



ARAG Services Limited's Section 172(1) Statement **for year ended 31st December 2025**

The below Section 172 (1) Statement was approved by the Board of ARAG Services Limited ('the Company') on 27 March 2026 and signed on 09 April 2026 for disclosure on the Company's website in respect of the 2025 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 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 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.

Quarterly 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 an annual basis, roll out an engagement survey across the ARAG UK to gauge the current engagement levels of employees and to determine areas needing improvement.



Business Relationships

ARAG UK's reputation with stakeholders, customers, business partners and suppliers is critical to the continued success of its business.

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's 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 are the foundation to its great company culture.

Corporate Social Responsibility ('CSR') is an important part of the Company's culture. Following the harmonisation of ARAG plc and DAS UK, a new CSR strategy was founded in June 2025, which combines the best of both legacy strategies into one whilst increasing the company donations. ARAG UK strives to play an active role within the communities in 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 2025, ARAG UK employees successfully raised and donated over £24,005.86 to various charities. It has fundraised for two employee-nominated charities as well as supporting other employee-nominated charities through the 'Monthly Pot', later harmonised to the 'Quarterly Give'. In 2025, ARAG UK focused its support on The Bristol Law Centre in the first half and Cancer Research UK in the second half.



Employees are invited to apply for the company-funded 'Quarterly Give' and throughout 2025 the Company provided donations to 5 different charities.

ARAG UK annually takes part in an ARAG Group wide initiative called ARAG Day, an initiative aimed at raising awareness of access to justice and fundraising for chosen charities across ARAG branches in every corner of the globe. This year colleagues at the two offices took part in a fundraising Tombola, in support of our chosen charity Cancer Research UK. As well as a commitment to supporting the Bristol Law Centre by providing pro bono advice for two separate clinics ran by the Bristol Law Centre, focusing on employment advice and civil issues.

As part of the strategy, all employees are entitled to one volunteering day per year; to support a charity or organisation close to their hearts. Some of the volunteering days were used to:

- **Help those in need** by setting up a dining hall and assist with food preparation for a charity providing hot Christmas lunches to those in need.
- **Support a charity in Newport** by packing Christmas gifts and hampers for families living in poverty, helping ensure they can enjoy a special meal and toys for their children.
- Take part in a **beach clean-up** to help protect marine life and keep coastal areas litter-free.
- Take part in **Macmillan's** "Run 60k in June" challenge to raise funds and awareness for cancer support, including a memorial run and a bake sale event.
- **Use professional expertise** to create a high-level resource plan for a local charity, supporting their transformation goals as a charity with limited funding.

ARAG UK is dedicated to empowering employees through development, involvement, and opportunity. By embedding best-practice policies and procedures, we continue to position ourselves as an employer of choice.

In 2025, ARAG UK strengthens its investment in professional growth through:

- **Fully funded Professional Qualifications and Apprenticeship Opportunities:** Employees are supported in achieving recognised qualifications relevant to their roles and career aspirations. This year alone, we enrolled 35 employees onto apprenticeship programmes to develop relevant skills, knowledge and behaviours in their chosen field. This represents an investment of over £500,000 in developing future talent.



- **Internal and External Development Opportunities:** Alongside regular internal learning sessions and professional qualifications/apprenticeships, ARAG UK sponsored over 200 employees for external development opportunities, representing an investment of over £260,000.
- **Leadership Development Programme (ILM Accredited):** Our internal leadership development programme, accredited by the Institute of Leadership & Management (ILM), equips future leaders with the skills and confidence to succeed.

Internal progression continues to be actively encouraged, and all managers receive comprehensive training on their responsibilities in developing and supporting their teams.

These initiatives not only strengthen individual career paths but also drive organisational success, ensuring our people have the skills and confidence to thrive in a rapidly changing industry.

ARAG UK is committed to championing employee health and wellbeing through a wide range of support options. These include our Employee Assistance Programme (EAP) providing employees with 24/7 confidential support; a Health Cash Plan offering access to various treatments with the ability to claim back costs; a Digital GP app ensuring quick and convenient access to medical guidance; and a team of Mental Wellbeing Champions who are available to listen to our employees and sign post to other support, and who provide a number of wellbeing engagement opportunities throughout the year to create a safe and accepting space for people to connect and share. This year our Mental Wellbeing Champions have hosted six events ranging from online drop-in sessions to in-person walks and activities. Our dedicated intranet page keeps employees informed about available support and benefits, shared grounding and relaxation techniques, and provides links to additional resources. We also provide a mental health training module which all employees complete on the 'Learn@ARAG' portal with further training tailored for Team Leader and Managers.

ARAG UK recognises its responsibility to continually improve its sustainability performance and is committed to implementing best practice across its operations. Sustainability remains a key focus within the company's Corporate Social Responsibility and Health and Safety governance forums.

At Group level, ARAG is committed to reducing carbon emissions associated with its office operations and investment activities. The Group has set a target for carbon neutral office locations by 2025 and a 50% reduction in carbon emissions from its investment portfolio by 2030. The Group is currently assessing progress against these targets and will publish an updated Group Sustainability Strategy in 2026.

At ARAG UK, several initiatives have been implemented to reduce energy consumption and associated carbon emissions. Our head office incorporates smart building technologies to optimise heating, cooling, and lighting, and we continue to procure 100% renewable



electricity. In addition, ARAG UK has transitioned away from traditional gas heating across its main office locations.

In November 2025, ARAG UK appointed a Sustainability Manager to lead the development of the business's Sustainability Strategy, aligned with Environment, Social and Governance (ESG) reporting best practice. During 2026, activity will focus on opportunities to further reduce energy use and carbon emissions, including a feasibility study into installing solar photovoltaic panels and electric vehicle charging points at the Bedwas office. The Sustainability Manager will also deliver colleague training and engagement initiatives to support greater understanding of the steps colleagues can take to reduce energy and carbon, and to incentivise these steps.

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 group 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.