

EVELYN PARTNERS GROUP LIMITED

SECTION 172 STATEMENT

for the year ended 31 December 2022

Section 172 Statement

Section 172 of the UK Companies Act 2006 requires our Directors to act in a way they consider, in good faith, would most likely promote the success of the Company for the benefit of our members as a whole. When making decisions, our Directors are required to have regard to the interests of our colleagues and other stakeholders, including the impact of our activities on the community, environment and the Company's reputation.

Set out below and elsewhere in this report are details on how our Board operates, the way our Directors reach decisions, including matters discussed during the year, key stakeholder considerations central to those discussions as well as the impact of the Company's operations on the community and environment.

Key decisions taken by the Board in 2022 include:

- approval of the 2023 budget
- approval of the Consumer Duty implementation plan
- approval of new premises for Glasgow and Belfast offices
- approval of the new pricing and proposition for Financial Services
- approving the rebrand to Evelyn Partners
- approval of the relaunch of Bestinvest
- approval of the Board diversity policy and the Board Director suitability, induction & training policy
- approval of the revised governance structure for oversight of environmental, social and governance (ESG)
- supporting Task Force on Climate-Related Financial Disclosures (TCFD)
- approval of the Internal Capital and Risk Assessment (ICARA)
- approving dividends from Evelyn Partners Group Limited
- approving the acquisition of Arena Wealth.

How the Company has engaged with Stakeholders throughout the year is outlined below:

| Stakeholders | How we engage | Outcomes | Further detail |
|---|---|--|---|
| <p>Clients</p> <p>Supporting our clients with the management of financial affairs is core to what we do.</p> | <p>Through a variety of channels including face to face meetings, seminars and webinars and digital portals.</p> <p>By seeking to build valued, long-term partnerships with financial advisers, accountants, lawyers and professional bodies to help achieve positive outcomes for clients.</p> <p>Responding to market trends and feedback from our clients.</p> | <p>We continue to expand our business development team to nurture our professional relationships and augment direct client contact with conferences, seminars and the provision of expert content.</p> <p>The relaunch of Bestinvest has introduced new features for existing clients to enhance their experience this includes developing the Bestinvest mobile app which also appeals to younger generations. It has also given Bestinvest clients access to life plans and coaches.</p> <p>The client money interest policy was reviewed and approved in response to rising interest rates.</p> <p>The approval of the new pricing and proposition for Financial Services has made our services and pricing structure easier for clients to understand while still meeting their needs.</p> | <p>Strategic Report – market trends.</p> <p>The Corporate Governance report contains further detail on client outcomes, see Board activities, available on our website</p> |
| <p>Colleagues</p> <p>The Board believes that our people and culture are central to the Company's unique client proposition and are our greatest asset. We aspire to be the</p> | <p>Investing in training and skills development and having an active colleague engagement and communication programme including Pulse surveys to assess engagement with colleagues.</p> | <p>Pulse surveys have continued to be run throughout the year. The results of the Pulse surveys are discussed with departmental heads on how to put the feedback into positive actions. They are also tracked against previous results. Following the most recent survey, there has been a focus on professional development.</p> | <p>Corporate Responsibility Report, People, available on our website</p> |

