

BRIT GROUP SERVICES LIMITED

SECTION 172 (1) STATEMENT

31 DECEMBER 2023

**Registered No. 02245562**

***This Statement is reproduced from Brit Group Services Limited's 2023 'Strategic Report, Directors' Report and Financial Statements' document which was approved by its Board on 24 June 2024.***

## ***Introduction***

As Directors, our key responsibility is to promote the success of the Company. This principle is the cornerstone of our discussions and our decision making. Each Director is cognisant that in discharging this key responsibility, they must have regard to matters set out in s172(1)(a-f) of the Companies' Act. The Directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company.

## ***Our strategy***

The Board is responsible for a number of key strategic decisions and on-going performance monitoring. The Directors' assessment of long-term value creation considers the Company's resilience. They determine and monitor risk appetites and tolerances, and they ensure the Company has an effective risk management framework in place.

## ***Board information***

The Board receives information on a range of relevant topics, and receives information on other areas as requested by the Directors from time to time.

## ***Our policies and practices***

All relevant factors are appropriately addressed by the Board when considering matters reserved for it. It ensures that all relevant considerations to assist and discharge its responsibilities are embedded in the key operations of the business, in order to help promote the long-term success of the Company.

New key stakeholder relationships are identified through information received and considered by the Board on a regular basis, or through the Board's consideration and approval of substantial contracts and commitments.

## ***Training***

To assist the Directors discharge their responsibilities, they are provided with on-going training and development opportunities. For the wider workforce who provide operational services under outsourcing arrangements with other Brit Limited Group companies, there is a comprehensive staff development program tailored to meet individual needs. Elements of this training are mandatory, with all staff required to successfully complete e-learning modules on key areas such as money laundering, bribery and corruption, data protection, fraud and cyber risk.

## ***Our culture***

Building and maintaining the Company's reputation and its high standards of business conduct are essential to the future success of the Company. This is embedded in our culture. The wider workforce is subject to a 'Code of Conduct' setting out the standard we expect from all of our staff. This is regularly reviewed and updated, and compliance is attested to by each employee on an annual basis.

## ***Staff engagement***

We want to engage with our employees and invest in their future so that they do not just progress, but thrive – both professionally, and emotionally. By developing and retaining a highly skilled, engaged and motivated workforce, we can generate value for them, the Company and our other stakeholders.

During 2023, with our people working remotely under our hybrid home/office working policy, engagement remains as important as ever. As well as our usual engagement activities continuing in the virtual environment, a significant amount of additional engagement has taken place, focussing on staff wellbeing and the challenges we continued to face in 2023.

The Board principally engages with its workforce through its executive Directors. Brit believes in two-way communication between Directors, managers and all staff. It has a number of initiatives and processes designed to support and encourage this, including:

- Our Intranet (The Hub) provides colleagues with the latest news and evergreen information from around the Company. An internal podcast hosted on the Hub helps people to hear from differing voices throughout the business.
- Email Communications using an email marketing platform, key messages are shared with colleagues in an engaging format. Spotlight articles are shared on a monthly basis and offer a closer look into aspects of the business.
- Our regular all-Company Town Hall updates help to bring all the company together to hear directly from the executive committee and others about important company news. We were pleased to have a mix of in person and online attendees at this hybrid meeting format.
- Sharing video content is also a popular channel with our colleagues. It enables people to watch meetings they may have missed, listen again to all-Company Town Hall meetings, and follow video instructions for using new tools or systems.
- Donated \$125k to the Red Cross supporting the Libya Floods Appeal, Morocco Earthquake appeal and Syria/Turkey Earthquake appeal.
- Supported Team BRIT, a team of disabled motor racing drivers, since 2017. In 2023, we continued our contract with Team BRIT, as title sponsor, to support their racing academy and success on the racetrack.
- Continued to run a payroll giving scheme and match any money raised by employees participating in charitable events.

Engagement with our staff allows us to assess the extent to which they are motivated. Such motivation contributes to the success of our organisation. Engagement also identifies areas we need to focus on to continue to develop staff motivation. High engagement results have a positive impact on our team performance and employee retention, our service quality (both internally and externally), and our overall business performance, ultimately benefitting all stakeholders.

