# CORPORATE RESPONSIBILITY REPORT

**for the year ended 31 December 2023**

*Approved 8 March 2024*

evelyn PARTNERS

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# Corporate Governance and Social Responsibility

Evelyn Partners has a strong commitment to corporate responsibility. It is core to our purpose, culture and business strategy, as we continue to embed Environmental Social and corporate Governance (ESG).

As wealth managers and financial advisers, who are entrusted with the stewardship of our clients' capital, it is also important to ensure that ESG considerations are embedded within our responsible investment processes.

The Group is committed to being a responsible corporate citizen in managing the impact of our business activities on the environment for all stakeholders and the wider community.
We seek to:

- minimise our environmental footprint
- provide a professional and supportive workplace
- attract, develop and retain people from diverse backgrounds
- deliver the best possible service to all our clients

We aim to engage our stakeholders to consider ESG alongside other key business drivers. Ultimately, we are working towards a more sustainable future.

## Governance

The Board ESG Committee meet quarterly to discuss strategy and progress, while delegating the day-to-day management of its corporate responsibility to the Group Executive Committee (GEC).

The GEC is responsible for setting and monitoring the Group's approach to the corporate responsibility and for implementing the ESG strategy of the Group.

The GEC's activities are co-ordinated by its Chair and divided into **four pillars of corporate social responsibility**. The strategy of each pillar is considered across the entire business and takes into account the impact on key stakeholders.

## The four pillar and the pillar leads for 2023, who were all GEC members were as below:

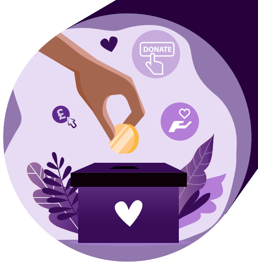
Chris Grigg, Chair of both the Board and the Board ESG Committee, has responsibility for Board oversight of corporate social responsibility. The Board ESG Committee is comprised of Non-Executive Directors. The inaugural quarterly meeting took place in March 2023. Paul Geddes (formerly Chris Woodhouse), as Group Chief Executive Officer, has ultimate executive responsibility for corporate social responsibility. During the year, ESG activities were reported to the Board ESG Committee and the GEC on a quarterly basis by the pillar leads.

### ENVIRONMENT
**Sponsor: Andrew Baddeley**
**Group Chief Financial Officer**

### RESPONSIBLE INVESTMENT
**Sponsor: John Erskine***
**Chief Investment Management Director**

### PEOPLE
**Sponsor: Bennedetta Peto**
**Group Chief People Officer**

### CHARITIES AND COMMUNITIES
**Sponsor: Charley Davies**
**Group Legal Counsel**



** In January 2024, Chris Kenny, Chief Investment Management Director, replaced John Erskine as the Responsible Investment pillar lead.*

The ESG strategy informs the ESG Policy, which sets out our approach to each element of ESG and how it is considered both operationally and within the value chain: our suppliers, employees, clients, investees and shareholders. It is available to view on our website at evelyn.com.

The risk management framework sets the oversight requirements and supports our corporate responsibility strategy. Corporate responsibility brings significant risks and opportunities. These are addressed under our risk management framework and can be found in the Evelyn Partners Group Limited Annual Report for the year ended 31 December 2023 on pages 29 to 30.

ESG measures are included in Key Performance Indicators (KPIs) for our GEC members. Achievement of and progress towards KPIs are reviewed annually and assessed as part of their annual performance reviews. The outcome of these performance reviews impacts the variable pay awarded to GEC members.

# Sustainable Development Goals

We support and seek to align to the United Nations Sustainable Development Goals (SDGs). The SDGs we are most aligned to are:

3 GOOD HEALTH AND WELL-BEING

**Ensure healthy lives and promote well-being for all at all ages**

We support the wellbeing of our colleagues.

4 QUALITY EDUCATION

**Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**

The Group's corporate charitable objective is to improve on inclusivity and diversity in financial and professional services. We have a strong focus on training and development for all.

5 GENDER EQUALITY

**Achieve gender equality and empower all women and girls**

We have signed the Women in Finance Charter and run a 'Women in Leadership Series'.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

**Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation**

We support resilient infrastructure by investing in sustainable buildings and facilities.

13 CLIMATE ACTION

**Take Urgent Action to combat climate change and its impacts**

We are committed to managing our business in a sustainable way to minimise our impact on the environment.

> Corporate responsibility brings significant risks and opportunities. These are addressed under our risk management framework.

| Pillar | Objectives |
| --- | --- |
| **Environment** | We are committed to managing our business to minimise our impact on the environment, both in our operations and through the value chain. |
| **Responsible investment** | As responsible investors, we incorporate ESG factors alongside purely financial considerations in investment decisions and practise active ownership and stewardship. |
| **People** | Our purpose and values support an inclusive culture from a diverse pool of talent.<br><br>The people strategy focusses on four broad themes:<br>• Culture<br>• Inclusivity and Diversity (I&D)<br>• Wellbeing<br>• Talent development |
| **Charities and communities** | As a Group, we wish to support our local communities.<br><br>We have a wealth of talent and experience within our business and are keen to share this and encourage our colleagues to get involved in community projects and activities. |

## Key highlights

| | |
|---|---|
| • We continue to select sustainable buildings; colleagues relocated to two further BREEAM 'Excellent' rated offices increasing the % space occupied in sustainable buildings to 41% (2022: 29%) by 55% of colleagues (2022: 45%) | See pages 12-13 |
| • We achieved a CDP rating of B (2022: rating of 'C') | See page 15 |
| • Our Scope 1, Scope 2 and Scope 3 (limited) emissions were independently verified | See page 14-15 |
| • We have partnered to implement an ESG risk assessment solution and launched supply-chain ESG questionnaires to 62% of suppliers by value | See page 15 |
| • We aim to improve the engagement and awareness of our colleagues and invested in making a sustainable colleague engagement platform available | See page 15 |
| • UN PRI and UK Stewardship Code 2020 obligations frame the Group's investment process, policies, and procedures | See page 20 |
| • We engage with collaborative engagement platforms. In 2023, we joined the Farm Animals Risks and Return Initiative (FAIRR) and Nature Action 100 | See page 20 |
| • The Group invested in a Taskforce for Climate-related Financial Disclosures (TCFD) Enhanced Climate Metrics product in 2023 which will allow us to build on Climate Scenario Analysis (CSA) | See page 21 |
| • We have made strides in developing financed emissions metrics | See pages 52-53 |
| • Our Inclusivity and Diversity (I&D) networks hosted many events and were boosted by volunteers championing events at offices around the business | See pages 24-25 |
| • We issued our Women in Finance Charter Statement and our Gender Pay Gap Report | See page 26 |
| • We are signatories of Inclusive Employers Standard (IES), The Business Disability Forum and Women in Finance Charter | See page 25 |
| • We support colleagues' physical, mental, financial and social wellbeing and hosted an active programme of events | See page 27 |
| • Our talented colleagues are offered career and personal development opportunities and have access to leadership and development programmes and resources | See pages 28 |
| • The Group's corporate charitable objective is to improve inclusion and diversity in financial and professional services | See page 31 |
| • We donated £100,000 to Impetus, an organisation transforming the lives of young people from disadvantaged backgrounds, and continued to support Impetus charities through provision of pro-bono work and at volunteer events | See page 32 |
| • Local offices also organised and supported local community charities | See page 33 |
| • We continue to provide colleague matched fundraising and top-up contributions through Give-As-You-Earn (GAYE) and via The Evelyn Partners Charitable Trust. Evelyn Partners made donations of £129,767 during the year | See page 32 |
| • We participated in programmes which support the under-represented and under-privileged groups in society | See page 33 |

# ENVIRONMENT

2023 has been an extraordinary year. Many climate records were broken, including global surface air temperature, ocean temperature and Antarctic Sea ice extent. These record extremes are alarming and highlight the urgent need for climate action now to prevent triggering climate tipping points.

We are committed to managing our business to reduce environmental impact. To ensure a sustainable future, we are committed to reducing our operational climate impact and are also working with our value chain to understand and work with them to accelerate their journey. Environmental considerations are also embedded within our responsible investments. We have included our Climate-related Financial Disclosures (CFD) on pages 36 to 55.

We are striving to achieve the relevant UN Sustainable Development Goals (SDGs).

## Governance

The environment pillar is headed by Andrew Baddeley, the Group Chief Financial Officer, and a member of the Board and GEC. As environment pillar lead, his role is to ensure that the environment is considered throughout the business and to lead and oversee the activities being undertaken to meet the Group's strategy of reducing our climate emissions.

Andrew is supported in these activities by the Board, the GEC, the Environment Steering Committee, senior management, and colleagues throughout the business.

Andrew has reported progress against the environment strategy to the Board ESG Committee quarterly. Progress was also reported to the GEC at the quarterly ESG meeting, with informal updates provided between quarters.

> "We are committed to managing our business to minimise our environmental impact."

# THE KEY ACTIVITIES:

## Activities during the year

This year, our activities focused on improving policies, processes and data, and further developing understanding of the emissions impact throughout the value chain. There was progress made relating to the analysis of our Scope 3 category 15 ‘financed emissions’, which are reported in our Climate-related Financial Disclosures (CFD) under metrics and targets, pages 51 to 53. We also expanded engagement with our colleagues and broadened our environment strategy.

## Policies

We refreshed and updated the two key policies relating to the environment:

- Environment Management Framework (EMF)
- Environment Policy

The EMF embeds the requirements of the CFD aligned with the TCFD. The Environment Policy supports the EMF detailing our approach, giving specific guidance particularly around energy, waste and recycling, plastic, travel, food, water, biodiversity, deforestation, sustainable buildings and sustainable fit-outs, and throughout the value chain.

The EMF and Environmental Policy were approved by the Board ESG Committee and are reviewed annually.

## Sustainable building

We continued with the modernisation of our office buildings, replacing older buildings with newer BREEAM-rated ‘Excellent’ buildings. BREEAM is the world’s leading science-based suite of validation and certification systems for the sustainable built environment.

11 SUSTAINABLE CITIES AND COMMUNITIES

***Belfast – Ewart Building***

In February 2023, approximately 45 colleagues were relocated to the Ewart Building.

The building has been fitted out to high standards of environmental sustainability and to accommodate smart and agile working.

Environmental features of the building include:

- The air handling units benefit from thermal wheel heat recovery which improves energy efficiency by 70%
- A high efficiency cooling tower which utilises 78% less fan power compared to a traditional cooling tower
- The building has a BREEAM 'Excellent' rating and an Energy Performance Certificate (EPC) of 'A'
- Sensor LED lighting throughout
- An accessible bike storage area and no car parking spaces

***Glasgow – Bothwell Street***

In June 2023, approximately 400 colleagues were relocated to Bothwell Street bringing together colleagues from three Glasgow offices reducing our required office space.

The building is Glasgow's largest single office space and has a BREEAM 'Excellent' rating and an EPC 'A' rating. It utilises 100% green power from a wind farm located in Scotland. The building also features an 8,000 square foot roof terrace with a running track available to office tenants.

***New sustainable buildings, 2024***

Terms have been agreed for the lease of three new premises in Bristol, Bracknell and Leeds for relocation in 2024. All are expected to achieve an 'Excellent' BREEAM rating.

177 Bothwell Street, Glasgow

## Sustainable facilities

We purchase ethically sourced catering supplies (tea, coffees and other refreshments) and select locally sourced foodstuffs where possible. We use bio-degradable waste sacks and environmentally friendly cleaning products.

We measure and analyse the climate impact by office location on a quarterly basis as we work towards a realistic climate reduction plan for each office.

## Renewable energy

As a large group with offices across the UK, Ireland and Jersey, we source energy for our offices through a number of providers, both directly and indirectly, dependent on the leasehold arrangement, the office location, and the energy sources available.

Where procured directly, we aim to increase our energy from renewable sources. In 2023, 98.4% (2022: 83.1%) of our directly procured energy and 67.2% (2022: 60.6%) of our total energy, was supplied from renewable sources supported by Renewable Energy Guarantees of Origin (REGO) certificates. The REGO scheme provides transparency to consumers about the proportion of electricity that suppliers source from renewable generation.

We are actively engaging with our lessors and property managers to understand their ESG commitments and how this will impact our office portfolio.

For new offices, where possible, we are selecting buildings with sustainable features and access to energy from renewable sources.

## Scope 1, Scope 2 and Scope 3 emissions

These are the greenhouse gas (GHG) emissions generated by the Group or within the value chain as defined in the Greenhouse Gas Protocol,

Scope 1 emissions are those from operations that are owned or controlled by the reporting entity.

Scope 2 are emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by the reporting entity.

Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting entity, both upstream and downstream emissions.

We work with our climate consultants to calculate and report all scope 1, scope 2 and scope 3 emissions, excluding financed emissions. We have disclosed these emissions, excluding financed emissions, in our CFD on pages 51 to 52.

