

## **DAC Beachcroft Services Ltd (the company): Corporate governance and s172 statement for the year ended 30 April 2023**

### **Corporate Governance statement**

The Company is a wholly-owned service company in the DAC Beachcroft LLP Group (the Group) and is therefore subject to and abides by all Group policies and procedures and works within the Group governance framework. A description of the Group's governance against the Wates Principles can be found on the [Group website](#).

The Directors on the Board hold these roles in the wider Group:

Managing Partner

Chief Financial Officer

Chief Operations Officer

Head of Practice Governance & Risk

thereby each offering specific operational, regulatory and strategic perspectives, supporting their individual and collective consideration of their obligations to the Company.

The Group governance framework delegates authority to entities within the Group for decision making up to defined levels of cost and impact. This enables the Directors to take the Company's stakeholder's needs into account in decision making. Any decisions relating to matters above the defined levels are escalated to the LLP Group Executive (Group Executive) and LLP Group Board (Group Board).

### **Section 172 statement**

The principal activities of the Company are the provision of administrative and payroll services to the other Group entities. The Directors of the Company are also members of the Group Board and/or Group Executive. These responsibilities provide them with an in depth understanding and insight into Group strategy and needs, including stakeholder requirements, enabling them to take into account the Group's needs when determining how the Company aligns with, and feeds into, the development of the wider Group strategy.

The role of the Company and its Board is partly therefore to administer and implement decisions made at Group level. Notwithstanding this, the Directors are aware of their statutory duties and meet several times a year. In their decision making as members of the Board they have regard to the best interests of the Company and in so doing have regard to the stakeholder factors set out in the Companies Act 2006. The paperwork and governance structure which supports the functioning of the Board have also been developed to promote individual and collective consideration of these factors when they are relevant and material.

The Group and the Company foster effective relationships with key stakeholders in the following ways:

### **Employee engagement**

The Group and Company recognise the importance of a healthy working culture which is responsive to the needs of colleagues and the business. The People Strategy is underpinned by the Group's Cultural Principles and five strategic pillars, relating to: talent and succession, skills and performance, reward and recognition, leadership and engagement, and equity, diversity and inclusion. Being a people business, the input and feedback from colleagues is fundamental to how the Group is structured, ensuring that individuals are supported to achieve their full potential, with clear routes for progression.

Consultation and communication with employees is achieved by the Group through regular updates to the business via Town Hall meetings, a monthly e-newsletter, video messaging for key topics supported by a robust email and intranet cascade process to support visibility. This is underpinned by a wide range of formal and informal meetings, , an internal-facing social media platform, a crowdsourcing platform where employees can collaborate and submit ideas, as well as vote and comment on them, employee surveys and discussion fora, and an annual report covering the Group's full-year performance. Employees are consulted regularly on a wide range of matters affecting their current and future interests to ensure they remain engaged and actively involved in shaping our People Strategy.

Flex Forward was introduced in the UK and Ireland from June 2021 and has enabled colleagues to create A Life That Works for them by adopting one of three types of dynamic, location-based working - office-focused, hybrid, and fully flex - to offer the maximum flexibility for each colleague's role. In addition, a more flexible approach to working hours has been introduced, with core hours relaxed and colleagues able to 'glide' their time, enabling them to balance professional and personal commitments. As part of the wider engagement strategy the practicalities surrounding these working practices forms part of employee engagement to ensure it remains aligned with business, colleague and client requirements.

### **Client engagement**

The Company's client is the Group. The Group's needs and requirements in respect of the nature and extent of the Company's services are dynamic. The Directors ensure that they remain aware of those demands and that they are reflected in the Company's strategy. As members of the Group Board and/or the Group Executive, they are close to and understand the wider Group strategy.

### **Supplier engagement**

The Company is integral to the Group relationship with suppliers and fostering strong relationships with supply chain partners is of great importance. Executive-level

engagement is part of the supplier relationship framework, with Group Board oversight on matters of strategic importance.

The engagement of new suppliers follows the internal procurement process that seeks assurance on a wide range of matters to ensure protection of the Company, other stakeholder interests and long term sustainability. Annual revalidation of critical supplier relationships is on-going, with plans to broaden the scope of the review to provide greater assurance surrounding supplier relationships at all levels. Opportunities are provided for both parties to feed back on the relationship and discuss innovation and development in the products and services available.

Analysis of the sustainability and resilience of the supply chain is undertaken by the Group's governance team and any significant risks or issues are raised with appropriate senior colleagues, and, where necessary, escalated to the Group Executive and the Group Board.

As required, the Company's payment practices are published on a half-yearly basis on the Government's online facility.

### **Community/environment engagement**

The Company pursues the Group's Responsible Business Strategy. The Group has developed the strategy with wider sustainability objectives, in recognition of its role in society. The strategy is available on the [Group website](#). The Company's responsible business activities are reflected in the way the Company conducts its business with the Group and with suppliers, taking care to give consideration to its impact on local communities, and its environmental footprint, and supporting delivery of the Group's wider ESG objectives. ESG related requirements have been introduced into standard supplier agreements and suppliers are expected to have appropriate ESG related policies and procedures in place.

The Group's energy and carbon report can be found in the Group report and accounts.

The Directors gave careful consideration to stakeholder interests and the longer term sustainability of the Company when declaring dividends to its parent company. This included assessing the appropriate amount and time at which to make those declarations and payments.