



PEOPLE PLANET PURPOSE

ESG REPORT 2023

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More than just business

At Davies, it's about more than just business. In our first annual ESG report, we are proud to share our new People, Planet, Purpose sustainability strategy.

Read more about our sustainability journey, including our FY23 highlights and our near- and long-term sustainability objectives.

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CEO foreword

Welcome to Davies' 2023 sustainability report



This year is pivotal for Davies as we unveil our 'People Planet Purpose' strategy. It's a reflection of our vision, commitments, and a recognition of the role we play as a global business. As Davies continues to evolve, we will embed sustainability into everything we do. Our aim is to inspire and create positive change throughout our organisation and beyond, and to create a more sustainable future for all.

Davies has always been at the forefront of transformational growth. With around 7,000 colleagues across the world and further growth planned over the coming years, we have a profound responsibility to operate sustainably for the wellbeing of our people and our planet for generations to come.

To unite Davies under a shared vision for responsible business, we are thrilled to launch our ESG strategy: People, Planet, Purpose. Developed in parallel with the United Nations Sustainable Development Goals, the strategy focuses on Davies' most material issues, providing us with a robust ESG programme that holds us to account through tangible targets that we will report upon going forward.

Sustainability is viability

As a global professional services firm, Davies is a people-first business; we create value through our interactions with clients and customers. Whether in claims management, digital transformation or legal services, clients prize our expertise in relationship building, a dynamic approach and our thoughtful use of technology.

Our stakeholders expect us to both excel in our service offering and to do so with the utmost integrity and respect for our planet and the people that live upon it. Our clients - especially those in the insurance sector that are exposed to the physical effects of climate change - are at the forefront of the climate battle. Through our commitment to sustainability, we will continue to ensure we are an integral part of the climate solution.

Our future success is entwined with corporate ESG performance. Our People, Planet, Purpose strategy recognises this, setting ambitious objectives for the business across three pillars:

People

Where potential meets opportunity

Our values highlight the power of different ideas, perspectives and experiences. We are a diverse and innovative community of difference-makers. At the heart of it, we are greater than the sum of our parts.

Davies is a workplace where anyone can thrive - a healthy environment for personal fulfilment and professional development, regardless of preferences or background. Our Global Guiding Principles set the tone across our business for fair treatment, progressive working practices, employee support, training and benefits, at a level unrivalled amongst our peers. We are making progress towards gender equity, pay transparency and better measurement of our diversity data.

Over the coming years, we will be scaling up our community support to boost social mobility and change lives, leveraging our capabilities to provide education and development opportunities. Throughout 2023, the Davies Foundation continued to support community causes through its grant programme, contributing £65k in grants and supporting 110 community organisations globally. Our new community strategy will enable us to better measure and direct our impact.

Planet

Tackling emissions

It is imperative that we continue to reduce our environmental impact and assist our clients in doing the same. At Davies, we are cutting our emissions in half by 2030 and becoming carbon net zero before 2050. Last year, we signed up to the Science-Based Targets initiative's (SBTi) net-zero pathway and pledged our support to the UN Business Ambition for 1.5°C to limit global warming to less than 1.5°C, with a plan to validate and publish our ambitious carbon reduction targets in the coming year.

Following Davies' remarkable growth over the last few years, our priority for 2023 was to align our newer acquisitions to the gold-standard ISO 14604 greenhouse gas measurement and carbon reduction planning that is currently practiced by our UK operations. We are pleased to announce that our global emissions reported herein have now been externally assured to these same standards. Across the business, we have a programme of emission reduction initiatives underway, led by our Climate Action Group, and we look forward to publishing our carbon roadmap in the coming year.



We have a profound responsibility to operate sustainably.

- Dan Saulter, Davies Group CEO

Purpose

Highest ethical standards

In order to achieve the highest level of ethical and sustainable standards, it is critical to integrate responsible governance through every layer of our organisation.

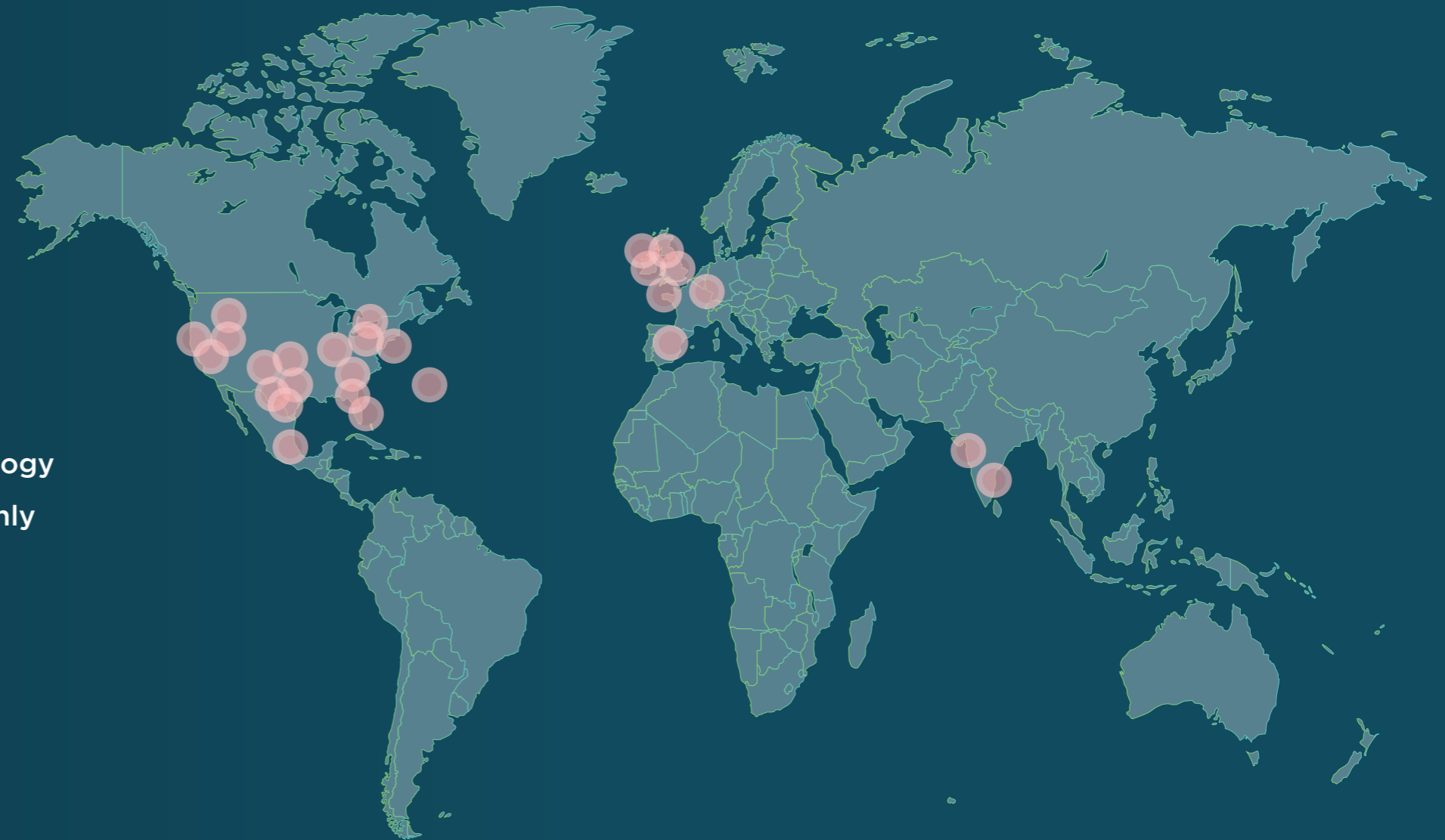
This starts at the top, where ESG, Risk and Compliance are core to our leadership structure (see 'ESG governance' on page 6), ensuring our business decisions and professional conduct are underpinned by compliance with laws, ethics, and aligned with our values. Davies' reputation and success is founded on professional integrity.

Dan Saulter
Davies Group CEO

Davies at a glance

Davies is the leading professional services and technology business, serving insurance, financial services, and highly regulated markets.

