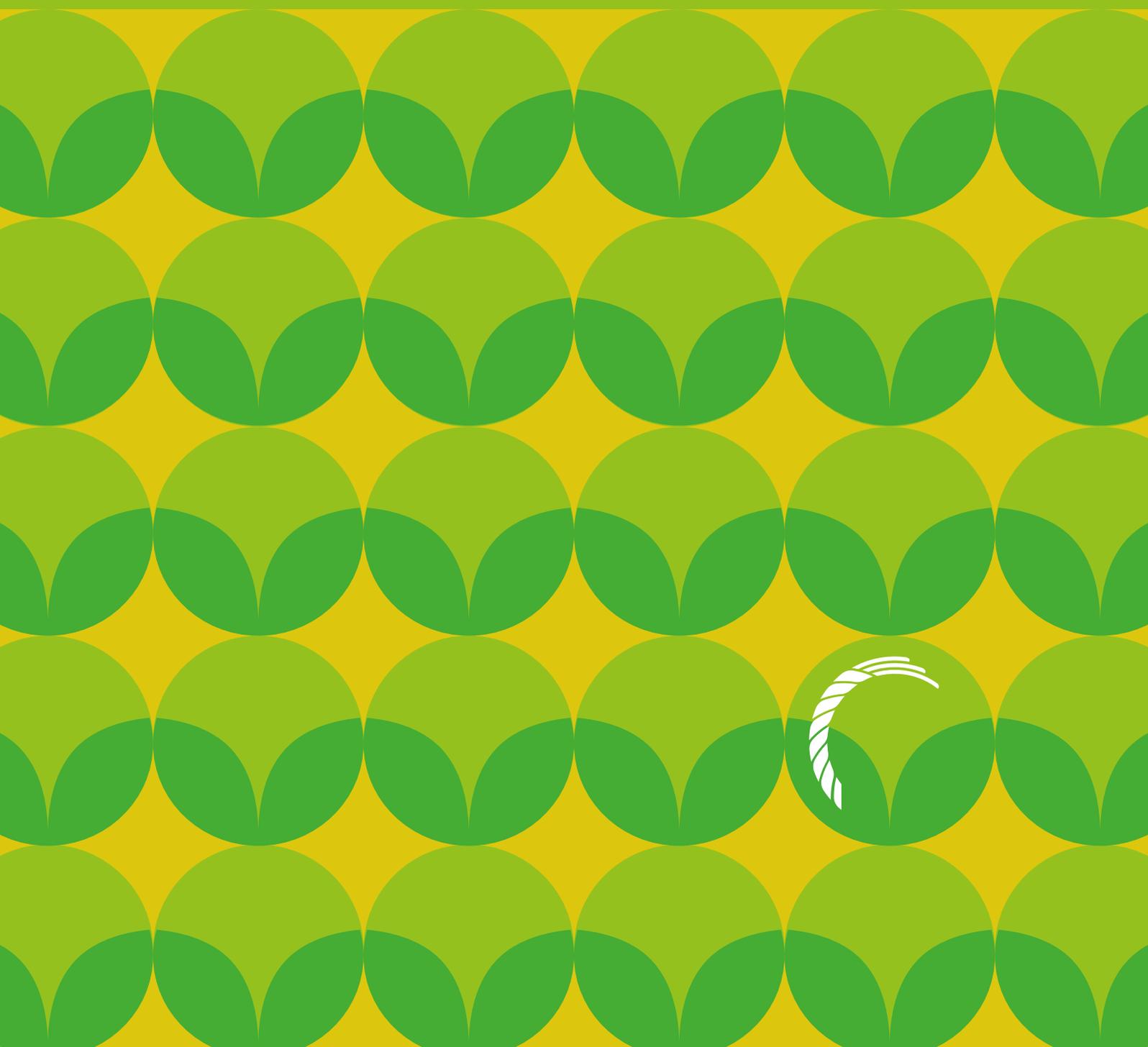


FOR THE YEAR ENDED 31 MARCH 2022



Environmental, Social & Governance Report



Definitions

Company or DSW Capital or DSW	DSW Capital plc, registered as a public company in England and Wales, with registered number: 07200401
Group or DSW Group	The Company and its Subsidiary, Dow Schofield Watts Services LLP (Registered number: OC397251)
Network or DSW Network	The Group and its licensees

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

Introduction

We recognise that ESG is fundamental to the long-term success of our business, and we are committed to continually improving our practices in relation to sustainability and ESG. As a Board, we understand the increasing importance of ESG to all our stakeholders and it is our intention to move towards reporting this in a structured manner.

