



# **Corporate Responsibility Report**

**2004**



**EAGLE STAR**

Eagle Star has a strong e-business focus and as leaders in internet technology in Financial Services, (a paper producing industry) we decided from an environmental point of view to produce this report electronically, rather than produce a high quality, graphically designed report.

The report is web-based only, a business decision which compliments our commitment to corporate responsibility, practices and development.

E-communication is the method we use to communicate with all our stakeholders and therefore was the most appropriate medium for this report.

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In March 2003 Eagle Star Life became the first financial services company, and indeed one of the first companies in Ireland, to publish a Corporate Responsibility report. This important step introduced a formal process of examining and measuring the impact of our business on society under the headings: Workplace, Marketplace, Community and Environment. Since then, we have focused on raising awareness across the organisation and among our stakeholders of the high value we place on integrating Corporate Responsibility into our work practices.

As a leading Pensions and Life Assurance company we have many stakeholders. Our customers entrust Eagle Star with their longest term and most important financial planning, in particular pensions and financial protection for themselves and their family. This is an important responsibility of which all of us at Eagle Star are very aware. Beyond this, we have always been aware of wider responsibilities as an employer and as a citizen of the communities in which we operate.

I believe that continuing to endorse the principles of Corporate Responsibility will further enhance the recognition and management of our responsibilities across all aspects of our business. I was delighted to confirm our commitment last year by joining with other top Irish Companies in endorsing a Corporate Responsibility Charter.

In Eagle Star's second Corporate Responsibility report we attempt to demonstrate an open and honest record of our Corporate Responsibility actions and progress to date as we continue on this significant journey.

*Michael Brennan*

Managing Director

**September 2004**

**BUSINESS** *in the*

**COMMUNITY**

*Ireland*

## MEMBERSHIP CHARTER

Eagle Star Life Assurance Company of Ireland Limited is COMMITTED TO THE PRINCIPLES AND PRACTICE OF CORPORATE RESPONSIBILITY. We recognise that they are fundamental to the long-term sustainability of this company.

WE strive for BUSINESS EXCELLENCE in all areas that IMPACT ON OUR STAKEHOLDERS. These include our Customers, Employees, Suppliers, Community and the Environment.

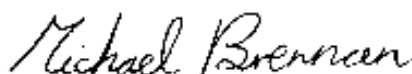
We undertake to ENGAGE IN OPEN AND TRANSPARENT CONSULTATION AND DIALOGUE with all our stakeholders on an ongoing basis.

We commit to CONTINUOUSLY IMPROVE OUR BUSINESS PRACTICES through evaluation and learning and to SHARE EXAMPLES OF BEST PRACTICE TO INSPIRE OTHERS to embrace Corporate Responsibility and to be a great Corporate Citizen.

We commit to undertake the actions necessary to pursue the objectives of this charter.



For Business in the Community *Ireland*



FOR Eagle Star Life Assurance Company of Ireland Limited

## Foreword

An important core value within Eagle Star is to 'Act with Integrity'.

Integrity is not a trade off against any other value or against any of our financial or other goals. Rather, it and the principles that naturally extend from it are necessary ingredients for reaching these goals.

Eagle Star Life became a founding member of [Business in the Community Ireland](#) in 2000, to show a tangible commitment to Corporate Responsibility and a determination to focus strategically on Corporate Responsibility within the company through a process of systematic measuring. One of the first steps on our path to incorporating Corporate Responsibility throughout our business was the production of a full scope Corporate Responsibility report in 2003. We hope this, our next publication will again give you a broad understanding of our company, the policies and practices we have in place and our commitment to continuous improvement in the area of Corporate Responsibility.

We have made good progress with most of our key Corporate Responsibility objectives while we acknowledge that there is still room to improve and more to do in order to respond to our Corporate Responsibility challenges.

Apart from the success in launching a Corporate Responsibility Report on-line at the business leaders' conference 'Good Business, Better Impact' in March last year we had some important business successes and developments which fit well with our Corporate Responsibility ethos, e.g.

- In 2003 we were one of the first companies in the country to provide the new Personal Retirement Savings Accounts. As a leader in the pensions market, Eagle Star believes it has a corporate responsibility to support wider pension provision. These products are intended by the Government to help those without adequate cover to provide for their future retirement and PRSA's are an easily accessible low cost option for everyone.

- In the September 2003 edition of Consumer Choice, all the Standard PRSAs in the market were assessed under the categories: investment flexibility, strategy review and performance; contribution flexibility; bonuses and rewards. Each time a PRSA got a favourable mention under a category it was awarded one point. Eagle Star's PRSA was the only product to receive a score of 5 points.
- In line with our Commitment to Corporate Responsibility, Eagle Star believes that serving the customer is central to the future of its business and strives to give them superior value and outstanding service. In 2003 this was recognised by independent market research with Eagle Star winning the [Irish Brokers Association](#) (IBA) and the [Professional Insurance Brokers Association](#) (PIBA) awards for service excellence in the Life Insurance Industry.

Eagle Star's 2004 report aims to re-affirm our commitment to Corporate Responsibility, going beyond our 'all encompassing' responsibility to our customers who entrust Eagle Star with their long term financial planning, in the key areas of pensions, investments and financial protection.

## Our Impact as an Organisation

Eagle Star is proud to be a part of an industry whose pivotal role is to provide financial protection for families. Life insurance protection in force in Ireland at the end of 2002 was estimated at €198 billion.\*

Insurance remains an important economic sector in its own right, providing employment to well over 15,000 people in Ireland, maintaining investment funds of approximately €25 billion in Ireland and paying out claims of €3,731 million.\*

\*Source: latest statistics available from Irish Insurance Federation 2002 Factfile.

As part of the Life Insurance industry, Eagle Star offers invaluable benefits to the general public in the form of the peace of mind, security and the protection which life and pension products offer.

Eagle Star Life encourages saving and in particular a high level of saving for retirement. It builds trust and reputation through the design of its products, the recognition of its responsibilities in the area of fairness and transparency and the provision of an excellent service to the consumer.

We recognise our many responsibilities as a company in which people invest, as a solution provider to our customers, as an employer of choice and as a good corporate citizen of the wider community in which we operate. We are striving to improve how we understand and manage these responsibilities, which is why we are advancing our efforts in corporate citizenship in line with our values of open, ethical and honest trading.

## About Eagle Star Life

Eagle Star is a financial services company, employing over 477 people in Ireland (as at 31<sup>st</sup> December 2003). The company has over 180,000 people insured and is firmly established as one of the country's most successful life insurance businesses, offering a range of pension, protection and investment solutions. Eagle Star is also a market leader in providing information online through its innovative website, [www.eaglestarlife.ie](http://www.eaglestarlife.ie).

## Our History

Shield Life, the original name for Eagle Star's life company in Ireland, was launched in Ireland in 1978. In 1983 the company moved to new headquarters in Blackrock and in 1990 took on the corporate identity of Eagle Star. Internationally renowned as a financial services company, Eagle Star in Ireland was part of the international Eagle Star Group whose origins dated back to 1807. In 1998 Eagle Star became part of Zurich Financial Services. Now, as an Irish company and as part of one of the world's largest insurance groups, Eagle Star Life is well positioned to provide tailored solutions to the pension, investment and protection needs of Irish individuals and companies.

Eagle Star Life became a founding member of [Business in the Community Ireland](#) in 2000, to show a tangible commitment to Corporate Responsibility and a determination to focus strategically on CR within the company through a process of systematic measuring. The company was the first [BITC](#) Ireland member and first financial services company in Ireland to issue a full spectrum Corporate Responsibility Report.

## Our Success

### Employees

Eagle Star is committed to maintaining a staff of highly professional and motivated people. Our employees are highly trained, highly educated and hold professional qualifications from various institutions such as the Institute of Actuaries, Chartered Insurance Institute of Ireland, Irish Institute of Pension Managers, Institute of Chartered Accountants, Institute of Investment Management and Research, Marketing Institute of Ireland, Life Insurance Association and Institute of Personnel Development.

48% of the total of Eagle Star staff are third level graduates. 34% of the total of Eagle Star staff hold a professional qualification.

Eagle Star's business success can be attributed to the considerable efforts of staff who in our technically progressive business environment turn challenges into success stories.

### **Management Approach**

Eagle Star's management team has a strong professional ethos and commitment. All decisions for Ireland are made, autonomously in Ireland by Eagle Star's Blackrock based team. The company's customer solutions and marketing innovations are also developed in-house.

Award for Top Supporting Management Team went to Eagle Star at the 2003 Irish Broker Association Service Excellence Awards.

### **Investment Performance**

Eagle Star Life has a well-established in-house investment team based in Blackrock, Co. Dublin which is responsible for funds under management of €4.0 billion of which pension assets amount to €2.2 billion (as at 30th June 2004). The company's investment strategy delivers investment performance, security and choice.

Over the last decade, our reputation for investment performance and service has been second to none.

The company has been ranked in the top three in the last four annual Irish Independent/Irish Times Personal Pension Surveys, for ten-year unit-linked maturity values.

