

# Corporate Governance Statement

For the year ended 31 December 2023

Grant Thornton UK LLP ('the firm'), the ultimate parent undertaking, complies with the Audit Firm Governance Code (2016) ('AFGC') which informs the UK governance arrangements for the Grant Thornton UK LLP group. Further details of the firm's governance can be found in its Transparency report, published annually.

The corporate governance arrangements of the Company are aligned to the high standards of governance set out in the AFGC, which guides how Grant Thornton UK LLP and its UK subsidiaries operate. The Company has therefore decided not to adopt any additional corporate governance frameworks, such as the Wates Principles.

While the Company has not adopted the Wates Principles, the groupwide governance arrangements based on the AFGC address all of the same areas to the extent they are relevant, and the reporting below on those arrangements is structured in line with the six sections of the Wates Principles.

## Principle 1 – Purpose and leadership

The Company's principal activities were to provide employees and other services to the Grant Thornton UK LLP group ('the firm'). The group's principal activities are the provision of audit, tax and advisory services, primarily through the UK LLP and predominantly in the UK. The Company is aligned to Grant Thornton UK LLP's CLEARR values being Collaboration, Leadership, Excellence, Agility, Respect and Responsibility. The directors consider the firm's purpose and values to be appropriate and relevant to the Company and apply them throughout the business.

### Inclusion and diversity

We believe strongly that we need to have an inclusive and diverse group of people within the firm. Our approach is to be "the best firm at valuing diversity through everyday inclusion". We continue to focus on our clear targets in a range of diversity strands (gender, ethnicity, social economic background (SEB), sexual orientation and disability).

### Digital

We continue to invest in digital tools and technologies and see this as a significant opportunity for our business and our people. Our new Head of Digital, Alan Dale, is refreshing our digital strategy to ensure we bring the best technology to the firm to support our clients and people.

## Principle 2 – Board composition

The Board of Grant Thornton Business Services comprises of two members of the SLT of Grant Thornton UK LLP, being the CEO and COO, and also the firm's Finance Partner. The directors consider the size and composition of the Board to be proportionate to the scale and complexity of the business. All directors have equal voting rights.

The Company's directors continue to keep their knowledge, skills and familiarity with the business current and up to date by engaging with senior management of the firm and attending appropriate internal and external training courses and seminars as part of their wider role within Grant Thornton UK LLP.

## Principle 3 – Director responsibilities

### Accountability

Each director has a clear understanding of their accountability and responsibilities, and the Board is also mindful of the duties of the Committees and individuals which oversee the Grant Thornton UK LLP group. This allows those with the appropriate knowledge and industry experience to make effective decisions whilst Board oversight is maintained.

### Committees

The Board is mindful of the duties of Grant Thornton UK LLP's SLT, and the governance of its Partnership Governance Board (PGB), which contains a number of sub-committees, including but not limited to the Risk and Audit Committee (RAC) and Remuneration and Profit Share Committee (RemCo). These committees all operate under clearly defined terms of reference and the committees are chaired by Independent Non-Executives. Further details of the firm's governance can be found in its Transparency report, published annually.

### Integrity of information

The Board receives reports from management at its meetings. It reviews the information provided and provides appropriate enhancements and challenges. Key financial information is collated from its accounting system. Grant Thornton UK LLP's finance function is appropriately qualified to ensure the integrity of this information and is provided with the necessary training to keep up to date with regulatory changes. Financial information is externally audited on an annual basis, and financial controls are reviewed by the internal audit function which reports into the RAC.

## Principle 4 – Opportunity and risk

The Board is mindful of the duties the firm's two principal leadership and governance groups, the SLT and PGB with regards to opportunities and risks applicable to the Company.

The Company's success is closely connected to the success of the Grant Thornton UK LLP group as its sole principal activities were to provide employees and other services to the group. As such, the Company's activities are aligned to the strategy of Grant Thornton UK LLP, which is agreed by the SLT and PGB in conjunction with all of the members of the LLP.

### Risk management

Each service line and central function of the firm are responsible for the ongoing identification, remediation and monitoring of their risks which cover the whole range risks impacting the firm including regulatory and legal matters. Risks are reported in a consistent manner against set criteria considering the likelihood of occurrence and potential impact on the business. These risks are categorised in accordance with our risk taxonomy which establishes six primary risk levels reflecting our operating model. The Risk and Resilience board is positioned between our Central Risk Team and the SLT and meets quarterly. The board's purpose is to support the SLT in relation to enterprise risk management and operational resilience. The membership includes three members of the SLT, our Finance Partner, Head of Information Security, Head of Risk and Resilience and the Operational Resilience Lead.

At the highest level, the purpose of this group is to support the SLT in meeting their responsibilities in relation to enterprise risk management and operational resilience including:

- considering our policies and strategy for both risk and resilience and providing strategic direction and overseeing the effective operation of these two frameworks
- reviewing, monitoring and moderating risk profile, appetite and risk exposure.

Our risk approach covers the whole firm including the risks in respect of attracting and managing talent, the sustainability of the firm's business model (specifically the audit practice), cultural risks, audit quality and delivery risks and ethical risks. Risks are considered by our key functions e.g. People and Culture and Ethics teams as well as by the Audit and other service lines. This approach also ensures that we consider risks to, attracting and retaining talent, audit quality, firm sustainability and our public interest obligations. Our Whole Firm Risks and Principal Risks, which are reviewed and approved by the SLT and RAC, are included in the Grant Thornton UK LLP Transparency report, published annually.

## Principle 5 – Remuneration

The Directors are not remunerated by the Company. Each is a member of the Grant Thornton UK LLP and as such is entitled to a share of the firm's profits as determined by the partnership's profit-sharing agreement.

## Principle 6 – Stakeholder relationships and engagement

The Board understands that good governance and effective communication are critical factors to ensure our brand, reputation and relationships with all stakeholders are effective.

### Employees

Details of the Company's engagement with its employees is included within the Section 172(1) statement. The Company measures employee satisfaction as key non-financial KPI, as detailed in the Strategic report.

### Environmental and sustainability

The Grant Thornton UK LLP group is committed to acting as a responsible business, using our purpose as our guide we do what's right, ahead of what's easy. Our focus has specifically been on our carbon footprint and our journey to Net Zero emissions. We have validated near-term and long-term Net Zero targets validated by the Science based Targets initiative (SBTi), which commit us to reducing our emissions by 90% from our starting point. Further details can be found in the Group's Energy and carbon report which is included within the Grant Thornton UK LLP annual report and does not form part of these financial statements.