Our approach to ESG has been informed by listening to our people, our investors, our local communities, and clients, enabling us to focus on the key areas which are both important and relevant to our business. We have taken this opportunity to refresh our purpose to ensure it reflects our ESG ambitions:

“To empower our people to reach their potential and develop sustainable businesses which best serve the needs of their clients and local communities”.

To enable us to monitor and report our progress against our ESG aspirations, we have developed a bespoke framework which consists of four cornerstones. These cornerstones define our areas of priority and highlight our targets and aspirations.

Our ESG Cornerstones:

Social & Environmental Impact

Our aim is to make a positive, long-term impact on our local communities whilst minimising our impact on the environment.

Diversity & Inclusion

Our aim is to create a diverse and inclusive environment for our people, recognising the benefits a broad range of perspectives can bring to the progression and success of the business.

Empowering our people

Our aim is to empower our people to be the best that they can be and build successful and sustainable businesses.

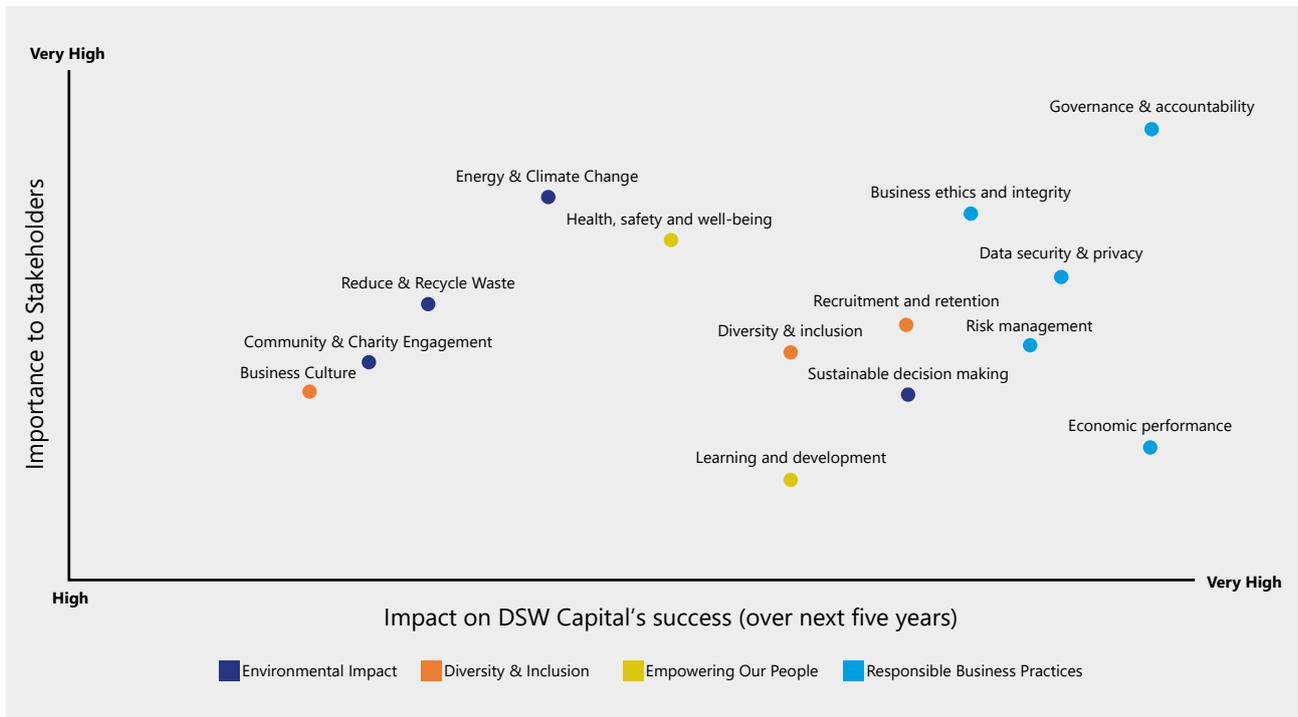
Responsible business practices

Our aim is to promote a culture based upon ethical values and behaviours which align with those of our stakeholders.

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

Materiality Assessment

In March 2022 we conducted our first ESG materiality assessment to understand which environmental or social issues pose opportunities and risks to the business model, today and in the future. The assessment was internal, drawing from our teams at different levels of the business, and incorporating feedback from past and current dialogue with our four key stakeholder groups: Our People, Investors, Clients and Communities.