### **Service**

Service standards are very important to Eagle Star. Over the years it has won a number of industry service awards, including the inaugural Professional Insurance Brokers Association Service Award of Excellence (awarded November 2003) and the Irish Brokers Association Service Excellence Award for 2003 and from 1991 – 1998.

## E-initiatives

Eagle Star is leading the way in terms of delivering online service enhancements to insurance intermediaries and customers through a unique series of secure extranets as part of our website. These secure extranets include a Client Centre and Broker Centre, which feature a Sales, Reports, Underwriting, Claims, Funds and Compliance section.

These services allow financial advisors and customers online access to view personal policy information electronically and to keep track of the performance of their funds.

Customers can also instantly obtain indicative future values for their policies across a selected range of pension and investment products.

*“Just to say what a superb website this is. I have never come across a more user-friendly or useful site.”*

***An Independent Intermediary***

This year Eagle Star has launched a Doctor Centre, which allows doctors to quickly and securely complete any information that is required by a patient when taking out life and/or serious illness cover. This ensures a faster response for those looking for a speedy turnaround to a proposal for mortgage protection cover.

Through our e-business developments we can offer greater flexibility, choice and service to our customers and we believe that greater access to information promotes corporate accountability and transparency.

## Product Design

Eagle Star is committed to providing our customers with a range of unique and innovative pension, investment and protection solutions – a range of solutions to meet each of our customers’ specific goals. As a leader in the pensions market, Eagle Star recognises the importance of pension provision for *all*. This is why we were pleased to be one of the first companies to be approved to provide **Personal Retirement Savings Accounts**. These products are intended by the Government to help those without adequate cover to provide for their future retirement. PRSAs are an easily accessible, low cost option for *everyone* not just those in employment.

The following is a list of our products:

***Pensions***

- Personal Retirement Savings Accounts (PRSAs)
- Employer-sponsored Pensions
- Personal Pensions
- Additional Voluntary Contributions
- Approved Retirement Funds
- Buy-out Bonds
- Self-directed Pensions

***Savings and Investments***

- Lump Sum Investment Bonds
- Regular Premium Savings Plans
- Guaranteed Deposits
- Corporate Deposits

***Protection***

- Guaranteed Life and Serious Illness Term cover
- Guaranteed Mortgage Protection
- Permanent Health Insurance to cover disability
- Pension Guaranteed Term Protection

***Business Insurance***

- Partnership Insurance
- Co-Director Insurance
- Corporate Company Director Insurance
- Key-person Insurance

## The Eagle Star Brand

The Eagle Star logo reflects what the company stands for:

*The Eagle* embodies strength and confidence.

*The Rock* represents security stability and establishment.

*The Star* typifies focus, direction and achievement.



Market research on the Eagle Star brand as a pension/PRSA provider in Ireland has shown that its brand awareness is very strong and as a pension brand is within the top three brands in the market in terms of spontaneous and prompted recall. This research also showed that for the ABC1 social group, Eagle Star is the number one pensions/PRSA brand in the market.

According to research carried out by LIMRA (Life Insurance Market Research Association), the brand is associated with a high quality, innovative and modern company that leads the way in technological advancements for brokers and has a dynamic range of products.

Source:           Lansdowne Market Research: Published January 2004  
                      LIMRA Broker Opinion Survey: Published January 2004

## **Our Mission**

**Eagle Star's mission statement which is communicated throughout the organisation via our employee intranet is:**

- To build a totally customer-focused organisation.
- To be a recognised industry leader in our key markets.
- To deliver significant added value to shareholders.
- To be recognised as the employer of choice.

Our core values reflect our very essence. Any action or business goal we pursue must be consistent with our core values:

- We demonstrate total customer dedication.
- We are pioneers.
- We excel in all we do.
- We encourage everyone to contribute.
- We act with integrity.

### **Our Vision**

- To be the best partner for our customer's lifetime financial needs.
- To be regarded as an excellent provider of investment and financial protection solutions by our target customers.

### **Our Business Definition**

- Partnering to provide expert advice and quality solutions for key financial decisions.

### **Our Purpose**

- We bring confidence and security to people's lives

## Scope of this Report

In publicly communicating our performance across the board in this report, we are aiming to be as transparent and accountable as possible concerning every aspect of our operations. To this end, we have used two sets of CR measurement indicators as a guide in the communication of our social and environmental performance. These are the indicators from the Winning with Integrity Framework, published by [Business in the Community UK](#) (2000) and the indicators from the SME Key, published by [CSR Europe](#) (2000).

We have endeavoured to measure our performance against all of the above indicators but in some instances, the indicators were either not relevant to our core business or we did not have procedures in place to gather the data in time for publication. Believing it was important to continue the process of formally reporting the impact of our company, we have integrated into our objectives and targets the gathering of additional data so that in our future reports, additional material will be available.

The scope of this report is the calendar year 2003.

Part of our objective in producing this report is to generate awareness and an understanding of Corporate Responsibility in all our stakeholders.

## Relationship with our Stakeholders

Eagle Star recognises that apart from Shareholders, our Stakeholders can be defined as customers, business partners, suppliers, employees, the environment and the community in which we operate.

Eagle Star strives to meet and understand the needs of its Stakeholders. Integrating socially responsible business practices includes having specific policies in place with regard to all our Stakeholders and continually evaluating and improving those relationships.

### Customers and Business Partners

We want our customers to protect for the present and plan for the future. To achieve this we focus on our strength and expertise in pensions, financial protection and investment. 80% of our business is carried out through a distribution channel that offers customers independent advice and choice between our products and those of other providers. Our customers and business partners want products and services that suit their needs and to conduct business with a company who behaves responsibly.

According to a Consumer Attitude Survey towards Corporate Responsibility carried out in 2002 by Business in the Community, *Ireland*, 7 in 10 Irish consumers say a company's commitment to social responsibility is important when buying a product or service and *"companies who are transparent and accountable will benefit through enhanced customer loyalty and confidence – respecting corporate responsibility and being seen to do so will ultimately impact on the bottom line"* Brian Geoghan, Director, IBEC, March 2003.

### Customer Dialogue

We are always communicating directly with our customers through regular correspondence about the products they have purchased, promotional literature, our website and interaction with our staff. This is how customers form an opinion of the company they deal with. In order to improve in terms of what our customers expect from us, we partake in industry opinion surveys e.g. the Life Insurance Market Research Association (LIMRA) Broker Survey the Irish Broker (IBA) Service Excellence Survey and the [Professional Insurance Brokers Association](#) (PIBA) Broker Survey.

Eagle Star encourages ongoing dialogue with broker representative bodies and encourages feedback through our team of broker consultants as part of our general customer communications in order to ensure the highest standard of customer satisfaction.

The [Irish Brokers Association](#) (IBA) and the [Professional Insurance Brokers Association](#) (PIBA) are representative bodies for insurance brokers in Ireland. IBA and PIBA represent members' interests to the Irish Financial Services Regulatory Authority (IFSRA), the Government, legislators, the insurance industry and the media.

The findings of the IBA and PIBA surveys which are summarised in the Marketplace section of this report, are a very good benchmark against which insurers' service to customers and the broker market can be measured.

LIMRA is a member-owned organisation that provides marketing, research and information facilities for over 800 financial service organisations around the world, including Eagle Star Life in Ireland. Being a member company, which contributes to LIMRA's research activities, gives us access to valuable information on the various drivers of our industry and the views of important Stakeholders like consumers and insurance intermediaries.

Eagle Star also surveys the general public directly. In 2003, it commissioned Lansdowne Market Research to do two separate surveys on Eagle Star's brand awareness and brand image as a pension/PRSA provider.

## Employees

We want to attract and retain the best people. Corporate Responsibility matters because:

According to An Tanaiste, Mary Harney, TD (February 2004), "*a happy workplace is not only good for employees but is also essential for the long-term future of their organisation. Research has shown that companies that respect and value their employees by providing a pleasant working environment are generally more productive, share greater profits and are less likely to experience industrial disputes*". Embedding Corporate Responsibility in the Company DNA, BITC Ireland.

## Suppliers

Suppliers like to deal with a company who has integrity and honours terms and conditions of payment. Our commitment to the [IBEC](#) code of practice on 'Prompt Payments' ensures that we meet high internal standards and pay suppliers promptly.

## Community

In 2003/2004 we have endeavoured as a company to have a positive impact on the community in which we live and work. This report is the beginning of documenting our community activity. We plan to develop this further by linking community needs to our business objectives and thereby benefit both.

## Environment

Eagle Star is working to improve our capability to contribute in this area, in balance with long-term business development, particularly in providing environmental benefits through the area of internet technology, where Eagle Star is a market leader. We remain constant in our goal of finding ways to integrate environmental awareness where possible.

**Now we will examine how we currently act responsibly under four key headings: Marketplace, Workplace, Community and Environment.**

## Marketplace

Our vision is to be the best partner for our customers' lifetime financial needs.