For more about Davies and to view our ESG document library, visit:
www.davies-group.com/esg



 **6500+**
colleagues

 **139**
service areas

 **>\$10bn**
annual claims
spend managed

 **93** office locations
across 10 countries

 Over **a million**
claims handled per year

 **£680m+**
turnover

2023 ESG Highlights

People

Up 10%
ecovadis score
for Labour & Human Rights

Up 8%
Proportion of colleagues that believe "Davies is committed to being an inclusive employer"

£65k
given to 100+ community causes

Carried out a **global diversity** data drive continuing to ensure a safe environment for disclosure

Planet

Committed to SBTi's **net-zero** pathway

Launched Davies' **Carbon Action Group**

Down 34%
Greenhouse gas emissions intensity for Davies' UK operations emissions assured to ISO 14604-1

Published our first **TCFD report** ahead of regulation

Purpose

Created the position of Group **ESG Director**

Launched ESG Board Committee and ESG Steering Committee

Became a signatory to the **UN Global Compact**

Awarded Bronze by the ecovadis ESG framework

Information security assured to **ISO 27001** and certified to **Cyber Essentials Plus**

ESG governance

Sustainable business works best when the whole organisation is pursuing the same goals, and we recognise that this starts from the top. Throughout Davies, we have put in place a considered and robust governance structure to ensure our business acts in an ethical and sustainable manner.

Our Board of Directors maintains ultimate responsibility for long-term business sustainability and for fulfilling our duties to stakeholders. This includes overall oversight of our business strategy, our approach to risk and opportunity, and for our actions as a company. To support the Board's oversight, an ESG Board Committee – led by our non executive board member - sits quarterly to review environmental and governance matters.

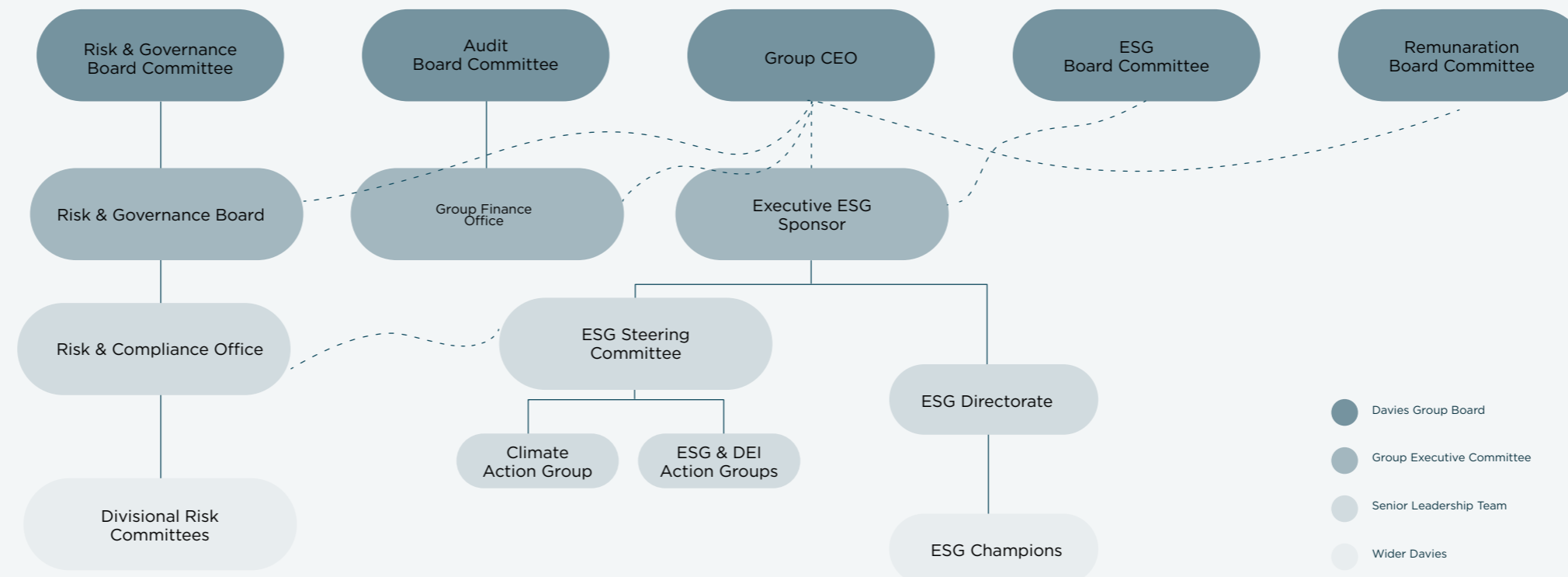
The above oversight is delegated through the appointment of the Group Executive Committee (GEC), accountable for delivering the strategy, for business and ESG performance, and for risk management. Our Group Chief HR Officer is the GEC sponsor for ESG ('Executive ESG Sponsor') and chairs our ESG Steering Committee - a cross-functional group responsible for sustainability matters across business areas.

Davies Risk and Governance Board that reports into the GEC through the Group Chief Risk Officer, and recently appointed a Group Chief Operations Officer, tasked with embedding responsible practices across Procurement, Information Security and Business Transformation.

In 2023, Davies created the role of Group ESG Director, reporting to Group CHRO, to manage ESG strategy, initiatives and reporting globally. The newly-formed ESG function also incorporates Davies' various DEI and Climate Action Groups, as well as a network of ESG Champions.

Alongside Davies core structure, the Davies Foundation is managed in line with its charitable objectives by a team of Trustees from Davies, and forms part of Davies community investment strategy.

“ We will continue to adapt our systems and processes to align with governance best practice as the business evolves. ”



Developing our strategy

Identifying material issues

Davies' new sustainability strategy - People, Planet, Purpose - was developed through a robust process involving collaboration and input from across the business and wider stakeholder groups.

Led by our new Group ESG Director, Gillie Fairbrother, alongside sustainability advisors, [Eaglesfield](#), we conducted a detailed internal ESG audit, external analysis, workshops and stakeholder engagement to understand the current and emerging sustainability issues of highest importance to the business and its stakeholders, as well as to discover where Davies can have the most impact.

Material topics were filtered through Davies' values and sustainability frameworks such as SASB, evaluated for risk and opportunity, prioritised and grouped into themes. This materiality assessment informed the basis of our sustainability ambitions, instructing our long-term objectives and strategic planning. From this, we have created a targeted and efficient programme to support our environment, our people and wider society in a meaningful and focused way. To ensure a broad and up-to-date view of sustainability issues as the company evolves and the world changes, we plan to undertake a double materiality re-assessment and all-stakeholder survey within the next two years.



UN SDGS

Our approach is guided by the United Nations' Sustainable Development Goals (UN SDGs). Following an assessment of our business, we have aligned with the five UN SDGs that represent areas where Davies has, and can have, the greatest impact in the world.



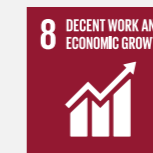
Goal 4
Quality education



Provide equitable access to the skills and knowledge needed for success.



Goal 8 Decent work & economic growth



Enable anyone to have the opportunity for secure and decent work.



Goal 10
Reduced inequalities



Ensure equal opportunity for all and reduce outcome inequalities.



Goal 13
Climate Action



Inspire climate resilience and take urgent action to tackle climate change.



Goal 16
Strong Institutions



Ensure ethical, transparent, representative and accountable decision making.

Davies sustainability strategy

PEOPLE | PLANET | PURPOSE

Our sustainability strategy is underpinned by three core pillars: advancing opportunity within our workforce and communities (People), championing environmental responsibility (Planet), and upholding unwavering ethical standards (Purpose). Together, they guide our journey towards a more sustainable and impactful future, focusing our efforts through nine ambitious strategic objectives.

