



ARAG Services Limited's Section 172(1) Statement **for year ended 31st December 2024**

The below Section 172 (1) Statement was approved by the Board of ARAG Services Limited ('the Company') (formerly DAS Services Limited) on 31 March 2025 for disclosure on the Company's website in respect of the 2024 year-end.

Section 172(1) Statement

The Directors of the Company must act in accordance with a set of general duties. These duties are detailed in section 172 of the Companies Act 2006, which is summarised as follows:

A director of a company must act in the way 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 and, in doing so have regard (amongst other matters) to:

- *the likely consequences of any decisions in the long term;*
- *the interests of the company's employees;*
- *the need to foster the company's business relationships with suppliers, customers and others;*
- *the impact of the company's operations on the community and environment;*
- *the desirability of the company maintaining a reputation for high standards of business conduct; and*
- *the need to act fairly as between shareholders of the company.*

ARAG UK has a 'Fit and Proper' policy in place which is reviewed annually, whereby all Directors are subject to the fitness and propriety assessment. During the year where all employees, including Directors, must complete mandatory conduct training. Robust controls are in place to ensure that the Company meets the necessary conduct standards.

The following paragraphs summarise how the Directors fulfil their duties:

Consequences of any decisions in the long term

Each year, the ARAG UK Holdings Limited (formerly DAS UK Holdings Limited) Board undertakes a review of the Group's strategy. Once approved by the Board, the strategy forms the basis for financial budgets, resource plans and investment decisions, and also the future strategic direction of the Company. In making decisions concerning the business plan and future strategy, the Board has regard to a variety of matters including the interests of



various stakeholders, the consequences of these decisions in the long term and its long-term reputation.

The ARAG UK Chief Executive Officer is responsible for delivering the plans and strategy agreed by the Board, with authority delegated to executive managers but subject to all decisions being made on the basis of the values and standards mandated.

The primary objective of the ARAG UK risk and financial management framework is to protect ARAG UK from events which hinder the achievement of strategic objectives, including the delivery of good customer outcomes, and operational financial performance targets. Management recognises the critical importance of maintaining efficient and effective risk management systems.

Interests of the Company's employees

The Company is committed to being a responsible business and doing the right thing for its employees. People are at the heart of its business. For ARAG UK to succeed it needs to manage its people's performance, develop and bring through talent whilst ensuring it operates as efficiently as possible. The Company also ensures it shares common values that inform and guide the employees' behaviour so that ARAG UK achieves its goals in the right way.

The Company has a well-developed structure through which it engages regularly with trade union officials to understand matters concerning UK employees. The Company also has an Employee Engagement Forum ('EEF') which acts as a method of communication between the Directors of the Company and the employees. The EEF meet on a quarterly basis to discuss a range of different topics affecting the business.

Monthly business updates are held for all employees of the Company, where an update is given regarding the current performance of ARAG UK and any strategic decisions which have been made.

Since January 2024 the Company has been part of ARAG SE who, on a biennial basis, roll out an engagement survey across the ARAG UK to gauge the current engagement levels of employees and to determine areas needing improvement. On a quarterly basis, ARAG UK run engagement surveys to see how our people are feeling.

Some employees and some former employees are members of the DAS Legal Expenses Insurance Company Limited Pension and Life Assurance Scheme ('the Scheme'). The Directors fulfil their duties partly through a governance framework that delegates day-to-day decision-making. The Company, which is the principal employer of the Scheme, has the power by deed to appoint new Trustees subject to member-nominated Trustee requirements. Independent actuarial valuations of the Scheme are made on a triennial basis. These inform the decision as to the value of annual contributions provided to the Scheme by the Company.



Business Relationships

ARAG UK reputation with stakeholders, customers, business partners and suppliers are critical to the continued success of its business. ARAG UK uses the AIRMIC ('Association of Insurance and Risk Managers in Industry and Commerce') categorisation of reputational risk and identifies some of the key controls in place at the Company against each attribute.

The Company's customers mainly consist of fellow ARAG UK companies to whom it provides administrative services.

The Company's suppliers are an integral part of its business and key to ARAG UK ability to provide customer requirements and meet contractual obligations. The Company maintains strong relationships with its suppliers and on a regular basis assesses critical suppliers' capabilities to meet their obligations and service levels. The ARAG UK Directors have established sufficient supply and outsourcing governance to consider their service in key decisions and regularly review critical suppliers. The Company has multi-year contracts with key suppliers.

Community and Environment

The Company's approach is to use its position of strength to create a positive change for the people and communities with which the Company interacts. The Company wants to leverage its expertise and enable employees to support the communities around us.

