

Benefact Group PLC YE 2022 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.

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. 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 Chairs and the Group Chief Executive Officer. Regular dialogue takes place on Benefact Trust Limited's expectations of the Group and strategy for the development of the business.

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 place.

When determining if it is appropriate to make a distribution in the form of 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.

Our Approach to the Long Term Success of the Company

The Directors recognise that the long-term success of the Company, and therefore our ability to continue to help people, charities and good causes is dependent on having regard to the interests of its stakeholders at its heart. In order to achieve our strategic ambitions the Board understands how important it is to listen and respond to the needs of our stakeholders.

As a global financial services Group driven by the ambition of transforming lives and communities, we are continually striving to do the right thing at all times. However there are occasions where the needs of different stakeholder groups may not always be aligned. On these occasions, the Board attempts to balance the conflicting interests and impacts of our stakeholders in their decision-making.

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 being 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. The Board considers a variety of information to understand the impact of the Company's operations and the interests and views of key stakeholders.

A one-year rolling plan of business for discussion is agreed annually to ensure that the Board is focused on the right issues at the right time and sufficient time is allowed for appropriate consideration and debate. Information is provided to Directors in papers in advance of each meeting. People from the business are invited to attend meetings to provide insight into key matters and developments. At each Board meeting, the Directors discuss strategic and business matters, financial, operational and governance issues and other relevant issues that arise. In addition, the Chair of each Committee provides a verbal report to the Board on proceedings of those meetings including areas of discussion and any recommendations. Because of this, the Board has an appreciation of engagement with stakeholders and other relevant matters, which enables the Directors to comply with their legal duties.

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 2022 Annual Report and Accounts of Ecclesiastical Insurance Office plc along with further detail on the interests of the Group's employees included within the Directors' Report on page 11.