



## S172 Statement Year Ended 31.12.2020

*Extracted from approved annual report and financial statements*

The individual directors are aware and mindful of their duty under s.172(1) of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the likely consequences of any decision in the long term, the interests of the Company's employees, the need to foster the Company's business relationships with its suppliers, customers and others, the impact of the Company's operations on the community and the environment, the desirability of the Company maintaining a reputation for high standards of business conduct and the need to act fairly as between members of the Company (together, the "S.172(1) Matters").

Induction materials provided to directors on appointment include an explanation of directors' duties, including the S.172(1) Matters, and the Board is periodically reminded of the S.172(1) Matters, particularly when a strategic decision is due to be taken by the Board.

The Board recognises that difficult decisions must sometimes be taken which require each director to exercise independent judgment and apply reasonable care, skill and diligence in the decision-making process. In doing so, the Board recognises its responsibilities to the Company's different, but mainly interrelated, stakeholder groups.

The Board has determined the Company's key stakeholder groups to be: Customers, Business partners (including clients, suppliers and others in a business relationship with the Company), People, Shareholders and the Community (together, the "Stakeholder Groups"). Each Stakeholder Group plays an important role in the ability of the Company to execute its strategy and deliver on its unwavering purpose; to protect what matters most in accordance with Assurant's uncompromising values.

The Company has processes in place to capture and consider the views of its Stakeholder Groups and share their views at relevant levels within the business, including with the Board, to ensure that regard is given to these views in decision-making processes. Examples are provided below of typical methods of engagement with the Stakeholder Groups and how the Board stays apprised of their views to inform its decision-making.

### Customers

*The Company prides itself on anticipating the needs of the people it serves so it can deliver a differentiated customer experience. Various methods are utilised to understand customer needs and feedback including Net promoter scores, Customer effort scores, complaints information and feedback shared by customers directly with contact centre operatives.*

Views gathered from customers are reported, discussed and utilised at all levels of the governance framework. Within the Customer Experience Forum, Management reviews product performance, key customer metrics and root cause analysis of complaints and claims. The Customer Services Director reports

directly to a Board-level committee as to these matters on at least a quarterly basis, ensuring the Board takes customer interests into account in its decision-making.

In 2020, the Company implemented a number of enhancements to customer experience as a direct result of customer feedback, including further improvements to the online claims journey, allowing customers to complete claims online, and the introduction of additional claims fulfilment options, providing customers with increased choice.

Throughout the period when the COVID-19 pandemic severely affected the business environment, the Company acted quickly in response to changing circumstances for its customers. The Company constantly kept in touch with customers to inform them about changes in device supply channels, increased timescales for fulfilment of claims and offering alternative fulfilment options.

## Business Partners

*The Board recognises the need to foster the Company's business relationships with suppliers, clients and others and ensures that the Company has processes in place to engage and consult with its business partners on a regular basis to develop and maintain lasting and meaningful relationships.*

The Company conducts regular strategic reviews with key clients to understand their strategic agenda, key strategic initiatives and identify opportunities for collaboration. Agreed opportunities are documented in a joint annual plan with key initiatives, milestones and dependencies. Progress against the plan is reported and discussed at appropriate levels of the governance framework, including key strategic updates to the Board by the President, Europe (Chief Executive).

Regular market and customer insight events are held with clients to identify key trends that may impact the business over the medium term. Ongoing research is undertaken with our clients' customers via a variety of methodologies to understand the evolving needs of customers. This is supplemented with proprietary market research to develop and refine the Company's product strategy with a detailed roadmap for delivery.

The Company proactively engages and consults with its suppliers as required to understand their views and needs. The Company is mindful of its payment policies, practices and performance with respect to its suppliers and takes steps to ensure that agreed payment terms are adhered to so as not to adversely affect supplier cash flows and ability to trade.

## People

*The Company employs various tools to seek and utilise the views of its people including informal feedback, Employee Forums, periodic Employee Surveys and formal reporting through the governance framework.*

The Company's HR Director serves on the Board as an executive director and keeps the Board directly informed as to people and culture matters via a standing agenda item at quarterly Board meetings. During 2020, such reporting and related decision-making focused heavily on the impact of the COVID-19 pandemic upon the workforce and actions taken, or to be taken, by the business to support the workforce.

To inform the Board's decision-making with respect to supporting the workforce throughout the COVID-19 pandemic, feedback was sought from the workforce through various channels. The key themes that emerged related to anxiety around the pandemic, challenges adapting to different ways of working and wellbeing affected by work life balance, lack of physical activity and changes in sleep and nutrition habits. As a direct consequence of that feedback, the business introduced a wide range of initiatives and activities designed to support the workforce including:

- Launch of a comprehensive wellbeing programme "Boost" to support wellbeing in the workplace by providing a suite of resources and activities designed to improve resilience, strength and the ability to cope during the COVID-19 pandemic.
- Ethical use of the Furlough Scheme with all employees receiving 100% of their salary whilst on leave.
- Provision of a one-off financial payment to assist with working from home expenses.

- Provision of additional days of annual leave to encourage employees to take time off.
- Provision of additional days of dependency leave to support employees with childcare and home-schooling.
- Launch of a fund to financially support certain employees during the pandemic.
- Provision of new/additional IT equipment to support employees working from home.

## Shareholders

*AIZ, the Company's ultimate parent company, has ongoing engagement with its stockholders on the Enterprise's environmental, social and governance (ESG) policies, practices and initiatives, including, but not limited to, executive compensation, diversity and climate change.*

A senior employee of AIZ serves on the Board as a group non-executive director with a specific mandate to keep the Board informed as to shareholder (AIZ) views and provide alignment with AIZ. This is facilitated via a standing agenda item at quarterly Board meetings.

## Community

*Assurant's core values - common sense, common decency, uncommon thinking, uncommon results - guide the Company's actions and inspire its commitment to be a responsible corporate citizen. As part of Assurant's Social Responsibility Framework, the Company actively engages in strengthening its local community, while operating its business with a meaningful environmental commitment.*

For example, the Company participates in local business community groups to better understand what matters to those in its community and how the Company can utilise its expertise and support to add value.

In 2020, the Board oversaw the development of a local Enterprise, Social and Governance Framework, aligned to that of the ultimate parent company, AIZ. The Framework includes specific oversight of Impact on Society, which will focus on the Company's involvement in responsible investing, climate action, environmental matters and giving and volunteering.