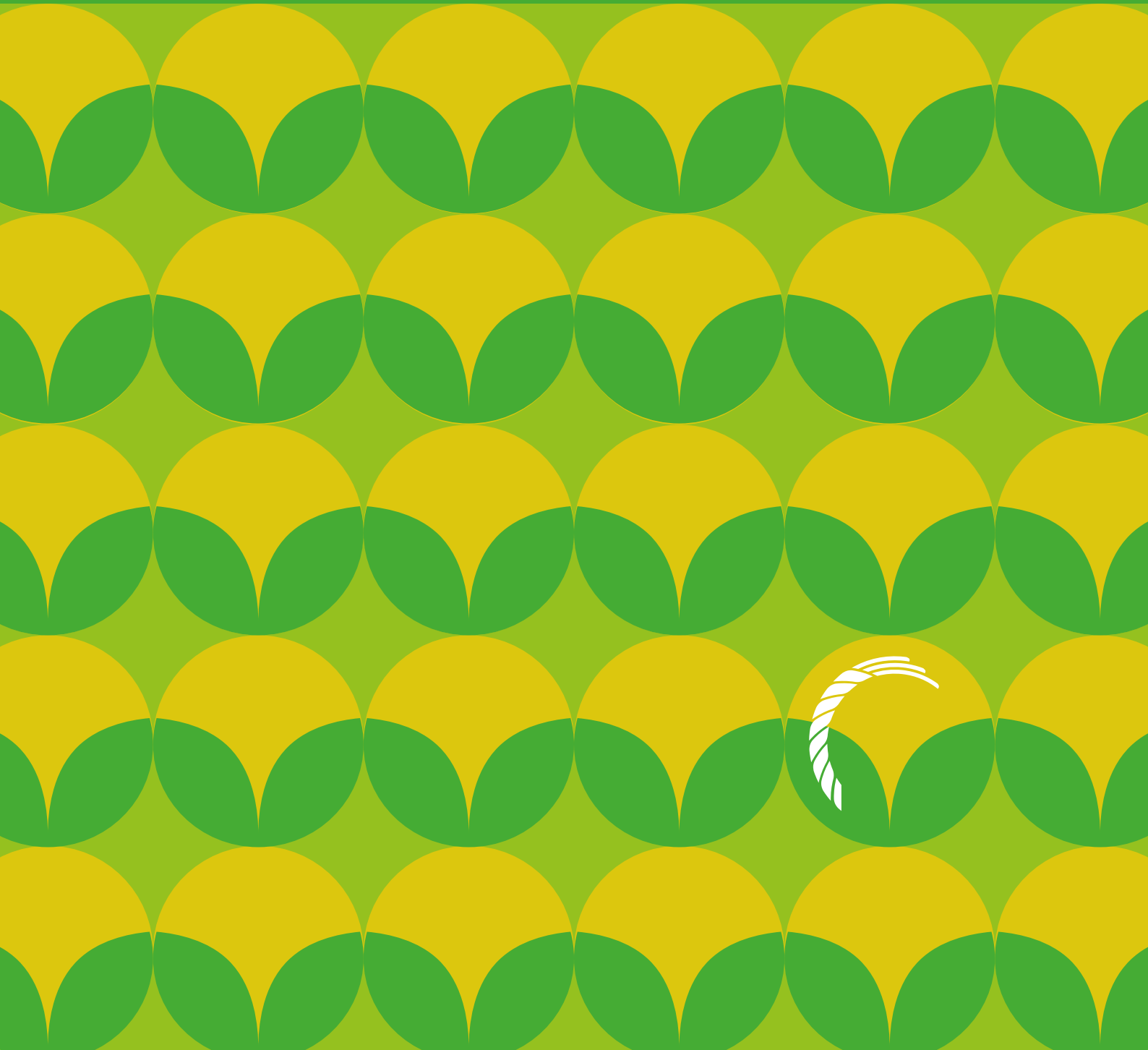


FOR THE YEAR ENDED 31 MARCH 2023



# Environmental, Social & Governance Report



## Definitions

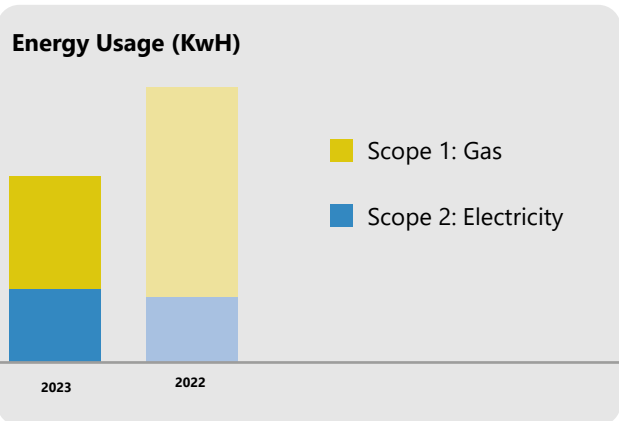
<b>Company</b> or <b>DSW Capital</b> or <b>DSW</b>	DSW Capital plc, registered as a public company in England and Wales, with registered number: 07200401
<b>Group</b> or <b>DSW Group</b>	The Company and its Subsidiary, Dow Schofield Watts Services LLP (Registered number: OC397251)
<b>Network</b> or 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

# ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)



them to grow successful businesses. Our partners have the autonomy and flexibility to listen to their employees to create a business that reflects their values and priorities, allowing them to retain and attract the best people, which will protect the longevity of the business.

## 2023 Highlights



*Our purpose is 'To empower our people to reach their potential and develop sustainable businesses which best serve the needs of their clients and local communities'.*

*We are still in the early stages of our ESG journey, although we've made great progress by challenging ourselves to make commitments to ESG that are meaningful and that enable us to be the best that we can be.*

### Introduction

We recognise that ESG is fundamental to the long-term success of our business, and the Board remains committed to working with our stakeholders to continually improve our practices in relation to ESG. By doing so, we are future proofing our operations and with our bespoke ESG framework we are able to hold ourselves accountable and demonstrate the progress we have made against our commitments.

Our ESG strategy has been aligned and verified by our licensee partners and their employees, which has resulted in high levels of engagement across the DSW Network propelling a number of our core initiatives over the last twelve months. Our focus on our people and empowering them to achieve their aspirations, extends beyond enabling

Significantly reduced our Scope 1 Emissions by

**46.3%**

Overall Scope 1 & Scope 2 emissions reduced by

**32.1%**

Carried out our **first** annual DSW Engagement Survey

**35**

DSW Network Net Promoter Score (NPS)

