

## **BG PLC YE 2021 Section 172 statement**

This section of the Strategic Report provides an overview of how the directors have fulfilled their duties to promote the success of the Company and had regard to the matters set out in section 172(1) (a) to (f) Companies Act 2006 as detailed below. This also forms the directors' statement required under section 414CZA, of the Companies Act 2006.

As the Board remain ultimately responsible for decision making within the Group, it receives regular updates from the Group Chief Executive and other Executive Directors.

### Covid-19 Response

As the world begins to return to some form of normality, we understand that the effects of Covid-19 remain with us all. As a Company, we set out our initial response to Covid-19 in the 2020 Report and Accounts. As such, the Board has continued to make decisions this year to ensure that Benefact Group plc remains strong and able to support its stakeholders. The ongoing pandemic has also encouraged us and our stakeholders to consider and embrace new and innovative methods of engagement.

### Shareholder engagement

Benefact Trust Limited (Company No. 1043742) owns the entire issued Ordinary share capital of the Company.

Protocols for the exchange of information between Benefact Trust Limited and Benefact Group plc and its subsidiaries (including Ecclesiastical Insurance Office plc) are in place and cover performance, operations and financial position. There is at least one "Common Director" (i.e. a Director who is a member of the Boards of Benefact Trust Limited, Benefact Group plc and Ecclesiastical Insurance Office plc) who is expected to attend every Board Meeting. Sir Stephen Lamport and Chris Moulder have been appointed as "Common Directors". The Common Directors present a summary of highlights from Benefact Trust Limited Board meetings to the Directors. There is also engagement between respective Board and Committee Chairmen and the Group Chief Executive Officer. Regular dialogue takes place on Benefact Trust Limited's expectations of the Group, strategy for the development of business and the

This ensures that the views of Benefact Trust Limited are communicated to the Board as a whole.

In turn, the Common Directors are able to support the directors of Benefact Trust Limited to understand the performance and strategic issues faced by the Company. A conflict of interest policy which sets out how actual and perceived conflicts of interest between the two companies are managed is in

When determining if it is appropriate to make a grant to the Company's ultimate parent undertaking, Benefact Trust Limited, the Board considers advice from the Group Chief Financial Officer. A key area for the Board's deliberation is the Company's capital position and the affordability of the grant based on a range of stressed circumstances as well as the views of the Chair of Benefact Trust Limited. Two grants amounting to £21m were paid to Benefact Trust Limited from Ecclesiastical Insurance Office plc during the calendar year 2021.

### Our stakeholders

Our stakeholders are identified in the Group Governance Framework, and are at the core of all decision making. Key stakeholders are shareholder, employees, customers and clients, regulators and

intermediary partners (including brokers and other suppliers). Examples of the way the Board has engaged with some of these stakeholder groups throughout the year are set out below.

#### Our Approach to the Long Term Success of the Company

The Board of Directors recognise that the long-term success of the Company is dependent upon having regard to the interests of its stakeholders. Given our Group's ambition to be the most trusted and ethical specialist financial services group, the Board understands how important it is to listen and respond to the needs of our stakeholders.

#### Stakeholder Engagement in Decision Making

The Board adopts a range of approaches to engage with stakeholders and recognises that the importance of a stakeholder group may differ depending on the matter to be considered. Given the nature of the business, the Board sometimes engages directly with stakeholders and also understands that it may be more appropriate for engagement to be undertaken at an operational level.

Certain stakeholder matters are led at Group level, especially where the matters are of Group-wide significance or have the potential to impact the reputation of the Group. The Board considers a variety of information to understand the impact of the Company's operations and also the interests and views of our key stakeholders.

As a global group, the Board also believes governance is best achieved through the use of delegation of its authority for the executive management to the Group Chief Executive. To assist him in delivering his responsibilities to the Board, the Group Chief Executive has established a corporate structure that comprises three business divisions (Broker and Advisory, General Insurance and Investment Management). A General Management Board (GMB) and Relevant Boards and Committees have also been established in each business division.

#### General Management Board (GMB)

Under the leadership of the Group Chief Executive, the GMB leads the Shared Services and oversees the business divisions. Working closely with the Board, it focuses on Group delivery of culture and values; strategy and direction; governance and risk management; key projects and programmes; budgets; reviewing performance; rating agency and shareholder matters; and leadership and communication.

#### Management Committees

A number of Management Committees and Boards have been established to ensure that each SBU Managing Director has oversight of their respective areas, whilst providing assurance to the Group Chief Executive and other Executive Directors and ultimately the Board.

#### Other matters and stakeholder engagement

Benefact Group plc is an investment holding company therefore consideration of matters relating to employees, customers, suppliers, community, environment and reputation are undertaken at a subsidiary Board level. The Group approach to stakeholder engagement is set out in the 172 Statement contained in the 2021 Annual Report and Accounts of Ecclesiastical Insurance Office plc.