

**STRATEGIC REPORT (continued)**

d) **The Impact of the Company's operations on the community and environment**  
Mills & Reeve are a long standing member of the Legal Sustainability Alliance and work hard towards improving the social and economic impacts of our activity, as well as the environmental ones. During the last 12 months our focus has been keeping our staff safe during the pandemic whilst continuing to deliver an outstanding service to our clients. With reduced numbers of staff and Partners coming into the office we have reduced business travel and commuting, electricity consumption, paper usage, and waste. We have rolled out meeting software across the Group, with meetings and collaboration largely being done online instead of face to face. With hybrid working going forward, our aim is to continue to utilise these technologies and build further on improvements we have made to reduce our environmental impact. Compared to last year our total energy consumption has reduced by 12.6% or 535.5 MWh (32.4 MWh per 1000m<sup>2</sup>) and our greenhouse gas emissions have reduced by 19.5% or 188.3 tonnes CO<sub>2</sub>e (12.3 tonnes per 1000m<sup>2</sup>).

e) **The desirability of the Company maintaining a reputation for high standards of business conduct**  
The directors ensure the Company delivers a high standard of service to the Group's stakeholders. Integrity is key throughout the Group and the Board recognises the importance of culture and values on longer term success. The Board seeks to deliver high standards leading by example through its own conduct and setting values and procedures to be maintained at all organisational levels by colleagues and carried over into interactions with stakeholders.

f) **The need to act fairly between members of the Company**  
The directors ensure the Company acts fairly by way of the service charge agreement with the LLP.

**KEY PERFORMANCE INDICATORS ("KPIs")**

As a business we report regularly on the number of people within the business and ratios between the different areas, as well as reviewing the cashflow on a monthly basis to ensure there are sufficient funds to meet this Company's requirements. As this is a service Company, the reporting and monitoring of KPIs is principally done through the parent undertaking, and as a result no specific KPIs are disclosed.

**PRINCIPAL RISKS AND UNCERTAINTIES**


The directors consider that the principal risk and uncertainty faced by the Company is the willingness of its key customer to continue to use the Company to supply employment services. As the key customer is also the parent entity the directors feel the risk is adequately managed.

The Company does not have any external borrowings and does not currently deal with foreign entities. It is therefore not exposed to adverse interest rate or exchange rate risks. The Company monitors risks relating to relevant exposure, principally around liquidity and cash flow risk. The Company seeks to minimise the effects of these risks by regular review and forecasting of cashflow, supported by compliance with relevant accounting policies and review by Directors.

**FUTURE DEVELOPMENTS**

The directors are satisfied with the continued performance of the Company and the financial results are in line with expectations. The directors forecast slightly higher turnover for the coming year, although as costs are also expected to rise, the net return will be broadly similar to the year ended 31 May 2021.

Approved by the Board of Directors  
and signed on behalf of the Board

  
Director JJP Ripman  
Date: 25.11.21