
MS Amlin Corporate Services Limited

Section 172 (1) Statement for Year Ending 2022

The Directors of the Company are required to give an annual statement which describes how the Directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 when discharging their duty under that section.

Under section 172 of the Companies Act 2006, the directors of a company must act in the way that 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. In doing so, they should have regard to other factors, including but not limited to: (a) the likely consequences of any decision in the long term; (b) the interests of the company's employees, (c) the need to foster the company's business relationships with suppliers, customers and others; (d) the impact of the company's operations on the community and the environment; (e) the desirability of the company maintaining a reputation for high standards of business conduct; and (f) the need to act fairly as between members of the company.

The Directors of the Company are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006.

The Directors acknowledge that effective and meaningful engagement with stakeholders and high standards of business conduct, consistent with the Company's values, are key to promoting the success of the Company. The Company's key stakeholders are MSI, the sole shareholder, MSI's subsidiaries to whom the Company provides corporate services, its employees and its suppliers.

The Directors consider the likely consequences of any decision in the long term and identify the stakeholders who may be affected. They consider their interests and any potential impact as part of the decision making process. This is explained further below.

Shareholder

The Company's shareholder is represented by non-executive directors on the Company's Board and in other liaison roles. These representatives are regularly consulted by management on key strategic decisions and other operational matters.

MSI subsidiaries to whom the Company provides services

The Directors regularly engage with the senior management of the MSI subsidiaries that receive the Company's services to ensure that those services meet agreed levels and are appropriate to the long-term success of those companies. The Directors engage their customers through various committees that enhance collaboration in the best interests of the Group.

Employees

The Directors recognise that the Company's employees are fundamental to its long-term success and seek to promote the interests of all employees. Through employee surveys and other engagement actions, such as town halls, the interests of employees are regularly evaluated by Directors. In addition, the Employee Assistance Programme provides expert and confidential support to employees in difficult circumstances and a comprehensive learning and development programme supports the different development needs of employees. A Speak Up policy and process is now in place as well as a talent management programme to support staff and to complement all of the above. In 2022 a Diversity & Inclusion hub was initiated with several employee-led networks, as part of a commitment to an inclusive approach. Also during the year, staff were further supported in response to the cost of living crisis and granted a one-off payment to assist with payment of energy bills over the winter period.

Suppliers

The Directors recognise the importance of the Company's suppliers to the delivery of its strategy. As such, the Directors seek to build long-term relationships with suppliers through a fair procurement process and regular engagement. Terms of trade are agreed which are considered appropriate to the supplier's size and industry sector. The Company also adheres to the Payment Compliance Code and regularly publishes data on how quickly it pays suppliers with the aim of meeting agreed payment terms.

The following paragraphs explain how these interests were considered in key strategic decisions during 2022.

During 2022, the Company continued to develop its future workplace strategy as a hybrid model of home and office working, thereby optimising flexible ways of working, together with a consolidation of office space. Under the hybrid working strategy, the amount of time an employee works from the office will depend on the nature of the employee's work, as well as employee wellbeing considerations. This approach has been formulated in light of extensive employee feedback. In conjunction with this, the Company has been reassessing its property requirements, reflecting the new operating model and the new ways of working, and cost remediation activity. During 2022 the Company reduced its property footprint with the sale of Amlin House and leaseback of one floor and continues to explore ways to further optimise its property footprint, including the utilisation of the space in its London office.

During 2022 the Company began an IT modernisation project, the benefits of which are expected to include an improvement in IT services via long term investment and action through 2023 and 2024; this resulting in an operating model that simplifies the legacy IT landscape, provides greater agility to adapt to change and aligns with the requirements of the wider Group.

The Directors believe that the above decisions are in the long-term interests of the Company and its stakeholders through building value across MSI and its subsidiaries by increasing efficiency, using talent to greater effect and ultimately driving improved financial performance and growth.

Financial risk management policy

The Company has an objective of managing its exposure to financial risks including market risk, currency risk, credit risk, liquidity risk and interest rate risk. It does this without the use of hedging instruments. The nature of the financial assets and liabilities held is such that the value is not impacted significantly by changes in market conditions.

Exposure to currency risk is limited to the settlement of a small number of foreign currency invoices which it settles in accordance with its creditor payment policy.

Liquidity risk is managed through the matching of financial assets and liabilities of similar repayment characteristics.

The Company's interest rate risk arises on intra-group loans with interest rates linked to the Bank of England base rate. The loans fund a number of business activities.

Financial assets are predominantly amounts due from Group undertakings which are considered to have minimal credit risk. Surplus funds are invested in money market funds that have daily liquidity and invest in high quality investment grade assets.

The Company is exposed to counterparty risk through its relationships with external service suppliers. A clear programme of vendor oversight and sourcing reduces the risk of default and inadequate provision.

Approved by the Board

15 May 2023