People

Advance opportunity for all

- ♥ Nurture our people
- ♥ Drive social mobility
- ♥ Exemplary employer practices

Purpose

Succeed ethically

- 🛡️ Accountable structures
- 🛡️ Responsible operations
- 🛡️ Engage transparently



Planet

Take climate action

- 🌱 Pursue net zero
- 🌱 Reduce resource use
- 🌱 Inspire our value chain



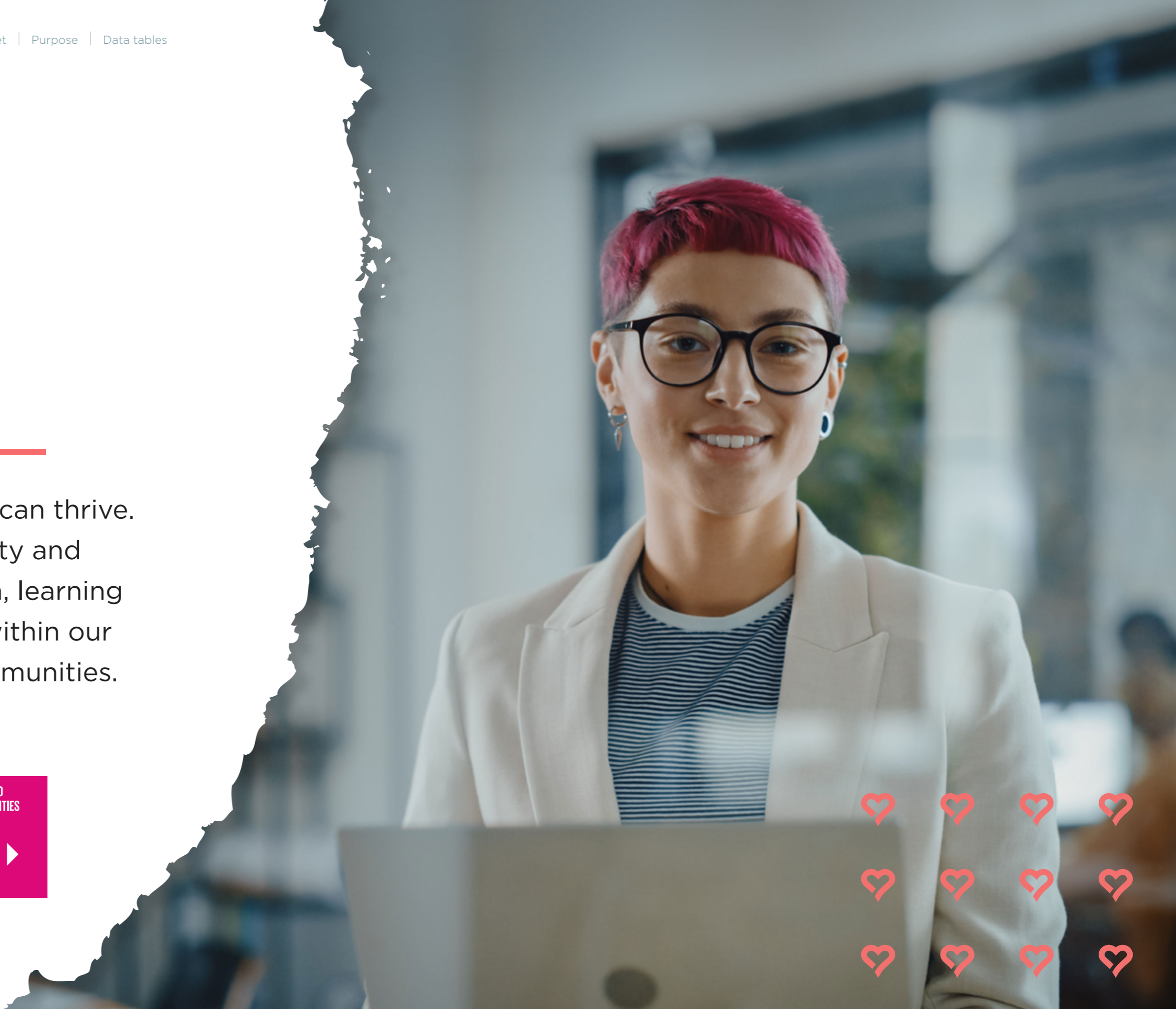
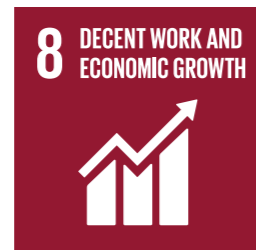
A **people** business with **environmental** and **ethical** responsibilities



ADVANCE
OPPORTUNITY
FOR ALL

Pe♥ple

Davies is a place where everyone can thrive. We want to advance social mobility and equality for all, through education, learning and development opportunities within our business and throughout our communities.



 **OBJECTIVE 1**

Inspire, develop and value colleagues through meaningful employee engagement, role development and learning opportunities.



A quarter of Davies' job vacancies were filled internally in 2023.

Our people are at the heart of our business. They are critical to our business success and an integral part of our sustainability ambitions.

The variety of skills and perspectives within our workforce drives innovation. We provide a nurturing environment where every employee can develop their professional experience and reach their career ambitions, helping Davies to grow its capabilities from within and retain our brilliant talent. During the year, 345 people were promoted internally.

We believe in lifelong learning and are proud to align with UN SDGs 4 and 8: Quality Education and Decent Work. Positive contributions made by employees are recognised through frequent performance reviews and rewarded through the Davies Incentive Plan. These reviews also explore areas for career and skill growth, with our training opportunities delivered by the *Thrive at Davies* L&D platform, as well as leadership development programmes and even funding for professional qualifications and memberships.


We offer professional training to all of our colleagues. Davies also offers technical apprenticeships, and our Legal Solutions unit was one of the first UK law firms to place aspiring solicitors on the Graduate Solicitor Apprenticeship. In FY23, we offered 169 apprenticeships within Davies Group, and our Learning Solutions unit placed a further 1760 apprentices across the UK.

The safety and wellbeing of our colleagues is paramount. Our leading policies and support services around working practices were recognised as a major strength by the EcoVadis ESG framework. In the year, we launched our Global Guiding Principles with progressive new local policies around supporting colleagues and their families.

Davies offers both global and local benefits to improve physical, mental and financial wellbeing. For example, employee assistance programs (EAP), life assurance, enhanced maternity, adoption, paternity and baby loss leave and support, cycle-to-work and electric car salary sacrifice schemes, generous holiday allowances, the Davies Incentive Plan, and access to My Choices at Davies, our wellbeing and discount platform. Our Health and Wellbeing Action Group continues to ensure we're meeting and exceeding the needs of our people. We monitor employee perceptions and seek feedback throughout the year.

We also maintain stringent health and safety standards and ensure ongoing mandatory training.

38 scores of **'outstanding'** or **'advanced'** across Labour & Human Rights policies, actions and reporting - **ecovadis 2023 Bronze Award**

 **Our targets are:**

- Undertake regular performance and career development reviews with all our colleagues.
- Offer career- or skills-related training to all colleagues.
- Advertise all job vacancies internally, where possible.
- Continue to ensure fair pay across the business.





Innovation Lab

Davies Disruptive Thinking is an innovation lab that places the power of new ideas in the hands of our people. Our mission is to discover valuable ideas for the our clients and our people, by creating a culture of innovation.

Solutions developed in the Lab have also been proven to contribute to employees' learning and development through participants' creativity and problem-solving. Each employee that enters is able to receive mentoring to develop their skillset and coaching to deliver compelling pitches to the judges.

This year's winners include Anne and Erin from Davies Life & Health, who worked together on a solution to digitise and automate claims processes, speeding it up using technology and improving the overall customer and employee experience. Anne and Erin's idea has received funding, and they are now developing it in collaboration with teams from across Davies.



Anne Ingoldsby
Chief Operating Officer



Erin Vaughn
VP Operational Innovation



Being a part of the Davies Innovation Lab was exciting, invigorating, and - at times - intense, but while it was a lot of hard work it provided an invaluable and incredibly rewarding experience. Not only was this an extraordinary learning experience, but we got to meet and interact with colleagues from all over the U.S. and the UK.



We encourage all of our colleagues to submit their ideas. To ask themselves why certain tasks are done the way they are and to think about what can be done better or more efficiently, or how we can improve experiences, culture, sustainability, or to launch new products or services.

OBJECTIVE 2

Cultivate & promote diverse and inclusive employee practices, adhering to our principles of secure and decent work.

