AXA XL Underwriting Agencies Limited (“AXUAL”)
Registered Number: 01815126

STATEMENT BY THE DIRECTORS OF THEIR PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH SECTION 172(1) OF COMPANIES ACT 2006

The Board of Directors of AXUAL consider that both individually and collectively, they have discharged their statutory duties under Section 172 of the Companies Act 2006 by acting in a 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 (having regard to the Company’s relevant stakeholders and matters set out in Section 172 of the Companies Act) in the decisions taken during the year ended 31 December 2025. When discharging their duties and making decisions, Section 172 of the Companies Act requires the directors to have regard, amongst other things, to the:

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

The Directors comply with Section 172 of the Companies Act 2006 and fulfil their duties in various ways, including partly through a governance framework that delegates day to day decision making to executive and senior management of the Company.

An overview of how the Directors have discharged their statutory duties and engaged with the Company’s key stakeholders, is detailed below. The Company’s key stakeholders are diverse and include the Company's Managed Syndicates, its people, brokers, policy-holders, intermediaries, suppliers, regulators, shareholder and the community within which it operates.

Engaging with stakeholders

The Board is cognisant of the stakeholders of the Company and the importance of strong relationships coupled with appropriate levels of communication and engagement.

People

The Company, in line with the AXA XL Division of the AXA Group (the "Division"), strives to create a diverse and inclusive workplace that values and encourages individual differences and treats all employees with dignity and respect. It acknowledges that the workforce’s culture, values, behaviours, performance, and engagement drive how the Company serves its customers.

To facilitate this, and to provide equal opportunities to all employees, regardless of 'protected characteristics', there is a robust Inclusion and Diversity ("I&D") 'Authentic You' strategy and roadmap in the UK. The roadmap and governance are set and monitored by the UK I&D Board. Several mechanisms are in place to support the I&D strategy, including:

- All employees are encouraged, but not obliged, to set an annual I&D goal to ensure they too have an opportunity to contribute to I&D as a strategic business priority.
- A global 'Dignity at Work' policy and associated mandatory training for all employees to protect against harassment and discrimination, ensuring colleagues feel safe, valued, and respected.
- Initiatives and charters to support diversity at all levels enhanced by specific talent and development programmes for traditionally underrepresented groups, such as 'Women in Finance', and a 'Race at Work Charter'.
- Four UK Business Resource Groups ("BRGs") - LEAD, Pride, Rise, EnAble and, additionally, the UK I&D Board drive innovation, collaboration, and business goals to promote I&D at AXA XL. The BRGs and their supported activities are open to all colleagues. BRG leaders work with the central I&D team to ensure overall alignment with AXA XL's business goals.
- Inclusive Futures Coalition founding partner, working with Lloyd's and London Market firms to deliver the programme's three flagship initiatives: higher education bursaries, an early careers talent pool and a Board-level talent pool. Supporting black and ethnically diverse individuals to participate and progress from the classroom to the boardroom. The early careers programmes include the partnership with 10,000 Interns Foundation and selected collaborations within the UK Insurance market and educational institutions, designed to enhance the diversity of the workforce.
- Applications for employment by disabled persons are always fully considered, and equal opportunities given. Reasonable adjustments are provided to applicants and colleagues where required to ensure they are appropriately supported.
- AXA XL's We Care programme; providing colleague support including a Focus on Families, Dependents Care Leave and domestic abuse support.
- Regular webinars and live sessions are offered to colleagues supporting I&D education.
- AXA XL holds strategic partnerships with various external partners in the UK to provide best practice and strategic guidance – ICAN (Insurance Cultural Awareness Network), Business In The Community, LGBT Great and GAIN (Group for Autism, Insurance, Investment and Neurodiversity).