**93%**

of respondents agree DSW has culture of equality and inclusion

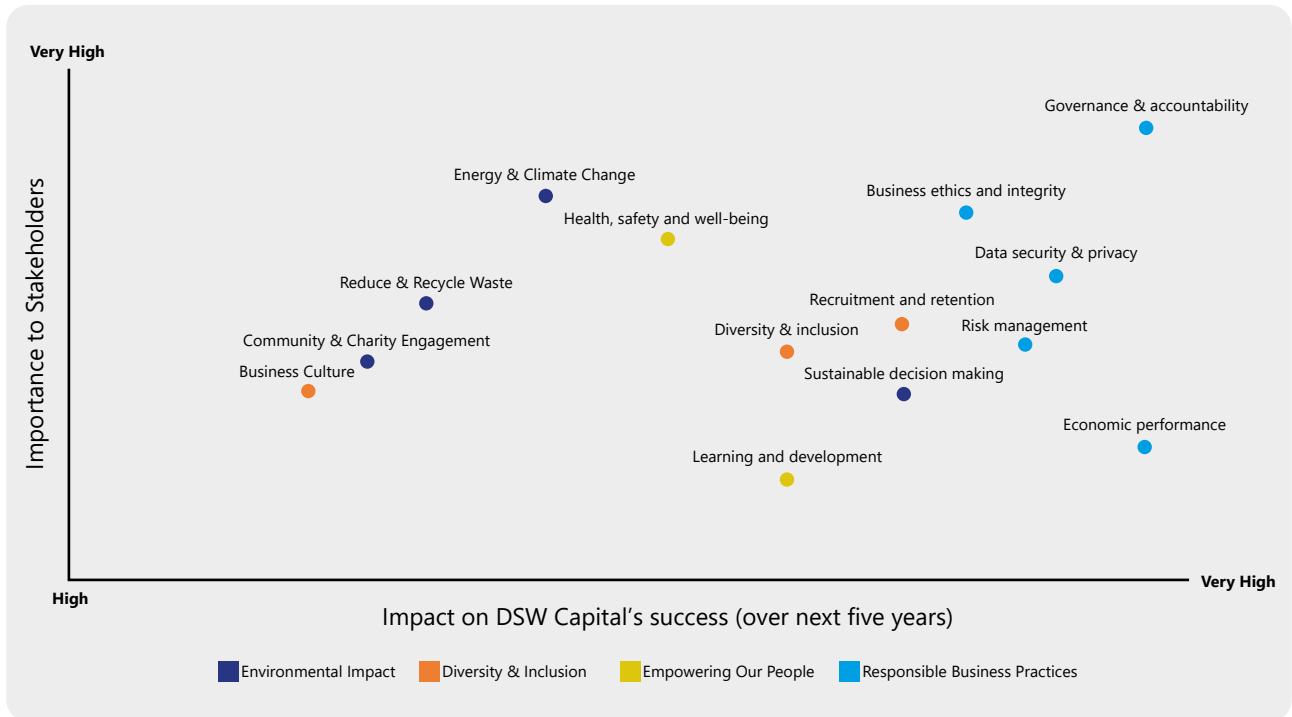
Launched the **DSW Future Leaders Programme**

attended by 12 high potential individuals

Introduced **Risk Management Workshops** for our licensees

Refreshed our **Risk Management Framework** and rolled out additional resources to our licensees

## Identifying our key material ESG Issues



Our ESG priorities continue to be informed by our materiality assessment, which allows us to prioritise ESG related topics which are important to our DSW Network members and other key stakeholders. The assessment was carried out by the executives in the prior year, and then challenged and validated by the DSW Network members through consultation and internal focus groups. To ensure that our ESG topics and priorities remain relevant, we plan to review our assessment with our newly incorporated ESG committee in 2023.

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. With the support of our Corporate Social Responsibility ('CSR') committee, which is made up of individuals at all levels from across the DSW Network, DSW Partners and Employees raised over £3,000 for charity. Our teams also collected clothing for charity, and dedicated hours of their time to support our local charity partners hosting fundraising events.

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 focused on promoting behavioural changes to reduce our energy usage at our Daresbury Office. We are delighted to report that we have significantly reduced our Scope 1 Emissions by 46.3% through tighter controls on our heating. Overall, Scope 1 and 2 emissions were reduced by 32.1%. We will continue to work with our licensees to identify initiatives that target our Scope 3 emissions and seeking out opportunities to further reduce the impact we have

Cornerstone	Our Aim
Social & Environmental Impact	Our aim is to make a positive, long-term impact on our local communities whilst minimising our impact on the environment.

**UN Sustainable Development Goals**



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on the environment. The Board is pleased to present our Streamlined Energy and Carbon Report on page 42 where further details can be found on the actions we are taking to minimise our impact on the environment.

To further reduce our impact on the environment, we actively seek to work with suppliers who share our values and ambitions wherever possible, and this forms part of our procurement process. Within the current year we reviewed and changed our energy supplier in favour of a tariff which provided 100% renewable energy.

As we continue to grow we will ensure that we attempt to mitigate any increases in carbon emissions which will be a key part of our Environmental policy, to encourage sustainable decision making.

Cornerstone	Our Aim
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.

UN Sustainable Development Goals



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 24% 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 19% of AIM 100 company board directors are female, compared to 40% in FTSE 350 companies<sup>17</sup>, 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. In the current year we have rolled out Equality & Diversity training across the DSW Network and through our inaugural engagement survey, we have polled our Partners and Employees to identify ways to ensure we continue to promote an inclusive culture. Of those surveyed, 93% agreed that DSW has a culture of Equality & Inclusion. Working with our ESG committee we will work to maintain and improve on this score.

