



Corporate Governance Digby Wells Environmental Holdings

Digby Wells Environmental Holdings (“the Company”) is a private company and is not subject to the UK Corporate Governance Code. However, the Company’s stated aim is to be mainly employee owned, and mindful of the high number of shareholders , the Company wishes to pursue excellence in governance. The Company has therefore adopted the Quoted Companies Alliance (QCA) Corporate Governance Code 2018 (“the Code”) for Smaller Companies.

The Board is committed to maintaining the highest standards of corporate governance throughout the Digby Wells group of companies (“the Group”) and to ensuring that all its practices are conducted transparently, ethically, and efficiently to ultimately deliver long-term value to shareholders, clients and other stakeholders. The Board examines all aspects of its business to ensure an effective and efficient management framework as recommended by the Code.

The Board and management continue to review, analyse, and improve the Company’s procedures aimed at the continued success of the Company and increasing shareholder value. Good and transparent communication is key to promoting shareholder confidence and building trust.

The Company provides a summary of its current Corporate Governance Code compliance as guidance, as detailed below.

The Board, guided by the Chairman, reviews the Group strategy and progress against it on a quarterly basis to ensure medium- and long-term value for stakeholders. The Board communicates regularly with shareholders, whether in writing or at formal meetings, to promote trust in the Group and the Board. The Vision, Mission and Values are the foundation of this strategy, summarised below:

Vision:	To move us from the world we live in to the world we seek
Mission:	To be the preferred partner offering Environmental and Social Services to the Resources Industry
Values:	Teamwork Invested and Passionate Care Integrity and Honesty Continuous Improvement

The Executive Board members lead by example in living the values and promoting the culture of the Group, which facilitates improved performance, reduces and mitigates risk and creates sustainable growth. Employees who most exhibit the Company’s values are celebrated at monthly staff meetings. Group results and business issues are shared at the monthly staff

meetings, and annual results are externally reviewed and audited before being communicated to shareholders, promoting transparency.

The Board of Directors

The Board is responsible for providing leadership aligned with the Company's culture and ethical values, creating an environment where strategy, performance, risk management and sustainability is equally valued and balanced to optimise results. The Board is responsible for the management of the Company by developing, reviewing and approving the Company's strategy, budgets and corporate actions. Regular Board meetings are held to review strategy, planning, operational and financial performance. Furthermore, the Board ensures that its obligations to shareholders and other stakeholders are met and that good relationships are maintained.

The Board comprises approximately six members, representing a balance of sector expertise, financial and market experience and personal attributes. The composition of the Board and the respective skills supports the delivery of the Company's strategy and business plan. The Chief Financial Officer and Head of Human Resources are regular invitees to Board meetings. There is a clear division of responsibilities at the head of the Group through the separation of the positions of the Chairman and the Chief Executive Officer and the roles and responsibilities of the Board members are clearly defined.

Formal Board meetings are held 4 times a year, and informal meetings are held on an ad hoc basis depending on business issues. The strategy formulation is reviewed with senior management every year.

The Board receives detailed information packs ahead of all Board meetings on all operational, financial and corporate activities to enable them to make informed decisions when necessary.

Board training takes place as and when needed and the Board undergoes a formal evaluation annually both as a collective and individuals.

Shareholder Relations and Expectations

The Company is committed to communicate with shareholders through regular letters, the Company website, individual meetings, on-line meetings, as well as Annual General Meetings. The goal is to maintain an open and transparent relationship with shareholders on the strategy and performance of the Company.

Board appointments, succession planning, corporate governance, risk management and sustainability matters are dealt with by the full Board of Directors. In addition, the Directors have established a Finance and Risk Committee and a Remuneration Committee to address specific areas in more detail.

Health and Safety

Digby Wells Environmental has developed and implemented a Health and Safety Management System (HSMS) that uses ISO 45001:2018 as a framework for our organization to document and improve our operational practices in order to prevent work-related injury and ill-health.

Compliance with ISO 45001:2018 helps our organization to achieve its intended outcomes and demonstrate that our health and safety management system is effective. The goals of our health and safety management system are to provide guidance for the development of a framework where injuries, property damage, and other loss causing incidents is mitigated. The stated goals of our health and safety management system are:

1. Development of a health and safety policy;
2. Demonstration of leadership and commitment to health and safety;
3. Establishing systematic processes for safety management;
4. Conducting hazard identification efforts;
5. Creating operational health and safety controls;
6. Increasing awareness and knowledge for employees about health and safety;
7. Evaluating safety performance and develop plans to improve continuously;
8. Establishing the necessary competencies;
9. Creating and fostering a safety culture within our organization;
10. Ensuring employees participate fully and meaningfully in the health and safety process;
11. Meeting all legal and regulatory requirements.

