

## Introduction

This statement addresses requirements as set out in the Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (SFDR) specifically relating to the consideration of principal adverse impacts of investment decisions on sustainability factors. This statement describes and details how Evelyn Partners Investment Management (Europe) Limited (EPE) assess adverse impacts on sustainability factors as part of their investment processes and advisory services.

EPE's approach to sustainability risks and principal adverse impacts can be found under our [Sustainable Disclosures](#) on the Evelyn Partners group (the Group) website.

## Principal Adverse Sustainability Impacts Statement (PASi)

<b>Financial market participant:</b> Evelyn Partners Investment Management (Europe) Limited LEI: 213800NJ87B1XDBIUQ55							
<b>Summary</b>							
Evelyn Partners Investment Management (Europe) Limited LEI: 213800NJ87B1XDBIUQ55 considers the principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated principal adverse sustainability impacts statement of Evelyn Partners Investment Management (Europe) Limited. This principal adverse sustainability impacts statement covers the reference period from 1 January to 31 December 2022.							
<b>CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS</b>							
<b>Adverse Sustainability Indicator</b>	<b>Metric</b>	<b>Units</b>	<b>Impact 2022</b>	<b>Explanation</b>	<b>Actions taken, and actions planned, and targets set for the next reference period</b>	<b>Coverage</b>	
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	tCO2e	29,482.88	These measurements are absolute figures. For comparative purposes we consider the Carbon Footprint to give a more reflective assessment of our exposure on a comparative basis.	65.3%	
		Scope 2 GHG emissions	tCO2e	5,056.57		65.3%	
		Scope 3 GHG emissions	tCO2e	170,015.95		65.2%	
		Total GHG emissions	tCO2e	204,555.40			
	2. Carbon Footprint	Carbon Footprint	tCO2e/M EUR Invested	284.22	Our top holding in this sector is considered to be the market leader for change within their industrial sector. We regard our direct holdings in this area to be transition leaders, however they do have legacy businesses that contribute than a higher reading.	The companies that we invest are industry leaders and are looking to reduce their overall carbon footprint. We expect that as they engage in their transition plans, this impact would reduce over time. We will monitor this figure.	64.0%
	3. GHG intensity of investee companies	GHG intensity of investee companies	tCO2e/M EUR Sales	1,003	We are exposed to companies and industries which we expect to be at the forefront of industrial change and expect as coverage increases and the respective industries evolve that this figure will decrease over time.	We will continue to monitor our top contributors to this PAI and as the companies evolve over time we expect this figure to decrease over time	64.7%
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	%	6.31	We are exposed to companies and industries which we expect to be at the forefront of industrial change and expect as coverage increases and the respective industries evolve that this figure will decrease over time.	We will continue to monitor our top contributors to this PAI and as the companies evolve over time we expect this figure to decrease over time	66.0%	
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	%	69.91	We will need to wait for a broader coverage before we can make meaningful comment.	We will continue to monitor our top contributors to this PAI	56.7%	
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	GWh / M EUR Rev	N/A	This metric was not available in our 2022 report.	This metric will be available for 2023		
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	%	0.04	We are exposed to companies and industries which we expect to be at the forefront of industrial change and expect as coverage increases and the respective industries evolve that this figure will decrease over time.	We will continue to monitor our top contributors to this PAI.	66.0%
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	Metric Tons / M EUR Invested	168.63	We will need to wait for a broader coverage before we can make meaningful comment.	We consider water to be a important and finite resource and will continue to invest in industries which we believe will in enhance the quality and delivery of water.	8.7%
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	Metric Tons / M EUR Invested	107.90	We will need to wait for a broader coverage before we can make meaningful comment. Our exposure to this sector would only be through energy businesses which we believe will be at the forefront of the transition away from fossil reliant energy.	We will need to wait for a broader coverage before we can make meaningful comment. Our exposure to this sector would only be through energy businesses which we believe will be at the forefront of the transition away from fossil reliant energy.	24.1%