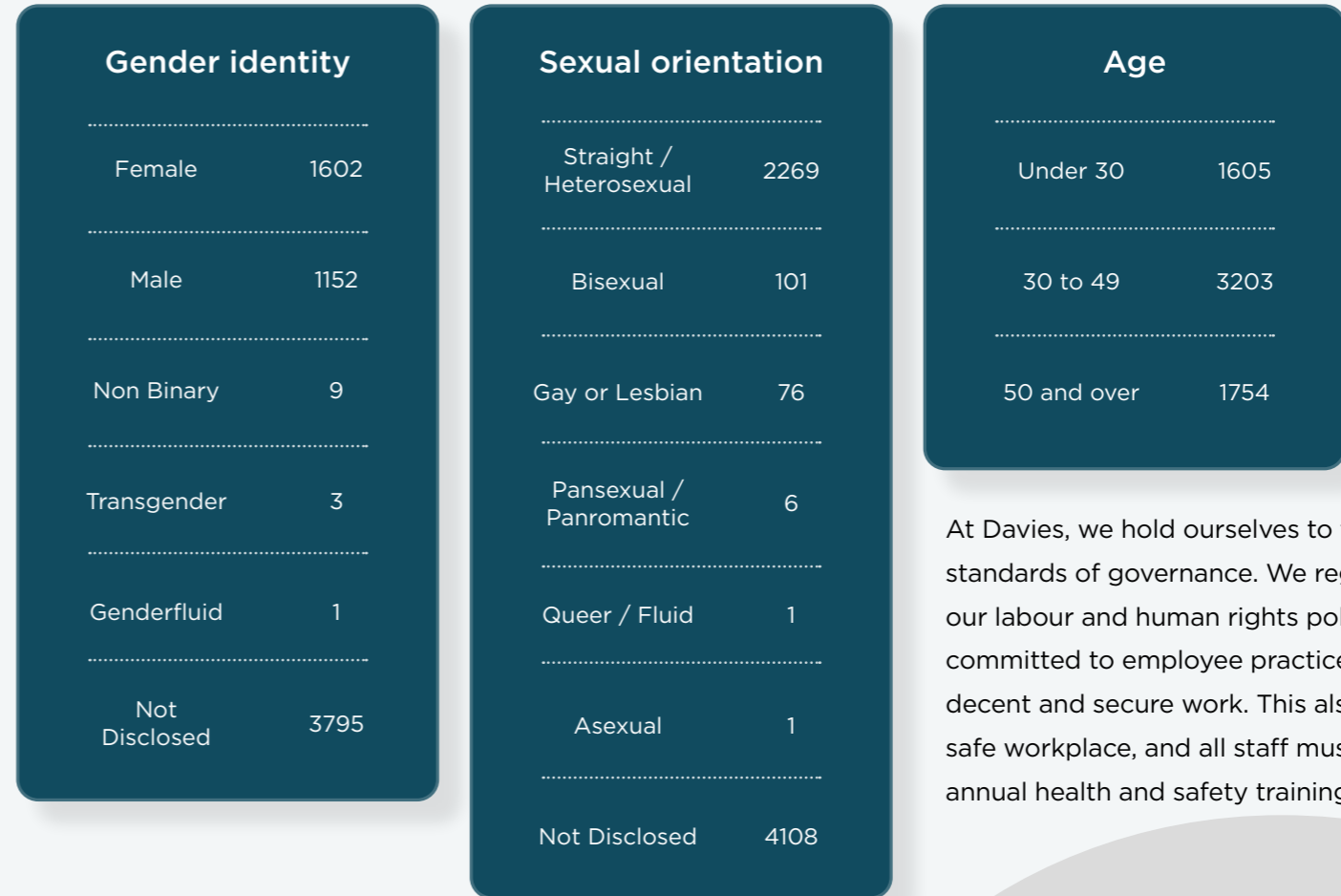
At Davies, we welcome different perspectives, support each other’s ambitions and grow together to create a welcoming and inclusive environment that reflects the diversity of our local communities.

In 2023, we continued to develop our Diversity, Equity and Inclusion (DEI) strategy and add to our progressive policies. Working with expert partners, we have delivered webinars on anti-racism and domestic abuse, grown our employee action groups and introduced enhanced inclusive hiring practices, such as the mandatory inclusion of multiple gender candidates in talent selection for senior leadership hires, and using Multiverse and Reach Out to source apprenticeship candidates from diverse backgrounds.

[> Read our 2023 Gender Pay Gap report](#)

We are pleased to have dramatically improved our diversity data to better understand our workforce. We continue to aim for 100% accurate data so we can better support our employees’ diverse needs. You will find complete gender reporting in line with relevant local government requirements on page 26 of this report but as those frameworks only allow for two genders, we are sharing our accurate yet incomplete diversity data on this page. We hope this shows a commitment to represent our people accurately and helps to create a safe space for further disclosures that will allow our people to bring their authentic selves into the workplace.

Diversity data



At Davies, we hold ourselves to the highest standards of governance. We regularly review our labour and human rights policies and are committed to employee practices that provide decent and secure work. This also means a safe workplace, and all staff must undertake annual health and safety training.

↑ Up 8%
75% colleagues believe that
 “Davies is committed to being an inclusive employer”

“As a company, we actively celebrate and champion diversity and inclusion through campaigns and awareness events throughout the year, driven by our four Employee Action Groups.”

Our targets are:

- Develop a Group-wide global diversity and inclusion strategy.
- Continue to measure and accelerate our progress towards improving representation and talent diversity.
- Engage colleagues throughout the year to measure and report on our employee perceptions.
- Gain third-party assurance on labour and human rights practices.





2023 'People' champion

Our communications channels provide a platform to ensure that the voices of our people are heard. Nicole Jones, Financial Services Coach (Consulting & Technology) serves as one of our DEI Champions at Davies. Nicole shares feedback, guidance and her experiences to build a welcoming and inclusive environment for everyone.



Nicole Jones
Financial services coach
and EDI lead

“

I created a Ted-Talk style video to discuss what systemic racism is; touching upon microaggressions, white privilege and unconscious bias. I was blown away by the positive response from the business and as a result, I have been working as the DEI Lead for Davies Learning Solutions.

”

“

Black History Month is particularly important to me as it was race that started me on this journey, and to continue forwards, I have put together a campaign at Davies to increase awareness and understanding.

”

Davies is:




OBJECTIVE 3

People

Align our community investment programmes around social mobility, education and training.

Our commitment to nurturing education and training extends far beyond our employees. Through the Davies Foundation, we are supporting charities in our local communities to increase social mobility for those who are systemically disadvantaged.

This year, we are reshaping our community investment strategy to scale up our support through financial and in-kind donations, skilled volunteering and community engagement. Our goal is to transform lives through improved access to education, skills development and career opportunities. We are currently developing ambitious and measurable targets for our community strategy in 2024.

 Our targets are:

Refresh our community strategy to provide focused support to the communities in which we operate. To build partnerships, provide financial & in-kind support, as well as give our time & personal effort in pursuit of furthering social opportunity.

By 2028, we aim to develop the following trackable targets:

- Monetary value invested into communities each year
- Hours of community volunteering each year
- Monetary value of pro-bono support given each year
- Reporting on the qualitative impact on beneficiaries in relation to improved access to education, skill development, and employment opportunities

“
We are extremely grateful for the very generous, thoughtful donations that we have received at pivotal times from The Davies Foundation.
 ”
 Stoke-on-Trent Foodbank



The Davies team demonstrates incredible spirit and enthusiasm in supporting charitable causes. As a company we are proud to see our employees come together to demonstrate Davies' values through innovative activities to raise funds for our communities.

There are no bounds to the creativity of the Davies team; fundraising events have included sponsored treks, yoga classes, sports tournaments, children's book competitions, seed sales, costume contests and sleep outs, to name just a few.

Visit our [Foundation Website](#)

Over the last year, through corporate donations and fundraising by our dedicated team, we have granted £65k to more than 100 causes.