The Company's Board monitors people-related items through regular reports to its Governance Committee with topics including people strategy, succession planning, remuneration, employee engagement surveys and annual UK Gender & Ethnicity Pay Gap reporting. The Company is committed to engaging with its workforce, with representatives from the workforce contributing and participating in decisions where appropriate, facilitated via regular Town Halls with Q&A, Engagement & Inclusion Surveys and the Employee Representative Body, representing the colleague voice.

Customers

The Company strives to build trusted relationships with brokers and clients and to always treat them fairly, providing commitment to its clients that the business delivers on its purpose, to "act for human progress by protecting what matters". Delivering on this purpose helps to enhance AXA's reputation, both in the eyes of the brokers and clients, and other external stakeholders such as regulators, rating agencies and the media.

Claims are dealt with promptly and efficiently, in compliance with applicable regulations and laws. The Company is committed to acting in the best interests of its customers by ensuring fair, transparent, and accessible communication throughout the entire claims lifecycle. Updates and clear explanations of claim decisions are provided, including any declinatures. The Company's goal is to pay valid claims in full whenever possible, and to seek amicable resolutions that deliver fair value to our customers, minimising the need for litigation. In addition, there is a clearly defined complaints process, making it easy for customers to raise concerns or dissatisfaction. Processes are regularly reviewed as part of our aim to meet the high standards expected and focus on achieving good customer outcomes.

The Company maintains a close presence with its brokers and clients through events such as the British Insurance Brokers' Association ('BIBA') and the Association for Insurance and Risk Managers in Industry and Commerce ('AIRMIC'). Virtual and in person events and personal communications are fostered to deepen relationships with partners and create interactions to update them on core business initiatives, value proposition and appetite. Regular insights and feedback are collated through our broker partners and market surveys to improve broker experience and engagement ensuring relevancy to customers and brokers.

Suppliers and Third Parties
The Company is committed to acting conscientiously and advancing processes to ensure that responsible procurement is central to all its purchases. As part of the AXA XL Division, the Company benefits from the use of the AXA Core Values and Ethics (Guidelines), that are adopted by AXA XL and embedded into the AXA XL Procurement Policy.

The Company complies with the requirements of the Modern Slavery Act 2015. Together with other AXA XL companies to which the Modern Slavery Act 2015 applies, the Company publishes an annual Slavery and Human Trafficking Statement.

Community and the Environment
In alignment with other entities in the Division, the Company considers the impact that its operations have on the community and the environment. The Board of Directors consider the topics of Climate and Sustainability to be critical to the Company's long-term resilience and are committed to AXA Group's environmental ambitions and to understanding and mitigating the impact that climate change will have on customers and the business.

The Company has adopted a Climate and Sustainability Statement, which outlines the Division's Climate and Sustainability strategies, and the roles of the Company's Board and senior management in overseeing and implementing these strategies.

Environment
AXA XL strives to help colleagues, clients and communities manage the impacts of a changing climate, promote more sustainable practices, support the protection of natural assets and biodiversity and reduce their carbon footprint. The AXA XL 2023-26 Sustainability Strategy, 'Roots of Resilience', focuses on protecting natural ecosystems, addressing climate change, and embedding sustainable practices across our operations.

The Company understands the importance of continuing to develop new products and services which will support clients and their changing needs in response to climate change and wider Environmental, Social and Governance ("ESG") topics.

The Company has adopted the AXA Group restrictions and exclusions within its underwriting and investment portfolios and its statements of intent on appetite for carbon intensive industries, such as the 2023 AXA Group Energy Policy. The Company is working with clients and seeking to offer appropriate risk transfer and consulting services to those that need support as they transition on their own sustainability journeys and is increasingly engaging with clients on these topics.

Community
The Company strives to play a positive role in society and actively supports the communities in which it operates. From volunteering and mentoring to fundraising and sharing business expertise, the Company encourages its workforce to get involved where possible.

The Company demonstrates its commitment to local communities through various initiatives such as the annual "AXA Week for Good", AXA XL’s Global Day of Giving, "Hearts in Action" charity working groups, Matching Gifts program, and Volunteering Leave Policy.

