

DAC Beachcroft Services Ltd (the Company): Corporate governance and s172 statement for year ended 30 April 2020

Corporate Governance Statement

The Company is part of 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 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 account of the needs of the Company's stakeholders in decision making. Any decisions taken 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 principle 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. This enables them to take into consideration the Group's needs and requirements and determine 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 which supports the functioning of the Board has also been developed to facilitate the proper consideration of these factors when they are relevant and material.

As described in the Group governance statement on the [Group's website](#), stakeholder engagement is managed primarily at Group level, and as the Directors of the Company are members of the Group Board and/or Executive, they contribute directly to that engagement or its oversight. Specific to the Company Board is its engagement with its internal customers, the other Group entities.

In order to fulfil their duties, the Directors take care to have regard to the likely consequences on all stakeholders of the actions and decisions they take. The Directors of the Company hold roles within the Group that provide them with an in depth understanding of the Group. The decision making process includes consideration of Group strategy, performance and key decisions and the Directors use their understanding of the Group and this information to assess the impact of decisions, including on each stakeholder group.

Stakeholder engagement is managed at both Group and Company level. The Group and the Company foster effective relationships with key stakeholders in the following ways:

The Group and Company recognise the importance of a healthy working culture which is responsive to the needs of colleagues and the business. This is underpinned by the Group's Cultural Principles and clearly defined in the Group's people strategy. 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 is achieved through formal and informal meetings, a regular monthly electronic newsletter, regular employee surveys, a Staff Forum, an intranet site encouraging staff to ask questions and make suggestions to management, and an annual report covering the Group's full year performance. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

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.

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 other stakeholder interests and long term sustainability.

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 elevated 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.

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.

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.