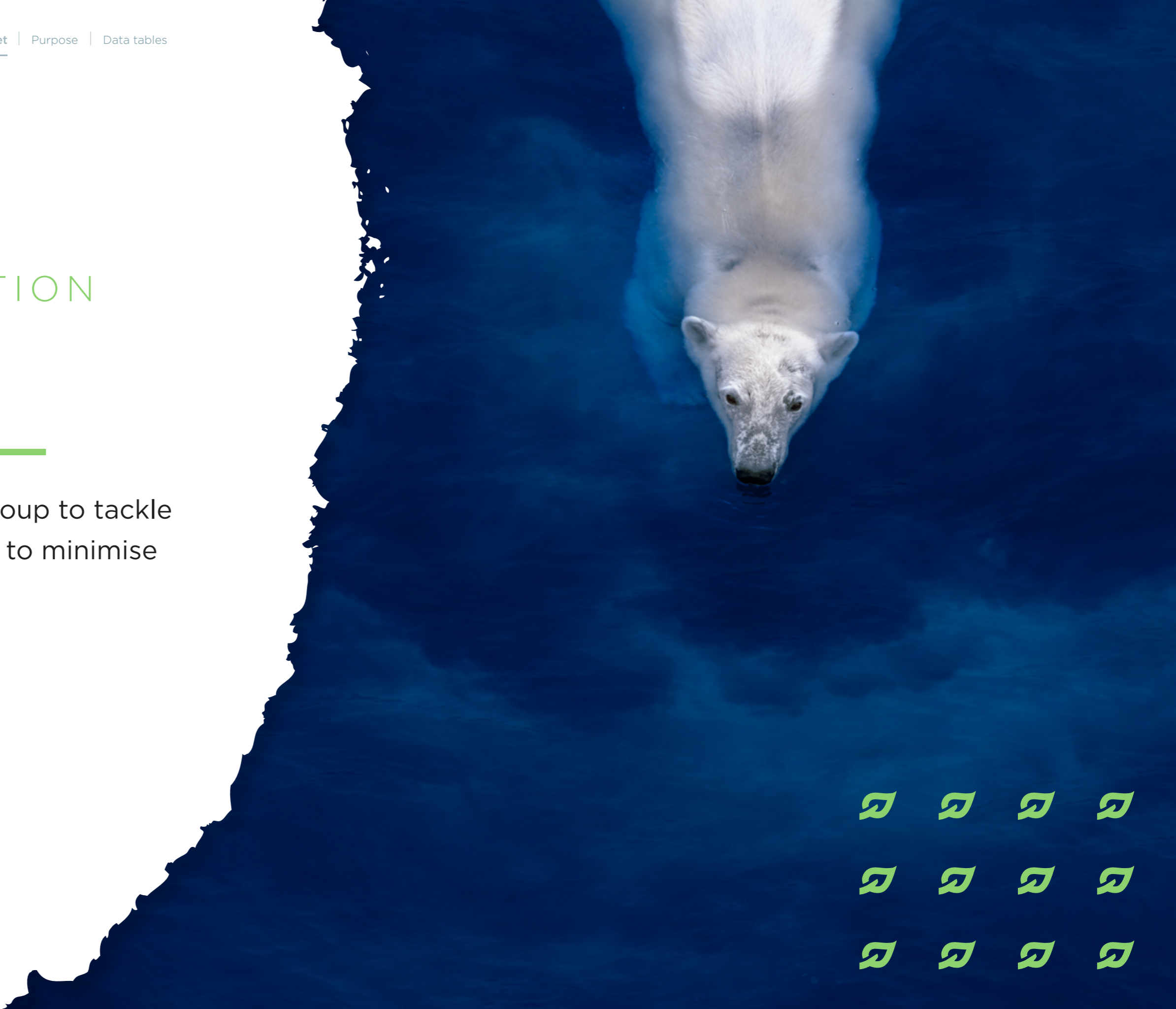
Proudly Supporting

- | | | |
|------------------------|--------------------|---------------|
| Addiction Support | Community Projects | Medical |
| Animals & Environments | Disability | Sports |
| Arts & Education | Domestic Violence | Women & Girls |
| BAME Support | Homeless Support | |
| Children & Youth | International Aid | |

TAKE CLIMATE ACTION

Planet

We will take urgent action as a Group to tackle climate change, and play our part to minimise our impact on the environment.



OBJECTIVE 1



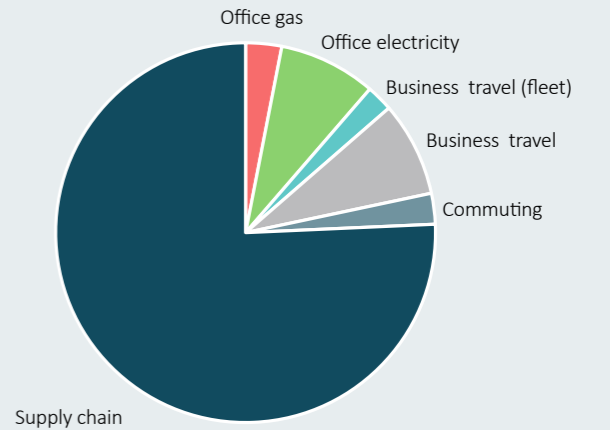
Pursue our net-zero carbon ambition with a Group-wide carbon reduction strategy.

The climate is changing as a result of humanity’s actions. The impact of more widespread and intense extreme weather events is having a ripple effect across society and Earth’s natural habitats, which will affect our business, our colleagues, our clients and our communities. In 2023, we published our first [TCFD report](#) which highlights the financial implications to Davies from climate-related risks.

We have formed a new Climate Action Group (CAG) to deliver our carbon strategy and drive progress towards these goals. The group is made up of experts and leaders across the business who report to the ESG Steering Committee. The Group will be responsible for delivering Davies’ carbon roadmap and continuously improving our impact measurement, whilst expanding gold-standard assurance of our emissions reporting and carbon reduction planning to ISO 14604 standards from our UK operations to the global business.

As a Group, we have committed to cut our carbon emissions in half by 2030 and to reach carbon net-zero by 2050. This target is aligned with the Science-Based Targets initiative (SBTi) - a globally-recognised framework that provides companies with a clear pathway to support the Paris Agreement’s goal of limiting global warming to 1.5°C above pre-industrial levels. Our targets are due to be verified by SBTi in 2024.

Throughout the year we have already undertaken a number of initiatives to reduce our emissions, including a significant office consolidation programme alongside our existing flexible working practices, expanded renewable energy contracts across our offices, pursued the move from on-site to cloud-based servers, continued to offer salary sacrifice schemes for electric vehicles and bicycles, and installed energy-efficient boiler systems and lighting to our offices.



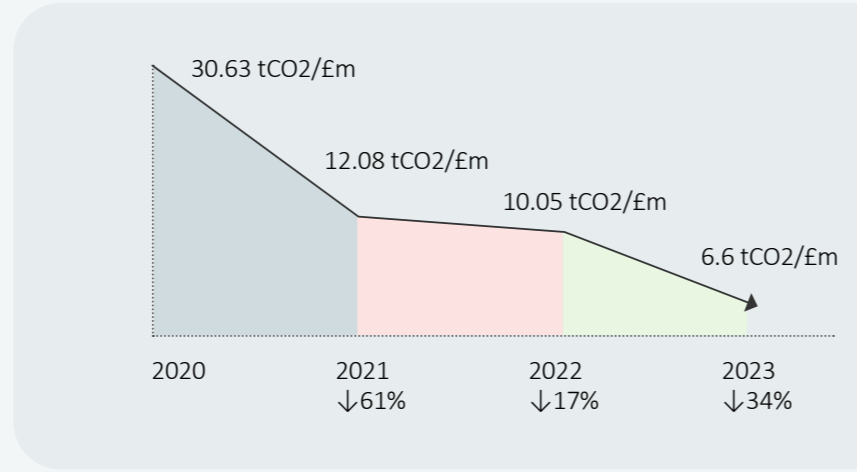
Our global emissions for FY23, assured to ISO14604-1 for greenhouse gas reporting.

Data is based on best available information and includes some estimation. In 2023 we expanded the number of Scope 3 emissions that we measure. This is also the first year we have audited and reported on our global emissions, including for several recent acquisitions. 2023 becomes the new baseline year for our SBTi net-zero targets, and we will work with our suppliers for greater data accuracy in the coming years.



Our targets are:

- Measure, report on and reduce our global greenhouse gas emissions.
- Reduce the intensity of our carbon emissions every year.
- Half our absolute greenhouse emissions by 2030 (in line with SBTi 1.5° pathway)
- Achieve absolute carbon net zero by 2050 (in line with SBTi 1.5° pathway)



On the way to Net Zero for our UK operations we have overseen consecutive reductions in the intensity of our core greenhouse gas emissions. Emissions intensity is a key metric that helps to paint a fuller picture alongside absolute emissions for growing companies like Davies. (Source: Davies Group Ltd 2023 SECR report)



OBJECTIVE 2

Reduce our environmental resource consumption, including minerals, waste and fossil fuels.