Senior Management accepts their legal and moral obligations to ensure, as far as reasonably practicable, a safe and healthy working environment. Safe Systems of Work (SSoW) are implemented to protect workers, contractors, and anyone else who may be affected by our operations, from physical harm. In pursuance of this duty, Senior Management has appointed safety specialists to discharge occupational health and safety duties within our operations.

The Health & Safety Committee has been appointed which is led by the Health and Safety Chairperson and assisted by two senior Health and Safety Managers. Each committee member is assigned a Health and Safety Portfolio. We have appointed and trained First Aiders and Fire Fighters in each of our offices.

Finance and Risk Committee (“FRC”)

The FRC has been established to assist the Board in fulfilling its obligations in respect of financial reporting and results, the internal and external audit process and the control environment.

The role of the FRC includes:

- monitor and review the integrity of the financial reporting of the Company, reviewing significant financial reporting judgments;

- review the Company's insurances on behalf of the Board, noting that the Company's risks in general are addressed by the Board itself;
- monitor, review and oversee the external audit or review function including matters concerning appointment and remuneration, independence and non-audit services;
- monitor, review and oversee the internal audit function and the financial control system;
- monitor and review compliance with the Company's Code of Conduct and Whistle-blower Policy; and
- perform such other functions as assigned by law, the Company's Articles of Association, or the Board.

The FRC invites representatives of the external auditor, management and on occasion the internal auditor to all committee meetings. BDO and Nexia are the Group's external auditors and the FRC is satisfied that the Group's auditors are independent.

Remuneration Committee

The purpose of the Remuneration Committee is to determine and agree with the Board the framework or broad policy for the remuneration of the Company's senior management and staff.

The Remuneration Committee assists the Board to determine the remuneration arrangements and contracts of the Executive Directors, and senior and junior employees. It also reviews share awards, performance related pay and annual bonuses. No Director is involved in reviewing their own remuneration. Succession planning for Senior Executives is reviewed regularly.

The Non-Executive Directors may, if needed, seek independent professional advice, at the Group's expense, in the execution of their duties.

Nominations Committee

The role of the Nominations Committee is undertaken by the full Board of Directors. The Nominations Committee is charged with:

- Ensuring fresh-thinking is brought into the Company by board succession planning and finding suitable candidates for nomination for appointment to the Board of Directors
- Ensuring processes are in place for succession planning for Senior Executives

Stakeholder And Social Responsibilities

Digby Wells is a purpose – and value driven organisation. Our commitment to our values shapes the way we operate and, alongside our people, is the foundation of our success. Not only do we invest in the upskilling of our own people, but we also seek to add value to our clients and the communities we work in by sharing our expertise through webinars and direct

training. We regularly offer bursaries and internships. The Digby Wells Education Trust owns 10% of our South African subsidiary.

Refer to our **Impact Report** for more detail on the various engagements with our employees and communities in which the Company operates.

Risk Assessment And Internal Controls

The Board and management perform ongoing risk assessments which are tracked in a risk register and discussed regularly at operational and strategic risk workshops. The Board also considers financial indicators including solvency and liquidity. The Group's ability to continue as a going concern is formally assessed as part of the annual budgeting process. Further consideration of the Group's solvency and liquidity ratios are performed when dividend payments are made.

The Group does not have a separate internal audit function to consider the design and effectiveness of the control environment. However, an external independent firm has been engaged to assist with the evaluation and testing of the control environment and to identify possible vulnerabilities. The planning and reporting of the Group's internal audit function is monitored by the FRC and the Board of Directors, and the internal auditors are invited to the FRC meetings on an ad hoc basis. The internal audit function is also discussed with the external auditors.

The Board considers the internal controls and procedures in place to be appropriate for the size, complexity and risk profile of the Group.

This information was last reviewed in March 2023.

In addition to the disclosures above the 10 principles of the QCA Code have been summarised below with the status of the Company's adherence.

Principle	Status
Establish a strategy and business model which promotes long-term value for shareholders.	✓
Seek to understand and meet shareholder needs and expectations.	✓
Take into account wider stakeholder and social responsibilities and their implications for long term success.	✓
Embed effective risk management, considering both opportunities and threats, throughout the organisation.	✓
Maintain the Board as a well-functioning, balanced team led by the chair.	✓

Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.	✓
Take into account wider stakeholder and social responsibilities and their implications for long term success.	✓
Embed effective risk management, considering both opportunities and threats, throughout the organisation	✓
Evaluate all elements of Board performance based on clear and relevant objectives, seeking continuous improvement.	✓
Promote a corporate culture that is based on sound ethical values and behaviours.	✓
Maintain governance structures and processes that are fit for purpose and support good decision making by the Board.	✓
Communicate how the company is governed by maintaining a dialogue with shareholders and other relevant stakeholders.	✓