

DAS Services Limited's Section 172(1) Statement for year end 2022

The below Section 172 (1) Statement was approved by the Board of DAS Services Limited ('the Company') on 31 March 2023 for disclosure on the Company's website in respect of the 2022 year end.

Section 172(1) Statement

The Directors of the Company must act in accordance with a set of general duties. These duties are detailed in section 172 of the Companies Act 2006, which is summarised as follows:

A director of a company must act in the 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 and, in doing so have regard (amongst other matters) to:

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

All members of the Board recognise their duty to the Company. The Company is part of DAS UK Group, comprising DAS UK Holdings Limited and its subsidiaries, which is managed on a unified basis. DAS UK Group includes an insurance company, and therefore some of the governance requirements set out under the Solvency II ('SII') requirements are applied to the Company. All members of the Board are subject to the requirements of the Senior Managers and Certification Regime ('SMCR'). The aim of the SMCR is to reduce harm to consumers and strengthen market integrity by setting new standards of personal conduct for everyone who works in financial services, and by making senior people in firms more responsible and accountable for their conduct, actions and competence. The Board are subject to SMCR requirements including, but not limited to, the Conduct Rules, fit and proper assessments and regulatory referencing.

DAS UK Group has a 'Fit and Proper' policy in place which is reviewed annually, whereby all Directors are subject to the fitness and propriety assessment. There is also the Munich Re Code of Conduct where all employees, including Directors, must complete regular training and awareness activity. Robust controls are in place to ensure that the Company meets the necessary conduct standards.

The following paragraphs summarise how the Directors fulfil their duties:

Consequences of any decisions in the long term

Each year, the DAS UK Holdings Limited Board undertakes a review of the Group's strategy and the business plan for the following four or more years. Once approved by the Board, the plan and strategy form the basis for financial budgets, resource plans and investment decisions, and also the future strategic direction of the Company. In making decisions concerning the business plan and future strategy, the Board has regard to a variety of matters including the interests of various stakeholders, the consequences of these decisions in the long term and its long-term reputation.

The DAS UK Group Chief Executive is responsible for delivering the plans and strategy agreed by the Board, with authority delegated to executive managers but subject to all decisions being made on the basis of the values and standards mandated.

The primary objective of the DAS UK Group risk and financial management framework is to protect DAS UK Group from events which hinder the achievement of strategic objectives, including the delivery of good customer outcomes, and operational financial performance targets. Management recognises the critical importance of maintaining efficient and effective risk management systems.

Interests of the Company's employees

The Company is committed to being a responsible business and doing the right thing for its employees. People are at the heart of its business. For DAS UK Group's business to succeed it needs to manage its people's performance, and develop and bring through talent whilst ensuring it operates as efficiently as possible. The Company also ensures it shares common values that inform and guide the employees' behaviour so that DAS UK Group achieves its goals in the right way.

The Company has a well-developed structure through which it engages regularly with trade union officials to understand matters concerning UK employees. The Company also has an Employee Engagement Forum ('EEF') which acts as a method of communication between the Directors of the Company and the employees. The EEF meet on a quarterly basis to discuss a range of different topics affecting the business.

Bi-annual 'town halls' are held for all employees of the Company, where an update is given regarding the current performance of DAS UK Group and any strategic decisions which have been made.

There are regular engagement surveys which are rolled out across the ERGO Group in order to gauge the current engagement levels of employees and to determine areas needing improvement.

Some employees and some former employees are members of the DAS Legal Expenses Insurance Company Limited Pension and Life Assurance Scheme ('the Scheme'). DAS UK Group's Audit Committee is provided updates on key developments in respect of the Scheme on a quarterly basis.

The Directors fulfil their duties partly through a governance framework that delegates day-to-day decision-making.

The Company, which is the principal employer of the Scheme, has the power by deed to appoint new Trustees subject to member-nominated Trustee requirements.

Independent actuarial valuations of the Scheme are made on a triennial basis. These inform the decision as to the value of annual contributions provided to the Scheme by the Company.

Business Relationships

DAS UK Group's reputation with stakeholders, customers, business partners and suppliers is critical to the continued success of its business. DAS UK Group uses the AIRMIC ('Association of Insurance and Risk Managers in Industry and Commerce') categorisation of reputational risk and identifies some of the key controls in place at the Company against each attribute.

The Company's customers mainly consist of fellow DAS UK Group companies to whom it provides administrative services.

The Company's suppliers are an integral part of its business and key to DAS UK Group's ability to provide customer requirements and meet contractual obligations. The Company maintains strong relationships with its suppliers and on a regular basis assesses critical suppliers' capabilities to meet their obligations and service levels. The DAS UK Group Directors have established sufficient supply and outsourcing governance to consider their service in key decisions and regularly review critical suppliers. The Company has multi-year contracts with key suppliers.

Community and Environment

The Company's approach is to use its position of strength to create a positive change for the people and communities with which the Company interacts. The Company wants to leverage its expertise and enable employees to support the communities around us.

DAS UK Group is committed to doing the RIGHT thing for its customers, business partners, employees, community and environment. Its RIGHT values underpin everything that it does, and are the foundation to its great company culture. These values are: **R**espect, **I**mprove, **G**o the Extra Mile, **H**onesty and **T**hink Customer.

Corporate Social Responsibility ('CSR') is an important part of the Company's culture, identity and business practice. DAS UK Group strives to play an active and beneficial role in the communities within which it operates through charitable donations and fundraising, community work and education partnerships. The Company supports an active CSR forum, with representation from employees at all locations, which is responsible for overseeing the approach to charitable giving and organising various fundraising events and activities.