The financed emissions are also reported separately and can be found on pages 52 to 53.

## Scope 1, 2 and 3 independent third-party assurances

EcoAct was engaged to provide an independent third-party verification of our Scope 1, Scope 2 and selected Scope 3 GHG emissions, as detailed in the Group's carbon footprint calculation for the year ended 31 December 2022.

A limited level of verification aligned with the ISO 14064-3:2019 standard, which specifies and provides guidance for the verification and validation of greenhouse gas statements, was conducted. The operational control approach was applied.

> "In 2023, 98.4% (2022: 83.1%) of our directly procured energy and 67.2% (2022: 60.6%) of our total energy, was supplied from renewable sources supported by Renewable Energy Guarantees of Origin (REGO) certificates."


In accordance with the Limited Verification requirement, EcoAct selected and verified a sufficient and appropriate level of evidence and data calculations to form the basis for their verification opinion. They concluded that, based on the information provided and following a review of the processes and procedures, the GHG emissions totals were fairly stated and free from material error. Our 2022 emissions were externally verified in July 2023.

An independent verification of the 2023 emissions is currently in process.

## Scope 3 and the supply chain

In 2022, we introduced a Group Procurement Policy which included a Supplier Code of Conduct. This policy sets out Evelyn Partners' ESG expectations of our suppliers.

Following circulation of our ESG questionnaire to limited suppliers in 2022, we partnered with an ESG and credit risk assessment provider to expand our ESG assessments and help monitor ESG risks within the supply chain, provide training to and work with our suppliers to reduce ESG risk.

Towards the end of the year, we directly engaged with over 120 suppliers, with purchase value of £129 million, approximately 62% of purchase spend. We requested completion of ESG questionnaires covering several ESG themes including climate impact, resource use, labour rights and organisational commitment. The climate module responses will extend our understanding of the climate impact of our supply chain.

We also have access to indirect ESG risks assessments to further identify ESG risks of the supply chain. We will be monitoring and developing our ESG supply chain strategy accordingly.

## CDP

We are supporters of CDP and achieved a 'B' rating for 2023 ('C' rating following completion of our first CDP climate questionnaire in 2022).

We will continue to complete this questionnaire annually and to maintain transparency of our progress.

## Employee engagement and awareness

In early 2023, we launched the Environment Steering Committee (ESC), followed by the Environment Forum (EF). The role of both is to promote, champion and support our environment strategy, to increase awareness of our environment agenda and be a sounding board for ideas and initiatives, with a view to improving our approach, and developing and implementing our agenda.

The ESC meets monthly and has senior representatives from broad business areas so that we have a wide perspective of how we reduce climate-related risks and approach climate-related opportunities within the environment strategy, and gain consensus of the strategy.

The EF meets at least once every two months and is made up of representatives for each office across the business. The strategy has been shared with members and they have made further suggestions for future improvements. This allows us to communicate our strategy and activities, and receive useful feedback from members.

Towards the end of the year, we launched an Environment 'Viva Engage' channel for all colleagues to have an opportunity to raise environmental issues through a communication channel.

Following a successful pilot, we introduced 'Pawprint' in November 2023. Pawprint is a colleague engagement platform which encourages colleagues to get involved in 'sprints' (short competitive bursts) related to a selection of sustainable themes. Colleagues engage in sustainable actions to form sustainable habits. The platform also makes available blogs and short reads to improve knowledge related to the environment.

In the short period since launch, 416 colleagues have participated, with almost 18,000 actions completed, with an estimated 102,400 $tCO_2e$ saving. Our first sprint, a focussed engagement activity, gave colleagues the opportunity to get involved and achieve energy savings both at home, and in the workplace.

## Waste audit

An independent audit of waste was undertaken at Gresham Street, our largest office, as well as at two further sites, to identify opportunities for improvement.

The resultant report made recommendations sorted into short-, medium- and long-term, and indicated the potential magnitude of impact as high, medium and low, as well as ease of implementation. We are working in partnership with independent consultants to develop a programme to deliver these recommendations with the aim of a 50% reduction in recycling contamination and a reduction of waste to landfill by the end of 2024.

## Energy Savings Opportunity Scheme (ESOS)

Large companies must report on how they have met their ESOS obligations every four years. The Environment Agency announced that the Phase 3 ESOS deadline has been postponed from 5 December 2023 to 5 June 2024.

## Streamlined Energy and Carbon Reporting (SECR)

As a large UK incorporated organisation, Evelyn Partners is required to report its UK energy consumption under the SECR requirements on its greenhouse gas (GHG) emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The table opposite summarises the Group's energy consumption and GHG emissions within the UK for the year ended 31 December 2023, with comparatives for the year ended 31 December 2022, measured in metric tonnes of carbon dioxide equivalent (tCO2e). A definition of each scope is given on page 14.

Scope 1 emissions decreased 37.2% in the year. This is as a result of reduced emissions of sustainable offices; we have steadily been increasing the proportion of sustainable offices within our office portfolio. Scope 2 emissions from purchased electricity (location-based) decreased by 25.3% to 726.4 tCO2e. These are calculated using DEFRA location-based averages.

| | tCO2e 2023 | tCO2e 2022 |
|---|---|---|
| Energy consumption used to calculate emissions, kWh | 6,691,102 | 8,516,137 |
| **Scope 1** Emissions from combustion of gas | 245.0 | 390.4 |
| **Scope 2** Emissions from purchased electricity (location-based) | 726.4 | 972.6 |
| **Scope 3** Emissions from business travel in rental cars or employee-owned vehicles, where company is responsible for purchasing the fuel | 444.3 | 332.6 |
| **Total gross (Scope 1, 2 and 3)** | **1,415.7** | 1,695.6 |
| **Intensity ratio: tCO2e / FTE*** | **0.37** | 0.50 |
| **Scope 2** Emissions from purchased electricity (market-based) | 438.6 | 703.2 |
| Outside of Scopes | 8.1 | 6.8 |

** where FTE equals 'Full-time equivalent employee'*

Emissions from purchased electricity (market-based), a measure which more accurately reflects the decision to procure REGO electricity where we can, shows a decrease of 37.6% from 703.2 tCO2e to 438.6 tCO2e. When compared with 2019 purchased electricity emissions of 1,669 tCO2e, this shows a decrease of 73.7% over the period.

Ongoing re-assessment of overall office space has resulted in a significant decrease in our emissions intensity ratio per full-time equivalent employee from 0.50 to 0.37 (2022: reduction from 0.58 to 0.50), a reduction of 26.0% (2022: reduction of 13.8%).

Our emissions for the comparison year 2022 have been restated to replace estimations with actual data that became available after the submission of our Annual Report 2022 and to correct an oversight identified in the grey fleet mileage calculation.

Please see note 51 (of the Evelyn Partners Group Limited Annual Report for the year ended 31 December 2023) for a list of the companies included in the Group.

### SECR methodology and assumptions

We have used the main requirements of the Greenhouse Gas Protocol, along with the UK Government GHG Conversion Factors for Company Reporting 2023 to calculate our emissions. We have reported on all the emission sources required under the regulations. These sources fall within the Group, with an operational control approach being followed when defining our organisational boundary. We do not have responsibility for any emission sources that are not included in our consolidated statement*. Where necessary, any estimates included in our totals are derived from actual data in the same reporting period which have been extrapolated to cover any missing periods. Where actual data was not available, consumption is estimated based on our floor area and the Real Estate Environmental Benchmark from the Better Buildings Partnership. The intensity ratio was calculated based on the Scope 1 and 2 emissions, and the Scope 3 emissions relating to the grey fleet divided by the average full-time equivalent headcount. This is comparable to the measure used in prior years and is considered to be the most relevant for a people-based business such as Evelyn Partners.

Scope 1 emissions are direct emissions from gas used for heating our offices. Scope 2 emissions are associated with our consumption of purchased electricity, heat, steam and cooling. The only Scope 3 emissions reported as part of our SECR disclosures relate to the consumption of fuel used for company transport.

Our total emissions, including global SECR emissions and all scope 3 categories including financed emissions, are disclosed in the Climate-related Financial Disclosures on pages 51 to 53.

### Other utility services

In addition to our partnership with our climate consultants, our Mechanical Electrical Plumbing (MEP) service partner for the Group provides an additional layer of energy use monitoring and reporting.

We partner with a bureau service to work across our office portfolio and ensure we have transparency of all utilities consumed, both directly and indirectly and support the opportunities for reduction.

## Looking forward

To further reduce our operational carbon footprint and add to our sustainable office space, we look forward to moving our Bristol, Bracknell and Leeds colleagues into their new offices in 2024. This will increase the footage for BREEAM-rated offices.

Other activities planned for the coming years, are summarised below:

- We continue to measure and set reduction targets for each office
- We continue to make environmental improvements in our existing offices by working with our lessors and property managers
- We will assess and report (internally) on a target number of supplier ESG ratings and work with them to reduce ESG and climate risks in the supply chain
- We are introducing an internal carbon price
- We will continue to make progress in the engagement of our colleagues, in sharing knowledge and expanding sustainability awareness via the Environment Forum, via the Pawprint colleague engagement platform and through regular communication
- We will complete a CDP climate questionnaire annually
- We will further develop our environment strategy, risk management, metrics and targets as we further align with the requirements of the TCFD

* *Refers to the Evelyn Partners Group Limited Annual Report for the year ended 31 December 2023*

# Responsible Investment

**Responsible investment is about incorporating the consideration of ESG factors in the way we invest our clients' assets, alongside purely financial considerations, combined with the practice of active ownership, also known as stewardship.**

As responsible investors, we are engaged in the stewardship of the businesses in which we invest on behalf of our clients. We use our influence as shareholders to improve investee companies' own ESG practices and performance. We do this by engaging (directly and collaboratively) with companies where we have material shareholdings and by voting at shareholder meetings. As good stewards of our clients' capital, we seek to encourage better business practices to both enhance value and reduce potential risks including social and environmental risks.

We believe that companies with high standards of governance and corporate behaviours, sustainable business models, and which make a positive contribution to communities, are less risky long-term investments.

ESG factors can have a significant impact on the long-term financial performance and risk profile of investments, both positively and negatively; therefore, we have integrated consideration of these factors as a component of our investment approach.

The Group exercises its fiduciary duties for all clients as a responsible investor. We do not seek to impose a target for ESG factors on our clients' portfolios unless we are specifically instructed to do so by individual clients.

## Governance

Please refer to our responsible investment governance structure on page 39.

During the year, John Erskine, the Chief Investment Management Director, led the Responsible Investment pillar, and reported quarterly to the Board ESG Committee on progress against the responsible investment strategy. At the end of 2023, he stepped down as a GEC member and as the Responsible Investment pillar lead and was replaced by Chris Kenny, Chief Investment Management Director.

The Board has delegated authority to the Investment Process Committee (IPC) who have appointed the Stewardship and Responsible Investment Group (SRIG) to oversee the Group's approach to responsible investment. This oversight includes the data, research and tools required to integrate climate change into our investment decisions. SRIG meets monthly and reports to the IPC. The IPC reports via other Committees to the GEC.

Responsible investment progress is reported quarterly at the GEC ESG meeting and to the Board ESG Committee.

The SRIG comprises of a range of investment managers from across the business and includes representatives of the Stewardship and Responsible Investment (SRI) team, compliance, investment risk and regulatory developments.

SRIG's objectives include the integration of ESG and responsible investment considerations into the investment process, including voting and shareholder engagement, and ensuring that stewardship activities are communicated. To manage active stewardship, SRIG works closely with all parts of the investment process.

The SRI team are responsible for the day-to-day management of responsible investment and for maintenance of our internal responsible investment hub. They provide advice and assistance to investment managers as the first point of contact for responsible investment matters.

> "We use our influence as shareholders to improve investee companies' own ESG practices and performance."

## UN Principles for Responsible Investment (UN PRI), UK Stewardship Code 2020 and other memberships

*UN PRI*

Evelyn Partners is a signatory of the United Nations Principles for Responsible Investment (UN PRI).

*UK Stewardship Code 2020*

Evelyn Partners became a signatory of the UK Stewardship Code following the successful application as a merged business in October 2022. We remain committed to the principles of the Code and are in the process of preparing our annual Stewardship Code Report for submission in 2024.

These obligations frame the Group's investment process, policies, and procedures to help manage conflicts of interest.

*Other industry groups*

The Group participates in industry working groups for stewardship initiatives and is a member of the following bodies:

- The Investment Association
- Personal Investment Management and Financial Advice Association (PIMFA)
- The Investing and Saving Alliance (TISA).

*CDP*

We are CDP supporters and complete the climate questionnaire annually, see page 15.

## Stewardship and engagement

The UK Stewardship Code defines stewardship as the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society. It is closely linked with the practice of engagement or active ownership.

