements
63	Consolidated operating statements
64	Consolidated balance sheets
66	Consolidated statements of cash flows
68	Consolidated statements of shareholders' equity
70	Notes to the consolidated financial statements
109	Significant subsidiaries
111	Report of the Group auditors
112	Embedded Value Results – Life Insurance
116	Corporate Governance Report
130	Remuneration Report
135	Holding Company – Financial Statements
142	Shareholder Information
142	Zurich Financial Services share data
143	Financial calendar and contacts