Our environmental impact does not stop at GHG emissions. Pollution, depletion of natural resources and habitat loss are all serious environmental challenges facing our planet.

From the raw materials used in our services, equipment and technology, to the water consumption in our offices and the lifecycle of operational waste, we are taking steps to reduce our impact. This year, we implemented a new global procurement system with a focus on building sustainability into the supply chain, with improved tracking and the capability for sustainability reviews of products and suppliers.

Our fully-digitised claims management system has reduced printing by 90%, and we already recycle the vast majority of our operational waste. Legal Solutions uses local and ethical suppliers for office equipment with full traceability, and we promote “green parts” within our auto claims.

We are aiming to develop and launch Davies’ global waste strategy in the coming year. Several of our offices have already moved to 100% renewable energy. Our ultimate goal is for all of the energy used in our offices to come from renewable sources.

2023 ‘Planet’ champion

In her role as Risk and Compliance Manager, Consulting and Technology, Maddie aligns Davies’ innovative consulting division with industry best practice. As a self-confessed ‘sustainability nerd’, it was inevitable that she would seek out an opportunity to help the rest of the business to improve its impact.

Maddie is a Davies ESG Champion and has been seconded to the ESG team where she is currently driving sustainability projects forward. Most recently, Maddie focused on an internal audit of ESG KPIs and assisted our emissions reporting effort.

“

I am passionate about environmental sustainability and alongside work, I have been studying Sustainable Development.

I am extremely grateful to Davies and my manager for giving me the opportunity to gain such valuable experience within ESG.

Through the projects I have been involved in, I have been able to explore complex areas, such as environmental reporting and resource consumption across the business. More importantly, I am pleased to be helping to make a positive and sustainable impact here at Davies.

”



Magdalena Mazurek
Risk and Compliance Manager



Our targets are:

Improve measurement of resource use and put programmes in place to reduce our consumption year-on-year.

Adopt 100% renewable energy in all offices.


Support the circular economy within our business and supply chain through the implementation of our waste reduction strategy.

Collaborate with clients and supply chain to meet the ESG goals of our entire value chain.



OBJECTIVE 3

Inspire and innovate environmental gains within Davies' value chain.

 **Our targets are:**

- Embed environmental sustainability specifications into all new business partnerships and contracts.
- Engage our industry and peers to improve environmental sustainability performance.
- Inspire colleagues to advance our sustainability goals, through employee engagement, the Innovation Lab, and new ways of leveraging products and services.

In pursuit of our environmental goals, any activity within Davies' sphere of influence is a potential target for positive impact. This includes our supply chain, our industry, as well as our processes, services and products that we offer.

Key suppliers are required to share their sustainability policies with us and sign up to our Supplier Code of Conduct, which covers environmental responsibility. Through our new supplier information management system, Coupa, we can monitor compliance and benchmark the environmental performance of different suppliers and products.

We aim to lead change by proactively engaging our suppliers and peers across the industry. In 2024, we are launching our Value Chain Reporting and Engagement Programme, aiming to unite our supply chain with our ESG goals.

We continue to educate our colleagues on environmental impact through mandatory training and communications campaigns, encouraging the business to identify where products and services can be adapted to reduce our footprint, for example, digitising the entire claims management process or introducing the PaperCut platform to monitor overprinting. The Climate Action Group and ESG Steering Committee will provide leadership across business units on environmental issues, reinforced by a network of ESG champions embedded across teams.

Season Five of our annual disruptive thinking Innovation Lab highlighted our dynamic and collaborative approach with colleagues. This year, it was themed around enriching the Davies ecosystem with new systems, technology and concepts. A new Sustainability category was added in 2023, inviting ideas for improving our ethical and eco-friendly business practices. 787 entries were received, and the winners will receive funding to put their ideas into practice.

Innovation Lab entries:

787 entries from across Davies

11% in the environmental sustainability category



SUCCEED ETHICALLY

Purpose

ESG performance is a key factor in Davies' success. We will continue to follow good governance practices to ensure that our culture and business actions are underpinned by our values and align with our strategy.



OBJECTIVE 1

Structure our leadership to enable us to set accountability to achieve our long-term strategy to create a more sustainable future.

Our targets are:

- Embed ESG governance and accountability across the Group, including the establishment of a dedicated ESG Steering Committee accountable to Executive Board and a global team of Champions.
- Set ESG targets for the Executive Board, with the aim of linking executive remuneration to ESG targets & goals by 2025.

We were delighted to appoint our first Group ESG Director, Gillie Fairbrother, in 2023, as we continue to scale our investment and impact across environmental, social and governance. This new position reports to the Group Chief HR Officer (Group CHRO) and oversees the ESG function globally. Gillie is responsible for the new ESG strategy, Davies’ Action Groups, and for driving improvements to corporate governance, sustainability reporting and overall ESG performance.



Emma Wedderburn
Group Chief HR Officer

Our Group CHRO, Emma Wedderburn, is Davies’ designated Executive ESG Sponsor, chairing the newly-formed ESG Steering Committee. This committee oversees the implementation and performance of our strategy across all business areas. The Executive ESG Sponsor reports on relevant matters to Group CEO, Dan Saulter, and to the ESG Board Committee, chaired by Non-Exec Director, Dr Nneka Abulokwe, OBE.

Risk, Governance, Group Operations and the rest of the GEC report to the Group CEO in a similar manner (see Governance structure on page 6). There is Board oversight through three other committees: Remuneration, Audit, and Risk & Governance. We will be setting ESG targets for the GEC, with the aim of linking executive remuneration to ESG targets and goals by 2025.

The pillars and objectives laid out in this document apply to our global business. The sustainability strategy forms part of our overall business strategy, which the leadership team are accountable for delivering. Davies Board plans to make tangible progress against these goals in the coming year.

To drive our sustainability goals from within, we are introducing a dedicated network of ESG Champions in 2024. These champions, made up from different business functions and seniorities across Davies, will be instrumental in spreading ESG best practices, facilitating dialogue, and championing initiatives that align with our sustainability objectives. Their role is not only to keep ESG at the forefront of our business decisions, but also to inspire, educate, and engage their peers, advocating a unified and proactive approach to our sustainability ambitions.

Purpose

“

I am thrilled to join Davies as the Group ESG Director (Environment, Social, and Governance). ESG is an integral part of our business, it enables us to take pride in highlighting the remarkable efforts of each team while complying with client and regulatory requirements. It also holds us accountable to making a positive impact to society.

Our ESG reporting encompasses various topics, such as our commitment to reducing our carbon footprint, driving positive change through Diversity, Equity, and Inclusion policies, and showcasing our adherence to ethical business practices like anti-bribery and corruption.

Through our annual ESG report, we aim to demonstrate to all stakeholders - employees, clients, investors, regulators, and suppliers - that Davies is a sustainable business committed to making a positive impact in all areas.