Recruiting and retaining the right people is critical to the long term success of the business. In the current year we have seen our attrition fall to 8.5% (2022: 16.1%) which we believe is significantly below the industry average. Furthermore, we take pride in being able to offer young talent an alternative route into specialist services lines and business roles, welcoming four apprentices and graduates to the Network in FY23.

Management recognises the importance of ensuring the DSW Network remain engaged and motivated, and the role that DSW Capital has in creating a business culture that fosters talent creating an environment in which our people can be the best that they can be. In order to monitor and improve engagement across the Network, we carried out our first Engagement Survey. The survey provides a forum for DSW Partners and Employees to provide open feedback and allow us to identify strengths and opportunities for improving engagement across the DSW Network.

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

UN Sustainable Development Goals



In the current year we have invested in creating a bespoke Leadership Development programme, with BecomingX, targeting our high-performing individuals who have been identified as potential future leaders of the business. The

<sup>20</sup> [www.bdo.co.uk/en-gb/insights/industries/aim/aim-directors-remuneration-report](http://www.bdo.co.uk/en-gb/insights/industries/aim/aim-directors-remuneration-report)

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programme has been designed with the DSW model in mind, providing first-class training, one-to-one executive coaching, and an opportunity to collaborate with their colleagues to design and deliver strategic initiatives. The course has been an incredible success, and the Board will continue to invest in our people to empower them to ‘be the best that they can be’.

During the year, we have also invested in several initiatives which support the Health, Safety and Well-being of our people, including investing in training, creating a network of Mental Health First Aiders and hosting a programme of wellbeing events covering topics such as Mindfulness and Breathwork training. The Board recognises the value of mental health in the workplace and the role it plays in creating a workplace that recognises and supports mental health. The new set of challenges our people face including economic pressures, war and inequities to marginalised communities means it is more important for businesses to protect their workforces. We will continue to invest in and deploy resources across the DSW Network, whilst also committing to a continuing agenda of events that promotes the importance of mental health in the workplace.

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

**UN Sustainable Development Goals**



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.

The current year has seen us invest in both improving our Risk Management framework and our IT Security, with the support of independent expert advice to help strengthen and refine our strategy in these areas.

**Looking at the year ahead**

We will continue to develop and evolve our ESG strategy to meet the needs of the DSW Network and our stakeholders, ensuring that our approach remains relevant and meaningful. We aim to deliver long-term value through ESG and recognise the role we have to play in supporting the transition to a low carbon economy and acting as a good corporate citizen.

**Pete Fendall**  
 Business Development & Operations Director  
 12 July 2023

## ENVIRONMENTAL, SOCIAL &amp; 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 ('CO<sub>2</sub>') 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:

	2023	2022
<b>Energy Consumption</b>		
<i>Scope 1 Emissions:</i>		
Gas kWh	8,196	15,253
<i>Scope 2 Emissions:</i>		
Electricity kWh	5,470	4,872
<b>Total energy used in kWh</b>	<b>13,666</b>	<b>20,125</b>
<b>Carbon Emissions:</b>		
Scope 1 emissions (tCO <sub>2</sub> e)	1.5	2.8
Scope 2 emissions (tCO <sub>2</sub> e)	1.1	1.0
<b>Total Scope 1 &amp; 2 emissions (tCO<sub>2</sub>e)</b>	<b>2.6</b>	<b>3.8</b>
<b>Emissions Intensity Ratios:</b>		
Tonnes CO <sub>2</sub> e – per £m Revenue	<b>0.86</b>	<b>1.28</b>
Tonnes CO <sub>2</sub> e – per Average FTE	<b>0.25</b>	<b>0.53</b>

### Methodology

Greenhouse gas emissions are quantified and reported according to the Greenhouse Gas Protocol. Consumption and production data has been collated and converted into

CO<sub>2</sub> equivalent using the UK Government 2022 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 been disclosed.

### 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 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. In the current year we have significantly reduced our Scope 1 Emissions by 46.3% through tighter controls on our heating, and by completing a behavioural actions survey to inform our local office policies. 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; 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 which are overseen by our CSR committee.