### **Stakeholder engagement**

The Board recognises the importance of engaging with the Company's key stakeholders.

| <b>Why we engage</b>                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Form of engagement</b>                                                                                                                                                                                                                                                                                  | <b>Impact of engagement</b>                                                                                                                                                                                                                                                               |
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| <b>Member and the wider Brit Limited Group</b><br><br>Brit Group Services Limited is owned by Brit Insurance Holdings Limited, and ultimately by Fairfax Financial Holdings Limited ('Fairfax') and OMERS Administration Corporation. Our aim is to provide long term sustainable value for our shareholder and the wider Brit Limited and Fairfax groups. Engagement ensures that our objectives are aligned and clearly understood. | Brit Group Services Limited shares a number of Directors with Brit Insurance Holdings Limited and Brit Limited, and the Brit Executive Committee has two representatives on the Board. There is also regular contact between Brit executives and senior management and those of our ultimate shareholders. | This engagement helps ensure that Brit Group Services Limited's strategy is aligned to and supported by our shareholder and the wider Brit Limited Group. Such engagement also presents us with opportunities and to collaborate with other members of the Fairfax Group.                 |
| <b>Key suppliers</b><br><br>Supply chain integrity is critical as we rely on a number of key suppliers of goods and services to help us meet the needs of our customers and other stakeholders.<br><br>On-going engagement helps us ensure that those needs are met and ensures that the standards set                                                                                                                                | We determine the risk of the potential engagement by investigating the potential spend value, criticality of the services to be provided. We have rigorous on-boarding processes for new suppliers.<br><br>We have strong partnerships with a number of critical suppliers,                                | Such supplier engagement enables us to: <ul style="list-style-type: none"> <li>• Provide a better service to and satisfy the needs of, our stakeholders;</li> <li>• Enhance current operational processes, leading to better efficiencies and increased competitive advantage;</li> </ul> |

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| <p>by those suppliers meet Brit's criteria.</p> <p>Such suppliers include providers of IT systems, claims management, professional services, facilities, and travel providers.</p>                                                                                                                                                                                                               | <p>fostered by a range of activities including ongoing dialogue and meetings. We also engage with key suppliers in areas such as technical and product roadmaps, integration planning and disaster recovery.</p>  | <ul style="list-style-type: none"> <li>• Comply with appropriate laws and regulations;</li> <li>• Improve the Company's technological resilience; and</li> <li>• Ensure the robustness and integrity of our suppliers, such as their compliance with the Modern Slavery Act 2015.</li> </ul>                                                                                                                                                                                                                                                                                                                 |
| <p><b>Trustee and members of the Brit Group Services Limited Defined Benefit Pension Scheme</b></p> <p>The Company, on behalf of the Brit Limited Group, operates a funded defined benefit pension scheme. Engagement with the scheme's corporate trustee ensures the objectives of the trustee and the Company are mutually understood, and the interest of the scheme's members protected.</p> | <p>The Company engages with the scheme through the corporate trustee of the scheme, Brit Pension Trustee Limited. The Company is represented on the trustee board by two Company nominated trustee directors.</p> | <p>The impact of this engagement was seen in 2022 as the Trustee of the Scheme purchased a bulk annuity ('buy-in') policy with a specialist insurer for a premium of £105,194k (\$126,538k). This policy matches the benefits due to all scheme members and provides the income to the Scheme to fund payments as they fall due.</p> <p>On 28 March 2024, notice of the Company's intention for the scheme to be wound up was given to Brit Pension Trustee Limited. As a consequence, arrangements for a full pension risk transfer (i.e., a 'buy-out') is expected to conclude before the end of 2025.</p> |

#### **Key decisions made by the Directors during the year**

- On 26 June 2023, the Board approved the statutory financial statements of the Company for the year ended 31 December 2022.
- On 3 October 2023, the Board approved transfer of the £1 fully paid share capital of Ki Digital Services Limited to Ki Financial Limited, another subsidiary within the Brit Limited Group, for a total consideration of £1.