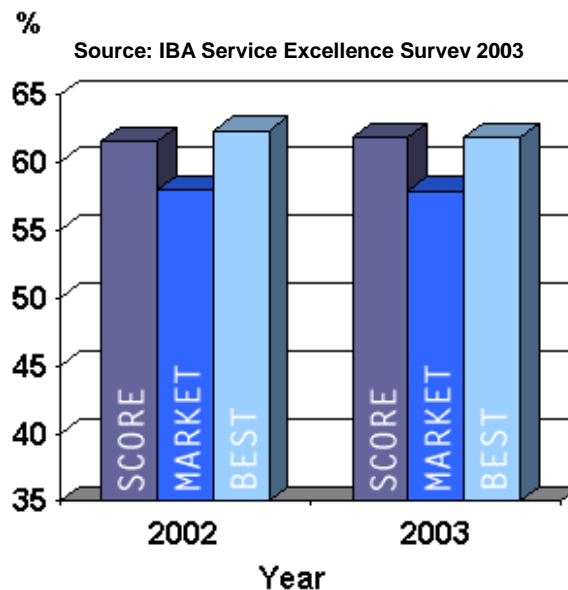
### Excellent Customer Service

As a company, Eagle Star has a strong commitment to customer excellence in the marketplace. Eagle Star believes that providing superior value and outstanding service to customers is central to the future of its business. The main marketplace stakeholder for Eagle Star is insurance brokers and intermediaries. The company has won the IBA Service Excellence Award a record nine times (including the most recent award) and the inaugural PIBA Broker Service Award of Excellence in 2003. At the most recent IBA awards, Eagle Star was also named as providing the 'Best Pension Service' and 'Best Life Assurance Service'.

To achieve this high level of service, our customer support areas are divided into specialist and highly focused teams. Each team is a single point of contact and has ownership and responsibility for a complete and personalised service to our customers. We have an experienced and expert staff that care about what they do and are committed to continual training in technical expertise and servicing skills.

### Findings of the Broker Service Excellence Surveys

#### Overall Service Analysis



The above graph indicates how well Eagle Star has performed relative to the best in the marketplace and the market average in 2002 and 2003.

With an overall score of 61.81% (61.55% in 2002) Eagle Star outperformed the market average of 57.87% (57.92% in 2002). This result established Eagle Star as the number one service provider in the market.

Eagle Star finished first place overall, improving its ranking from third in 2002.

PIBA carried out their first Broker opinion survey in 2003, with Eagle Star coming top. Eagle Star particularly shone in the areas of online service, broker support and product development.

Insurance Company	Score (Scale of 1 to 7)
Eagle Star Life (1 <sup>st</sup> position)	4.85
Average of other companies	4.06

Source: PIBA Service Survey, Nov. 2003

LIMRA (see page 13) conduct a broker opinion survey every year which provides the company with valuable data such as the frequency with which brokers visit websites of life companies, the products and services they rate highly and how the various companies are perceived in terms of quality or innovation.

Eagle Star finished in second place overall in the LIMRA Survey in February 2004 and climbed one place in the LIMRA rankings with significant improvements across the board.

LIMRA Survey: Eagle Star Company Profile

Company Quality	2004 Position	Change in score from 2003
Modern	1 <sup>st</sup>	+14
Caring	4 <sup>th</sup>	+4
Innovative	1 <sup>st</sup>	+16
High Quality	2 <sup>nd</sup>	+9
Successful	3 <sup>rd</sup>	+11
Safe	6 <sup>th</sup>	-3
Dynamic Range of Products	1 <sup>st</sup>	+14
Traditional	8 <sup>th</sup>	-1
Bureaucratic	=6 <sup>th</sup>	-3
Unhelpful	=6 <sup>th</sup>	-1
Impersonal	7 <sup>th</sup>	-2

## Customer Solutions

We also attribute our service success to the fact that we recognise that each of our external Stakeholders; intermediaries, trustees of pension schemes, members of group schemes or individual clients, all have different needs. Eagle Star aims to go beyond 'customer administration' and provide a 'customer solutions' service. In other words, we listen to our customers. We deliver core key services as standard and within pre-agreed timescales. This means we can honestly say that we deliver on our promises. Personalised service, efficient customer management and accurate record keeping are all part of a normal working day at Eagle Star. In fact, as part of our customer service initiatives, in 2003 Eagle Star set up a dedicated business retention area with the sole objective of retaining customers.

We are also good at creating relationships with key customers or customer groups e.g. [An Post](#) and the [Irish Medical Organisation](#).

*"The speed and manner in which you were able to process this request was exceptional. I have always held Eagle Star Life in the highest regard and this no doubt, is due to the professionalism of special people like yourself."*

**Compliment from Broker to Customer Service Team Member**

The majority of Eagle Star's business is generated through insurance intermediaries. Business is transacted by a qualified financial advisor within the insurance brokerage who provides the customer with appropriate advice and ensures a product that best suits the personal circumstances, needs and objectives of the customer is recommended.

Eagle Star also has important customer safeguards in place. For example, in line with Eagle Star's documented internal complaints procedure, the customer service area collates complaints across the organisation and monitors them on a weekly basis to identify any trends which need to be resolved or where customers have raised issues which need to be addressed. This continuing measurement process also helps towards the business objective of reducing customer complaints. We are fully compliant with the IIF and IFSRA codes of practice in this area, and are further fully committed to reducing the response time to complaints. Currently the company has a policy of addressing a customer complaint within three working days and we also endeavour to improve the quality of responses to complaints.

In order to ensure that any customer who complains obtains a quality response, all complaints are referred to customer service supervisors and all written responses are approved at a senior level. This is part of our standard complaints management procedure.

In addition, as part of our CR commitment, we now have a procedure in place for collating unsolicited letters of endorsement from customers and use these, not only as a staff motivator but also to identify positive trends about initiatives that work well and can be adapted on a wider basis across the organisation.

*"Great job! I wish other insurance companies had updates as good as these!"*  
**Compliment from Broker to Customer Service Team**

## Business Integrity

All business activities are based on the fundamental principle of observing the highest standard of integrity at all times. Eagle Star's reputation for professionalism, reliability and integrity is one of its most important assets. All employees are expected to maintain high ethical standards in their dealings, follow good business principles and avoid practices which might damage the company's reputation.

Eagle Star is a member of Zurich Financial Services Group, an insurance-based financial services provider with an international network. Founded in 1872, Zurich is headquartered in Zurich, Switzerland. It has offices in more than 50 countries and employs approximately 62,000 people. As part of Zurich Financial Services, the Eagle Star management team and employees in key positions in the company sign off each year to acknowledge their acceptance and adherence to Group compliance standards and core values.

### The Group's core values and basic principles

#### Key Words

value & trust  
 what's required and right  
 drive and fairness  
 respect  
 responsibility & accountability  
 wise and prompt decisions  
 social contribution

#### Principles

we are passionate about building value and trust  
 we act lawfully and seek to do what is right  
 we play vigorously but fair  
 we treat others with respect  
 we take personal responsibility  
 we make decisions using the right standards  
 we are good corporate citizens

The Group's General Compliance Rules are an important part of Zurich's shared commitment to corporate responsibility. They apply to employees of Zurich Financial Services, its subsidiaries, like Eagle Star, and affiliates. A revision to this practice within the last year requires any employee serving as a director or officer, at the request of Zurich, in any non-Zurich company to disclose the relevant details. Each employee has a responsibility to maintain the trust placed in the company by its customers, shareholders, business partners and other employees and to protect confidential data relating to them. Such information must be safeguarded.

A written policy is in place in relation to an employee's disclosure of gifts and benefits in kind and has been communicated to all staff. This policy is important because we believe in competing based on the quality of our services and the value we offer to our customers and not on the basis of entertainment or gifts. Therefore, all staff are made aware that they should avoid situations in which their personal interest could lead to conflicts with their duties.

Eagle Star does not give or accept any improper payments or gifts.

Eagle Star also has a strict money laundering procedure in place, which is based on the money laundering guidelines issued by the [Irish Insurance Federation](#) (IIF). This procedure continues to be kept up-to-date, reflecting any changes to the IIF's money laundering guidelines. It is communicated to all staff and managers are fully briefed in this area.

Eagle Star values our customers but never assists any customer, no matter how profitable in any illegal activity.

Eagle Star has in place a specialist compliance function, which ensures that all independent intermediaries, who sell Eagle Star products, are regulated and authorised by the [Irish Financial Services Regulatory Authority](#). This ensures greater professionalism and that customers are satisfied and will trust Eagle Star products now and in the future. All intermediaries have standard agency agreements with Eagle Star, which are cancelled in the case of non-compliance.

The [Irish Financial Services Regulatory Authority](#) ('IFSRA') was established on 1 May 2003 and is responsible for the regulation of all financial services firms in Ireland. IFSRA's mandate is "*to protect consumers by helping them to make informed financial decisions in a safe and fair market, with sound financial institutions.*" Since its establishment, IFSRA has issued a code of conduct for compliant sales by insurance undertakings and Eagle Star's compliance function has been expanded to now advise on and monitor sales by its direct sales force and tied agents, to ensure compliance with these requirements.

Eagle Star issues all its customers with informative product guides to ensure that they make an informed purchase decision. Customers have an opportunity to cancel their policy within 15 days of receipt of policy documentation, if they feel it does not meet their needs. The company also has internal business procedures in place to help advise customers who might let their policies lapse and could be at risk of losing valuable financial protection.