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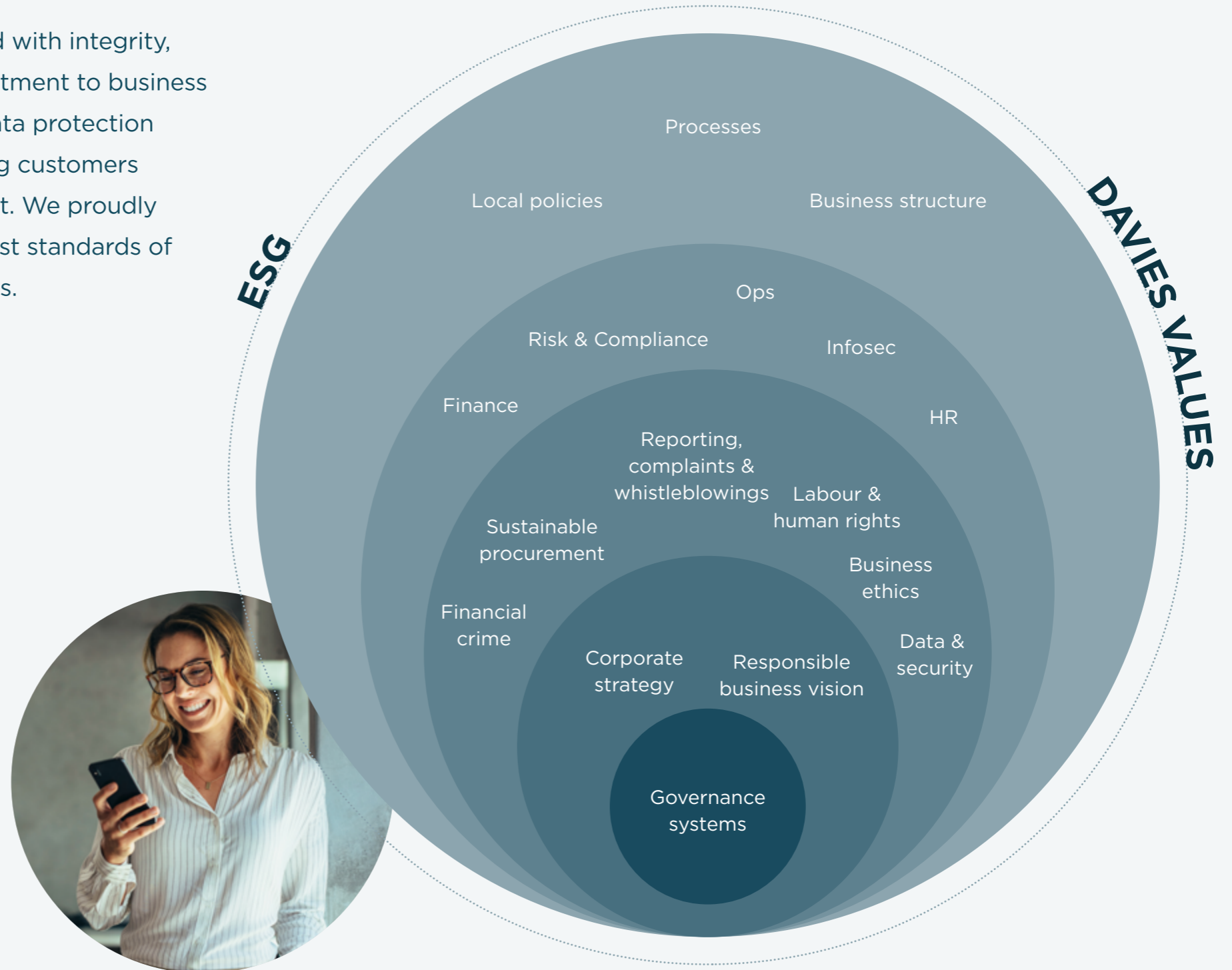



Gillie Fairbrother
Group ESG Director

OBJECTIVE 2

Continue to operate responsibly, with decisions underpinned by compliance with laws, ethics, and aligned with our values and purpose.

Davies has always operated with integrity, with a longstanding commitment to business ethics, legal compliance, data protection and security, and to treating customers and colleagues with respect. We proudly hold ourselves to the highest standards of conduct across the business.



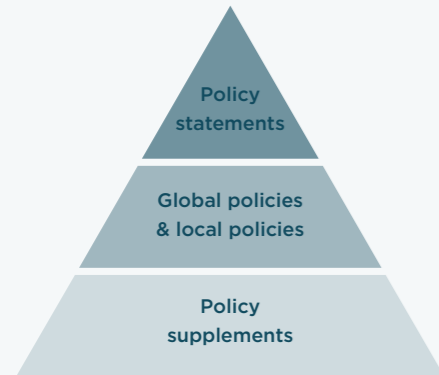
 **Our targets are:**

- Ensure that 100% of our colleagues complete mandatory compliance training and refreshers.
- Follow transparent processes for whistleblowing, policy breaches and incidents, reporting to Board and transparently in our annual accounts.
- Ensure 100% of our key suppliers commit to our Supplier Code of Conduct.
- Manage the risks of climate change and report transparently in line with best practice.



Business ethics

In 2023, we launched a new Global Compliance Policy Framework, consisting of three overarching global statements on Conduct Risk, Financial Crime (including anti-bribery and corruption statements) and Responsible Business, under which sit our policies.



The framework was launched alongside a new Risk and Compliance Hub for colleagues, which hosts the revamped suite of global policies, key compliance and regulatory information, and includes a jurisdictional guide for different business functions.

Our policy coverage on Ethics has always been listed as a strength by EcoVadis, consistently scoring above benchmark.

All colleagues undertake mandatory annual training on compliance issues through *Thrive at Davies*, with completion rates and policy compliance monitored and reported to GEC.



Conduct and values

The governance structures outlined previously ensure compliance with our values and policies throughout the business.

Employees are required to commit to the Davies Global Guiding Principles, to behave respectfully and professionally according to Davies Values.

In 2023, we redeveloped our values to better reflect our organisation as it stands today, in consultation with the entire business. These values will drive us towards a collective positive impact.



WE ARE CONNECTED

We support each other to grow

We make an impact in our communities

We value different perspectives, ideas and experiences



WE ARE DYNAMIC

We readily adapt to the changing environment

We strive for what's next

We relentlessly seek more for our business, our clients, our colleagues and our communities



WE ARE INNOVATIVE

We are solution-focused

We have an entrepreneurial mindset

We are empowered to discover new paths



WE SUCCEED TOGETHER

We are united under one mission

We are greater than the sum of our parts

We believe in the power of Davies to make a difference

Information security

We are a heavily digital business with a reputation for skilful use of technology. Our customers and clients expect us to protect their data, and their trust in the Davies brand is a key differentiator in a competitive market. Unfortunately, our industry is often a target for cyber-attacks from bad actors.

The Group's exceptional information security systems, equipment and policies were once again accredited to ISO27001 in the year. Our UK Claims and Legal divisions are also both certified to the UK's Cyber Essentials Plus security standards and we are looking to gain Cloud Security Alliance's (CSA) STAR certification in the coming year. Davies is committed to maintaining our Information Security accreditation and to remaining compliant with global privacy laws and best practice.

We hold regular penetration tests, spot checks and internal and third-party audits throughout the year, and maintain strict supplier security requirements. In 2023, we implemented a new micro-segmentation tool, improved our mandatory training and introduced enhanced investigation, reporting and risk management processes, always looking to build additional cyber resilience beyond the ISO standards.



Respecting customers

At Davies, we work to ensure that the fair treatment of customers is embedded into our business culture, delivered by our processes and service standards, and that our output is monitored to ensure they result in the fair treatment of customers. Our mandatory training helps colleagues understand the duty of care they hold towards customers.

In 2023, we held a Vulnerable Customer Summit to learn more about how we can elevate our support for those most in need. We anticipate repeating the summit annually and will use the recommendations from it to shape our customer-facing services.

Purpose

Supply chain

Suppliers are required to maintain excellent responsible business practices, including commitments on information security and data privacy, environmental responsibility and a zero-tolerance approach to modern slavery and human trafficking. Risk assessments and control systems ensure that modern slavery is not taking place within our own business and our supply chain.

This year, we have updated our procurement processes and implemented a new supplier information management system with ESG data functionality to monitor supplier disclosures and commitments, including to our Supplier Code of Conduct. We have also invested in a central procurement function that will lead on supply chain ESG and the associated KPIs.

Risk & Compliance

Davies' Risk & Compliance function monitors and reports on risk, including ESG and climate-related financial risk, following ISO 31000 risk management processes.

Read our TCFD report

Effective risk processes help us to manage threats, exploit opportunities and respond to risk appropriately, whilst ensuring safe whistleblowing, incident response and transparent reporting. Davies' Risk and Governance Board meets regularly to review, escalate and treat risks raised by Divisional Risk Committees and the wider business.

Through our client ESG advisory and consultancy services, we are also able to draw on a pool of industry-specific ESG risk knowledge and best practice, enabling both Davies and our clients to make more informed decisions.

2023 'Purpose' Champion

Working within the Office of the CISO has given me the opportunity to focus 100% on my passion for data governance. I enable the various Davies business areas to manage their own data effectively, confidently, and safely through a programme of data accountability, ownership and divisional knowledge.

In January, we embarked on a tactical project to remove high risk data and data 'ROT', from our file servers. 'ROT' is Redundant (data that is duplicated), Obsolete (data that is outdated or has been superseded by more accurate data), Trivial (data that is of no importance to the company and could be deleted without any impact).

We started with 100TB of data from across the Davies business - equivalent to around 200 million photos or 130,000 filing cabinets full of paper documents! - and through education, collaboration, ownership and assessment, we have been able to delete 60% as ROT, with the remainder in the process of being migrated onto more secure and updated storage. This has significantly reduced our data footprint and introduced some good data management practices across Davies.