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
Adverse Sustainability Indicator		Metric	Units	Impact 2022	Explanation	Actions taken, and actions planned, and targets set for the next reference period	Coverage
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	%	0.88	Our overall exposure to companies that have been involved in violations of UNGC principles or OECD guidelines for Multinational Enterprises is below 1%.	We consider this indicator to be a material indicator when choosing companies to invest in and will continue to monitor this	66.0%
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	%	33.89	We are exposed to some companies that currently are not signatories to the UN Global Compact regime. As we move toward sustainable corporate frameworks we would expect this impact to reduce.	We will continue to monitor top contributors and will engage with companies for material holdings at Group level.	65.4%
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	%	12.91	We will need to wait for a broader coverage before we can make meaningful comment.	We consider this indicator to be important and once we have further data we will be able to comment	19.9%
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	%	57.75	Our current ratio indicates that women hold c. 36% of board positions in our investee companies. Most of this exposure comes from companies in the U.S.	We will continue to monitor top contributors and assess with our Group SRI team any appropriate engagement	65.9%
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	%	0.08	Although extremely low exposure to controversial weapons we are aware of the companies that have minimal exposure to this sector and will look to reduce this exposure over time.	We will continue to monitor top contributors and assess with our Group SRI team any appropriate engagement	66.0%
Indicators applicable to investments in sovereigns and supranationals							
Adverse Sustainability Indicator		Metric	Units	Impact 2022	Explanation	Actions taken, and actions planned, and targets set for the next reference period	Coverage
Environmental	15. GHG intensity	GHG intensity of investee countries	tCO2e/EUR Bil GDP	288.12	We are exposed to companies and industries which we expect to be at the forefront of industrial change and expect as coverage increases and the respective industries evolve that this figure will decrease over time.	We are looking into developing our internal data capabilities and include this metric in our 2023 PASI statement	36.5%
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	COUNT or %	N/A	We do not have data for this metric in 2022.	This metric will be available for 2023	0.0%
Indicators applicable to investments in real estate assets							
Adverse Sustainability Indicator		Metric	Units	Impact 2022	Explanation	Actions taken, and actions planned, and targets set for the next reference period	Coverage
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	%	N/A	We do not have data for this metric in 2022. Direct investment in Real Estate is not material for EPE.	We will assess materiality for our collectives and develop the PAIs accordingly to investigate further. We are working with our data provider to obtain this metric.	0.0%
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	%	N/A	We do not have data for this metric in 2022. Direct investment in Real Estate is not material for EPE.	We are working with our data provider to obtain this metric.	0.0%
Other indicators for principal adverse impacts on sustainability factors							
INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES							
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
Adverse Sustainability Indicator		Metric	Units	Impact 2022	Explanation	Actions taken, and actions planned, and targets set for the next reference period	Coverage
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	%	N/A	We do not have data for this metric in 2022.	This metric will be available for 2023	0.0%
Other indicators for principal adverse impacts on sustainability factors							
INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES							
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
Adverse Sustainability Indicator		Metric	Units	Impact 2022	Explanation	Actions taken, and actions planned, and targets set for the next reference period	Coverage
Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy	%	N/A	We do not have data for this metric in 2022.	This metric will be available for 2023	0.0%

#### Description of policies to identify and prioritise principal adverse sustainability impacts

The Board of Evelyn Partners Investment Management (Europe) Limited ("EPE") approved the sustainable disclosure policy statement on 22 February 2023. This statement describes the policies and processes by which EPE, as a component part of the Evelyn Partners group of companies, considers the principal adverse sustainability impacts in its investment processes.

The Board of EPE, assisted by the EPE Audit and Risk Oversight Committee ("AROC"), is responsible for ensuring the compliance of EPE with the regulation.

From the optional indicators, the firm initially selected the indicator "Investments in companies without carbon emission reduction initiatives" and the indicator "Lack of Human Rights Policy". Going forward, the firm intends to complete a materiality assessment of optional indicators, taking consideration of the available data when determining whether to add further optional indicators to this report.