## **Investment Security for our Customers**

When people make an investment with Eagle Star, they want investment performance and security. We deliver these twin objectives through our investment strategy and investment management processes. The objective of Eagle Star's investment strategy is to achieve above average investment performance each year while carefully managing risk. By doing so we expect to produce top quartile performance in the long-term.

## **Controls & Investor Safeguards**

Eagle Star provides good customer and investor safeguards through the operation of a *Front Office, Back Office* system. For example, there is clear segregation of duties between the investment dealing area and the cash settlement and accounting and reporting functions.

To ensure independence and give extra security to our clients, Eagle Star chooses to use an external custodian who is not part of the Eagle Star or Zurich Group. Eagle Star uses Citibank as custodian across all funds managed by Eagle Star. We believe that holding securities at a third party custodian is best practice in this key area.

Eagle Star acts lawfully and seeks to do what is right.

## Financial Dealing – Arms Length Relationships

Eagle Star maintains a list of approved financial institutions with whom we conduct banking business. This division of deposit and foreign exchange dealing among a panel of financial institutions ensures that risk is reduced by keeping within acceptable exposures to different financial institutions and thus protecting the funds.

Similarly, we maintain a panel of stockbrokers with whom we may transact share dealing and bond dealing business. The panel consists of Irish and international stockbroking firms and financial institutions.

To ensure independence we do not use banks or stockbrokers that are part of the Eagle Star or Zurich Group. By undertaking our financial dealing activities with institutions who have no direct relationship with Eagle Star we ensure that we always receive competitive rates on behalf of our customers.

Eagle Star avoids and discloses potential conflicts of interest.

## Advertising Standards

Eagle Star complies with the standards laid down by the code of [Advertising of Standards Authority for Ireland](#) (ASAI) for all its advertising. The ASAI has never issued an investigation into Eagle Star's advertising. Eagle Star also adheres to the guidelines for advertising and sales material as set down by the Irish Insurance Federation.

Eagle Star makes decisions using the right standards.

## Safeguards for our own business

A *business recovery plan* is in place and is regularly updated in order to understand the crucial risks and exposures of the company and is designed to ensure a rapid response to any situation that may disrupt operations or control of the business.

## Supplier Support

Eagle Star has in place a policy for payment of all bills within 30 days. As a member of [IBEC](#) we have signed an agreement for a code of practice on 'Prompt Payments'. The code is designed as a voluntary mechanism to promote good business practice in respect of accounts settlements. The Prompt Payment Code has been incorporated into our existing procedures and it requires that we:

- Have a clear and consistent policy to pay bills in accordance with contract.
- Ensure that the finance and purchasing departments are aware of the policy and adhere to it.
- Agree payment terms at the outset of a deal and stick with these terms.
- Do not extend or alter payment terms without prior agreement.
- Provide suppliers with clear guidance on payment procedures.
- Ensure that there is a system for dealing quickly with complaints and disputes and advise suppliers without delay when invoices, or parts of invoices are contested.

The Eagle Star accounts department has put in place procedures to ensure that we adhere to the code of practice for 'Prompt Payments'. This ensures that we have no major issue with suppliers with regard to payment of bills.

## **Marketplace Summary**

In terms of financial products Eagle Star Life is renowned for innovative product design and delivering a quality product. We have investment management processes that provide investment security in a sound and ethical manner. We plan to continue to maintain our position in the market as the leading service provider.

Over the next year, we plan to:

- Continue to improve customer communication and make our customer literature as clear and understandable as possible.
- Continue our progress towards customer solutions and not just products.
- Continue to put in place better intermediary stakeholder measures.
- To monitor and continually reduce the number of complaints received on an annual basis.
- Continue to adhere to the code of practice for 'Prompt Payments' as part of our normal business practice.

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## Workplace

Eagle Star Life is a company with a customer service focus and a dynamic ethos, which currently employs 477 staff of which 235 are Male and 242 Female (as at 31<sup>st</sup> December 2003).

*“Our greatest strength is the team spirit within our department.”*

*Eagle Star Employee*

Eagle Star employees have a strong work ethic and as a company, we understand that this means our employees need to be motivated and satisfied.

## Employee Benefits

Eagle Star complies with all employee legislation e.g. Maternity Protection Act, Adoptive Leave Act, Carers Leave Act and Parental Leave Act. However, we endeavour where possible to go above and beyond compliance in offering benefits to our employees. To this end, the company provides an extensive pay and benefits package to all employees incorporating:

- Competitive salaries
- Performance related bonus
- Share participation scheme
- Market leading defined benefits pension scheme with normal retirement at age 60
- Free Permanent Health Insurance
- VHI subsidy
- Exam support
- Personal Development Plans
- Staff discounts on financial and insurance products
- Health screening every two years
- VDU eye care programme and
- Annual anti-flu vaccination.

Health Screening is provided every two years for all employees and is arranged with a reputable health screening company. Each year the company arranges a voluntary Anti-flu vaccination to be administered free of charge to interested employees. Permanent Health Insurance benefits are also in place for all employees who suffer a long-term serious illness.

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## Annual Travel Pass Scheme

Eagle Star offers an incentive to staff to use public transport through the provision of the Annual Travel Pass Scheme. This is a tax-free option to purchase train and bus tickets through monthly salary deduction as an alternative to travelling by car. 16% of employees have availed of this scheme in 2003.

The company also endeavours to use car-parking spaces in its buildings to maximum effect and we offer managers the choice of a cash payment as an alternative to taking a company car.

## Work Life Balance

*"The development of appropriate Work/Life balance policies to assist employees in reconciling work and life are vital to underpinning social and equality objectives."*

**Turlough O'Sullivan, Director General, IBEC**

Work/Life balance policies assist workers in combining employment with their family life, caring responsibilities and personal life outside the workplace, while meeting employer's needs. Eagle Star promotes a balance between work and life, providing family friendly initiatives including; flexible working hours, part-time working, paid maternity leave, parental leave, adoptive leave, compassionate leave, force majeure leave and carer's leave. In 2003, Work/Life balance day was promoted across the organisation by highlighting the various family friendly policies which Eagle Star operates.

Parental leave is granted to enable working parents to take care of their young children. Employees are entitled to a 14-week continuous block or in shorter 'broken' periods as agreed with the employer. Eighteen employees took parental leave in 2003, which accounted for a total of 519 days leave. To date all applicants eligible for parental leave have been facilitated by Eagle Star. Currently 6% of staff avail of the part-time working option.

These benefits, as with all Eagle Star employee benefits, are not gender specific. Both male and female employees can apply for parental leave and/or part-time working options but all employees who have availed of part-time working to the end of December 2003 have been female.

*“Just wanted to say thank you for all your support during my maternity leave and while I was pregnant. The flexibility that you gave me was fantastic and really helped me during this time. I believe that Eagle Star is a family friendly organisation. The company has greatly facilitated me during my maternity leave and during my transition back to work.”*

**Eagle Star Employee**

## **Equal Opportunities for Everyone**

Eagle Star is committed to providing equal opportunities for all of its staff in accordance with current legislation.

Our equal opportunities policy extends to all aspects of employment including recruitment, training, career development, promotion and performance appraisal. Trained HR Staff ensure that the policy is implemented across the board and we do this by:

- Ensuring that no applicant or staff member receives less favourable treatment on any discriminatory grounds.
- Ensuring that no applicant or staff member is disadvantaged by any employment conditions or requirements, which cannot be shown to be justifiable.
- Basing selection and promotion decisions on suitability for the job. The individual's potential, ability and merit are the sole criteria.
- Providing an environment within which all staff members have an equal opportunity to progress within the organisation.
- Ensuring that conditions of employment and systems of determining pay do not favour any particular category of staff member on discriminatory grounds.
- Regarding any deliberate discriminatory action by individual managers or members of staff as a serious disciplinary offence.

All employees are familiar with our Equal Opportunities policy, via the staff handbook.

## **Developing the Potential of Eagle Star Employees**

Eagle Star is committed to achieving sustained success and growth by utilising and developing the skills, talents and potential of each staff member. One of the key instruments in developing these skills and maximising job performance is performance appraisal.

## Performance Appraisal

This involves appraising performance against agreed personal targets or objectives. In this way, the overall objectives of the company are cascaded down through functional levels, until they are ultimately translated into specific performance objectives for every staff member.

## The Process

Prior to the annual Performance Appraisal discussion (December/January) the employee considers their own performance against agreed objectives since their last assessment and completes a self-assessment form. The appraiser assesses the employee's performance against each objective for the past twelve months, following consultation with their manager. The Human Resources team play an important role in ensuring that standards of personal assessment are realistic and consistent company-wide.

## Employee Training

The company's approach to development and training is to:

- Ensure that every employee receives the development and training required to do their job.
- Recognise staff development and training as an integral part of the management function at all levels.
- Ensure every staff member is aware that they are ultimately responsible for their own development.

The identification of individual training needs takes place on an ongoing basis between the staff member and their manager, with appropriate assistance from the HR department. The matching of identified needs with corporate or departmental objectives forms an important part of this process.