Regulators
The Company strives to maintain strong and effective relationships with regulators through regular and transparent engagement to facilitate efficient supervision. Ensuring there is a collaborative and a transparent relationship with regulators is vital for AXA XL's business operations, customer reputation, as well as the recruitment and retention of senior staff.

The primary regulatory engagement for the Company is with the Prudential Regulation Authority ("PRA") and the Financial Conduct Authority ("FCA") supervisory teams and senior management and Lloyd's. Lloyd’s requirements include those imposed on the Lloyd’s market by overseas regulators, particularly in respect of US situs business. Regulatory risk is the risk of loss owing to a breach of regulatory requirements or failure to respond to regulatory change. The PRA engages directly with the Board of Directors following the issue of their Periodic Summary Meetings ("PSM") feedback letter and meets with senior management throughout the year in accordance with their supervisory strategy.

Shareholder
Two Non-Executive Directors from other parts of the AXA Group are members of the Board, partly to allow for insight into operational thinking, practice and philosophy from a different part of the AXA Group, being the Company’s ultimate shareholder.

The Company continues its work with the AXA Group and its network. Various initiatives were pursued throughout the year, including working with colleagues at AXA General Insurance ("GI") in the UK to demonstrate our combined offering as “One AXA” and to assess opportunities for mutual growth.

Maintaining a reputation for high standards of business conduct
The reputation of the Company is fundamental to its long-term success. The Company is committed to maintaining the highest standards of ethical conduct, and this is reflected in the AXA Values: Customer First, Integrity, Courage and One AXA. Having a clear set of values and ethics guide behaviours drives good outcomes for all stakeholders.

The Company's commitment to ethical conduct is set out in more detail in the AXA Group Compliance and Ethics Code and AXA XL Division's Code Supplement ("Code of Conduct") which is reviewed by the Board of Directors on a regular basis. Policies contained in the Code of Conduct include treating customers fairly and professionally, anti-bribery and corruption, speaking up (whistleblowing) and dignity at work. Code of Conduct violations, or other misconduct, is taken very seriously and may result in disciplinary action, including dismissal.

Consideration of the consequence of decisions for the long term

The Board of Directors made several key decisions during the year and Section 172 considerations were considered throughout the decision-making process. Examples of where the Board has considered the stakeholder impact and the likely consequences of any decision in the long term for the financial year ended 31 December 2025 included but were not limited to:

- **FCA Consumer Duty Requirements**

  As part of its duty to customers, the Board regularly reviews key customer-related metrics and other appropriate management information, enabling it to closely monitor how the Company is supporting customers by ensuring that good outcomes are achieved for customers. In compliance with the FCA's Consumer Duty, in June 2025 the Board reviewed and approved its annual assessment of the Company's delivery of good outcomes for its customers.

- **Operational Resilience**

  During the year, the Board approved the annual Operational Resilience Self-Assessment, the Company's Important Business Services ("IBS") and impact tolerances for each IBS. In taking its decisions, it took into account forward looking business needs and ensuring that the interests of customers are protected. The Board considers maintaining a reputation for high standards of business goes hand in hand with fostering strong business relationships with suppliers, customers and others. Together, these are critical to supporting effective operational resilience.

- **Business Plan**

  Throughout the year, the Board engaged in both strategic and financial planning activities, including a Strategy Day held in June 2025 and a Planning Day in November 2025. During these sessions, directors reviewed key aspects of strategy, operational and financial planning for the Company. The Company's annual strategic planning aims to identify the best long-term actions to support its success. The Board regularly reviews performance against key strategic indicators to ensure they remain relevant. In September 2025, the Board approved the Syndicates' Business Forecasts for 2026.

- **AI Policy**

  In July 2025, the Board approved the adoption by the Company of the AXA XL AI Policy, which outlines AI compliance and governance requirements for AXA XL entities and introduced a comprehensive AI Risk Management framework to identify, assess and respond to AI-related risks.