We practice stewardship and active ownership through regular engagement with companies.

The Group is a member of collaborative engagement platforms, amplifying the impact it can make by working with other investors and industry peers to influence and address various ESG topics, and wider themes.

We are members of:

- **The Investor Forum:** a community interest company set up by institutional investors in UK equities. The forum helps investors work collectively to escalate material issues with the Boards of UK-listed companies
- **Climate Action 100+:** an investor-led initiative to ensure the world's largest corporate Greenhouse Gas (GHG) emitters take necessary action on climate change. We are part of a working group engaging with one of the world's 100 largest GHG emitters
- **Nature Action 100:** a global investor engagement initiative focused on driving greater corporate ambition and action to reverse nature and biodiversity loss
- **Find it, Fix it, Prevent it:** an investor led, multi-stakeholder project aiming to increase the effectiveness of corporate actions against modern slavery
- **CCLA Corporate Mental Health Benchmark:** an investor-led, multi-stakeholder project, working towards protecting and promoting good workplace mental health. We are a founding member
- **Farm Animal Investment Risk & return initiative (FAIRR):** During the year, we joined FAIRR and have been accepted onto three engagements with four companies on topics including; animal pharmaceuticals, antibiotics used in fast food restaurants, and farm working conditions

Our approach to voting is based on the expertise and experience of sector specialists and investment managers, which allows more nuanced judgements than the rules-based approach provided by proxy voting advisers. We also use proxy voting advisers.

During the year, we voted at 830 meetings (2022: 787) and sent 177 engagement letters (2022: 149).
Our voting activity is published on our website.

## Investment processes

The Group considers that the growth of ESG investing is a long-term theme that will have capital allocation impacts across different sectors and industries. This affects the guidance provided to investment managers and our views of securities and funds.

Sector specialists, a cohort of approximately 140 in-house research analysts covering multiple sectors, conduct research into UK and overseas equities and collective funds. Sector specialists identify the most important ESG factors (typically the 3 to 5 most significant) for the sector in which the company operates, and evaluate the short, medium, and long-term impact of ESG factors on performance.

We use third-party research tools and databases to provide our investment managers with core ESG data to assist in measuring ESG factors, sustainability risks, and EU Sustainable Finance Disclosure Regulation (SFDR) Principle Adverse Impacts. These metrics are for advisory purposes only, as the Group does not set limits or targets for client portfolios. We plan to introduce forward-looking climate metrics during 2024.

In 2023, the Group invested in:

- A TCFD Enhanced Climate Metrics product
- Our managed reporting service

In 2023, we commenced disseminating historic GHG emissions in our portfolios to investment managers via the responsible investment dashboard which is available to investment managers. The dashboard makes available a range of metrics: including absolute GHG and Weighted Average Carbon Intensity (WACI).

Please see the Climate-related Financial Disclosures (CFD) pages 49 to 50 for further details on our investment processes.

## Our sustainable investment products and services

Please see the CFD pages 46 for further details on our sustainable products and services.

## Financed emissions

Our Scope 3 category 15 'financed emissions' and details of other metrics may also be found in the CFD on pages 52 to 53.

## Training and education

Learning and development around ESG continues to be a key priority for the Group. We encourage our colleagues to take internal and external training related to sustainability and responsible investment, including the CFA's, 'Certificate in ESG Investing' and the 'Certificate in Climate & Investing', endorsed by the UN PRI.

## Policies

We maintain a series of policies which support responsible investment and stewardship activities. These are disclosed on the responsible investment section of our website and include:

- Responsible investment Policy
- Voting Policy
- SRD II Engagement Policy
- Conflicts of Interest Policy
- Sustainability disclosure statement

# Looking forward

We plan to refine our products and services in 2024 to meet the needs of clients including:

- Further integrating Climate Scenario Analysis (CSA) in our investment process during 2024
- Developing our managed reporting service, which will enable us to provide our TCFD product and on demand reports from 1 July 2024 for managed funds, institutional clients and Managed Portfolio Services (MPS).

# People

**Our people and culture are central to our successful and unique client proposition. It is the quality of our people, their skills and expertise, and the trusted long-term relationships they establish with their clients, which underpin and sustain our success.**

Our purpose and values support an inclusive culture: our ability to attract, develop and retain a diverse pool of talent is a core strategy. Colleague wellbeing is important. We provide development opportunities and structured career paths, alongside a competitive reward model, for all our talented and highly valued colleagues.

Maintaining the appropriate knowledge and expertise to support excellent client outcomes and meeting clients' expectations is of paramount importance to Evelyn Partners.

## Governance

The people pillar is headed by Bennedetta Peto, our Group Chief People Officer and member of the GEC. She is responsible for implementing the people strategy which includes culture, communication, inclusion and diversity, wellbeing, talent management, people development, and remuneration.

The people strategy focuses on four broad themes:

- Culture
- Inclusivity and Diversity (I&D)
- Wellbeing
- Talent development.

In 2023, Bennedetta reported to the Board ESG Committee and the GEC quarterly on progress against the people strategy.

## Culture

Our values of personal, partnership and performance reflect what is unique about our culture and our shared ways of working.

This year, the GEC introduced a scheme to recognise notable colleagues championing our company purpose and values. Nominee success stories of how our purpose and values were demonstrated by colleagues were shared in firm-wide communications from our Group CEO.

We continue to measure performance against our values and undertake two colleague Pulse Surveys per year.

The surveys cover colleague engagement, client focus, communication, leadership, management, enablement, development, purpose and value, wellbeing, corporate responsibility, and brand. The average completion rate for the two surveys was 80% with most questions either trending up or flat against the previous year. The anonymised analysis of the total and team scores, for teams with more than five colleagues, were shared by management with each team.

We have set the following targets and are pleased to report the following achievements of culture measures:

| Colleague Pulse survey questions | 2023 achievement | Target |
|---|---|---|
| Colleagues who would recommend Evelyn Partners as a great place to work | > 65% | > 70% |
| Colleagues who understood and believed in our Purpose and Values | > 70% | > 70% Archieved |
| Colleagues who valued our communications | > 70% | > 70% Archieved |
| Colleagues who believed the company is genuinely committed to its environmental, community and charitable responsibilities | > 60% | > 70% |

The insight provided by the survey continues to directly inform the people strategy. For instance, following the feedback from our recent Pulse surveys, we are currently creating a new management development programme to better equip colleagues in managing performance within their teams. We are adapting our wellness strategy using the feedback from comments. We are delighted with the progress being made.

> "Colleagues of all backgrounds, life experiences, preferences and beliefs are respected and valued as individuals."

## Inclusion and diversity (I&D)

Our inclusive culture aims to ensure that colleagues of all backgrounds, life experiences, preferences and beliefs are respected and valued as individuals, are treated equitably and respectfully, have a sense of belonging and security, and are free to speak up. We want colleagues to feel empowered to have an equal opportunity to contribute to business success and to be their authentic selves.

Our I&D strategy is supported by the I&D Committee and the I&D networks which are:

PROUD at Evelyn Partners

Proud – promotes LGBTQ+

RaRE at Evelyn Partners

Race, Religion and Ethnicity (RaRE) network – discusses and celebrates diverse backgrounds, cultures and religions

Able at Evelyn Partners

Able – a network for colleagues with disabilities and for carers

Social Mobility at Evelyn Partners

Social Mobility – aims to create a fairer, more equitable society for everyone

GEN at Evelyn Partners

Gender Equality Network – supports colleagues and the equal representation of all genders

10 REDUCED INEQUALITIES

In 2023, twenty-four volunteers were appointed as I&D champions to promote I&D within the different offices and teams across Evelyn Partners.

There were regular I&D events throughout the year, championed by our networks. Some of the highlights were:

- A session by John Amaechi on Intersectionality which almost 400 colleagues attended
- International Women's Day , when we were joined by Joy Burnford for a keynote speech on the Importance of Allyship
- A neurodiversity webinar with a presentation by neurodiversity expert, Rachel Trimmer
- An 'Ageism in the Workplace' webinar with an inspirational guest speaker, Ashton Applewhite
- A series of webinars for National Inclusion Week, which were available through Inclusive Employers
- International Men's Day, when GEN hosted a breakfast with Andy's Man Club, a charity focused on male suicide prevention
- A panel event held to mark World Menopause Day in November 2023 with a female and male panel.

We are encouraged by the following measures in the Pulse survey:

| Colleague Pulse survey questions | 2023 achievement | Target |
|---|---|---|
| I am treated fairly and with respect | > 80% | > 70% Achieved |
| I can be my true self at work | > 75% | > 70% Archieved |
| People from all backgrounds have equal opportunities to succeed at Evelyn Partners | > 70% | > 70% Archieved |

***Inclusive Employer's Standard (IES)***

The Inclusive Employer's Standard (IES) is an evidence-based workplace accreditation tool for inclusion and diversity. It provides a pan-industry externally recognised benchmark for inclusion.

Evelyn Partners are proud to announce that we received the **Silver Award in 2023**, progress against the Bronze Award received in 2022.

***Business Disability Forum***

We are members of the Business Disability Forum, a leading membership organisation for disability inclusion. It works in partnership with business, government, and disabled people to remove barriers to inclusion. We are working towards becoming a Disability Smart Employer.

***Women in Finance Charter***

As supporters of the Women in Finance Charter pledge for gender balance in financial services, we seek to improve gender diversity in both Financial Services and Professional Services.

We are committed to working towards greater female representation (particularly at a senior level) within our industry. Our statement can be found on our website at evelyn.com within the Corporate Responsibility section.

### *Gender diversity*

We are making progress on improving gender diversity of the Board and senior management team and are committed to improving this within all levels of the organisation.

The following table shows the gender mix of the Group:

| Organisational level 31/12/23 | Female | | Male | | Total number |
|---|---|---|---|---|---|
| | Number | % | Number | % | |
| Board of Directors | 3 | 27% | 8 | 73% | 11 |
| Group Executive Committee | 4 | 33% | 8 | 67% | 12 |
| Senior management | 30 | 25% | 92 | 75% | 122 |
| All colleagues | 1,845 | 46% | 2,201 | 54% | 4,046 |

| Organisational level 31/12/22 | Female | | Male | | Total number |
|---|---|---|---|---|---|
| | Number | % | Number | % | |
| Board of Directors | 3 | 27% | 8 | 73% | 11 |
| Group Executive Committee | 3 | 27% | 8 | 73% | 11 |
| Senior management | 33 | 24% | 107 | 76% | 140 |
| All colleagues | 1,620 | 45% | 1,980 | 55% | 3,600 |

The 'all colleagues' number in the table above includes the GEC and senior management.

Our Gender Pay Gap Report 2023 was issued in March 2024 and is available on our website at evelyn.com, within Corporate Responsibility. We have highly talented women in leadership positions and are encouraged to see our mean and median pay and bonus gaps reducing and more women in the upper pay quartile. As an employer, we are committed to reducing our gender pay gap and continue to focus on ways to encourage and support the progression of women into senior roles through recruitment, promotions, and mentoring.

Our first 'Women in Leadership Series' roundtable events with guest speakers covered a range of leadership skills. The aim of the series is to bring together senior female leaders from across the business to network, discuss common issues and enhance their leadership skills with the tools and confidence to meet their ambitions. Following the success of the programme, a second group was invited to participate in the 2023-24 series.

## Wellbeing

Our employees are our most valuable resource, and we wish to support and improve their wellbeing and positively impact organisational resilience. Our vision is to create an environment where our colleagues' wellbeing allows them to achieve their full potential for the benefit of themselves and for the business.

We aim to empower our colleagues to actively take responsibility for their wellbeing and provide the tools to support them, to help build resilience for them to thrive.

Our wellbeing strategy has been expanded to the four pillars of:

- Physical wellbeing
- Emotional wellbeing
- Financial wellbeing
- Social wellbeing

### *Physical wellbeing*

Physical wellbeing covers a wide range of areas including exercise, diet, weight, dental health and sleep.

We continue to make available resources and information to support colleagues. We offer an employee assistance programme and family friendly policies and offer a range of benefits including private medical and critical health cover.

In 2023, we invited back the British Heart Foundation to facilitate on-site health checks across the offices and over 1,000 colleagues benefited from the health checks.

We supported World Menopause Day with a panel discussion about midlife hormonal changes in both women and men.

### *Emotional wellbeing*

Emotional wellbeing (also often referred to as mental health) is influenced by our ability to cope with life events, manage emotions and foster positive relationships.

The most common mental health conditions are stress, anxiety, and depression. Encouraging conversations and reducing the stigma of mental health issues is a key theme of our emotional wellbeing strategy.

Our people have access to Peptalk: a regular programme of talks relating to physical and mental wellbeing hosted by experts in each field. Recent topics have included 'Whole body mental health', 'Money Clinic', 'Nutritional Clinic', plus many others.