To facilitate this, the company offers every employee their own Personal Development Plan. Eagle Star supports this initiative by fostering an employee's development through sponsored training, education and other development actions and rewarding an employee's achievements, through the provision of study leave, reimbursement of fees and payment of qualification awards. Eagle Star also provides in-house training.

The types of courses undertaken by staff range from ECDL courses to MBA's. Applications for full and part sponsorship for degree courses and professional qualifications are open to all staff regardless of area, role, and length of time with the company.

- The number of training days on average per person in 2003 was 2.25 based on a total number of employees of 477.
- The **total** number of training days undertaken in Eagle Star in 2003 was 1,070.
- 98 staff (20.05%) undertook a course of study in 2003.

Qualified and trained employees improve the quality and dynamics of Eagle Star's workforce while at the same time helping individual employees achieve their personal goals and aspirations.

## Personal Development Plans

*"I very much appreciate the support I've got from the company to go back and do exams, having joined as an ex-student."*

***Eagle Star Employee***

Personal Development Planning involves drawing up and discussing a development plan based on the technical and personal competencies of an employee's current position and future career aspirations. It requires direct input from both managers and employee to establish an action plan – encouraging an interactive shared approach.

There are three stages in a PDP, preparing the development plan; the development discussion and implementing the plan.

- Preparation involves employees determining their current role, strengths and development needs and considering their future aspirations.

- The discussion focuses on what employees need to do, the benefits of such action, how best to achieve their objectives and how on completion employees will apply their new skills.
- Implementation can involve a variety of training solutions that can take many forms, including; induction, desk-side training, internal or external courses, use of Eagle Star facilities, interactive technology-based methods, use of outside training consultants and others.

## **Employee Consultative Committee**

Eagle Star has a number of systems in place which encourage communication and feedback from all members of staff.

One of the most important of these is an 'Employee Consultative Committee', the objectives of which is:

- To inform and consult employees on the progress of the business.
- To outline proposals for future developments.
- To provide a regular/structured forum to consult employees and to hear their views.

There are a number of constituencies for which employee representatives are elected. Each constituency represents a particular section of the company. The ECC is complimentary to other communication systems in place throughout the company such as an annual staff survey, team briefs, an employee intranet and notice boards. The ECC also provides a member Trustee to the staff pension scheme. Eagle Star also recognises Amicus-MSF, the fourth largest union in Ireland, which represents skilled and professional people in all sectors. Information and news from AMICUS-MSF is communicated to staff through a dedicated web page on the employee intranet.

## **How the ECC Works**

The committee consists of seven employee representatives who are selected by the employees for a two-year term. They meet regularly, at least quarterly, with management including the Managing Director.

Minutes of the meeting are circulated to all employees via the employee intranet.

A recent example was the suggestion by the ECC to run a Quit Smoking course with the introduction of the company's smoke-free workplace policy. The course ran for 7 weeks and was a structured programme to help staff plan an effective strategy for **quitting smoking** and included a follow up support programme. This proved very popular and was well received by staff.

*"The course was good in the sense that as a group it made it easier to try to stop, so yes I would recommend it to others."*

**Eagle Star Employee**

*"I found the course to be excellent! And more importantly it worked for me and continues to work. I'm very grateful to Eagle Star for holding this course and would highly recommend it for others."*

**Eagle Star Employee**

## **Zurich European Forum**

Eagle Star Life as part of the Zurich Financial Services Group also has a representative on the Zurich European Forum. The ECC provides support to this representative and assists in the effective carrying out of his/her role. The term of office is four years and it is here that anything of a trans-national nature or an issue that significantly affects the interests of employees in at least two countries in Europe, can be discussed.

## **The Eagle Star Annual Employee Survey**

An annual employee attitude survey takes place in December of each year. Employees complete the survey electronically via our intranet during working hours.

### **Some of the results of the Annual Staff Survey**

- The 2003 employee survey had a response rate of 72%. This indicates employee willingness to continue to contribute to the ongoing development of Eagle Star.
- There was a good deal of consensus in the answers to the survey, a positive result, as it means employees across Eagle Star see the company in a relatively similar way.

- There were improvements in the areas of 'understanding company goals' and the climate of the organisation which indicate management listened and responded positively to staff perceptions in the previous survey.
- Employees in Eagle Star believe there is a high priority on customer satisfaction and that the organisation has a bright future. They are clear about their departmental and individual goals, and report that their terms and conditions are fair. Employees feel there is a need for more opportunities for upward communication in the organisation.
- Overall satisfaction levels are possibly the most positive results since the survey was first run in 1999.
- An important survey question was: "Taking everything into account how satisfied are you with Eagle Star as an employer?" The finding here was that the overall satisfaction rating among Eagle Star employees has increased from 66% to 69%.

## **A Safe & Healthy Work Environment**

Eagle Star has always been committed to providing a safe and healthy work environment for all staff members and to meet our duties to contractors and members of the public who may be affected by our operations. Eagle Star's safety policy is set out in our Safety Statement which is issued to all staff members on joining the company and is available on our employee intranet. All new members of staff receive induction training, an integral part of which is concerned with Health and Safety issues and policies.

A Health and Safety committee, which includes staff representation, meets quarterly to consult on Health and Safety issues. An accident procedure is in place and everyone is obliged to co-operate with any investigations in order to establish the circumstances surrounding an accident. Details of the accident must be advised to the HR department. A central record of all accidents at work is kept in an Accident Report Book.

There are trained Fire Wardens and First Aiders in our premises. There is also a high level of safety awareness and our procedures and equipment including clear evacuation instructions are maintained up to date in all of our premises.

A list of the persons at Eagle Star who are trained in First Aid is available on the staff intranet and clearly identifiable First Aid boxes are provided in all buildings.

**Ergonomic Assessments** of the workplace are carried out on a regular basis. This assessment involves a full examination of all workstations to ensure the comfort, health and safety of all concerned.

## Preventing Bullying/Harassment

Eagle Star is committed to providing all of its employees with an environment free from bullying/harassment.

The policy applies to employees both in the workplace and at work associated events such as meetings, conferences and work related social events, whether on the premises or off site.

The policy applies to bullying/harassment not only by fellow employees but also by a customer or other business contact to which an employee might reasonably expect to come into contact with in the course of their employment.

### Workplace Summary

Eagle Star Life as a company and employer goes beyond providing a basic commitment in the 'Workplace' by providing an extensive range of benefits for all employees. We feel we can pride ourselves in our policies on employee training and development, equal opportunities and work/life balance. We place a high value on one of our key assets – our employees. We have practices in place to deal with issues like absenteeism or staff grievances so that were any difficulties to arise, they can be identified and addressed early on. Looking to the future Eagle Star – an employer of choice, will strive to continually measure and improve and to share our examples of good practice with other companies and act as a leader in this area.

Each year Eagle Star will aim to:

- Learn from the employee attitude survey and to address specific items arising.
- To maintain and increase employee participation in the survey.
- To communicate findings across the organisation.
- To regularly communicate to employees updates on changes in business objectives and progress towards achieving these objectives.

## Community

Eagle Star's corporate citizenship efforts include participating in [Plato](#), supporting non-profit organisations and activities that serve the communities in which we live and work and also encouraging employee volunteering. In the following section we give a summary of some of the projects and charities we have supported in 2003, demonstrating that as a company we have a positive impact on the community in which we live and work.

### Plato

Eagle Star has been actively involved for the last three years in an organisation called Plato. [Plato Ireland Ltd.](#) was established in 1995 to provide small and medium enterprises (SMEs) with a unique business support forum for exploring business growth and expansion.

A unique aspect of [Plato](#) is the participation of large local parent companies like Eagle Star that offer Plato participants access to the full range of management expertise. Each participating parent company releases its executives on a part-time basis to serve as Plato group leaders. Participation in Plato takes place during a combination of company and personal time and currently one senior Eagle Star manager gives freely of her time and expertise to the benefit of participating SME's. A Management Forum Group has been set up recently by Eagle Star's representative for a group of 16 SMEs who have already completed a two year programme with Plato but wish to continue their development. This programme is being piloted by Plato for 18 months. The programme involves monthly training meetings to allow SMEs to extend their business expertise on issues of Staff retention, motivation, tax audits and marketing. Every two months workshops are organised covering issues such as cash flow, profitability, time management and negotiating skills. So far the Management Forum Group has been a great success.

Another example of staff involvement in community issues was where a senior company representative recently assisted with research<sup>1</sup> into the effects of Flexible Working Arrangements - in collaboration with Adelphi University of New York which went on to win 'Best Paper Award 2003' at the Institute of Behavioural & Applied Management Annual Conference.

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<sup>1</sup> Flextime Ltd, who carried out this research, are based in Dublin and Manchester and specialise in developing innovative systems for the easier handling of all aspects of working time and access control.

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## Practical Community Support

Eagle Star endeavours to respond positively to charitable requests, which have a strong community ethos, making financial contributions to both local and national causes on an annual basis. Some recent examples are the [Irish Youth Foundation](#), the [Simon Community](#) and the [Sunshine Fund](#).