“

Data is about people, not technology. This project was a tactical piece of work, but involved educating the business in good working practices that people can apply to any data creation or data management tasks

”



Jo-Anne Dacey
Group Head of Data Governance



OBJECTIVE 3

Purpose

Engage and educate through transparent annual reporting of our ESG progress with our stakeholders.

Davies’ commitment to transparency demonstrates accountability to our sustainability goals and builds trust in the long-term viability of our business.

We are delighted share our first comprehensive sustainability report with our stakeholders, building upon our existing human rights, environmental, responsible business, regulatory and investor reporting. We will continue to communicate the progress we are making towards a brighter and more resilient future annually.

Resilience in ESG reporting

Operating across several regulated markets and geographies requires us to be compliant with a diverse set of ESG regulations. Looking forward at expected changes to the regulatory landscape and Davies’ goals for expansion, we will aim for best practice ESG reporting and alignment to the highest industry and sustainability standards to future proof our ESG compliance:

Davies is a signatory to the UN Global Compact, a voluntary initiative where integrity-driven companies commit to implement universal sustainability principles and to publicly report each year on sustainability progress.

As a responsible supplier, we report on sustainable business through the EcoVadis framework. 2023 is our 3rd year of EcoVadis reporting, and we are pleased to have raised our score every year, earning a Bronze award for sustainability in 2023.

Climate change is an urgent issue, and we voluntarily published our first TCFD report in 2023, despite Davies Group Ltd not falling into the scope of mandatory UK reporting. Davies has been reporting on carbon reduction annually since 2021 as part of its commitment to reach Net Zero in line with SBTi 1.5 degree pathway, and we audit our GHG emissions and reporting to ISO standards.

We are aligning our reporting with several frameworks, such as SASB, GRI and TCFD, for best practice and to future-proof ESG reporting for upcoming changes to European, US and international regulations.

Davies maintains compliance with mandatory reporting, including annual reports on UK gender pay gap, emissions and energy use through the UK’s ESOS and SECR regulations and on our stakeholder duties through our annual accounts, as well as industry-specific regulation for our different service areas.



Our targets are:

- Publicly report on our progress through an annual ESG report.
- Provide colleagues with the skills and ongoing information they need to help Davies progress its ESG goals.
- Engage and collaborate with external stakeholders to raise the bar on the issues that are most material to our industry.



PEOPLE KPIs - OUR PEOPLE

KPI	Unit	Group Total FY 23 (1 Jul 22 - 30 Jun 23)	Reporting and SDG alignment	
Voluntary employee turnover (rate)	Employee Turnover %	UK - 23.3%, US - 20%	SASB SV-PS-330a.2	8
Involuntary employee turnover (rate)	Employee Turnover %	UK - 3.67%, US - 5.3%	SASB SV-PS-330a.2	8
Rate of jobs advertised internally	%	100%	N/A	8
Rate of jobs filled internally	%	UK - 24%, US - 25%	N/A	8
Number of employees receiving regular performance and career development reviews	% Workforce	100%	EcoVadis	4 8
Number of employees receive career- or skills-related training	% Workforce	100%	EcoVadis	4 8
% vacancies advertised internally	% Vacancies	100%	N/A	8
Median pay gap	%	28.1% (UK)	UK Gender Pay Gap Reporting	10
Mean pay gap	%	27.1% (UK)	UK Gender Pay Gap Reporting	10
Median bonus gap	%	14.8% (UK)	EcoVadis & UK Gender Pay Gap Reporting	10
Mean bonus gap	%	57.7% (UK)	UK Gender Pay Gap Reporting	10
Representation of minority groups and/or vulnerable workers among all employees that provided ethnicity data	% Workforce	9.94%	EcoVadis & SASB SV-PS-330a.1	10
Representation of minority groups and/or vulnerable workers among senior positions that provided ethnicity data	% Workforce	6.00%	EcoVadis & SASB SV-PS-330a.1	10
Representation of women among all employees that provided their gender identity data**	% Workforce	24.41%	EcoVadis & SASB SV-PS-330a.1	10
Representation of women among senior positions that provided gender identity data**	% Workforce	22.00%	EcoVadis & SASB SV-PS-330a.1	10
% of Diverse Board Members**	%	75% M / 25% F	N/A	10 16
% of employees who participated in the annual employee engagement survey	% Engaged in Survey	57.60%	SASB SV-PS-330a.3	8 16
% of employees who are proud to work at Davies (agree/strongly agree)	% Surveyed Employees	59%	SASB SV-PS-330a.3	8 16
% of employees who feel they can be themselves at Davies	% Surveyed Employees	74%	N/A	10

* This data reflects our most recent UK Gender pay gap reporting and accounts for the companies owned by Davies at that time. Our most recent reports can be found on our [website](#).

**Gender according to relevant local government reporting requirements. Refer to DEI data on page 13 for more detail on Davies' gender representation.

 PEOPLE KPIS - OUR COMMUNITIES

KPI	Unit	Group Total FY 23 (1 Jul 22 - 30 Jun 23)	Reporting and SDG alignment	
Total lives changed through community programmes	# Beneficiaries	18,510	EcoVadis	4 8 10
Number of people with improved access to education	# Beneficiaries	2,500	EcoVadis	4 10
Number of people supported with skill development	# Beneficiaries	TBC	N/A	4 8
Number apprenticeship opportunities at Davies	#	115	N/A	4 8
Number of apprentices placed through Davies Learning Solutions	#	1,760	N/A	4 8
Amount invested into community programmes (total cash donations inc. match funding)	£	£64,779	N/A	4 8 10
Hours of employee volunteering	# Hours	TBC	N/A	8
Amount of pro-bono support given (cost equivalent)	£	TBC	N/A	4 8

 PLANET KPIS

KPI	Unit	Group Total FY 23 (1 Jul 22 – 30 Jun 23)	Reporting and SDG alignment	
Absolute GHG emissions (global)	tCO2e	20,511	SECR (UK), SBTi	13
Intensity of emissions (per £m)	tCO2e/FTE	44.7	SECR (UK), SBTi	13
% reduction in CO2e against baseline	% Reduction	First year of reporting global emissions	SBTi	13
Progress towards near-term targets	Progress	On track	SBTi	13
Progress towards long-term 2050 net-zero target	Progress	On track	SBTi	13
Scope 1 emissions (global)	tCO2e	1,091	SECR (UK), SBTi	13
Scope 2 emissions (global)	tCO2e	1,700	SECR (UK), SBTi	13
Scope 3 emissions (global)	tCO2e	17,720	SECR (UK), SBTi	13
Total energy consumption (global)	MWh	9,749	SECR (UK), ESOS (UK)	13
Of which electricity (global)	MWh / %	6,306 / 65%	ESOS (UK)	13
Amount and percentage renewable energy (UK)	MWh / %	1,007 / 30.4%	ESOS (UK)	13
Waste generated	tons	TBC	N/A	13
Recycling rate	% of waste	>90%	N/A	
Water consumption	m3	TBC	N/A	
Number of new contracts with environmental specifications	%	TBC	N/A	
Industry initiatives joined	#	1 - UNGC	N/A	13
Renewable energy generated	MWh	0	ESOS (UK)	13

 PURPOSE KPIs

KPI	Unit	Group Total FY 23 (1 Jul 22 – 30 Jun 23)	Reporting and SDG alignment	
% senior leadership team with sustainability-linked remuneration	%	0 – We have a goal to link executive remuneration to ESG targets by end of 2025.	N/A	16
Number of malpractice issues reported through whistleblowing or 'speak up' process	#	1	N/A	10 16
Number of incidents of modern slavery alleged or reported	#	0	N/A	16
% of employees that receive annual anti-bribery and corruption training	%	100%	N/A	16
% of employees that receive annual anti-modern slavery training	%	100%	UK Modern Slavery Act	8 10
% of employees trained on mandatory ESG topics	%	100%	N/A	10 16
Number of registered suppliers that have agreed to the Supplier Code of Conduct	%	[First year of reporting will be 2024 – We are currently onboarding suppliers to the new system.]	N/A	16
% of employees who have read, understood and accepted the business standards code	%	100%	N/A	16



ESG REPORT 2023

davies-group.com



Davies Group

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