ARAG UK is committed to making a positive impact for its customers, business partners, employees, community and environment. Its founding principle of providing Access to Justice underpins everything that it does and is the foundation to its great company culture.

Corporate Social Responsibility ('CSR') is an important part of the Company's culture. ARAG UK strives to play an active role in the communities within which it operates through charitable donations, fundraising and community work. The Company supports an active CSR forum, with representation from employees at all locations, which is responsible for overseeing the approach to charitable giving and organising various fundraising events and activities.

Throughout 2024, ARAG UK employees successfully raised and donated over £10,364 to various charities. It has fundraised for two employee-nominated charities as well as supporting other employee-nominated charities through the 'Monthly Pot'. In 2024, ARAG UK focused its support on The Bristol Law Centre and the Bristol and Wales Cat Rescue.

Employees are invited to apply for the company-funded 'Monthly Pot' and throughout 2024 the Company provided donations to 12 different charities.



ARAG UK annually takes part in an ARAG SE wide initiative called ARAG Day. This year, colleagues worked together to rack up the miles 'virtually' travelling across the Group. Whilst walking, running, cycling, rowing or dancing their way across the country, funds were raised in support of The Bristol Law Centre. In addition, the Law firm also ran Law Clinics helping provide legal advice and aid to those who might otherwise not have been able to afford it.

All employees are entitled to one volunteering day per year, to use alongside their annual leave allowance. Some of the volunteering days were used to:

- Carry out site recognition, ground cultivation and tree species selection.
- Help adults who are in a difficult family environment, unemployed, on lower income, homeless, refugees by: preparing activities and playing rooms, engaging with children in the activities and supervise and helping out in the kitchen lunch clean up.
- Garden the surrounding areas and care for the animals at Holly Hedge.
- Litter picking across the Bristol City Council area.
- Help adults with dementia; serving refreshments and supporting the carers.

ARAG UK recognises the value of employee development, involvement and opportunity. The adoption of 'best-practice' policies and procedures ensure it is an employer of choice. As well as regular internal learning and development opportunities ARAG UK sponsored a large number of employees to gain external development including apprenticeships and professional memberships. Internal progression is actively encouraged and all managers are trained on their role and responsibilities in developing their teams. ARAG UK continues to run five employee-led inclusion networks, working to raise awareness and improve processes focussed on creating a sense of belonging for all employees. ARAG UK continues to leverage the learnings it gains by signing up to several charters, including "Women in Finance", "Women in Law", "Race at Work Pledge".

ARAG UK champions employee health and wellbeing by providing employees access to mental wellbeing support via our Employee Assistance Programme ('EAP'). This provides employees and their families access to practical information, and confidential emotional support 24 hours a day, seven days a week. In addition, the company has a number of qualified Mental Wellbeing Champions, a dedicated intranet page informing of the support and benefits available. A mental health training module is in place for all employees to access on the 'Learn@ARAG' portal.

The Company recognises its responsibility to the continual improvement of its environmental performance and sustainable development, and aims to achieve environmental best practice throughout its operations. This is also a focus of the CSR and the Health & Safety forums.

In 2024, audits were undertaken to review printing volumes. We continued to source 100% Green Energy. As a result of the change in ownership we are currently recruiting for a Sustainability Manager who will be charged with reviewing and re-imagining our



governance and approach to sustainability. At Group-level ARAG is committed to becoming Net Zero by 2030.

In 2023, the Facilities department investigated the installation of solar panels for the Bedwas Office and installing electric car charging ports at Trinity Quay. These projects will be implemented in our Carbon Reduction plan, with plans to review in 2025. The Company also completed its Print Queues project which will reduce the amount of paper being consumed.

Business Conduct

All members of the Board recognise their duty to the Company; however, ARAG UK entities are managed on a unified basis. ARAG UK includes an insurance company, which is authorised by the Prudential Regulation Authority ('PRA') and regulated by the PRA and the Financial Conduct Authority ('FCA'), and a law firm, which is regulated by the Solicitors Regulation Authority ('SRA'). The PRA, FCA and SRA regulate these companies. The Company also recognises its commitments to other regulators arising from its operations, such as those relating to tax, data and pensions. Robust controls are in place to ensure that the Company meets the necessary conduct standards.

Acting fairly

The Company only has one shareholder, its intermediate parent undertaking, ARAG UK Holdings Limited. The Company's parent company and the wider of companies of which it is a part are considered in business decisions, although all members of the Board recognise their duty to the Company.