

## SECTION 172(1) STATEMENT

This statement describes how the members of the board of Directors of the Company (the “Board”) fulfil their obligations under section 172 of the Companies Act 2006.

Section 172 requires that a Director of a Company act in the way he or she considers, 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 following factors:

- a) the likely consequences of any decision in the long term;
- b) the interests of the Company’s employees;
- c) the need to foster the Company’s business relationships with suppliers, clients and others;
- d) the impact of the Company’s operations on the community and the environment;  
and
- e) the desirability of the Company maintaining a reputation for high standards of business conduct.

In discharging their duty under section 172, the Directors have regard to the factors set out above, as well as to other factors which they consider relevant to the decision being made. The Directors acknowledge that stakeholders may have differing views about various decisions taken by the Board and engagement with stakeholders is discussed in the section below.

As described above, the principal activity of the Company is the provision of pension consulting, administration, investment and data analytical advice to pension trustees and corporations in the UK.

### ***Considering the long-term consequences of decision-making***

In setting strategy, and considering risk issues, the Board’s decision-making is focused around ensuring that the Company maintains a reputation for providing high quality services to its clients and the Company’s financial performance is sustainable in the long term.

### ***The desirability of the Company maintaining a reputation for high standards of business conduct***

The Company provides services to a wide range of clients and is a member firm of DTTL. Each of the member firms of DTTL is required to conduct itself in such a manner as to advance the good reputation of the Deloitte network. In light of its business and ownership, the Company aligns itself with those goals, and the Board therefore takes all decisions with the aim of maintaining the Company’s reputation for high standards of business conduct.

## SECTION 172(1) STATEMENT (continued)

### Stakeholders

This section describes the importance of the Company's key stakeholders and some of the engagement activity that takes place with them.

<b>Stakeholder Group</b>	<b>Why is this stakeholder critical to the Company's business?</b>	<b>What engagement activity takes place with this stakeholder?</b>
Clients	The principal activity of the Company is the provision of pension consulting, administration, investment and data analytical advice to pension trustees and corporations in the UK. Understanding the needs of the Company's clients in a dynamic and changing marketplace helps it to provide more relevant and effective services.	Engagement with the Company's clients is led by individual Board Directors who obtain regular feedback through a variety of mechanisms. Any key client concerns raised are discussed by the Board and action to resolve any such concerns are agreed by the Board.
Employees	The Company's professionals are its most valuable asset and key to its success. They are responsible for performing and managing the services that it provides to the Company's clients.	<p>The Company's employees participate in a quarterly survey which gauges their views on a range of aspects associated with the Company's leadership and operations. Recent surveys have included a particular focus on the change in working practices resulting from the Company's response to the COVID-19 pandemic. In addition, all employees are appraised each year and any personal development challenges are discussed with employees.</p> <p>The Company hosts a monthly technical training session for all employees and supports the attendance of employees at conferences and professional events in order to help them meet CPD requirements.</p>
Suppliers	The services the Company provides to its clients depend on services and supplies it procures from different organisations.	Deloitte LLP, a fellow group entity, engages and selects suppliers using an objective process and utilises a business relationship management tool to track and manage such relationships.

## SECTION 172(1) STATEMENT (continued)

### *Stakeholders (continued)*

<b>Stakeholder Group</b>	<b>Why is this stakeholder critical to the Company's business?</b>	<b>What engagement activity takes place with this stakeholder?</b>
Communities	The Company is committed to addressing some of society's most pressing challenges with the belief that business is at its best when it helps to build a better society.	The Company's employees are engaged in a range of societal and charitable activities that seek to enhance the communities in which we live and work.

### *Environment*

The Board believes businesses have a critical responsibility to help address the sustainability of our planet. Environmental sustainability is important to the member firms of DTTL, including the Company, and is a critical component of their operations, strategic initiatives and senior-level agendas.

Climate change, water scarcity, supply chain risks, waste and recycling are challenging the limits of traditional processes and technologies and demanding greater attention from business.

The Board is committed to a long-term sustainability journey in which the Company addresses its environmental impacts.

### *The need to act fairly as between members*

The Company's direct sole shareholder is Deloitte & Touche Holdings Limited and the ultimate parent undertaking and controlling party is Deloitte NSE LLP. As these entities are part of the DTTL group, alongside the Company, the interests of these entities are generally very closely aligned.

The Board contains non-executive Directors who are employed by other entities within the DTTL group and their representation on the Board ensures that the interests of the shareholder and controlling party are considered.

### *Decision-making in practice*

Board decisions relate to areas including risk and compliance, financial performance, services provided to clients and business operations. During the current financial year, as is the case each year, the Board approved a number of items including decisions relating to:

- the services provided by the Company;
- employee well-being as a result of the COVID-19 outbreak;
- payment of an interim dividend and obligations to the regulator, the Financial Conduct Authority;
- the successful implementation and approval of new policies and service agreements, to demonstrate compliance with the Senior Managers and Certification Regime ('SMCR'). The Board discussed and agreed a programme to update employees on the requirements of the SMCR.

# Deloitte.

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