During 2023, we highlighted emotional wellbeing as part of Mental Health Awareness week. We facilitated in-person and dial-in seminars focussed on anxiety. We supported nutrition education with a guest expert speaker highlighting the link between physical and mental health.

We commenced pilot training to educate and support managers with managing mental health.

### *Financial wellbeing*

Financial wellbeing is about feeling secure in your financial present and future. People who experience positive financial wellbeing are generally less stressed. This has a favourable effect on mental and physical health.

Our approach to remuneration (outlined in our Remuneration Committee Report on page 96 of the Evelyn Partners Group Limited Annual Report for the year ended 31 December 2023) considers financial wellbeing.

At Evelyn Partners we are committed to being a 'Living Wage' employer and to valuing and rewarding our colleagues fairly and equitably for their contribution. The Living Wage is an hourly minimum rate to cover the 'real' cost of living.

During the year, we had well-attended webinars discussing a range of financial wellbeing topics including the importance of pensions in saving for the future.

We are developing a financial education and wellbeing programme to be launched to all colleagues in early 2024.

### *Social wellbeing*

Social wellbeing is building and maintaining healthy relationships and having meaningful interactions with those around you. Within the workplace, we wish to encourage a sense of social inclusion and social stability.

Our charities and communities strategy supports the social wellbeing strategy.

4 QUALITY EDUCATION

## Talent management and people development

Our clients rely on the expertise and judgement of our people. As such, the maintenance and development of expert level skills is an important aspect of our business.

We are committed to the education, recruitment and retention of a diverse workforce that reflects wider society, our client base and our inclusivity and diversity aims.

We invest in our people and value professional skills and achievement of qualifications. We participate in apprentice schemes and professional training schemes and support employee development by providing study leave, financial support for the achievement of technical examinations, and professional body membership. We offer professional training in several disciplines including accountancy, taxation, investment management and financial planning. Once qualified, our colleagues have access to regular external and internal professional development courses and technical updates for their areas of specialism.

Recruiting the best talent from a diverse pool of candidates is of paramount importance. Once recruited, all new colleagues experience a consistent core induction as we welcome new joiners and communicate our purpose and values. Face-to-face inductions for all early career programmes encourage a sense of 'partnership'.

All colleagues are offered career and personal development opportunities and have access to several development and leadership programmes such as:

- Develop – an online learning platform with over 5,000 materials related to personal and professional development topics including management, leadership, wellbeing, inclusion and diversity. Colleagues can tailor this learning to their personal objectives
- Life Leader Programme – the programme is delivered by expert coaches over an 8-week period and includes virtual live workshops and structured embedding and engagement exercises
- Inspire – an online leadership development pathway with The Institute of Leadership & Management (ILM), with 200 managers invited to participate annually, leading to an accreditation as a professional member of ILM
- Executive Leadership – an online community to engage and continue the 'leadership conversation' and to learn from each other via our new 'Let's Talk Leadership' Viva Engage page on our intranet.

### *Remuneration*

Our Remuneration Policy considers market best practice and aims to align the interests of colleagues with those of our clients, customers and investors, whilst remaining compliant with relevant regulation.

At Evelyn Partners, our competitive remuneration packages aim to attract and retain talented people. Behaviours which are consistent with our values and risk appetite (including ESG) are recognised and rewarded. GEC members have ESG measures included in their KPIs (as noted on page 96 of the Evelyn Partners Group Limited Annual Report for the year ended 31 December 2023).

Our remuneration is clear, fair, free from bias and based on objective criteria that avoids discrimination.

### Policies

We maintain a series of people policies including those which specifically support our corporate responsibility strategy as listed below:

- Equality, Diversity and Inclusion Policy
- Board Diversity Policy
- Health and Wellbeing Policy including managing stress and the menopause
- Dignity at Work Policy
- Living Wage Policy
- FlexibleWorking Policy
- Recruitment Policy
- Family Leave Policy

We review our policies annually.

In 2023, we updated the Family Leave Policy to enhance paternity leave. We also amended our Flexible Working Policy to clarify our approach to hybrid working known as 'Smart Working'.

## Looking forward

In the coming year we will:

- Continue to monitor colleague engagement, wellbeing, development and satisfaction by undertaking colleague pulse surveys bi-annually. The insight this provides will continue to inform the people strategy
- Remain committed to improving diversity within our organisation and industry, supported by our charities and communities agenda
- Remain committed to reducing our Gender Pay Gap and supporting the progression of women into senior roles
- Continue to develop a financial education and wellbeing programme to be launched to all colleagues in 2024
- Continue to develop training to educate and support managers with managing mental health issues within their teams
- Launch Pregnancy at Work online training modules for managers provided by Tommy's (Pregnancy charity)
- Continue our work to create a new Management Development Programme to better equip colleagues to manage performance within their teams.

# Charities and communities

**As a Group, we wish to support our local communities. We have a wealth of talent and experience within our business and are keen to share this and encourage our colleagues to get involved in community projects and activities.**

In line with our statement of purpose, *'to place the power of good advice into more hands'* our charity aims are to:

- Replicate values of personal, partnership and performance
- Partner with charities which have a similar geographical footprint (with UK reach)

## Governance

The charities and communities pillar is headed by Charley Davies, Group General Counsel, and member of the GEC. She is responsible for implementing the charities and communities strategy.

In 2023, Charley reported quarterly to the Board ESG Committee and the GEC on the progress of the charities and communities strategy.

As Chair of the Charities and Community Committee (CCC), Charley's role is to ensure that both the corporate and colleague charitable objectives are met, in line with the Group Corporate strategy, whilst ensuring that the Group's charitable policies are adhered to.

Our strategy for charities and communities continues to focus on four strands:

- Corporate charitable giving
- Colleague charitable giving
- Volunteering with our corporate partner, Impetus
- Volunteering with community charities.

The Group's corporate charitable objective is to improve on inclusivity and diversity in financial and professional services.

## Activities during the year

***Our corporate partner – Impetus***

We continued to support Impetus, in line with the three-year commitment made in 2021.

Impetus fund and support a portfolio of charities working hard to narrow the gaps in education or employment for young people from disadvantaged backgrounds. Our colleagues have the opportunity to get involved and make a difference to a local charity within Impetus's portfolio.

During the year, Evelyn Partner colleagues worked with Impetus charities through provision of pro-bono work and volunteer time, particularly in mentoring, supporting and encouraging disadvantaged young people to consider roles in both the financial services and the professional services sector.

The CCC also drove and coordinated volunteer activities with Evelyn Partners' offices across the UK and Ireland in support of local community needs during the year.

10 REDUCED INEQUALITIES

To give a flavour of the Impetus charities supported and activities in which our colleagues engaged, some examples are given below:

- **Into University –** Helps disadvantaged young people gain a place within a higher education establishment. They prepare events for secondary school students such as employability-focused business simulation events. We hosted events in London, Birmingham and Glasgow with Evelyn Partners volunteers acting either as mentors, advisers, or judges for the events. The events encouraged attendees to explore opportunities in financial services and professional services as potential future careers
- **Spear Bristol –** A Bristol-based charity which supports young people facing barriers to work and education. Several events were held at the Bristol office. Events included supplying 'Career Panels' and holding mock interviews
- **Resurgo –** A charity that uses their expertise in coaching and impact management to equip organisations to create ambitious social change. Mock interview events were held at our Bristol office
- **Football Beyond Borders (FBB) –** A charity that works with young people from areas of socio-economic disadvantage who are passionate about football but disengaged at school, to help them finish school with the skills and grades to make a successful transition into adulthood. Several events were held at the London office in support of FBB

- We donated £100,000 to **Impetus** as pledged
- Our volunteers participated at the annual triathlon at Dorney Lake, Berkshire and raised over £3,000 for Impetus charities.

### *Colleague charitable giving*

Our colleague charitable giving objective is to support our colleagues' charitable endeavours by offering generous donation matching and employee volunteering opportunities.

Colleague matched fundraising is funded by the Evelyn Partners Charitable Trust (EPCT), which was established in 1979 (formerly the Tilney Charitable Trust).

The Group donates £50,000 a year to the EPCT to supplement the annual spend of the Trust to support colleague charitable giving.

Colleague charitable support focuses on three key areas:

- **Employee Volunteering (EV) –** an organisation that helps organise team volunteering days. Local office Evelyn Partners charity coordinators help deliver team volunteering events and ensure that the nature of the activities align with our Corporate Responsibility ambitions. In 2023, Evelyn Partners volunteers participated at 30 EV events
- **Give-As-You-Earn (GAYE) –** colleagues may opt to donate monthly through the GAYE payroll giving scheme. We continue to match employee donations with up to £20 per colleague, per month
- **Matched fundraising –** we continue to match our employees' fundraising efforts. We contribute by matching individual fundraising contributions of up to £500 each and by matching each team fundraising event by up to £2,500.

In the run up to Christmas, we supported Family Action's annual Christmas Toy Appeal, which provides disadvantaged children with a Christmas gift. Many of our UK offices participated and donated gifts from a wish list or donated directly to the Family Action appeal.

Through our colleague charitable giving donations, Evelyn Partners colleagues contributed more than £106,000 via GAYE, with over £63,000 contribution from Evelyn Partners. Through our colleague fundraising efforts, £126,525 was raised and a further contribution of £66,767 was provided by matched funding during the year.

### *Volunteering communication*

We share information about volunteering opportunities on our dedicated Charity and Community intranet page, from both Impetus and EV, making available policies, guidelines and application forms, to simplify both volunteering and charitable giving.

There is regular internal communication, highlighting events throughout the year.

*Volunteering activities*

All colleagues may take two paid volunteering days per annum. During the year, 659 volunteering days were taken.

Volunteer representatives across all our offices support Evelyn Partners by identifying local charitable opportunities, coordinating team volunteering events and encouraging colleague participation.

The following are examples of local community events supported by our colleagues in 2023:

- The Bracknell office team worked with EV and Age Concern at Bracknell Forest, where colleagues helped to renovate the indoor and outdoor spaces, to enhance facilities for the residents
- Colleagues from Belfast spent a day with 'The Black Box', an outreach and engagement programme for people who are disabled and/or have additional support requirements. Colleagues repainted an entertainment space at the arts venue
- Colleagues in Glasgow regularly volunteered for Refuweegee, a charity which supports refugees arriving in Scotland. They sorted donations and helped with the running of their facilities
- Colleagues from Newcastle spent the day with Launchpad, a charity supporting veterans, and painted the summer house to create a gym space
- Bournemouth colleagues spent a day at High Mead Farm, a therapeutic farm, providing a supportive working environment for those with disabilities. They painted the animal homes, repaired fences and hedges and completed general maintenance
- Colleagues in London spent the day at Grove Adventure Playground. They refurbished playground structures and tidied the grounds ahead of the busy summer holiday period
- Colleagues in Jersey spent a day at Big-Y-Don House, part of The Bosdet Foundation, transforming the Garden House into an arts and crafts centre for children.

Evelyn Partners contributed a further £30,300 through volunteering and donations. In total, the Evelyn Partners Charitable Trust contributed over £160,691, with a further £100,000 contribution by Evelyn Partners to Impetus in the year.

*Participation in other support programmes*

As part of our inclusion and diversity strategy, our Financial Services and Professional Services teams also participate in several programmes which support under-represented and under-privileged groups in society. These include:

- **The 'Girls Network'**, where some of our colleagues mentor young women in pursuing a career in financial services
- **'We Can Be'** where we host workshops and events to help young women see the City as a viable career option
- Becoming sponsors of **GAIN (Girls Are Investors)**, a programme which helps young women get into the investment management industry through education and internships.

*Anti-corruption and Bribery Policy*

Evelyn Partners values its reputation and is committed to maintaining the highest level of ethical standards in the conduct of its business affairs. The actions and conduct of the Group's people, as well as others acting on the firm's behalf, are key to maintaining these standards. The Group does not tolerate bribery or corruption in any form.

The Group prohibits the offering, giving, solicitation, or the acceptance of any bribe or corrupt inducement, in any form:

- To or from any person or company wherever located, whether a public official or body, or a private person or company
- By any individual employee, director, agent, consultant, contractor or other person or body, acting on the Group's behalf
- To gain any commercial, contractual, or regulatory advantage for the Group in any way which is unethical, or to gain any personal advantage, pecuniary or otherwise, for the individual or anyone connected to the individual.

Our policies cover reporting requirements, restrictions on gifts, hospitality and facilitation payments, our approach to politically exposed persons, information security, our procurement approach, and charitable gifts and donations.

The Group investigates thoroughly any actual or suspected breach of our Anti-corruption and Bribery Policy.