The process:

- Workshop with our executive leadership team to identify all areas where our business is impacted or could positively impact ESG.
- The assessment and process identified 53 relevant ESG-related topics.
- These topics were then grouped into 14 different material issues and aligned within one or more of our four ESG cornerstones.
- A scoring matrix was developed and used to score the topics to categorise the material issues in terms of importance and impact, for each stakeholder. The average of these scores has then been presented in the graph above.
- We then compared our internal analysis against external frameworks including the Sustainability Accounting Standards Board (SASB) and aligned our framework with the United Nations Sustainable Development Goals.



ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

In 2015 the United Nations launched the Sustainable Development Goals (UNSDGs) which are aimed at ending poverty, fighting inequality, and stopping climate change. These goals are a call to action for all countries and businesses to join forces and address some of the world's most pressing social and environmental issues.

Whilst we support all the UNSDGs, our materiality analysis has allowed us to identify the goals most relevant to our business and we have chosen to prioritise nine of the goals where we feel we can make the largest contribution. These goals have been embedded within our ESG strategy.

Our ESG Journey

With our bespoke framework in place, we are now working with our stakeholders to identify initiatives and set targets to help us achieve our ESG ambitions. We recognise that over time our ESG strategy will evolve, and we will maintain open dialogue with all our stakeholders to ensure our strategy reflects their priorities. Below we have set out details on the progress we have made to date and our plans for the future.

Social & Environmental Impact

Our policy is to support charities and communities local to our Network's offices, but we also provide support at a national level. Giving back to the community is an important part of our culture. We have established a Corporate Social Responsibility ('CSR') committee, which is made up of individuals at all levels from across the DSW Network. Part of the committee's role is to determine which charities to support each year, and to discuss fundraising activities and initiatives that can be rolled out across the Network.

As an office-based business, our impact on the environment is relatively low, with carbon emissions predominantly from energy usage and travel. In the current year we have undertaken an exercise to collate data on our Scope 1 and Scope 2 emissions and we intend to monitor these regularly, taking actions to further reduce the impact we have on the environment. The board is pleased to have included our Streamlined Energy and Carbon Report within our FY22 Annual Report. A copy of our Streamlined Energy Carbon Report can be found on page 7 of this Report.

Diversity & Inclusion

We have a strong commitment to diversity and believe the nature of this model presents an opportunity to lead the accounting profession in this area. We take pride in our ability to attract female partners to the DSW Network with approximately 23% of the Network's current partners being female. The DSW model provides women access to senior roles in corporate finance and transactional services, which the Board believes are typically dominated by men in more traditional firms. Only 16% of AIM 100 company

board directors are female, compared to 38% in FTSE 350 companies¹¹, which demonstrates that AIM companies still need to improve further on gender and other diversity indicators. DSW is proud that 60% of its Board are female, while recognising the need for further diversity in the longer term.

Diversity is at the core of DSW's model as management realise the benefits a broad range of perspectives can bring to the progression and success of a business. DSW's commitment to diversity extends beyond gender to ethnicity, sexual orientation, gender identity, social mobility, disability, and other challenges which can lead to disadvantage. DSW is committed to creating a diverse and inclusive environment for its licensees and employees, and this will continue to be one of the core values as new professionals and businesses are welcomed to the Network. We are currently looking at a range of initiatives including launching our first Engagement Survey, rolling out additional training and refreshing our Values and Behaviours to continue to promote a diverse workforce.

Empowering our people

Our business model is centred around empowering people to be the best that they can be, providing the support and infrastructure to enable them to achieve their career aspirations. Investing in our people is therefore a key priority for us and through our ESG strategy we will continue to enhance the support we provide centrally.

Earlier this year we launched the DSW Mentoring programme with 24% of our Fee Earners currently signed up as either a Mentor or a Mentee. In March 2022, we provided access to a library of online training courses. We are also in the process of developing our DSW Future Leaders programme, which we expect to launch in Autumn 2022. This will be a bespoke programme offered to our high achievers, supporting them as they take the next step in their careers.

The Covid-19 pandemic has had a profound impact on the workplace, with professionals embracing the ability to choose whether to work from home or the office. Professionals increasingly seek to marry career ambitions with a better work life balance, shunning the traditional long work-hours culture which pervades the profession. Flexibility and autonomy have always been embedded within our business model and we continue to look at ways we can support our people as they adapt to the 'new normal'.

¹¹ Source: <https://www.bdo.co.uk/en-gb/insights/industries/aim/aim-directors-remuneration-report>. <https://www.gov.uk/government/news/sea-change-in-uk-boardrooms-as-women-make-up-nearly-40-of-ftse-100-top-table-roles>.

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

We also recognise the impact the pandemic has had on our physical and mental wellbeing, which is why this has been identified as a key area of our ESG strategy. Our CSR committee is exploring several initiatives and already has plans in place to train mental health first aiders to provide support to our people, and to increase the number of social and wellbeing activities on offer to our Network.