We also support charitable events through a number of employee 'casual' days each year. Seven casual days were held in 2003 which requested staff to come to work in casual dress and pay for the privilege. All monies generously donated by staff were donated to various charities. The company also topped up these contributions with a special donation. Urban Junction is a recent example of a charity which fits well with our commitment to corporate responsibility and was supported by an Eagle Star staff casual day.

Urban Junction is:

- A community based outreach project.
- Aims to improve the lives and outlook of local young people and future community leaders.
- Provides development steps, guidance for people to follow and an opportunity for spiritual growth.

In total monies was raised for Urban Junction were used to:

- Purchase arts and crafts for a two day non-residential children's camp for 7 – 12 year olds.
- Purchase equipment.
- Fund summer projects.

In 2003 Eagle Star Life continued its support of the Simon House of Cards Appeal. Eagle Star donates money to the Simon Community's House of Cards Appeal instead of sending corporate Christmas cards to customers.

*"Eradicating homelessness in Ireland is about much more than providing accommodation. It is about addressing the underlying causes of homelessness and supporting clients as they develop the skills and confidence to re-integrate into society."*

**Dublin Simon Community**

*"The money donated by Eagle Star since 1999 to the House of Cards Appeal has been of enormous benefit to Ireland's homeless. It has helped Simon Communities across Ireland provide a practical response to homelessness. Simon has moved countless people from a chaotic lifestyle to independent living. That this vital work can continue is thanks to the support of companies like Eagle Star"*

***Katherine Ayres, Corporate Fundraiser, Dublin Simon Community***

In 2004 Eagle Star Life hopes to document a strategic charity policy in line with our business objectives and with the needs of the community.

## **Employee Volunteering**

Eagle Star actively supports and encourages employee volunteering although we have more work to do in this area in terms of supporting staff volunteering initiatives. We also allow staff a credit of up to two hours leave per person to participate in the Workplace Blood Donor Ferry Programme organised by the Blood Transfusion Service. 350 companies in Dublin have participated in this scheme to date.

## **Involvement with the Business Community**

As a member of the [Chambers of Commerce](#), Eagle Star supports their aims to be a voice in business, to provide inspiring leadership, influence, and partnership in the community, in which we live and work. The Chambers provide a cohesive and focused voice to influence the Government of the day on the issues that are important for our business and for the general economic environment. Our company representatives participate in the Chambers' extensive networking activities.

Eagle Star Life is a member of the following Chambers of Commerce: Ireland, Dublin, Cork, Dun Laoghaire/Rathdown and Blackrock.

*"The Chambers of Commerce of Ireland are dedicated to making their communities a better place in which to live, work and do business. As such they have always had a real empathy with Corporate Social Responsibility. Experience has also shown that when the business community engages as part of a solution rather than simply complaining about the problem it elicits a much more effective response from the public sector and the community."*

***Conor Brennan, Director of Brand and Chamber Development***

Eagle Star has also supported local Chamber initiatives by hosting pension seminars for members of Dun Laoghaire Rathdown Chamber of Commerce. The Chamber 'works for business by promoting, developing and acting in the interest of local business to develop the economy in Dun Laoghaire Rathdown'.

Through these seminars, Eagle Star works alongside the [Chamber of Commerce](#) to educate Chamber members on important topical pension issues such as PRSAs, staff pension schemes, funding for retirement etc. Our support of Chamber activities and the seminars have been well received by members. We hope to continue this initiative in 2004.

## Enriching the Community through the Arts

### **San Francisco Symphony Orchestra at the National Concert Hall** **Wednesday 7<sup>th</sup> & Thursday 8<sup>th</sup> May 2003**

*“Eagle Star strongly believes in the benefits generated by business and the arts working together. From Eagle Star’s perspective, this fits well with our commitment to good Corporate Citizenship in all aspects. One of the key aims of the company through its sponsorship of the arts, has been to help further an appreciation of the arts in the community as a whole.”*

***Michael Brennan, Managing Director, Eagle Star Life Assurance***

### **Case Study 1**

Following the overwhelming and unprecedented success of the *Monet, Renoir and the Impressionist Landscape* sponsorship with the [National Gallery of Ireland](#), Eagle Star in 2003 announced a new sponsorship, this time in collaboration with the [National Concert Hall](#).

Eagle Star’s relationship with the [National Concert Hall](#) began in 1991 when the company became a Corporate Friend. Building on this partnership was key to ensuring the sponsorship was both successful and rewarding, and reinforced our shared vision to be linked with events of quality, prestige and excellence.

The Company sponsored the welcome return of Grammy award-winning orchestra, the San Francisco Symphony Orchestra to the [National Concert Hall](#), highlighted by two concerts on May 7<sup>th</sup> and May 8<sup>th</sup> 2003 as part of the NCH/The Sunday Business Post International Orchestral Series.

Under the direction of internationally acclaimed conductor Michael Tilson Thomas the Orchestra performed a diverse programme of works and Grammy award-winning violinist Hilary Hahn joined the Orchestra for a performance of Stravinsky's violin concerto.

The sponsorship aimed to promote Eagle Star as a supporter of the arts, who believes in the benefits of successful collaboration and arts.

"Talent, Teamwork, Performance" was the theme given to Eagle Star's sponsorship of the San Francisco Symphony Orchestra at the [National Concert Hall](#) and endeavoured to reflect:

- Eagle Star's strong commitment to apply Talent and Teamwork to produce Performance for our pension, investment and life insurance customers.
- The Talent, and Teamwork of the San Francisco Symphony Orchestra which results in performances that have made it one of the world's highly acclaimed orchestras.

A selection of staff and clients were invited to hear the orchestra perform. By sponsoring the visit of the San Francisco Symphony Orchestra to Dublin, Eagle Star also helped benefit schools and colleges involved with the National Concert Hall's Education & Outreach Department.

The Brass Quintet of the orchestra visited Scoil Catriona CBS, Baggot Street and City Quay Primary School, for a workshop and performance. Both are city centre schools with designated disadvantaged status. There were also exhibition performances for third-level music students from Dublin Institute of Technology and the Royal Irish Academy of Music by an ensemble from the San Francisco Symphony Orchestra.

Another part of the unique offering of the sponsorship was the provision of 100 tickets for the orchestra's 'Open Rehearsal'. Eagle Star donated these tickets to organisations involved with the National Concert Hall's Education and Outreach Department. The tickets were warmly received and used.

Eagle Star's sponsorship of the San Francisco Symphony Orchestra's visit to Dublin gave the public, staff and customers the opportunity to see and hear one of the world's best orchestras perform live in Dublin.

The sponsorship was nominated for a Business2Arts award in 2004.

Eagle Star strives to support projects that benefit the community, and through its sponsorship of the arts, has been able to help encourage an appreciation of the arts in the community as a whole. In line with this Eagle Star Life was also involved as a corporate sponsor with 'EV+A 2004' – Ireland's premier annual exhibition of contemporary visual art.

## **Case Study 2**

EV+A was founded in 1977 by a group of Limerick artists as a way of bringing their work as contemporary artists to audiences who share a common interest in contemporary visual art. It encompassed a range of venues throughout Limerick City, including Limerick City Gallery of Art. The exhibition involved over 50 international artists from 23 countries and guest curator ms Zdenka Badinovac, Director of the Museum of Modern Art, Ljubljana, Slovene. The exhibition bore the hallmark of a curator keen to reflect geo-political perspectives with artists from Bosnia, Slovakia, Ireland, Croatia, Russia, Turkey, the Middle East and the United States represented in a broad range of work incorporating video, photographs, painting, sculpture, installation and multi-media.

The wide-ranging programme of events has evolved to integrate local, national and international audiences in a celebration of contemporary art and culture.

## Community Summary

Eagle Star Life brings significant benefits to the community as a member of [Plato](#), by giving financial support to local and national charities and through support of the arts. Our 445 staff working at our Head Office location in the centre of Blackrock need the many services available from the local community, e.g. retail goods, catering, professional services, etc., which has a positive impact on local businesses. We also strive to develop positive relationships with the local community as a member of the various [Chambers of Commerce](#).

In 2003, Eagle Star

- Increased the number of Charity Casual Days for staff
- Sponsored the San Francisco Symphony Orchestra which also helped to benefit the National Concert Hall's Outreach and Education programme

In the coming years Eagle Star will aim to:

- Introduce a company policy in relation to staff volunteering
- Introduce a strategic charity policy
- Look at strategising our community involvement as a whole, particularly in the area of volunteering
- Continue to communicate to employees the financial contributions we make as a company to local and national causes via the Intranet.

## Environment

Helping directly and indirectly to protect the environment is another important aspect of corporate citizenship. Eagle Star is constantly working to improve our capability to contribute in this area in balance with long-term business development. We remain constant in our goal of finding ways to integrate environmental awareness where possible.

### Who Benefits?

Society's environmental concerns are no longer limited to companies dealing with hazardous waste. The public now demands environmentally sound practices, irrespective of the type of organisation. In fact 56% of all adults (surveyed in the [Business in the Community](#) first ever survey of consumer attitudes in Ireland) believe it is important for companies to ensure its products and operations do not harm the environment. There is also a clear business case for Irish companies who do take their responsibilities seriously to communicate this commitment.

