

Compare The Market Limited

Year ended 30 June 2023

Strategic report

Section 172 (1) statement

In accordance with the provisions of The Companies (Miscellaneous Reporting) Regulations 2018, the Company is required to include a statement in its Strategic report describing how the Directors have had regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 when performing their duties for the 2023 financial year. This section acts as the Company's section 172 (1) statement.

The primary responsibility of the Board is to promote the long-term success of the Company, creating and delivering sustainable shareholder value as well as contributing to society. In ensuring the long-term success of the business, the Board has to have regard to a number of matters, including the views of the shareholders and stakeholders, to ensure it fully understands the potential impacts of its decisions on its stakeholders, the environment, and the communities in which it operates.

The table below sets out how the Directors of the Company have regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 when performing their duties:

Section 172 (1)	Examples of Director / Board engagement
(a) the likely consequences of any decision in the long term	<ul style="list-style-type: none"> • The Board is responsible for setting the overall strategy of the Company. • The Board reviewed the strategy in December 2022 and was satisfied that it continues to support the long-term success of the Company. • Throughout the year, the Board monitored progress against the strategy through key performance indicators and scheduled deep dives on key strategic initiatives.

Compare The Market Limited

Year ended 30 June 2023

Strategic report

Section 172 (1) statement (continued)

Section 172 (1)	Examples of Director / Board engagement
(b) the interests of the Company's employees	<ul style="list-style-type: none"> • The Directors recognise that colleagues are core to the delivery of the Company's strategic ambitions and the success of the business is dependent on attracting, retaining, developing and motivating talented colleagues. • The Company conducts a biannual employee engagement survey and the results are reported to the Board. The Board is also regularly provided with updates on other measures of employee engagement and initiatives undertaken to improve employee relations. • The Chief Executive Officer runs a fortnightly all-colleague engagement call to update on business developments. These meetings also give employees the opportunity to ask questions and make their views known so that the Board and Executive team can take this into account when making decisions which are likely to affect their interests. • An update on matters relating to colleagues is provided by the Chief Executive Officer at each Board meeting. • The Board had discussions on succession planning across the Company to ensure that both short-term and long-term interests are aligned between all stakeholder groups and the Company's values and culture. • A number of our Non-Executive Directors engaged directly with our colleagues through "lunch and learn" sessions during the year. • The Company places significant focus on diversity & inclusion and has made good progress with the continued reduction in the gender pay gap. The Company has also voluntarily reviewed and reported on the ethnicity pay gap. The results of both the gender and ethnicity pay gap 2022 analysis and action plan were discussed with the Remuneration Committee in March 2023. • In considering the annual pay review, the Remuneration Committee took into account the rapid rise in inflation and the consequent impact on living standards, and approved the implementation of a pay review which ensured that the lower paid colleagues, who are most exposed to the impact of inflation, received a higher overall percentage salary increase. • The Company has whistleblowing procedures in place to allow all staff to raise concerns confidentially. The Audit Committee annually reviews the effectiveness of these procedures with the last review in March 2023.

Compare The Market Limited

Year ended 30 June 2023

Strategic report

Section 172 (1) statement (continued)

Section 172 (1)	Examples of Director / Board engagement
(c) the need to foster the Company's business relationships with suppliers, customers and others	<ul style="list-style-type: none"> • The Company's purpose is 'to make great financial decision-making a breeze for everyone'. The Board recognises that, as a business, the Company only makes money when the Company saves its customers money. In approving and monitoring progress against the strategy, the Board is focussed on ensuring that the activities of the business are clearly aligned to the Company's purpose and delivering good outcomes for its customers. • Customer satisfaction is monitored by using a variety of tools, including Trustpilot. • The Board reports include updates on key customer metrics. • Making a positive difference for customers is at the core of the Company's purpose and values. To ensure that this is achieved, whilst also complying with all applicable regulatory requirements, the Company provides training to all employees and frequently tests them on their knowledge. • The size and diversity of the Company means that third-party suppliers range from multinational organisations to local businesses. The Company aims to ensure that arrangements with suppliers are fairly negotiated and provide optimum levels of service. • The Board delegates the responsibility for day-to-day supplier management to individual business areas, which are required to follow policies relating to the procurement of suppliers, approval and monitoring of contracts, and the raising and authorisation of purchase orders. Together, these policies assist the Company in meeting its business and strategic objectives and in balancing the needs of customers, employees, commercial partners and other stakeholders. • The Board has oversight of relationships with suppliers through an update at every meeting on all contracts approved or under negotiation since the last Board meeting. The Board is also responsible for the approval of key contracts, which are significant either in terms of value or strategic importance to the Company.

Compare The Market Limited

Year ended 30 June 2023

Strategic report

Section 172 (1) statement (continued)

Section 172 (1)	Examples of Director / Board engagement
(d) the impact of the Company's operations on the community and the environment	<ul style="list-style-type: none"> • The Directors understand that ensuring the Company's operations have a positive impact on the community and the environment is a strategic imperative. • The Company's Corporate Social Responsibility strategy is aligned to its purpose and, through a partnership with MyBnk, the Company is playing a role in supporting financial education and inclusion by enabling more young people get better access to high-quality financial education. • Outside of the partnership, employees are encouraged to raise and donate funds in the aid of good causes. Employees can personalise their impact through Payroll Giving, Match Funding, community volunteering and skill share volunteering. • During the year, the Board has received updates on progress against the CSR strategy through the CEO's report.
(e) the desirability of the Company maintaining a reputation for high standards of business conduct	<ul style="list-style-type: none"> • The Company considers that maintaining its reputation for the highest standard of business conduct is a key priority. The Board ensures that an appropriate framework, including relevant policies, is in place to support this and the Board is made aware of and involved in the management of all issues that might have a material impact on the Company's reputation. • The Company has monitored and responded to new and emerging regulatory developments, including GI pricing, FCA Consumer Duty and the energy market crisis. • The Company's Consumer Duty implementation plan was reviewed and approved by the Board Risk Committee, who were also responsible for monitoring delivery against the plan. • The Board has appointed an Independent Non-Executive Director as the Consumer Duty Board Champion, who, along with the Chair and CEO, will be responsible for ensuring that customer outcomes are being discussed regularly through existing governance and reported against at least annually. • The Company maintains regular and ongoing dialogue with key regulatory bodies, including the FCA, and, where appropriate, the ICO, ASA, CMA, Ofgem and Ofcom.
(f) the need to act fairly between members of the Company	<ul style="list-style-type: none"> • The relationship between the Company's parent undertaking, BGL (Holdings) Limited, and its two principal shareholders is governed by a Shareholders' Agreement, which ensures the fair treatment of the members and that the Board gives due regard to the interests of all stakeholders when it exercises its powers. • The two principal shareholders hold seats on the Board of Compare The Market Limited to ensure that their interests are appropriately represented and there is effective and regular engagement.

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Year ended 30 June 2023

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On behalf of the Board:

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Dominic Platt
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Dominic Platt

Director

28 September 2023