Responsible business practices

We are committed to effective corporate governance as the basis for delivering long-term value growth and for meeting our shareholder expectations for proper leadership and oversight.

As noted in our [Corporate Governance Statement](#), we continue to apply the QCA Code, to enable us to positively engage with all our stakeholders whilst mitigating risk and adding value to our business.

DSW promotes a culture based on ethical values and behaviours through our Code of conduct which is circulated

to all our network members. We operate with a zero-tolerance approach towards any form of discrimination, or unethical behaviour relating to bribery, corruption, or business conduct.

At Board level, there are terms of reference for each of its committees, requiring regular disclosure of Directors' other interests, and following a share dealing code, all of which require high standards of behaviour.

The Company's employment policies, such as those applying to whistleblowing and anti-bribery, also assist in embedding a culture of ethical behaviour for all employees across the Network. As part of our ESG strategy we have rolled out a new compliance manual to provide the latest guidance and resources to our network members. We are also looking at initiatives which include increased Cyber Security training and taking steps to achieve our Cyber Essentials accreditation later this year.



ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

Streamlined Energy and Carbon Reporting ('SECR')

The Group is exempt from streamlined energy and carbon reporting requirements as it is a low energy user consuming less than 40,000 kWh during the reporting period. The board have elected to make voluntary SECR disclosures as we recognise the important role all businesses have in reducing carbon emissions and increasing energy efficiency.

The release of greenhouse gases ('GHG'), notably carbon dioxide ('CO₂') generated by burning fossil fuels, has an impact on climate change that, either directly or indirectly, represents considerable risks both to businesses and the planet. The Group continues to monitor and, where practicably possible, reduce its GHG emissions.

The data below has been created using the following scopes:

Scope 1: Direct emissions from company owned and controlled resources, including combustion in owned or controlled boilers; and

Scope 2: Indirect emissions from purchased energy.

The data below shows DSW Capital's energy usage and greenhouse emissions (Scope 1 and 2) from its head office based in Daresbury which represents all GHG emissions and energy consumed by the DSW Capital Group in the UK:

	2022
Energy Consumption	
Scope 1 Emissions:	
Gas kWh	15,253
Scope 2 Emissions:	
Electricity kWh	4,872
Total energy used in kWh	20,125
Carbon Emissions:	
Scope 1 emissions (tCO ₂ e)	2.8
Scope 2 emissions (tCO ₂ e)	1.0
Total Scope 1 & 2 emissions (tCO₂e)	3.8
Emissions Intensity Ratios:	
Tonnes CO ₂ e – per £m Revenue	1.28
Tonnes CO ₂ e – per Average FTE	0.53

Methodology

Greenhouse gas emissions are quantified and reported according to the Greenhouse Gas Protocol. Consumption

and production data has been collated and converted into CO₂ equivalent using the UK Government 2021 Conversion Factors for Company Reporting to calculate emissions from corresponding activity data.

To collect consumption data, the Group has reviewed emissions data related to electricity purchases and fuel purchases. This information has been prepared in accordance with the GHG Protocol's Guidance.

Data collected relates to the most recent 12-month period where data was available. Comparative information has not been disclosed as this is the Group's first year of reporting.

Energy efficiency actions

The Board recognise that Climate Change is one of the most pressing matters facing businesses and the planet today and we believe that every business can and should play a role. DSW Capital is already a low energy user when considering our Scope 1 and Scope 2 emissions, however we recognise that our most significant impact will be when we are able to capture, report and reduce our Scope 3 emissions which will encompass those emissions produced by our licensees.

As part of our ESG strategy, it is our target to begin to collate and monitor our Scope 3 emissions in FY23 and we will work towards this goal with the broader DSW network.

The Group are committed to reducing our carbon footprint and in December 2021, we signed up with Zellar, who are helping their customers identify initiatives to reach Net Zero by 2030. We will continue to review our energy consumption with the aim of delivering on-going reductions in emissions. It is our target to reduce our Scope 1 & Scope 2 emissions to Net Zero by 2025 with a target of reducing our Scope 3 emissions to Net Zero by 2030.

To help us achieve our objectives we have identified several initiatives which we have either implemented or are planning on implementing within the next twelve months as part of our ESG strategy. These initiatives include; completion of a behavioural actions survey to increase awareness across the network of how individuals can help us achieve our targets, working with suppliers who share our Net-Zero ambitions, investing in carbon reduction technologies to help us reduce our energy consumption in our head-office and encouraging our people to get involved with local carbon offsetting projects.