There are potential competitive impacts to be gained through proper and effective environmental practices in the workplace. All businesses, including financials, have an impact on the environment; every business that acts, even in a small way, to reduce the negative impact can gain a competitive advantage.

It is interesting to look at how Eagle Star's key customer, stakeholders - insurance brokers, have embraced Eagle Star's initiative in this area. The following statistics show that brokers have changed their method of conducting business with Eagle Star as a result.

### Interesting Statistics

The success of Eagle Star's online services for brokers can be measured by the fact that, according to the LIMRA (Life Insurance Market Research Association) Broker Opinion Survey 2003, 59% of brokers visited Eagle Star's secure broker site in the 'last week' (up from 49% in 2002). The highest figure for a similar site for 2003 was 35%.

73% of brokers said Eagle Star has the best online services (up from 54% in 2003).

One very notable finding from the PIBA ([Professional Insurance Brokers Association](#)) survey is how different brokers' relationships with Eagle Star Life is to their relationship with all other insurers (see Table below).

Method of Conducting Business	Eagle Star Life	Average Life Insurer
Online Broker Information Website	51%	10%
Dedicated Account Manager	32%	55%
Broker Call Centre	15%	32%
Other	2%	3%

With the exception of Eagle Star Life, the main method used by brokers in conducting business with an insurer is through a dedicated account manager. With Eagle Star Life, the main method is *online* through Eagle Star Life's Broker Centre.

## E-business and the Environment

### E-communication

Financial services companies, as part of their normal business practice use vast quantities of paper. As a good corporate citizen, Eagle Star is endeavouring to reduce the proportion of documents we print and letters we issue, thereby making a positive contribution to protecting the environment.

As market leaders in electronic business to business communication, Eagle Star issues the majority of communications *online* to our key broker distribution channel. In 2003, Eagle Star issued on average 4 electronic communications per month to approximately 2,000 Independent Intermediaries. This accounted for over 80% of all broker communications issued in 2003. Eagle Star recognises the tailored service enhancements that can be delivered online and we believe that by encouraging the use of electronic communications, we and our business partners will save on transport and postage costs and most importantly paper usage. For the period January 2003 – December 2003 the majority of Eagle Star communications with key stakeholders were issued largely by e-mail.

Eagle Star's state of the art employee Intranet, ESI-Net, provides a huge reduction in paper usage across the organisation, as timely and relevant communications are made available to

all staff electronically. On average 20 employee communications are posted each month to the News Headlines section of the Intranet.

### **Customer Benefits of Online Information**

Eagle Star is leading the way in terms of delivering online service enhancements to insurance intermediaries and customers through a unique series of secure extranets as part of our website. These services allow financial advisors and customers online access to view personal policy information electronically and keep track of the performance of their funds. These e-business developments mean greater access for customers to financial information which we believe promotes corporate accountability and transparency.

The number of intermediaries using our online **Broker Centre**, a secure extranet tailored to their requirements, is growing and usage has continued to increase in the last year. The Broker Centre allows intermediaries to:

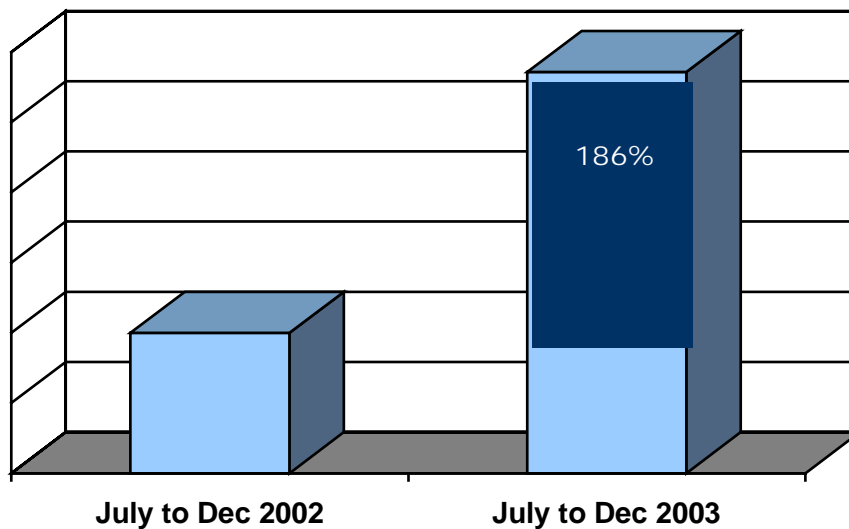
- access a reports facility, underwriting forms and questionnaires;
- produce quotations and submit applications online;
- view all Eagle Star's marketing literature.
- view policy details including current and future values and policy documentation; and
- view account statements and receive account payments electronically.

As part of our online service, we give individual customers access to their policy details online through the Eagle Star **Client Centre** and so far over 10,000 new customers (as at June 2004) have already applied for this new online facility. This means pension and investment customers can look up the funds they have invested in and view live policy values. This is particularly useful for members of group pension schemes.

Eagle Star also provides online access to policy information for group scheme owners, trustees and members. This saves the group scheme employer a lot of paper work because scheme members can look up their own policy details and fund values and members can also access relevant scheme documentation online.

The [Irish Financial Services Regulatory Authority](#) requires intermediaries to hold product literature for each product they sell. Eagle Star provides this literature online and on disk, so another e-business benefit is that the intermediary does not have to store large amounts of paper documents. Also, Eagle Star has developed a new **Doctor Centre**, an online innovation which gives doctors the facility to complete required medical evidence and reports online, saving on time and paper. No other company in the market offers this facility.

**Increase in applications submitted**



**Note:** Online applications were launched nearly half way through 2002, so to demonstrate a fair comparison we are comparing the period July - December 2002 to July - December 2003.

The number of online application forms received from July to December 2003 was up 186% on the number received in the same period the previous year. In the whole of 2003, Eagle Star estimates that the total online applications received would have weighed 0.45 tonnes if we received the applications in a paper format. And, this is just a small example of the type of e-commerce the company is engaged in. In future, we plan to incorporate an environmental measurement in our reporting of e-business statistics.

During 2003, 56,000 online page requests were received on average per week at Eagle Star, compared with 12,000 in 2002.

## Recycling & Waste Management

Eagle Star is committed to limiting the negative impact on the environment through recycling and waste management. To date we have made progress in the area of waste management and energy conservation through the use of recycling cabinets, the recycling of old mobile phones, all printer and photocopier toner cartridges, participation in the ESB Winter Demand Reduction Scheme and the disposal of all old office equipment in line with the EU Directive on Waste, Electrical and Electronic Equipment. This covers hard drives, monitors, keyboards, printers, fax machines, telephones and photocopiers.

### Recycling of Paper

To play our part in recycling the paper we use, secure recycling bins have been placed strategically on all floors in order to ensure that 100% of our waste paper is recycled. To facilitate employee's participation, the Office Facilities area provides recycling trays to keep on individual desks. Eagle Star Life believes it is important to recycle so as to reduce the demands on landfill capacity.

It is a fact that for every tonne of paper used for recycling, 17 trees are spared, 7,000 gallons of water are saved and 4,200kWh less of electricity is used.\*

Even more importantly, it creates a feeling of goodwill among our employees who know they are working for a company who is helping to create a sustainable environment. The recycling bins are serviced by an external recycling company and are emptied on a weekly basis. The contents of the bins are removed from the building for confidential shredding and recycling. The recycling company forms the recycled paper into bales, which are then shipped to Rotterdam.

\*Source: [www.raceagainstwaste.com](http://www.raceagainstwaste.com)

What happens to the paper we recycle?



- 10% is used to produce white paper
- 85% is used to produce tissue paper
- 5% is wastage - where a particular colour in the paper cannot be used.

For the 8-month period May to end 31st December 2003, Eagle Star Life recycled 29 tonnes of paper, which is equal to 493 trees.

## **Recycling Mobile Phones and Print Cartridges**

Eagle Star has encouraged staff to recycle old, broken, redundant or discarded mobile phones. Funds raised will help to assist the Children's Hospital, Temple Street to purchase vital equipment and to help establish and fund research. Employees are notified of this initiative via our employee intranet and a box is in place in a central location for staff to leave their old mobile phones, making it more convenient for employees to participate.

Eagle Star returns all used print cartridges to our supplier. These used cartridges are then transported to Russia, melted down and used to make mobile phones and keyboards. Eagle Star uses on average 20 cartridges per month.

## **Recycling Cans and Plastic Bottles**

Eagle Star recently sourced recycling bins for cans and bottles which have been placed in the canteen. Even plastic spoons have been removed from the canteens and replaced with wooden stirrs in an effort to limit the negative impact we as a company have on the environment!

## **Waste Management Procedures**

Waste management procedures are in place and Eagle Star only uses reputable private contractors to dispose of waste. The selection criteria for our private contractors are as follows:

- Confidentiality and the provision of a secure destroy facility
- A proven track record
- Regular and reliable collection
- Provision of bins that are clean and presentable.

Eagle Star published its first Corporate Responsibility report, the first of its kind in Ireland online @ [www.eaglestarlife.ie](http://www.eaglestarlife.ie) and will continue to do so.

