

Section 172 statement continued

Principal decisions and discussions

The Company's commitment to creating pathways to progress was central to decision making during the year, exemplified through three pivotal choices: shrinking an underperforming entity, restructuring Group governance, and fostering cultural change. The case studies demonstrate the Company's conscientious approach to decision making, of which stakeholder engagement is a fundamental aspect of the strategic process.

Case studies

1. Shrinking the business in India

Throughout the year, the Board continuously evaluated business shrinkage in India, prompted by the entity's performance. Acknowledging that any such decision may impact the relationships with various stakeholders, management is exploring alternative strategies to safeguard the interest of all stakeholders of the institution. The Board sanctioned provisions and deliberated upon a comprehensive report from Group financial management, addressing India's underperformance. The report included suggestions for improvement and an agreement on setting targets to rectify the situation.

The Board prioritised stakeholders, aiming to ensure lenders' continuous repayment and maintain financial stability, fostering trust with crucial contributors. Stabilising operations and job protection measures were strategically implemented for colleagues, while client concerns were addressed to minimise disruptions and uphold critical relationships and commitments to best-performing clients.

Reducing exposure to the Indian market post-Covid aligned with a broader risk management strategy, demonstrating a commitment to prudently navigating challenges and safeguarding shareholder value.

Stakeholders considered

- Lenders.
- Colleagues.
- Clients.
- Shareholders.

2. Enhancing governance

Amidst a dynamic business landscape, the Company embarked on a strategic journey to enhance its governance, a process catalysed by the appointment of a new CEO of the Group in June. Recognising the need for agility and effective leadership, the management team underwent a significant reorganisation, paving the way for the introduction of a new Executive Committee. The shift to team-based governance marked a departure from conventional structures, reflecting a commitment to adaptability and collaborative decision-making.

As part of this transformative process, the Board evaluated the implications on various stakeholders. For colleagues, the restructuring aimed to enhance efficiency, responsiveness, and the overall effectiveness of the leadership team towards its colleagues.

The introduction of a new governance structure signified a strategic move aligned with a shareholder preference for innovation and adaptability as a response to the evolving business landscape.

Stakeholders considered

- Colleagues.
- Shareholders.

3. Cultural and leadership change

Embarking on a strategic initiative to redefine its culture, values, and strengthen local teams, the Company aimed to optimise performance and prompt reflective leadership changes in line with the evolving business ethos. The Board ensured stakeholder alignment, considering the interests of employees, clients, and shareholders throughout.

Strategic leadership changes, carefully evaluated by the Board, aimed to align with evolving business principles, laying the groundwork for improved talent management with values-driven practices. The objective: elevate organisational dynamics, boosting shareholder value through robust leadership.

For colleagues, a shift towards a values-driven culture was evident. Increased internal communications aimed to instil values of professionalism, teamwork, and integrity, laying a foundation for future performance-based talent management practices.

Clients, integral stakeholders, were considered in emphasising values alignment. By integrating these values into operations, the Company aims to deliver superior client experiences, fostering sustained, value-driven relationships.

Stakeholders considered

- Colleagues.
- Clients.
- Shareholders.