



DAS Services Limited's Section 172(1) Statement for year end 2019

The below Section 172 (1) Statement was approved by the Board of DAS Services Limited ("the Company") for disclosure on the Company's website on 2 April 2020 in respect of the 2019 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 its duty to the Company. The Company is part of DAS UK Group, which includes an insurance company, and therefore some of the governance requirements set out under the Solvency II ('SII') requirements are applied to the Company. The SII requirements are still relevant for UK insurers under the transitional period following Brexit and consist of the Prudential Regulation Authority ('PRA') Rulebook regulations that transpose the European SII Directive, the European SII Delegated Regulations and guidance issued by EIOPA. For example, all members of the Board are Senior Management Function ('SMF') holders, i.e. they are responsible for key functions relating to the carrying on of a regulated activity, which is specified by the PRA in the 'Insurance – Senior Management Functions' Chapter in the PRA Rulebook pursuant to section 59 of the Financial Services and Markets Act 2000.

DAS UK Group has a 'Fit and Proper' policy in place which is reviewed annually, whereby all SMF holders are subject to the fitness and propriety assessment.

In addition, DAS UK Group undertakes an annual Fitness and Propriety attestation which all in-scope staff are required to complete, and criminal bureau checks are conducted on a three year-cycle for all SMF holders. All SMF holder responsibilities are outlined within role profiles and annual objectives and are subject to a rigorous governance framework.

The following paragraphs summarise how the Directors fulfil their duties:



Consequences of any decisions in the long term

Each year, the Board undertakes a review of the Company's strategy and the business plan for the following four 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 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 Company's risk and financial management framework is to protect the Company 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 the Company'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 the Company 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 meets 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 the DAS UK Group and any strategic decisions which have been made.

There are regular engagement surveys which are rolled out across the group in order to gauge the current engagement levels of employees and to help identify areas of focus for 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, which includes Board members, 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 Trustees of the Scheme, which include some employees, meet on a regular basis. They consider any changes in policy which are necessary to reflect changes in

legislation and general pension scheme practice, and monitor the management of the Scheme's investments.

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 suppliers are an integral part of its business and key to DAS UK'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 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 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: **Respect, Improve, Go the Extra Mile, Honesty and Think Customer.**

Corporate social responsibility ('CSR') is an important part of the Company's culture, identity and business practice. DAS UK strives to play an active and beneficial role in the communities within which it operates through charitable donations and fundraising, sponsorship, 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 2019, DAS UK employees successfully raised and donated over £30,500 to various charities and community projects. DAS UK supported a different employee-nominated charity every quarter, each of which received all employee charitable donations and fundraising from the previous 3 months. Throughout 2019, DAS UK was delighted to support Help Bristol's Homeless, Macmillan Cancer Support Holly Hedge Animal Sanctuary and A Sibling's Wish – the Harvey Hext 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 2019 the Company provided donations to 24 different charities and community projects.



Local communities are supported in a number of ways, the most successful long-standing scheme being the Better Reading Partnership with Glenfrome Primary School, which gives employees the opportunity to improve the reading capabilities of children who are underperforming. 2019 also marked the first year of the Company's Employee Volunteering Programme, entitling all DAS UK employees to an employee volunteering day to use alongside their annual leave allowance each year. The first year of the programme was a huge success, with employees across the business using their days to carry out various tasks for a large number of community projects, including:

- Supporting the Milestones Trust by decorating a house for adults with learning disabilities;
- Redecorating and restoring an old Scout and Cubs hut in Caerphilly;
- Climbing Ben Nevis to raise money for Mind, Kidney Research UK and The Brain Tumour Charity;
- Providing marketing support to a local youth homeless charity;
- Walking from Bristol to Bath to raise money for Macmillan Cancer Support.

DAS UK 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 learning and development opportunities, internal progression is actively encouraged. The Company's Diversity and Inclusion programme continued to go from strength to strength throughout 2019, with all people managers receiving diversity and inclusion training and a number of new employee-led networks being launched to represent minority groups. Commitment to equality of opportunity for all employees is of utmost importance, and DAS UK prides itself on becoming a Working Families Employer Member for the second year running. DAS UK champions employee health and wellbeing through the in-house WellWise programme, which will continue to evolve and grow throughout 2020. WellWise provides employees with free exercise classes, discounted gym memberships, mental wellbeing support and a range of other health tips and advice. The Employee Assistance Programme (EAP) also provides all employees with access to free counselling, and a second medical opinion service. In 2019 the Company launched its 'Mental Wellbeing at DAS' programme, which saw the introduction of a number of qualified Mental Wellbeing Champions across the business and full mental health training delivered to all people managers. On World Mental Health Awareness Day on 10 October, the Company was proud to sign the Time To Change Employer Pledge – demonstrating its commitment to change the way people think and feel about mental health.

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 key focus area for the CSR and the Health & Safety Forums, which tracks energy usage and the amount of waste produced across each different office location to monitor any trends

The key environmental impacts have been identified as energy, waste and travel. It sets targets for continual improvement with emphasis on each of these areas, and has committed to remaining a 100% carbon neutral business. All DAS UK employees receive annual training on its environmental requirements, and the Company strives to reduce the amount of resources consumed by applying the waste hierarchy as appropriate. DAS UK promotes and encourages sustainable travel for all employees and visitors, and continues to divert 100% of waste from landfill at its two main office locations in Bristol and Bedwas. Throughout 2019, the Company delivered a number of internal campaigns to raise awareness of sustainability issues, including



lunchtime litter picks and recycling ‘swap shops’. Throughout 2020 DAS UK will work to continue to reduce its energy consumption and amount of waste produced.

Business Conduct

All members of the Board recognise their duty to the Company, however DAS UK entities are managed on a unified basis. DAS UK Group includes an insurance company, which is regulated by the Financial Conduct Authority, and a legal company, which is regulated by the Solicitors Regulation Authority. Both authorities regulate the conduct of the companies. Robust controls are in place to ensure that the Company meets the necessary conduct standards.

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 and Munich Re Groups are considered in business decisions, although all members of the Board recognise their duty to the Company.