

## CARDIF PINNACLE INSURANCE HOLDINGS PLC

The following disclosures describe how the directors have had regard to the matters set out in section 172(1) (a) to (f) and forms the directors' statement required under section 414CZA of the Companies Act 2006.

The table sets out who the material stakeholders are and the reasons why engagement with them is important, how the directors seek to engage and the key outcomes and actions. As a holding company the company itself has no customers, workforce or suppliers of its own, this report therefore looks at the stakeholders of its subsidiaries.

Stakeholder Group	Why it is important to engage	How the directors engaged	Key topics of engagement	The impact of the engagement including any actions taken
<b>Shareholder</b>	We seek to create value for our shareholder by generating strong and sustainable results and by protecting brand value with customers and regulators	Representatives from the shareholder sit on our board and regular meetings are held with them notably on financial, strategic, customer-related and regulatory topics to understand the perspectives of the shareholder	<p>Routine engagement on strategy, governance and performance</p> <p>Review of the holding value and performance of subsidiaries on all aspects of performance both financial and non-financial</p>	<p>Further engagement on strategy and performance will be undertaken</p> <p>Impaired the value of the investment of our subsidiary BNP Paribas Cardif (BNPCC) to reflect the lower business volumes being seen</p>
<b>Customers of Subsidiaries</b> Our subsidiary companies sell to customers directly and via aggregators	Customer engagement is important to ensure the services and products provided continue to meet their needs	<p>The fair treatment of customers is central to the success of the businesses within the group and a topic of great interest for the directors.</p> <p>The treatment of customers is hence monitored by the various committees within the group. These committees either report to the Risk and Audit Committee directly or through the Conduct and Customer Committee</p>	The directors provided guidance and support to management in their review of feedback of customers of Lamp, the now liquidated insurance provider of Gap insurance through our sister company BNP Paribas Cardif Limited	Offered an alternative Gap product for the affected customers

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<p><b>Workforce of Subsidiaries</b>                      We define workforce as employees, contractors and agency staff</p> <p>Key metrics:                      - Employee satisfaction survey                      - Employee turnover rate</p>	<p>The success of our group is predicated on the commitment of our workforce to deliver the company's objectives</p> <p>We engage with our workforce to ensure that we are fostering an environment that they are happy to work in and that best supports their well-being</p>	<p>The directors provide guidance and support to management to ensure effective engagement with the workforce. Communication is through formal and informal meetings, newsletters and journals which are regularly published on the company's intranet. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests</p> <p>Employee turnover is reported and measured against a target ratio to senior management on a monthly basis and quarterly to the board</p> <p>All employees take part in the annual group-wide staff satisfaction survey which measures staff satisfaction against a number of criteria including wellbeing, employee engagement, corporate social responsibility, respect and conduct and others</p>	<p>The key themes from the engagement with the workforce were around change, digitalisation, compensation and innovation</p> <p>The directors regularly review the Global People Survey results and provide advice to management.</p>	<p>The company has taken action to engage with and empower the subject matter experts across the business to drive the change programme</p> <p>Individual objectives are recorded on a digital platform to ensure they are transparent. Each manager has been tasked with ensuring employee objectives are linked to delivery of the change programme to ensure the company's future success. We are seeking to link more overtly the reward structure to delivery of the change programme</p> <p>We are monitoring the views and attitudes of our recently hired staff to understand what motivates them, how they feel about the company and to ensure continued engagement and retention</p>

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<b>Suppliers of Subsidiaries</b>	<p>The suppliers of our subsidiaries are fundamental to the quality of the services provided and to ensuring that as a business we meet the standards of conduct expected</p>	<p>The directors provide support for managers who are responsible for their ongoing relationship with their key suppliers. These relationships are regularly reviewed by the Outsourcing Committee with issues eventually escalated to the Risk and Audit Committee.</p>	<p>Through the Risk and Audit Committee the directors ensure that all relationships entered into conform to company standards on code of conduct and security and that eventual issues are solved</p>	<p>No action taken as a result</p>
<b>Our communities and the environment</b>	<p>We have a responsibility to help address the challenges facing our society, which is why our CSR strategy aims to support the United Nations' 17 Sustainable Development Goals (SDG's)</p> <p>Our focus is on our people, our community and the environment.</p> <p>With that in mind, the company has chosen three SDG's in particular, which we see as core to our CSR agenda:</p> <ul style="list-style-type: none"> <li>• Good health and well-being</li> <li>• Quality education</li> <li>• Climate action</li> </ul>	<p>The directors support management in the establishment of a CSR Action Group with representatives from a broad cross section of the company for the support, development and implementation of key CSR initiatives</p>	<p>The directors support management in their engagement with the staff employed through our service company to support charitable initiatives within the local community</p> <p>Review of charitable affiliations</p> <p>Development of environmental policies</p>	<p>Through its subsidiaries the company:</p> <ul style="list-style-type: none"> <li>• Provides 2 days for each employee to volunteer and so contribute towards the 1million hours target set by the ultimate parent for volunteering in 2020</li> <li>• Supports specific initiatives including working with selected local charities in order to raise awareness and help those in need in the local community</li> <li>• Is targeting a reduction in the use of single use plastic and in general waste being sent to landfill</li> <li>• Commenced research into the development of products and services designed to reduce carbon emissions</li> </ul>