*Modern slavery and human trafficking*

We are committed to ensuring our business and supply chain is free from any slavery or human trafficking. Due to the nature of our operations, the group has low risk exposure to these issues and our supply chain is predominately comprised of UK based entities and/or providers who may also be regulated. Our Procurement Policy has modern slavery assessments integrated into our procedures. In our tender process, we require confirmation from potential suppliers that they have complied with the Modern Slavery Act (2015) and evidential proof of their policy or statement. Our due diligence process requires verification that suppliers have policies in place dealing with modern slavery, fair treatment and pay, adequate whistleblowing procedures, and that those employed in the provision of services have the necessary documentation to legally work in the UK.

Annual due diligence takes place for our material outsourcing arrangements, and this requires confirmation that suppliers have taken steps to ensure that their supply chain is free from any modern slavery.

With regard to responsible investments, monitored stocks and third-party funds are assessed by their respective analysts to identify the material ESG impacts across industry sectors (positive and negative) where relevant, including modern slavery risks.

We are members of the collaborative engagement group Find It, Fix It, Prevent It, to increase the effectiveness of corporate efforts against modern slavery in UK companies and their supply chains. Further details can be found on page 20.

*Whistleblowing Policy*

The Whistleblowing Policy sets out how colleagues report any wrongdoings, malpractice, inappropriate behaviour or any concerns or situations they experience, about which they feel uncomfortable.

The policy provides that colleagues who act in good faith have a right not to be victimised, subjected to detriment, or dismissed for raising concerns. Concerns can be reported to line managers, or to the compliance team and may be anonymously raised verbally or in writing. In exceptional circumstances, the incident may be raised with the Group's Whistleblowing Champion, Carla Stent, an independent Non-Executive Board member, or with the Regulator directly. All concerns raised are fully investigated in line with the internal Whistleblowing Investigation Procedure.

The Group provides access to an independent Whistleblowing Advice Line, available to any colleague seeking independent and confidential advice at any stage of the process.

***Procurement Policy and Supplier Code of Conduct***

The Group's Procurement Policy contains the Supplier Code of Conduct. It is our aim that our suppliers incorporate ESG within their processes and policies, but we recognise that organisations, depending on their corporate structure, size, location, and industry sector, will be at various stages of transitioning ESG within their businesses. The Supplier Code of Conduct sets out the following:

- Our expectations for development of their ESG Strategy
- The requirement for compliance with the Modern Slavery Act (2015)
- Awareness of human rights issues
- Compliance with the Equality Act (2010)
- The elimination of all forms of discrimination
- Controls to protect against fraud and corruption
- The requirement to have a whistleblowing policy with a clear escalation process
- The requirement for safeguards, system security and data protection.

Compliance with our ESG requirements form part of our Standard Terms and Conditions. ESG is reviewed as part of the on-boarding process and periodically thereafter.

*Tax strategy*

The Group's Tax strategy has been made publicly available on our website at evelyn.com, in accordance with the Finance Act 2016. Both the Risk and Audit Committee and the Board have reviewed and approved the strategy. The strategy sets out the Group's governance in relation to tax compliance, tax risk management, our approach to arranging our tax affairs, and our relationship with the tax authorities. The Group's tax risk appetite is low.

## Looking forward

Activities planned for the coming year are as follows:

- Development of a Financial Education Programme whereby colleagues will attend local schools to educate young people between 15 and 18 in financial management. We will also use this opportunity to raise awareness of careers in financial services and professional services broadly, and at Evelyn Partners. This will be coordinated with activities across the UK and Ireland
- We will continue to support local and national charities both financially with contributions, and by participating in 'Employee Volunteering' events
- We will continue to provide matched donations to local charities of up to £500 per individual and up to £2,500 per team event
- We will continue to match donations through the payroll GAYE scheme of up to £20 per employee per month
- We will continue to support EPCT with an annual donation.

# Climate-related Financial Disclosures

**In accordance with the Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022, we present our Taskforce for Climate-related Financial Disclosures (TCFD) aligned climate disclosures for the year ended 31st December 2023..**

The Climate-related Financial Disclosures contained herein relate to the financial year ended 31 December 2023. An additional report in accordance with the FCA's ESG sourcebook for TCFD related reports will be published by 30 June 2024. This will include further analysis of climate-related risks and opportunities within our investment business.

In common with the rest of the industry, our understanding of climate data is still developing. Climate change is a systemic risk, posing considerable challenges in its magnitude and widespread nature of impacts. There are gaps in data coverage and the reliability of the available data may be questionable for the purposes of portfolio construction.

As a wealth manager, we do not seek to impose values or restrictions on our clients' portfolios unless we are specifically instructed to do so by clients, in accordance with their investment mandates. Instead, our assessment of material climate-related risks and opportunities within the investment process, alongside traditional financial appraisal techniques, improves our ability to identify high quality businesses, and strengthens the resilience of the portfolios we build for clients over the long-term.

We will continue to monitor climate change and the international, governmental and regulatory response. Our commitment is to achieve the best possible outcome for clients through our investment process.

# Governance

The Board recognises the importance of good corporate governance and works to ensure that the Group's governance arrangements are robust, adaptable and able to deliver a well-run business which has its clients at its heart, whilst meeting its responsibilities towards all stakeholders.

Risk management is central to a strong governance culture. At Evelyn Partners, this culture is built upon the Three Lines of Defence governance model under which primary responsibility for identifying and controlling risks rests with the Group's businesses (the first line of defence).

The Group has a Risk and Compliance function providing the second line of defence. The third line of defence consists of the internal audit function, which provides assurance to senior management that business processes and controls are operating effectively.

The Board is ultimately responsible for ensuring that adequate systems and controls are in place and that the Group operates in accordance with all relevant legal and regulatory requirements. The Group Boards have delegated risk management to the GEC with oversight by the Board's Risk and Audit Committee (RAC).

See pages 29 to 37 in the Evelyn Partners Group Limited Annual Report for the year ended 31 December 2023 for further details of our risk management processes.

## Board's oversight of climate-related risks and opportunities

The Board has overall responsibility for the business strategy, which includes establishing and achieving the corporate responsibility agenda including the environmental strategy and objectives.

Chris Grigg, as Chair of the Board ESG Committee, has responsibility for Board oversight of Corporate Social Responsibility and Paul Geddes, Group Chief Executive Officer, is the Executive with ultimate responsibility. Further details regarding the Board ESG Committee can be found on page 97 in the Evelyn Partners Group Limited Annual Report for the year ended 31 December 2023.

The Board ESG Committee and the GEC agree the environment strategy (including climate strategy) with Andrew Baddeley, the environment pillar lead, Group Chief Financial Officer, and Board member. Updates on progress on the environment strategy and environment risk indicators are discussed at the quarterly Board ESG Committee meetings and GEC ESG meetings. The environment strategy continues to evolve with input from the Board ESG Committee and GEC.

Both are informed by regulatory and non-regulatory updates. Further details can be found in the Board ESG Committee Report (page 97 of the Annual Report).

The Remuneration Committee considers ESG as part of the measures within the Annual Report of Evelyn Partners Group Limited for the year ended 31 December 2023 of performance in determining senior management's remuneration as further detailed on page 96 of the Annual Report.

## Management's role in assessing and managing climate-related risks and opportunities

In 2023, to support the environment pillar lead and the environment strategy, we launched an Environment Steering Committee (ESC) followed by an Environment Forum (EF). The role of both is to promote, champion, support and increase awareness of our environment strategy. Due to the broad reach of both by business area and office location, the ESC and the EF input to and act as a sounding board for ideas and initiatives, improving our approach in identifying and managing climate-related risks and opportunities. The ESC is headed by the environment pillar, who reports into the GEC and Board ESG Committee and presents progress against strategy. The risk management team assess and report on the risk indicators of each pillar, including the environment. Further details can be found on page 42 of the Annual Report of Evelyn Partners Group Limited for the year ended 31 December 2023..

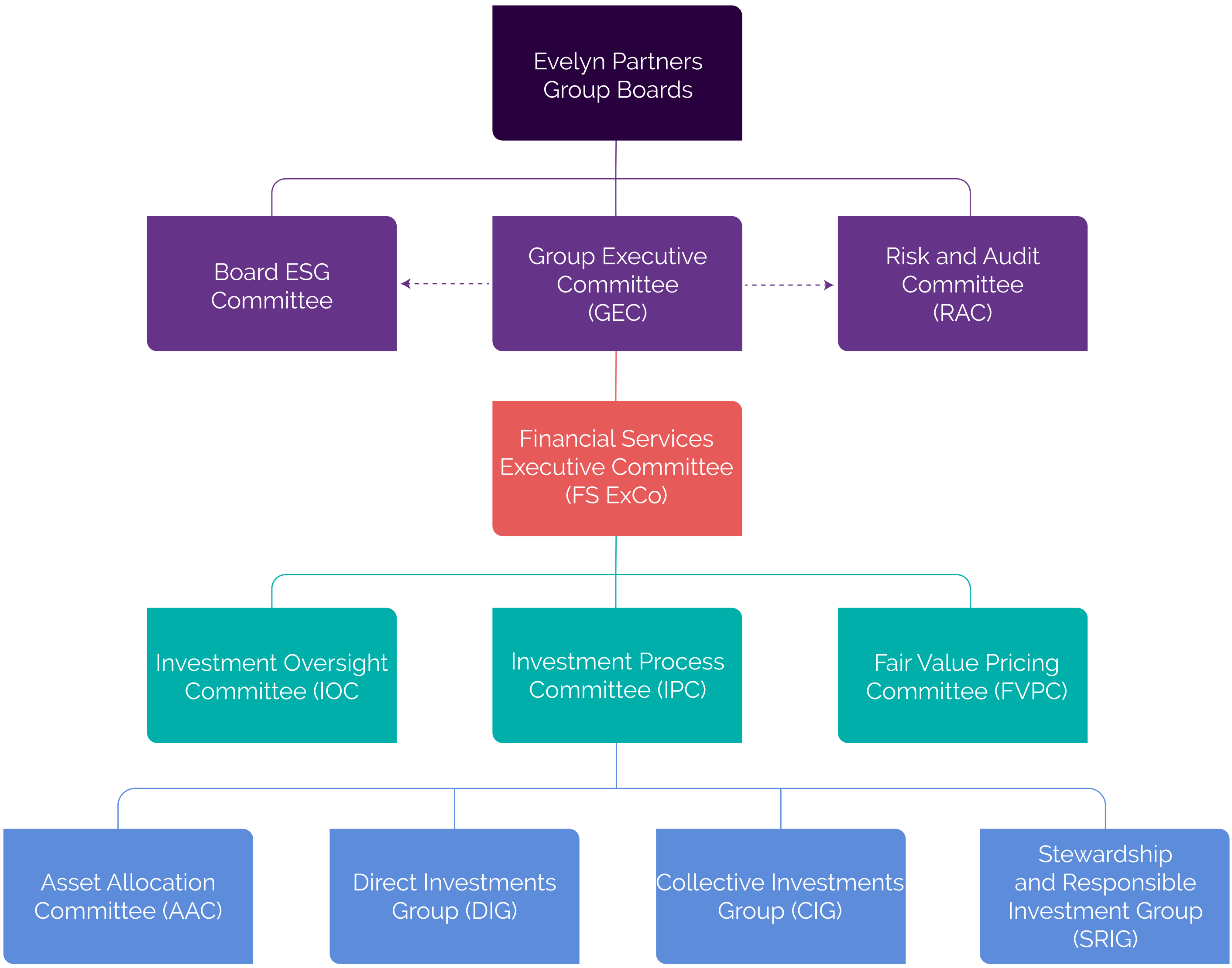
## Governance of responsible investment

During the year, John Erskine, the Chief Investment Management Director, led the responsible investment pillar and reported to the Board ESG Committee on progress against the responsible investment strategy quarterly. At the end of 2023, John stepped down as a GEC member and responsible investment pillar lead and was replaced by Chris Kenny, Chief Investment Management Director.

The Board has delegated authority to the Investment Process Committee (IPC) who have appointed the Stewardship and Responsible Investment Group (SRIG) to oversee the Group's approach to responsible investment. This includes the data, research and tools required to integrate climate change into our investment decisions. SRIG reports to the IPC monthly.

Responsible investment strategy progress is reported by the responsible investment pillar lead, at the GEC ESG meeting and to the Board ESG Committee. Progress is also reported to the ESC on a monthly basis.