Throughout 2022, DAS UK Group employees successfully raised and donated over £27,000 to various charities and community projects. DAS UK Group fundraise for two employee nominated charities each year as well as support other employee nominated charities through the 'Monthly Pot'. In 2022, DAS UK Group focused its support on the Red Cross Ukraine Appeal and Cancer Research UK who each received the employee charitable donations for the relevant 6 months. Other additional fundraising included Comic Relief and Hollie Gazzard Trust.

Employees are also invited to apply for the company-funded ‘Monthly Pot’ by filling out a request form detailing the charity that they would like to support, and throughout 2022 the Company provided donations to 11 different charities and community projects.

DAS UK Group is committed to helping mitigate the effects of climate change by donating 70% of the company’s charitable donations to charities with an environmental focus. At the start of each year, the ‘We Care’ forum come together to discuss a variety of charities that meet these requirements, and identify between three and five to receive a split of this 70% of the total annual contribution. In 2022, the charities the Company supported were:

- Bumblebee Conservation Trust;
- Fare Share;
- City to Sea; and
- Centre for Sustainable Energy.

All DAS UK Group employees are entitled to one volunteering day per year, to use alongside their annual leave allowance; this highlights and encourages the importance of giving back to local communities. Due to the ongoing effect of COVID-19, a lower volume of employees registered to use their volunteering day. Some of the volunteering days were used to:

- collect donations for Cancer Research UK at their Secret Cinema event in Bristol;
- complete a charity run for Cancer Research UK;
- volunteer with Juice Community Project to serve lunch and put together Christmas hampers and parcels;
- run the registration table at Frank Water’s Stand Up for Safe Water event; and
- complete a fundraising walk up the Pen Y Fan for MacMillan Cancer Support.

For 17 years, DAS UK Group has supported Glenfrome Primary School with a volunteering scheme, Better Reading Partnership. This gives employees the opportunity to improve the reading capabilities of children who are underperforming.

DAS UK Group recognises the value of employee development, involvement and opportunity. The adoption of ‘best-practice’ policies and procedures ensure it is an employer of choice. As well as regular internal learning and development opportunities, DAS UK Group sponsored over 20% of employees to gain external development including apprenticeships and professional memberships. Internal progression is actively encouraged and all managers are trained on their role and responsibilities in developing their teams. DAS UK Group continues to run five employee-led inclusion networks, working to raise awareness and improve processes focused on creating a sense of belonging for all employees. DAS UK Group continues to leverage the learnings it gains by signing up to several charters, including ‘Women in finance’, ‘Women in Law’, ‘Race at Work Pledge’ and ‘Stonewall Diversity Champions’.

DAS UK Group champions employee health and wellbeing through the in-house ‘WellWise’ banner, which offers regular free fresh fruit for all employees and discounted gym membership as well as weekly fitness classes. The ‘Employee Assistance Programme’ (‘EAP’) also provides all employees and their family with access to practical information, and confidential emotional support 24 hours a day, seven days a week. The ‘Mental Wellbeing at DAS UK Group’ programme, launched in 2019, saw the introduction of a number of qualified Mental Wellbeing Champions across the business. A mental wellbeing DASNet page was created to provide employees and managers with access to related information, support and benefits. A mental health training module was also created for all employees to access on the ‘Learn at DAS’ portal. On ‘World Mental Health Awareness Day’ on 10th October 2019, the Company proudly signed the ‘Time To Change Employer Pledge’ – demonstrating its commitment to change the way people think and feel about mental health.

The Mental Wellbeing Champions continue to run regular drop-in sessions allowing honest, supportive discussions around mental health helping to break the stigma and signpost support.

The Company recognises its responsibility to the continual improvement of its environmental performance and sustainable development, and aims to achieve environmental best practice throughout its operations. This is also a focus of the CSR and the Health & Safety forums.

In 2021 the Company moved from its previous headquarters to an exciting new location in central Bristol. Through employee property champions, the new office design includes a number of best practice and employee-initiated ideas. During 2021 the Company also rolled out its flexible working policy to better facilitate improved working practices.

In 2022, the Property Programme continued covering the DAS Bedwas Office. Sustainability featured heavily in the redesign of the space and included the following:

- The Bedwas Campus had a very old, diesel-fired generator, with a large carbon footprint on the side of one of the buildings. When DAS UK Group relocated the IBM I-Series off its premises, it no longer required the generator. The generator has been disconnected and craned out of its position by a third party.
- During the Bedwas Property build, the latest modern air-conditioning technology was installed, allowing DAS UK Group to remove two gas-fired boilers from the site, thereby removing its reliance on natural gas. In addition to this, LED lighting was also installed which is more sustainable, eco-conscious and cost-effective than the previous lighting.
- The wood in all the furniture has come from Forestry Stewardship Council (FSC) sources, who are rated gold standard for ethical production. This means the wood is harvested from forests that are responsibly managed, socially beneficial, environmentally conscious and economically viable

Business Conduct

All members of the Board recognise their duty to the Company, however DAS UK Group entities are managed on a unified basis. DAS UK Group includes an insurance company, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority ('FCA'), and a legal company, which is regulated by the Solicitors Regulation Authority ('SRA'). The FCA and SRA regulate these companies. The Company also recognises its commitments to other regulators arising from its operations, such as those relating to tax, data and pensions. Robust controls are in place to ensure that the Company meets the necessary conduct standards. There is also the Munich Re Code of Conduct where all employees, including Directors, must complete regular training and awareness activity.

Acting fairly

The Company only has one shareholder, its intermediate parent undertaking, DAS UK Holdings Limited. The Company's parent company and the wider ERGO Group AG and Munich Re Group of companies are considered in business decisions, although all members of the Board recognise their duty to the Company.