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| <p>employer of choice in our sector and are committed to developing a culture which is personal, where everyone is treated as an individual, and is both welcoming and inclusive.</p> | <p>Promoting remuneration policies to attract and retain high performing colleagues.</p> <p>Moving to new premises and providing high-quality working environments. Colleagues are actively engaged during the move process and feedback is regularly sought during the after the relocations.</p> <p>Regular communications from the Group Chief Executive Officer to keep colleagues informed.</p> | <p>By continuing to update our premises, Evelyn Partners is providing a better environment for colleagues to work in and assisting with new ways of working.</p> | |
| <p>Shareholders</p> <p>Whilst we are a private business, we have many current and former employees as beneficial shareholders.</p> | <p>Our largest institutional shareholders are represented on our Board.</p> <p>Individual beneficial shareholders are kept up-to-date with the progress of the business through written communications and briefing meetings from the leadership team.</p> | <p>The institutional shareholders are involved in key Board decisions, such as approving the 2023 budget.</p> <p>We currently hold an annual investor presentation where the senior leadership team provide a presentation on the results and are available to answer any questions from individual beneficial shareholders.</p> | <p>Corporate Governance report, Board activities, available on our website</p> |
| <p>Suppliers and counterparties</p> <p>Across our breadth of services and locations we work with multiple counterparties and suppliers, both large and small.</p> | <p>We recognise the importance of these relationships in delivering a high-quality service for our clients and colleagues and so regularly engage with our suppliers and counterparties, through a due diligence process, to build good relationships, address any challenges and mitigate potential risks. This is reflected through our purpose and supporting values, particularly Partnership.</p> <p>The Board oversees policies designed to reduce the risk of our business and supply chains being involved in slavery and human trafficking.</p> | <p>The modern slavery statement is reviewed and approved each year and due diligence is undertaken on suppliers. If any concerns are raised during the due diligence process, these are escalated to the relevant individuals and committees.</p> <p>Our Group procurement policy contains a Supplier Code of Conduct, which sets out our expectations of our suppliers.</p> | <p>Corporate Responsibility Report, available on our website</p> |
| <p>Society and community</p> <p>Our purpose is to 'place the power of good advice into more hands': we believe that society as a whole benefits, when more people are supported with making sound financial decisions.</p> | <p>As an investment manager, we recognise that our decisions can have a wider impact and therefore we seek to invest responsibly, taking into account environmental, social and governance factors when selecting funds and stocks. We are an active shareholder, committed to the good stewardship of our clients' wealth.</p> <p>With an extensive office network, we are part of the communities in which our colleagues work and live and contribute through community activities, volunteering and charity initiatives.</p> | <p>We committed to a three-year partnership with Impetus, an organisation that is transforming the lives of young people from disadvantaged backgrounds and have donated £100,000 per annum in 2021 and 2022. Colleagues also participated in various events, including a triathlon, in support of Impetus.</p> <p>For our colleague charitable giving, we focused on three key areas:</p> <ul style="list-style-type: none"> • Colleague volunteering • Give-as-you-earn • Matched fundraising. | <p>Corporate Responsibility Report, Charities and Communities, available on our website</p> |

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| | <p>The Group reviews its approach to responsible investing and through training and awareness initiatives ensures that our investment professionals and clients have a better understanding of ESG. As an active member of the Investor Forum and Climate Action 100+, we have been able to combine our active engagement voice with many other leading asset management groups to great effect.</p> <p>The Board and Committees receive reports on the Company's community investment programme.</p> <p>The Board ensures an effective governance structure to protect the Company's reputation, brand and relationship with regulators as well as partners.</p> <p>The Board and Committees receive ESG reports and there has been consistent emphasis on the required focus on this topic. During the year, it was agreed to disband the Corporate Responsibility Committee (CRC) with responsibility passing to the Group Executive Committee (GEC) and Board oversight by the Board ESG Committee.</p> <p>The GEC has a dedicated monthly meeting on ESG whereas the new Board ESG Committee meets on a quarterly basis.</p> | <p>During the year Evelyn Partners Charitable Trust matched over £64,000 in donations for charitable causes.</p> <p>Signatories to UN Principle of Responsible Investment.</p> <p>Supporters of TCFD.</p> <p>Commitment to Net Zero emissions on our corporate operations.</p> | |
| <p>Regulators</p> <p>We proactively engage with our regulators as we seek to foster a transparent and cooperative relationship and help them to understand our culture, business model and strategy.</p> | <p>The Board and the Risk and Audit Committee receive updates on the Company's engagement with its regulators alongside regular reports on compliance with regulatory requirements, consideration of forthcoming regulatory developments and the Company's participation in consultations.</p> <p>There was, and continues to be, a focus on Consumer Duty to ensure the regulatory requirements are met within the given timeline.</p> | <p>Submission of regulatory returns to the regulators including the ICARA, Tax strategy, CASS reports and periodic submissions of Group entity structure changes (close links reporting).</p> <p>Membership of industry bodies including the Personal Investment Management & Financial Advice Association (PIMFA).</p> <p>Periodic meetings between individuals, directors and the supervisory team from the FCA.</p> <p>Contributions to regulatory policy through public consultations, industry discussions and also bilaterally with regulators.</p> <p>The approval of the Consumer Duty implementation plan.</p> | <p>Corporate Governance report, Board activities, available on our website</p> |

This report should be read together with the relevant sections (as indicated above) which, together, form part of Annual Report and Financial Statements of the Company for the year ended 31 December 2022, a copy of which will be made available at Companies House in due course.