## Responsible investment governance structure as at 31 December 2023



# Our strategy

Our strategy has been developed following identification of our climate-related risks and opportunities. Our assessment of the risks and opportunities included consideration of both the physical and transition risks associated with climate change. The main climate risks and opportunities are:

## Physical risk

| | |
|---|---|
| **Climate-related risk** | **Acute**<br>• Increased severity of extreme weather events<br>• Failure of national infrastructure (electricity, internet)<br><br>**Chronic**<br>• Extreme variability of weather patterns and reduced predictability of weather<br>• Rising mean temperatures and rising sea levels<br>• Energy and water security |
| **Potential and financial impact** | • Increased risks of failure of digital products and services leading to additional cost of investment in digital channels, platforms, and storage<br>• Risk that extreme weather will disrupt our colleagues' and our supply chain's ability to work leading to increased costs relating to contingency planning and additional cost of supplier sustainability risk assessments<br>• Potential for conflict affecting global markets and resources increasing costs, including fuel, energy and insurance costs and potentially reducing availability of insurance on assets in "high-risk" locations. This is a global geopolitical risk which will affect most companies and industries<br>• Chronic weather impacting our customers and their service requirements potentially leading to reduced revenues and higher costs of workforce<br>• Climate-related issues may impact investment values and investment outcomes |
| **Mitigating actions** | • Through scenario analysis, we assess our exposure to physical risks in our operations, considering the potential impact on buildings, data centres and colleagues.<br>• Our business continuity plans have been updated and we have invested in back-up plans, storage and enabled remote working<br>• We have invested in tools to provide data on the climate-risks of products and to inform our investment strategy in 2024 and beyond *(See page 21)*<br>• We have invested in tools to provide data on the climate-risks of suppliers to inform our supply-chain strategy in 2024 and beyond *(See page 15)* |

| | | | | | |
|---|---|---|---|---|---|
| **Timeframe*** | Medium-to-long-term | **Likelihood** | Likely | **Impact rating** | High |

** Timeframe – short term: 0 to 3 years, medium term: 3 to 10 years, long term: 10+ years*

## Transitional risk – technology

| | |
|---|---|
| **Climate-related risk** | • Costs of investing or adapting digital technology, particularly investment in the custody and investment systems to embed responsible investment into our investment processes<br>• Increased requirement to recycle outdated technology<br>• Risk of underestimating the costs and resources of the technology and its implementation |
| **Potential and financial impact** | • Potential resource and expertise constraints on new technology required<br>• Operational challenges during implementation of new technology<br>• Additional costs of technology, both capital and operational costs, including new technologies and recycling or repairing equipment<br>• Under (or over) estimation of costs that may not be adequately captured in financial planning |
| **Mitigating actions** | • Effective planning during implementation of new technologies and inclusion of projects in financial planning<br>• Continued investment in expertise of new technologies to adapt to increasing regulatory, client and market requirements<br>• Investment in digital technology to support hybrid working and new products and services |

| | | | | | |
|---|---|---|---|---|---|
| **Timeframe*** | Long-term | **Likelihood** | Likely | **Impact rating** | High |

## Transitional risk – market

| | |
|---|---|
| **Climate-related risk** | • Changing client awareness and behaviours<br>• More specific information demanded from clients, particularly for Financial Services clients |
| **Potential and financial impact** | • Failure to capture clients' expectations and choices leading to loss in revenues<br>• Failure to adapt the investment process to adequately reflect client ESG and climate requirements may lead to poorer client outcomes, which may lead to loss of market share if there is failure to adapt quickly enough to meet market expectations |
| **Mitigating actions** | • We offer clients the ability to diversify their investments over a wide range of sectors, asset classes and geographies and factor ESG and climate risk into our responsible investment approach<br>• We have enhanced the data available to aid assessment of risks and opportunities for clients |

| | | | | | |
|---|---|---|---|---|---|
| **Timeframe*** | Long-term | **Likelihood** | Likely | **Impact rating** | Medium |

** Timeframe – short term: 0 to 3 years, medium term: 3 to 10 years, long term: 10+ years*

## Transitional risk – reputation

| | | | | | | |
|---|---|---|---|---|---|---|
| **Climate-related risk** | • Changes in consumer preferences<br>• Increased stakeholder concern or negative stakeholder feedback | | | | | |
| **Potential and financial impact** | • Potential loss of new and existing clients if our ESG credentials impact the reputation of the Group leading to loss of revenue and/or margins<br>• Negative impacts on workforce management and planning, impacting employee attraction and retention and potentially increasing recruitment, training and employee costs | | | | | |
| **Mitigating actions** | • Ensure ability to efficiently and effectively measure clients' preferences<br>• We continue to strive towards obtaining specific ESG credentials, and are transparent in our reporting. Our strategic focus on deepening our relationship with clients and our ability to offer a tailored solution puts us in a strong position to meet client needs | | | | | |
| **Timeframe*** | Medium-to-long-term | **Likelihood** | Possible | **Impact rating** | Medium | |

## Resource efficiency

| | | | | | |
|---|---|---|---|---|---|
| **Opportunity – Resource efficiency** | • Reduced water usage and consumption<br>• Relocation to more efficient buildings<br>• Reduced paper and storage requirements | | | | |
| **Potential and financial impact** | • Benefits to workforce of working in more efficient buildings leading to reduced operating costs of facilities, reduced energy and water consumption<br>• Better workforce planning and greater employee satisfaction, leading to lower costs of attraction and retention of colleagues | | | | |
| **Mitigating actions** | • Development of Environmental Policy to include resource use, waste, food, water etc.<br>• Colleague climate engagement platform introduced to enhance colleague knowledge and engagement<br>• Introduced supplier ESG, including climate-related questionnaires to improve sustainability risk assessments | | | | |
| **Timeframe*** | Long-term | **Likelihood** | Possible | **Impact rating** | High |

** Timeframe – short term: 0 to 3 years, medium term: 3 to 10 years, long term: 10+ years*

| Energy source | | | | | | |
|---|---|---|---|---|---|---|
| **Opportunity – Energy sources** | • Use of lower emission and renewable sources of energy<br>• Use of newer digital technologies<br>• Use of more energy efficient offices | | | | | |
| **Potential and financial impact** | • Reputational benefits of being more environmentally friendly<br>• More efficient offices and environmentally friendly energy sources leading to lower costs in the long-term<br>• Opportunity to gain competitive advantage through investment in newer technologies<br>• Reduced exposure to future increase in costs of fossil-fuelled energy and potential carbon taxes | | | | | |
| **Management response/ actions** | • We are increasing the office space occupied by BREEAM-rated sustainable offices, where possible (*See page 14*)<br>• Increasing energy from renewable sources supported by Renewable Energy Guarantees of Origin (REGO) and reducing the risk of long-term supply risk | | | | | |
| **Timeframe*** | Long-term | **Likelihood** | Likely | **Impact rating** | High | |

| Products and services | | | | | | |
|---|---|---|---|---|---|---|
| **Opportunity – Products and services** | • Expansion of sustainable investment services and products<br>• Opportunity to offer new Professional Services to support clients through their journeys as they transition to Net Zero | | | | | |
| **Potential and financial impact** | • Increase in revenue through expansion of products and services and potential to increase market share and offer niche products and services<br>• Creation of new roles to service new products and services.<br>• Development and promotion opportunities for colleagues bolstering colleague retention | | | | | |
| **Management response/ actions** | • Offering of Sustainable Managed Portfolio Service (SMPS) and Evelyn Active Portfolios (EAP) Sustainable Portfolios<br>• Offering tailored solutions to meet client sustainability requirements<br>• Expansion of Professional Services solutions to support clients in their ESG journey | | | | | |
| **Timeframe*** | Medium-to-long-term | **Likelihood** | Likely | **Impact rating** | Medium | |

* *Timeframe – short term: 0 to 3 years, medium term: 3 to 10 years, long term: 10+ years*

| Markets | | | | | | |
|---|---|---|---|---|---|---|
| **Opportunity – Markets** | • More frequent engagements with our investment and financial planning clients as we assess their ESG preferences. This will further strengthen our client relationships<br>• The availability of further and new sustainable products and services across all our business sectors<br>• Opportunity to strengthen the Evelyn Partners brand across wider markets and ensure clients are aware of our broad range of products and services | | | | | |
| **Potential and financial impact** | • Increased ESG and climate-related metrics assessment within the investment processes<br>• Increased communication leading to greater awareness of our diverse range of products and services | | | | | |
| **Management response/ actions** | • Offering of Sustainable Managed Portfolio Service (SMPS) and Evelyn Sustainable Adventurous Portfolio<br>• Evelyn Partners awarded 'ESG Initiative of the Year' and 'International Discretionary Fund Manager of the Year' at the International Adviser Awards 2022<br>• New ESG and climate-related services available to our Professional Services clients | | | | | |
| **Timeframe*** | Medium-to-long-term | **Likelihood** | Likely | **Impact rating** | Medium | |

| Resilience | | | | | |
|---|---|---|---|---|---|
| **Opportunity – Resilience** | • Adoption of energy efficient measures<br>• Resource substitutes/diversification | | | | |
| **Potential and financial impact** | • Increased reliability of supply chain as we work with our supply chain to reduce their sustainability and climate risks, enhancing resilience<br>• Availability of sustainable products and services reducing reputational risk, protecting market share and positively influencing the attraction and retention of colleagues<br>• Increased revenue through new products and services related to ensuring resilience<br>• Increased market valuation through resilience planning (e.g. technology, land, buildings, financial planning) and increased availability of capital resources at a more competitive rate | | | | |
| **Management response/ actions** | • Increasing energy from renewable sources supported by Renewable Energy Guarantees of Origin (REGO)<br>• All management responses/actions covered within other risks and opportunity sections | | | | |
| **Timeframe*** | Medium-to-long-term | **Likelihood** | Likely | **Impact rating** | Medium |

** Timeframe – short term: 0 to 3 years, medium term: 3 to 10 years, long term: 10+ years*

## Physical risk

Our strategy in mitigating both acute and chronic physical risks is detailed below.

In selecting new offices, environmentally sustainable features are important considerations, and we are therefore choosing to occupy BREEAM-rated offices. As at 31 December 2023, we occupied 147,000 square metres in such buildings. This represents 41% of our total occupancy (see pages 12-13).

We continue to invest in digital technology and integrated platforms to support and enhance efficiencies of hybrid and homebased working. This further reduces risks of business disruption because of physical risks. The investment in digital products and services also ensures continuous client service.

To reduce the risk of long-term supply related to fossil fuels, we are increasing energy supplied from renewable sources (see pages 14 and 52).

## Transition risk

Our strategy in mitigating transition risks is detailed below:

***Policy and legal***

The Board ESG Committee and the GEC is supported by senior colleagues, the legal and the compliance teams, who keep abreast and provide updates of climate-related regulatory and compliance developments.

Our policies, including the ESG Policy, the Environmental Management Framework (EMF) and the Environment Policy, provide detailed guidance to the business on our approach to the environment both operationally and within the value chain. They are updated to reflect latest regulatory and compliance requirements regularly (see page 12).

***Technology***

To reduce the transitional technology risk, we continue to invest in the investment management, custody and settlement technology system and have developed the responsible investment dashboards.

We have also invested in third-party research tools and databases to provide our investment managers with core ESG data and tools to assist in measuring ESG factors and sustainability risks for the investments we manage for our clients. In 2023, we also invested in enhanced forward-looking climate risk metrics from MSCI. This will enable us to provide scenario analysis/ Climate Value at Risk (CVaR) metrics for our TCFD reporting and consideration of material climate-related risks within our investment process.

***Market***

We offer clients a bespoke discretionary portfolio management service. Portfolios can be tailored according to individual client preferences, including screening ESG attributes. Upon request, we are also able to provide clients with the carbon footprint of their portfolios.

***Reputation***

As signatories to the UN PRI and applicants to the UK Stewardship Code 2020, we provide regular and transparent reporting. We also respond to the CDP climate questionnaire on our progress.

## How climate-related risks and opportunities are factored into relevant products or investment strategies

*Discretionary and advisory services*

Our business is driven by the needs of our clients. Clients may ask us to factor specific climate-related preferences into their portfolios. For clients who do not specify a climate-related preference, our discretionary portfolio service applies a responsible investment approach to all portfolios, based on our standard investment strategy, which integrates the consideration of ESG factors into our investment decisions and stewardship actions. The investment strategy team uses top-down analysis to track the 'energy transition' to a low carbon economy as part of its mega trends review for insights into long-term asset allocation.

Investment managers have access to climate metrics such as GHG, WACI and carbon footprint. In addition, they use third-party research tools and databases for ESG data and climate-related risks and opportunities. These metrics are for advisory purposes only given that the Group does not set limits or targets for client portfolios.

These tools also allow portfolios to be tailored according to individual client preferences, including screening ESG attributes, restrictions, best-in-class investments for securities and investments with sustainable themes.

Our Irish subsidiary offers client portfolios which are screened for adherence to MSCI's interpretation of the definition of a sustainable investment under the Sustainable Finance Disclosure Regulation (SFDR). Climate is one aspect of a sustainable investment under EU regulation.

*Products*

The EAP Sustainable Portfolios and Sustainable Managed Portfolio Service (SMPS) use both positive and negative screening, with ethical and sustainable objectives as part of their core investment thesis and fund selection criteria. Their investment approach focuses on funds with sustainability themes which actively engage and invest in companies that operate in those areas. These portfolios also aim to avoid investing in companies with products or services that have a negative environmental or social impact.