## Efficiency in Energy Use

Eagle Star also endeavours to conserve energy through the use of the ESB Winter Demand Reduction Scheme, which offers customers on maximum demand tariffs, a substantial incentive to reduce their demand for electricity for specific hours during the winter months.

As participants of this scheme we encourage all staff to turn off their PCs before leaving the office in the evening.

- PCs and monitors account for over half of office equipment energy use.
- A computer left on permanently will cost around £25 (€37.50) a year, but if switched off at night and at weekends this can be reduced to around £7 (€11) a year (over 70% saving) and save an equivalent amount of energy to make over 21,000 cups of coffee!<sup>2</sup>

The company's electrical equipment (heating, lighting and air conditioning) function on timers, so that energy is used as efficiently as possible and metered out in line with adjustments in climate or the demands of the business.

Any reduction in the heavy usage winter peak period, helps the ESB to generate more efficiently<sup>3</sup>. Although Eagle Star participate in this scheme, due to the nature of our business we cannot use it to its maximum capacity<sup>4</sup>.

Our water usage is general domestic usage and we are charged every quarter based on estimated usage<sup>5</sup>. All company cars are serviced regularly in accordance with manufacturers recommendations and all cars are NCT tested which ensures CO<sub>2</sub> emissions are kept to a minimum.

## Communicating Environmental Awareness

Eagle Star motivates employees to become more environmentally aware through regular environmental communications. Employees were informed of the current procedures and practices in place in Eagle Star and suggestions given as to how each employee can play their part in reducing waste at work.

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<sup>2</sup> Information supplied by Action Energy in the UK through the ESB's Business Energy Efficiency Services

<sup>3</sup> Electricity Supply Board

<sup>4</sup> The main objective of the Winter Reduction Scheme is to put off large jobs, which use huge amounts of electricity during the day that can be carried out between 5 - 7 in the evening.

<sup>5</sup> No usage records available

A new **Environmental Suggestion Facility** is now available on the Office Facilities section of ESI-Net requesting employees to put forward their suggestions on how we can further improve as a company in this area. These suggestions are monitored by the Office Facilities Manager and evaluated on a case by case basis.

### **Environment Summary**

We believe that helping to protect the environment is important and Eagle Star is constantly developing practices and procedures in this area. To make sure we're doing all we can, we have set ourselves environmental goals that work together with our business objectives:

Over the next year, Eagle Star will aim to:

- Build on our e-business initiatives by putting in place measurements to demonstrate that e-business reduces paper usage and helps the environment and to further reduce the volume of paper wastage within the company.
- Introduce a documented environmental policy
- To continue to motivate employees to become more environmentally aware as part of their normal working practice.

## Summary of Objectives

Objective	Target	Timeframe	Performance Indicator
<b>Marketplace</b>			
1. To continue to improve customer communication.	Through regular, direct, timely correspondence ensuring that all communications contain the information customers want or need. Improve and make relevant information available electronically for customers.	August 2005	Maintain statistics on number of customers who access customer data through our website.
2. To continue our progress towards customer solutions not just products.	Listening to our customers through our front line employees and through market research surveys. Improve product design with the customer's needs in mind.	May 2005	Improved customer satisfaction measured by improved performance in customer surveys.
3. To put in place better stakeholder measures.	Summarise and evaluate results of various surveys which Eagle Star participates in and make recommendations on areas for improvement in order to maximise our strengths and minimise our weaknesses.	Sept 2005	Improved customer satisfaction measured by improved performance in surveys.
4. To monitor and continually reduce the number of customer complaints.	Examine level of complaints from year to year and ensure the number is reduced further.	August 2005	Documented number of complaints available on a monthly basis with a view to achieving an annual reduction.
5. Continue to collate unsolicited letters of endorsement from customers in order to use this data as a future CR measurement.	Regularly communicate this requirement across the organisation.	May 2005	Central Record keeping.

Objective	Target	Timeframe	Performance Indicator
<b>Workplace</b>			
1. To learn from the employee attitude survey and to address specific items arising.	Summarise findings of survey and draft recommendations. Obtain top level management agreement to implement these recommendations and take action where appropriate.	Dec 2003	An increase in employee positive response rate.
2. To maintain and increase employee participation in the survey.	Remind and encourage employees to participate via Employee Intranet.	February 2005	Increase in take up rate.
3. To communicate findings across the organisation.	Message from the Managing Directors Office via employee Intranet.	March/April 2005	Feedback on communication via ECC which would indicate increased awareness among employees
4. To regularly communicate to employees updates on changes in business objectives and progress towards achieving these objectives.	Regular meetings with the ECC and communications on Eagle Star's staff intranet in this regard.	June 2005	Feedback from our annual staff survey and the ECC.
<b>Community</b>			
1. Look at strategising our community involvement as a whole, particularly in the area of volunteering.	Review our current policy in line with our business objectives and in particular the needs of the community. Obtain top level agreement to implement. To discuss options for volunteering projects with a BITC representative.	Sept 2005	A documented strategic charity policy in line with our business objectives and with the needs of the community.
2. Communicate to employees the financial contributions we make as a company to local and national causes via the Intranet and inform them about our policy on charitable giving.	Via the employee Intranet	Dec 2004	Increased awareness among employees.

Objective	Target	Timeframe	Performance Indicator
<b>Environment</b>			
<ol style="list-style-type: none"> <li>1. Build on our e-business initiatives by putting in place measurements to demonstrate that e-business reduces paper usage and helps the environment and to further reduce the volume of paper wastage within the company.</li> <li>2. To continue to motivate employees to become more environmentally aware as part of their normal working practice.</li> <li>3. Document an environmental policy.</li> </ol>	<p>Incorporate an environmental measurement in our reporting of e-business statistics.</p> <p>Inform employees of the benefits to the environment and the company of being more environmentally conscious.</p> <p>Include on environment section of employee Intranet</p>	<p>Sept 2005</p> <p>Dec 2004</p> <p>Dec 2004</p>	<p>Statistics available to show environmental savings in this area via monthly reports to management.</p> <p>Keeping Environment Section of Employee Intranet up to date and relevant.</p> <p>Environment policy in place</p>
<b>Management of CR</b>			
<p>Improving CR communication</p> <p>Assess impact of CR among key stakeholders</p> <p>Document case studies on examples of good CR. practice across the business</p>	<p>Continuing to produce improved CR reports</p> <p>Put in place mechanism to gather feedback from employees as an initial stakeholder group.</p> <p>Put in place procedures to collate data across departments.</p>	<p>July 2005</p> <p>Dec 2004</p> <p>Sept 2005</p>	<p>Third CR Report</p> <p>Recorded feedback</p> <p>Written case studies on examples of best practice in the workplace, marketplace, community and environment.</p>

## The Future

Having published our first Corporate Responsibility Report in March 2003, Eagle Star Life is now continuing to collate companywide information about our current practices under the headings Workplace, Marketplace, Community and Environment. We will communicate our commitment to Corporate Responsibility to our stakeholders through, progressively, all our publications. We will monitor progress in these areas and communicate this throughout the organisation and to the general public through our website. While we are pleased at our progress in collating the data and other material pertaining to our social and environmental performance indicated in this report, we know we have more to do. We need to continue to address the aim of CR integration across the organisation. We have demonstrated that we can integrate social, ethical and environmental performance indicators alongside our business objectives by producing this report and providing a dedicated CR section in the company website and on our employee intranet. However, we must remember that CR integration is not only about gathering data and analysing it. The process is about engagement, consultation and communication with key stakeholders. Our ongoing objectives will be to close gaps in these areas.

A senior company representative, Helen McIver, Marketing Manager will continue to co-ordinate Corporate Responsibility within Eagle Star.

We would very much welcome your feedback on this report. Please e-mail [joanne.doran@eaglestarlife.ie](mailto:joanne.doran@eaglestarlife.ie) or you can contact us at 01 283 1301.



Integrating social, environmental and ethical concerns into the business decision-making process is a challenging task and in issuing their first ever Corporate Responsibility Report in March 2003, Eagle Star started on this journey. As one of the very first corporate responsibility reports in Ireland, this document was warmly welcomed.


Now in 2004, Eagle Star has continued with their commitment to report, measure and formally communicate their practices in the areas of the workplace, marketplace, community and environment by publishing their second report. This demonstrates that embracing Corporate Responsibility is not only an ongoing and evolving process but a rewarding one when a company combines the challenges of their own industry with the principles of Corporate Responsibility.

Corporate responsibility is not only about correct policies and practices in place, but it is also about a comprehensive process of stakeholder consultation, engagement and communication; addressing key sectoral issues and integrating social and environmental concerns into business operations. Business in the Community Ireland, as the leading membership organisation promoting corporate responsibility in Ireland commends Eagle Star Life for this achievement and its continued commitment to embed corporate responsibility. This is an outstanding example of corporate leadership to harness the power of Irish business for positive impact.

***Tina Roche, Chief Executive, BITC.***



# EAGLE STAR

*A member of the  Zurich Financial Services Group*

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REGULATED BY THE DEPARTMENT OF ENTERPRISE TRADE AND EMPLOYMENT REGISTERED IN IRELAND UNDER NUMBER 58098

Intended for distribution within the Republic of Ireland.