

JLT Benefit Solutions Limited

Company number: **02240496**

Strategic Report for the Year Ended 31 December 2019

SECTION 172 (1) OF THE COMPANIES ACT 2006 (THE "ACT") STATEMENT

The below paragraphs provide an explanation as to how the Company's directors have had regard to the matters set out in section 172(1)(a) to (f) of the Act when performing their duties. This includes how the directors have engaged with and considered the interests of various stakeholders including its shareholder, employees, clients, suppliers, the community and those in a principal business relationship with the Company.

Duty to Promote the Success of the Company

The Directors of the Company are committed to lead and direct the affairs of the Company in order to promote the long-term sustainable success of the Company, generating value for its shareholder and ensuring sound and prudent management of the firm, with consideration for the interests of other stakeholders.

Shareholder

As a wholly owned subsidiary, the Board duly considers the views of its ultimate shareholder, Marsh & McLennan Companies Inc., and the interests of the MMC Group, as part of any major decisions and transactions undertaken by the Company. The Chairman of the Board and the Executive directors provide the primary channel of communication between the Company, its ultimate shareholder and the wider Group.

The Greater Good, which is the MMC Group's Code of Conduct, applies to all directors and employees of the Company and it embodies the Group's commitment to maintaining a reputation for the highest standards of business and ethical conduct. These non-negotiable standards are outlined in the Greater Good, which emphasises the importance of building trust with colleagues, clients and the wider community.

Employees

The directors recognise that, as a provider of employee benefits services, employees are key to the Company's strength and success. The directors are committed to ensuring high levels of employee engagement to ensure that employees are kept informed on matters affecting them and on the various factors affecting the performance of the business.

The directors understand the importance of leadership visibility and, in addition to regular Townhalls with the workforce, members frequently undertake visits to offices across the UK. Regular employee engagement surveys are conducted and results are carefully scrutinised by the directors to identify and implement actions for improvement. The directors monitor attrition rates, feedback from exit interviews and absenteeism levels, in an effort to identify emerging people risks and trends and to ensure appropriate action is taken to address these.

In 2019, the JLT Consultative Forum (the 'JCG') was formed to enable appropriate consultation with employees. This forum was used to consult with employees, for example, about TUPE Transfer to Mercer Limited at the beginning of 2020. Early in 2020, post the TUPE transfer, the Mercer Employee Representatives (the 'MER') was formed replacing the JCG. The MER comprises 14 elected representatives from across all offices and lines of business and includes the Company's legacy employees. The chair is elected from within the employee representatives. The MER meets at least monthly and is engaged to, for example, provide feedback to directors on policy amendments, proposals for changes to benefits and to support colleagues when structure changes are proposed.

During 2019, the Company was committed to ensuring a safe and healthy workplace and working environment for employees, contractors and visitors by providing adequate welfare facilities and maintaining suitable plant and safe systems of work. Where reasonably practicable, the Company

pursues progressive improvements in health & safety performance and ensures that the business is compliant with all applicable legislation.

Directors and individual managers accept responsibility for people and areas under their control and integrate health and safety into everyday activities. They are committed to ensuring the competence of all employees through selection, instruction, training and supervision.

Management of health & safety standards is ensured through effective audit and action resolution and is supported by bespoke software to allow monitoring. Incident reporting, investigation and trend analysis ensures identified workplace hazards are corrected to prevent reoccurrence. Colleague consultation plays a key role and is achieved through the Group's UK Health and Safety Committee, comprised of representatives from across the businesses in the UK, including a representative of the Company. This Committee reviews the Company's arrangements in place on a regular basis and works towards continuous improvement of health & safety standards.

Further information on Health, Safety and Environment is set out below on page 9 of the Strategic Report.

Clients

The Chief Executive Officer and the directors of the Company, as well as other senior managers in the business meet regularly with key clients in order to receive feedback on service and to better understand and meet client needs. Each line of business has set targets for conducting client experience measurement exercises with progress and feedback coming from these tracked by the directors.

The directors are committed to ensuring that all customers are treated fairly and that client interest is considered as part of decision making at every level within the Company, including decisions to launch any new product or service.

Through quarterly reporting by the Risk and Compliance function, the UK Risk and Audit Committees kept under review the effectiveness of key business processes in place to ensure high service levels and positive client outcomes, and monitor key risk indicators in this regard and track actions to resolve any issues. High level reporting and items of significant concern are reported to the Board on a quarterly basis or more frequently if required.

Suppliers

The Board is committed to ensuring that slavery and human trafficking is not taking place in any of the Company's supply chains or any part of its business, and has in place a Modern Slavery Policy which has been rolled out to all colleagues, and incorporated into the Company's induction programme.

All suppliers are required to comply with modern slavery legislation under the standard terms and conditions of our contracting agreements and the Group's Global Sourcing and Procurement team ('GSP') issue an annual modern slavery supplier questionnaire to certain suppliers (selected on a risk based approach) to monitor compliance. The Board is updated on response rates and the outcome of questionnaires on an annual basis, which are actively managed by GSP. The Company's Modern Slavery Statement is published annually and can be found at www.uk.mercer.com/modern-slavery-act-statement.html

Further information on the actions taken by the Company in compliance with the Modern Slavery Act 2015 is set out on page 11 of the Directors' Report.

The Company reports on its supplier payment practices on a bi-annual basis, and results are monitored by the UK Audit Committee at quarterly meetings. The directors consider the payment practice results bi-annually at the time of publication.

The Board acknowledges that efforts to improve its payment practices are required and with this in mind, an improvement plan has been rolled out, with progress monitored by the UK Audit Committee. The Company is committed to improving performance to meet the criteria in order to sign up to the UK Prompt Payment Code, which is voluntary and a statement of good performance.

Community

The Company, and the Group as a whole, recognises that in a world facing increasing risk and uncertainty, supporting our communities is more important than ever before. To this end, the Group has established a committee, comprised of representatives from across its businesses in the UK, to focus on our social impact (formally corporate social responsibility) efforts in the UK. Given the Group's expertise in risk, strategy and people, social impact efforts are focused on 'building resilient communities through mentoring and disaster response & rebuilding'. By aligning its social impact programmes with the business priorities and experience, the Group is able to demonstrate its commitment to its communities in the UK while supporting the business. The Group partners with select strategic global non-profit organisations, including; the Cherie Blair Foundation for Women, Junior Achievement, Missing Maps and the British Red Cross in the UK and encourages colleagues to volunteer with its non-profit partners, for local causes that are important to them, during Global Volunteer Month and with their clients.