The Sustainable EAP fund is classified as an Article 8 product under the SFDR, as the fund "promotes environmental and social characteristics", including climate-related factors.

The SMPS range provides financial advisers with access to a suite of sustainable discretionary investment management strategies, which include climate-related factors.

## How each investment strategy or product might be affected by the transition to a low-carbon economy

The extent to which our services and products will be affected by the transition to a low-carbon economy will depend on the speed and form taken by the transition. The component parts of any such transition include government policies imposing a carbon tax, stranded hydro-carbon related assets and physical risks, such as flooding together with upsides from new technologies. There will also be a trade-off for national states between acting to lower consumer energy-related costs and acting to increase national energy security. Our view is that modelling the impact of these factors on individual assets is extremely complex and too difficult to factor rigidly into portfolio construction.

The accuracy of historical GHG data has improved but is still unreliable and subject to revision. Furthermore, historic GHG data is not a guide to how companies will develop their business models in the light of climate change.

We expect the disclosure and quality of transition plans to increase in future as these become more widely adopted. The UK Transition Plan Taskforce's best practice Disclosure Framework and standards for building credible and robust climate transition plans are expected to become mandatory for UK listed companies. These standards should help improve consistency and help companies to better articulate the impact of climate change as well as the resilience of their business models and strategy in the transition to a low carbon economy. As the adoption of carbon targets increases through initiatives such as the Science Based Targets initiative (SBTi), GHG emissions will decrease although perhaps not sufficiently fast to offer an implied temperature rise acceptable to many climate commentators. We also believe that some hydro-carbon companies with high GHG emissions can also be the most realistic catalysts of change given their infrastructures and capital bases.

Forward-looking risk measurements such as Climate Value at Risk (CVaR) offer a method of assessing the impact of the transition on investments. CVaR, however, traces just one pathway through a given scenario to 2100. It is not a forecast across all scenarios. Notwithstanding this, it is a useful measure to identify resilience across climate scenarios and to compare investments within the same sector. As explained in the investment process on page 21, we identified carbon intensive sectors in 2023 based on WACI and will extend this to include CVaR in 2024. Companies are also evaluated by sector specialists to identify if high emitters can offer a positive role in the transition to a low-carbon economy. For example, those companies with a significant capital base combined with growing green revenues from investment in renewable energy and low carbon solutions.

***Scenario analysis***

It is important that we are aware of climate risks and opportunities, including GHG emissions and that they are embedded within our corporate operations and investment processes.

The risk from transition, which was explored in the ESG scenario analysis and refreshed in 2023, is considered valid and appropriate.

A scenario was considered based upon a significant change in climate (a 2-4% rise in temperature leading to a market drop of 40%); in line with the Bank of England Climate Biennial Exploratory Scenario (CBES) stress testing scenario.

This scenario considered the financial and non-financial impacts of climate events on the Evelyn Partners Group and its clients.

We plan to further enhance our climate scenario analysis to assess climate-related risks to the business over the coming years: It is an iterative process, and we will continue to develop our understanding and strategy

# Risk management framework

Our Risk Management Framework (RMF) sets the oversight regulation to assist the organisation in identifying and managing risk as well as building resilience.

At Evelyn Partners, this culture is built upon the Three Lines of Defence governance model.

Primary responsibility for identifying and controlling risks rests with the Group's businesses (the first line of defence). Ultimate responsibility for ensuring the adequacy and effectiveness of risk management rests with the Group's Board, with oversight provided by the Board's Risk and Audit Committee (RAC).

The Group has a Risk and Compliance function providing the second line of defence. It is led by the Group Chief Risk Officer who has an independent reporting line to the Chair of the Board Risk and Audit Committee and a right of access to the Chair of the Board. The Group Chief Risk Officer is a member of the GEC and attends the RAC meetings.

The third line of defence consists of the internal audit function, which provides assurance to senior management that business processes and controls are operating effectively. The internal audit function identifies any processes and control deficiencies and monitors remediation plans.

The risk management framework is underpinned by policies, procedures, and reporting. It includes components that:

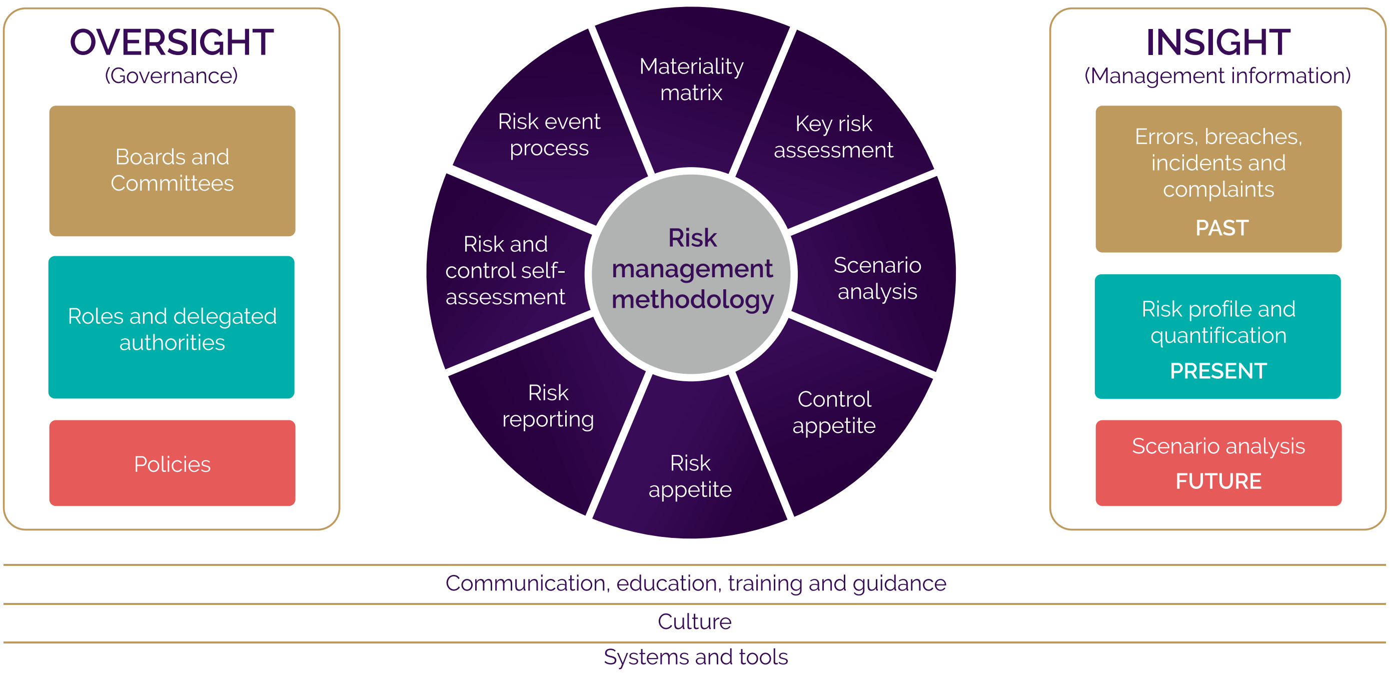
- establish methods for identifying and assessing risk
- provide an approach for the capture, reporting and monitoring of risk
- provide appropriate mechanisms for managing risk.

## How processes for identifying, assessing and managing climate-related risks are integrated into our overall risk management

ESG and climate risks are identified, processed, assessed and managed in the same way as all other Group risks and are integrated into the Groups' overall RMF. This consistent approach is a benefit of a mature RMF.

The GEC plays an important role in identifying and understanding ESG and climate risks and opportunities, and in formulating management actions to monitor and mitigate any identified risks. The GEC consider existing and emerging climate-related regulation as a part of this process.

During 2023, ESG was assessed as a 'top risk' and a key focus for the Board. Top risks are those deemed to be the most significant risks and are monitored and reviewed at Board level and executive level.



Key risk assessments consider ESG where appropriate, including the impact of ESG on the Group's business, directly and indirectly.

At senior management level, the Environment Steering Committee and Responsible Investment team are integral to supporting and progressing environment strategy and reporting on the progress throughout the year.

## Our processes for managing climate-related risks

The inaugural Group Board ESG Committee and GEC met in March 2023 and have continued to meet quarterly.

Environment and climate were discussed at each meeting and climate risk indicators were presented including quarterly emissions report for Scope 1, 2 and travel emissions. Climate intensity ratios and renewable energy as a percentage of total energy utilised were also reported.

There are several key workstreams relating to the understanding and implementation of regulations to deadlines, and design and development of systems and processes.

The Group continues to refine its approach to managing climate risk.

## Our engagement activities with investee companies to encourage better disclosure and practices related to climate-related risks in order to improve data availability and our ability to assess climate-related risks

As responsible investors, the Group practices stewardship and active ownership as discussed in the responsible investment section on page 20.

The Group is a member of collaborative engagement platforms to amplify the impact it can make by working with other investors and industry peers as detailed on page 20.

As members, we have participated in these climate-related discussions during the year:

| Company | 2023 achievement | Type | Target |
|---|---|---|---|
| Walmart | Climate Change | Collaborative with CA100 | Ongoing |
| HSBC | Energy Policy & Climate | Solo | Closed |
| Rio Tinto | Climate Change & Biodiversity | Solo | Closed |
| EasyJet | Climate plans & Net Zero | Solo | Closed |
| Shell | Remuneration & Energy Transition | Solo | Closed |

We have also written to 19 companies encouraging them to make disclosures under CDP or SBTi.

## How material climate-related risks are identified and assessed for each product or investment strategy

Material climate-related risks are identified as part of our investment process. This covers ESG risks, which includes climate-related risk. We also assess a wide range of sustainability impacts in the form of certain climate or nature-related Principal Adverse Impacts (PAIs).

Proprietary and third-party tools are available to sector leads, which provide data on a variety of climate risks as well as core TCFD historical metrics, including WACI. Further data such as CVaR will be made available in due course.

***Direct investments***

All direct equities considered by our investment process have a rating which encapsulates MSCI's rules-based assessment of the key ESG risks and opportunities.

The individual ratings are aggregated to establish the top five material risks for each sector. This information is presented to the sector leads at dedicated annual meetings along with the main sector risks as identified by the Sustainability Accounting Standards Board (SASB). The sector leads make a final qualitative decision on the top five material risks per sector for the purposes of our investment process.

We consider climate and nature related risks as part of our sector analysis including, but not limited to, climate change vulnerability, carbon emissions, product carbon footprint, opportunities in clean technology and opportunities in renewable energy.

***Collective Investment Schemes (CIS or collectives)***

Evelyn Partners monitors a selection of funds which can be used to construct and maintain suitable portfolios.

As part of the due diligence process, sector specialists consider each fund's approach to sustainability risks and factors, as well as their impact through PAI indicators. During 2023, for each fund in our monitored universe, climate-related metrics, such as WACI, have also started to be presented annually to the Collectives Investment Group and the weekly investment meeting. As noted above, we have also invested in enhanced forward-looking climate risk tools. This will enable us to improve our understanding of climate-related risks in our collective investment scheme holdings.

All collectives are subject to ESG-related due diligence and those with specific ESG qualities are identified.

***Other asset classe***s

Evelyn Partners does monitor, but does not currently consider, the climate-related risks or PAIs of government debt, real estate, corporate debt, derivatives, structured products, private investments, and most alternatives. These other asset classes are less material in value than equities and collectives.

## Our management of material climate-related risks for each product or investment strategy

The overall approach to managing climate-related risk is qualitative and predominantly at the issuer level. Carbon intensity data is captured and analysed alongside traditional financial measures and management strategy, including climate strategy. These considerations are then integrated holistically into an overall investment view on the issuer. Where expected returns do not compensate for the downside risk, and engagement with the issuer does not reassure, the issuer may be downgraded or removed from coverage.

In 2023, we focused on gathering historic data on our financed emissions. We provided investment managers with the ability to view the effect on the portfolios they managed together with a series of training sessions.

Our confidence in this data is currently insufficient to be solidified into hard rules for the purposes of portfolio construction and management. However, historic climate data is considered by our sector specialists as part of their assessment of investments suitable for our monitored universe. Where they consider that management's response to climate change is not convincing, the investments could be excluded from our monitored universe.

Individual investment managers operating within our portfolio construction rules may exclude investments based on client climate-related preferences.

# Metrics and targets

As a UK incorporated, large organisation, Evelyn Partners is required to report its UK energy and GHG emissions information. We have used the main requirements of the Greenhouse Gas Protocol to calculate our emissions. We have reported on all the emission sources required under the regulations.

