

CFC Group Limited Strategic report (excerpt) For the year ended 30 September 2020

Section 172 Statement

The Directors are committed to high standards of corporate governance, and as such take their duties under section 172(1) (a) – (f) of the Companies Act 2006 (“**s.172 duties**”) seriously. In line with this commitment, the Board routinely considers the long-term effects of its decisions and makes its decision in line with the Company Long Term Plan and its defined strategic objectives, with due consideration given to the Company risk appetite, and risk framework. As such, the Board considers, both individually and together, that they have acted in a way that would be the most likely to promote the success of the company for the benefit of its members.

The Board has identified the following groups as its key stakeholders; employees, customers, insurance carriers, suppliers, and our regulators. The manner in which the Board engages with each stakeholder group is outlined below.

Employees

The Board recognises that its people are a critical aspect of its business, and our biggest asset. As CFC is 60% employee owned, we recognise that the success of our business is down to ensuring our people feel engaged and passionate about their work, and that we continue to promote an inclusive, entrepreneurial company culture that inspires employees to perform their best, whilst making a real contribution to the long-term success of CFC. Importantly, employee initiatives are prioritised at Group-level and rolled out to all Group trading entities to promote a cohesive culture across our employee base, irrespective of their location of work and the Group entity which employs them.

The Board is committed to regular communication and engagement with our employees, which is achieved through the quarterly Company-wide Budget Presentations, monthly Team Leader meetings and other more informal forums and ‘snap’ employee surveys. In FY20, CFC participated in the Best Companies (To Work For) engagement survey, in order to help the Board understand key areas of high employee engagement, alongside areas where we need to improve. CFC continues to see high employee engagement scores for “Leadership”, “Company” and “My Manager”, which are a healthy reflection of the culture and values that the Board and management promote at CFC. Where the survey identified an area where our employees thought CFC could do more, such as CSR, the Board has taken specific action such as expanding and strengthening the Company’s commitment to charitable causes, as detailed on page 5 of this strategic report.

During 2020, CFC updated and relaunched its core values to our employees, with our core values being aligned to remuneration via our performance management and annual compensation review processes. Finally, the Board has overseen significant work on CFC's Diversity & Inclusion strategy, which is outlined in further detail on page 5 of the strategic report.

Customers

CFC recognises the importance of putting our customers at the heart of everything we do, and as such the Board remains committed to progressing operational initiatives and technology solutions that make CFC easier to do business with. The Board receives and reviews management information about how customers are experiencing CFC, including complaint data, response time data, and other product performance metrics. As part of our ongoing commitment to customer excellence, CFC's Products and Operations Board regularly reviews CFC's product offering and processes to ensure they continue to provide our customers with good value and meet their expectations.

Finally, the Board has closely tracked the impact the global Covid-19 pandemic has had on our customers around the world, to ensure that CFC is helping our customers through this difficult time where we can. Measures the Board has considered and implemented include offering extended premium payment terms for customers experiencing financial difficulty, allowing customers to 'pause' or revise their coverage where they have found their circumstances have changed and allowing emergency extensions of coverage where customers cannot issue renewal instructions.

Insurers

Our insurer partners are crucial to the ongoing success of CFC. We meet regularly with all our insurers, to discuss performance, new products and other initiatives. As part of this on-going dialogue, we produce a detailed carrier report quarterly, which is shared with all our supporting insurers.

Suppliers

CFC identifies and manages its key suppliers, in line with the Company Outsourcing Policy, which requires all material suppliers to be subject to appropriate due diligence and ongoing monitoring. CFC maintains a robust due diligence process for new suppliers, and reviews its suppliers at least annually in accordance with the Company's Modern Slavery Statement, available on our website.