## Scope 1, Scope 2 and Scope 3, excluding financed emissions

The table below summarises the energy consumption and global greenhouse gas (GHG) emissions for the Evelyn Partners Group for the year ended 31 December 2023, measured in metric tonnes of carbon dioxide equivalent (tCO2e), with comparatives for the prior year. The table excludes Scope 3 category 15 'financed emissions' which are disclosed separately on pages 52 to 53.

Definitions for Scope 1, Scope 2 and Scope 3 emissions can be found on page 14. Furthermore, the Streamlined Energy and Carbon Reporting (SECR) disclosures relating to the Group's energy consumption and GHG emissions within the UK can be found on pages 16 to 17.

The following disclosures relate to the Group's global GHG emissions of its operations and of its value chain. The SECR emissions are included within these emissions.

| Scope | Description | **Emissions tCO2e 2023** | Emissions tCO2e 2022 |
|---|---|---|---|
| Scope 1 | Direct emissions from the combustion of gas & fuel | **245.0** | 433.6 |
| Scope 2 | Indirect emissions from the purchase of gas & electricity (location based) | **779.9** | 1,026.2 |
| Scope 3 | Total Scope 3 emissions, excluding financed emissions | **27,577.0** | 43,036.7 |
| **Total emissions, excluding financed emissions** | | **28,601.9** | 44,496.5 |

Our Scope 3 emissions are further analysed as follows:

| Scope | Description | **Emissions tCO2e 2023** | Emissions tCO2e 2022 |
|---|---|---|---|
| 1 | Purchased goods and services | **21,470.0** | 35,464.4 |
| 2 | Capital goods | **971.0** | 2,690.2 |
| 3 | Fuel and energy related activities | **302.7** | 424.8 |
| 4 | Upstream transportation and distribution | **163.0** | 187.7 |
| 5 | Waste generation in operations | **56.0** | 62.1 |
| 6 | Business travel | **1,737.3** | 1,454.5 |
| 7 | Employee commuting (and homeworking) | **2,877.0** | 2,753.0 |
| **Total emissions, excluding financed emissions** | | **27,577.0** | 43,036.7 |

Scope 3 category 13 is captured within Scope 3 category 1-7 emissions. Scope 3 categories 8 to 14 are not applicable to our operations.

The table across shows that the majority of our emissions, excluding financed emissions, are generated from Scope 3. The largest proportion of Scope 3, excluding financed emissions, are generated from Category 1 – Purchased goods and services (77.9%). Therefore, understanding the ESG and climate risk of the supply chain is a priority. Category 1 emissions have dropped significantly in comparison to the 2022 figures due to a decrease in spend and updated CEDA emissions factors.

The total spend was 7% less in 2023, despite increasing volumes of trade. We are engaging with suppliers and developing our strategy. Category 2 – capital goods emissions were significantly reduced from 2,690.2 to 971.0 (2022: 8,155.0 to 2,690.2). The office fit-outs completed in 2023 were far smaller than the larger head office fit-out in 2022. Category 7 – Commuting and homeworking rose by 4.5% and Category 6 – Business travel increased by 19.4%. This compares with trading volume growth and an increase in the average number of colleagues of 9.3% and 12.3% respectively. We will focus on this and set targets to reduce this in the coming years.

| Scope | Description | Emissions tCO2e 2023 | Emissions tCO2e 2022 |
|---|---|---|---|
| Scope 2 | Emissions from purchased electricity (market-based) | **438.6** | 703.2 |
| Intensity ratio: tCO2e / FTE | | **0.37** | 0.50 |

Our Scope 2 market-based energy emissions, which more accurately reflect the choices we have made, are significantly down against the Scope 2 location-based emissions.

The intensity ratio is impacted by our sustainable office choices. This is further supported by the reduction in total energy requirements as shown below.

| Renewable energy backed by REGO certificates | 2023 | 2022 |
|---|---|---|
| Total kWh | **3,663,428** | 5,124,395 |
| of which renewable kWh | **2,460,747** | 3,107,863 |
| % of renewable | **67.2%** | 60.6% |

We are pleased to report that we continue to increase the proportion of energy provided by renewable sources.

## Verification of climate emissions

In 2023, a limited level of verification aligned with the ISO 14064-3: 2019 standard with specification and guidance for the verification and validation of greenhouse gas statements was conducted on the 2022 emissions. Small amendments to the carbon footprint calculation, to correct small data discrepancies, were made during the verification process and these have been reflected in the disclosures on page 51 and across. An independent verification of the 2023 emissions will also be sought in early 2024.

## Financed emissions of Assets Under Management (AUM)

The 'financed emissions' have been calculated using ESG data supplied by a third-party data vendor following the methodology as defined in the Greenhouse Gas Protocol.

As at 31 December 2023, AUM was represented as follows:

| AUM | 2023 | 2023 |
|---|---|---|
| As at 31 Dec 2023 | £'billion | Number of Portfolios |
| Discretionary AUM | **42.0** | 94,149 |
| Non-discretionary AUM | **17.1** | 123,540 |
| Total AUM | **59.1** | 217,689 |

We measured emissions arising from the substantial majority of our clients' discretionary portfolios. In line with the TCFD recommendations, we have provided measures relating to the 94,149 discretionary portfolios with AUM of £42.0 billion, which are within the scope of the TCFD.

As at 31 December 2022, AUM was represented as follows:

| AUM | 2022 | 2022 |
|---|---|---|
| As at 31 Dec 2022 | £'billion | Number of Portfolios |
| Discretionary AUM | **40.0** | 93,468 |
| Non-discretionary AUM | **13.0** | 113,605 |
| Total AUM | **53.0** | 207,073 |

We have provided measures relating to the 93,468 discretionary portfolios with AUM of £40.0 billion, which were within the scope of the TCFD.

The following tables show three key metrics related to those underlying assets as at 31 December 2023 and 31 December 2022, where data is available, combined with the percentage that this represents of the overall portfolios (coverage).

| Note | Headline metrics | Measurement unit | 31 December 2023 | Coverage |
|---|---|---|---|---|
| 1 | Scope 1 and 2 emissions | TCO2e | **1,368,868** | 62.24% |
| 2 | WACI | TCO2e/M USD Sales | **78.41** | 63.55% |
| 3 | Carbon footprint | TCO2e/M USD Invested | **25.54** | 62.24% |

| Note | Headline metrics | Measurement unit | 31 December 2022 | Coverage |
|---|---|---|---|---|
| 1 | Scope 1 and 2 emissions | TCO2e | 1,360,570 | 62.49% |
| 2 | WACI | TCO2e/M USD Sales | 93.14 | 63.76% |
| 3 | Carbon footprint | TCO2e/M USD Invested | 28.20 | 62.49% |

**Note 1:** Scope 1 and 2 emissions are computed by apportioning the total emissions of the direct securities and collective instruments in which we invest, based on the size of our holdings as a proportion of the most recently available Enterprise Value Including Cash (EVIC) as at 31 December.

**Note 2:** Weighted Average Carbon Intensity (WACI) is calculated by taking the Scope 1 and 2 emissions apportioned to our investment portfolio as explained in Note 1, expressed as a proportion of the sales revenue of the underlying investments (in USD millions). WACI gives the carbon intensity of businesses rather than their total carbon emissions, thereby enabling comparisons.

**Note 3:** Carbon footprint is calculated by taking the Scope 1 and 2 emissions apportioned to our investment portfolio as explained in Note 1, expressed as a proportion of the relevant enterprise value of each component of the portfolio. It measures the emissions generated for each one million dollars invested.

We have combined our holdings data with the data collected and calculated by our third-party independent provider to compute the metrics above in our proprietary tool.

## Metrics used in investment decisions and monitoring

The metrics which are made available to sector specialists and investment managers are GHG emissions, WACI and carbon footprint for collectives and direct investments, forming part of the monitored universe.

The three highest emitting sectors and the top five direct investments within them are also provided to the Board ESG Committee twice a year. This analysis helps us assess these companies' transition by monitoring the improvements in their WACI.

We also provide climate-related PAI for the Group's discretionary investments to our responsible investment governance structure.

## Alignment of AUM and products/services with a below 2 degrees Celsius scenario

We are developing techniques for forward-looking metrics such as CVaR and Implied Temperature Rise (ITR). The asset classes being covered are equities and collectives. An additional report in accordance with the FCA's ESG sourcebook for TCFD related reports will be published by 30 June 2024. This will include further analysis of climate-related risks and opportunities within our investment business.

### GHG emissions for AUM and WACI for each product or investment strategy

Further information on individual portfolios will be provided in our TCFD report due 30 June 2024.

### Targets used to manage climate-related risks and opportunities and performance against targets

During 2023, we continued to develop and monitor metrics relating to our corporate emissions (Scope 1, Scope 2 and Scope 3 category 1-7 disclosed) as we continued to work towards setting realistic and achievable targets.

## Looking forward

As we work towards further alignment with the requirements of the TCFD and improve our understanding of our environmental impact throughout the value chain and reduce our emissions, we will:

- Seek to identify all climate-related revenues, costs, assets and liabilities to fully embed climate within financial planning
- Establish further key risk indicators, thresholds and KPIs
- Continue to select sustainable offices and sustainable fit-out of offices
- Continue to monitor the environmental impact of each office to set carbon emission reduction targets
- Complete the Energy Savings Opportunity Scheme (ESOS) Assessment in 2024, plus submission of the energy reduction action plan, in compliance with revised regulatory requirements
- Increase our renewable energy percentage on an annual basis
- Monitor the climate-risk impact of the supply chain and further develop the supplier climate-related strategy
- Complete the CDP climate questionnaire and independently verify Scope 1, 2 and 3 emissions, excluding financed emissions
- Continue to invest in our responsible investment capabilities around tools, data quality and coverage, including internal systems, integrating MSCI CLE and managed reporting to inform our research process and product offering
- Expand our understanding and insight into use of CVaR/forward-looking metrics into our investment processes and investment strategies
- Continue to share ESG knowledge and host responsible investment events and professional services events

"During 2023, we continued to develop and monitor metrics relating to our corporate emissions as we continued to work towards setting realistic and achievable targets."

# Non-Financial and Sustainability Information Statement

The Group present a non-financial and sustainability information statement reflecting elements of the Non-Financial Reporting requirements contained in section 414CA and 414CB of the Companies Act 2006. The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 amended sections 414C, 414CA and 414CB of the Companies Act 2006 to place requirements on certain publicly quoted companies and large private companies to incorporate TCFD-aligned climate disclosures in their annual reports. The table below is intended to help stakeholders understand our position on non-financial matters.

| Reporting requirement | Some of our relevant policies | Additional information in this report |
|---|---|---|
| **Environment** | • Responsible Investment Policy[2]<br>• Voting Policy[2]<br>• SRD II engagement Policy[2]<br>• Sustainability Disclosures[2]<br>• ESG Policy[2]<br>• Environment management framework and Environment Policy[1] | • Climate-related Financial Disclosures consistent with the requirements of the TCFD *(See pages 36 to 55)*<br>• Corporate Responsibility Report (CRR) – Environment *(See pages 10 to 17)*<br>• CRR – Responsible Investment *(See pages 18 to 21)* |
| **Colleagues** | • Group compliance handbook[1]<br>• Health and Safety Policy[1]<br>• Equality, Diversion and Inclusion Policy[1]<br>• Health and Wellbeing Policy[1]<br>• Living Wage Policy[1] | • CRR – People *(See pages 22 to 29)*<br>• Gender mix tables *(See page 26)*<br>• Gender Pay Gap Report[2] |
| **Human rights** | • Data Protection Policy[1]<br>• Dignity at work Policy[1] | • Modern Slavery and Human Trafficking Statement[2] *(See page 34)* |
| **Social impact** | • Matched fundraising Policy[1]<br>• Give-as-you-earn Policy[1]<br>• Volunteering Policy[1] | • CRR – Charities and Communities *(See pages 30 to 35)* |
| **Anti-bribery and anti-corruption** | • Anti-corruption and bribery Policy[2]<br>• Gifts and entertainment Policy[1]<br>• Financial crime manual[1]<br>• Whistleblowing Policy[1] | • Anti-corruption and Bribery Policy[2] *(See page 34)* |
| **Business model** | • Conduct risk framework and Policy[1]<br>• Group risk management framework[1]<br>• Procurement policy, including Supplier Code of Conduct[1]<br>• Information security Policy[1] | • Further details relating to our Client Focused Business Model, our Core Servies and Markets can be found in the Evelyn Partners Group Limited Annual Report<br>• Group tax strategy[2] *(See page 35)* |
| **Non-financial KPIs** | | • Scope 1 – Scope 3 emissions including financed emissions *(See pages 51 to 53)* |

*1. Available to all employees through the Evelyn Partners intranet. Not published externally.*

*2. Available on our website at evelyn.com and available to employees through the Evelyn Partners intranet*

The Corporate Responsibility Report was approved by the Board and signed on its behalf by:

**Paul Geddes**
**Group Chief Executive Officer**
8 March 2024

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