We identify and assess the principal adverse indicators using the Group's proprietary tool, which incorporates and aggregates data on individual investments to generate a firm-level dashboard of all portfolios managed by the firm. The dashboard provides a drill-down capability to identify the individual investment holdings that contribute to the firm's aggregated position and provides individual investment managers with personalised reports on the PAI impacts of their investment decisions. We do not take account of the probability of occurrence or severity of the principal adverse impacts, as our PAI calculations are based on historical, published data.

We have not, as yet, sourced PAI data for all investments in our portfolios. In the table above, we have identified in the column "coverage", the extent of our investment portfolio to which the quoted indicator relates.

In relation to ETFs and other collective investment schemes ("funds"), our data supplier provides PAI indicators for each individual fund. These indicators represent the aggregate of the fund's investee companies. Where data is not available for all investments within a fund, our data supplier may extrapolate from available data to calculate PAI indicators for the fund as a whole.

Our primary source of environmental, social and governance (ESG) and PAI data is MSCI.

We have not derived or otherwise estimated indicators for the investments for which we have not sourced PAI data. Our focus, as this area develops, is to review data suppliers and other assessment tools to ensure we obtain increasingly comprehensive and accurate coverage of our investment portfolio.

#### Engagement policies

EPE follows the investment and engagement processes of the Evelyn Partners Group. As responsible investors, the Group practices stewardship and active ownership through regular engagement with companies. This takes the form of informal discussions, as well as more formal voting and collaborative engagement. Through this, the aim is to improve the environmental, social and governance performance of companies, along with other stakeholder interests.

Evelyn Partners' voting policy can be found in the Stewardship section of its external website. This is built from the firm's experience and engagement with companies, as well as the expertise of sector specialists and investment managers, which allow more nuanced judgements than the rules-based approach provided by proxy voting advisers.

The Group is a member of the following collaborative engagement platforms:

- The Investor Forum: is a community interest company set up by institutional investors in UK equities. The forum helps investors to work collectively to escalate material issues with the boards of UK-listed companies.
- Climate Action 100+: is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.
- Find it, fix it, prevent it: is an initiative started by CCLA Investment Management, which aims to bring the investment management industry together to push for meaningful, effective corporate action to end modern slavery.

Corporate Mental Health Benchmark: we are a founding member of the benchmark, which was launched in 2022 by CCLA, targeting FTSE 100 companies on how they manage employee mental health.

#### References to international standards

As a member of Evelyn Partners' Group, our investment process, policies, and procedures are framed by the Group's UN PRI and UK Stewardship Code 2020 obligations. Evelyn Partners has also committed to completing the Carbon Disclosure Project (CDP) disclosures each year from 2022.

EPE does not at present use PAIs to measure alignment with the Paris Agreement, nor do we forecast the PAIs of investee companies.

EPE has not adopted a forward-looking climate scenario. We note significant gaps in obtaining fully comprehensive data for our investee companies, and we believe adopting a forward-looking scenario based on insufficient data, creates a risk of sub-optimal investment decision-making.

Evelyn Partners is developing the Group's capabilities to address the UK FCA requirements for TCFD recommendations and disclosures applicable to asset managers from 1 January 2023. This includes forward-looking scenario analysis and metrics on the financed emissions of our client's investments, which will enable us to assess the degree of alignment with the objectives of the Paris Agreement.

For further information, please see the Group's website for our Corporate Responsibility Report and climate-related disclosures.

These disclosures will be updated in due course as we implement these requirements and any further sustainable disclosure requirements applicable to the Group.

Evelyn Partners Investment Management (Europe) Limited and other entities within the Evelyn Partners Group (collectively "Evelyn Partners") use a combination of internal research and analysis and third-party data sources when preparing ESG-related disclosures. Prior to using data sourced from a third-party provider, Evelyn Partners conducts appropriate due diligence on the third-party provider, including validation of their methodology and assessment of their coverage and then carries out spot checks of the data periodically, escalating issues to the third-party provider where necessary. However, Evelyn Partners cannot guarantee that such data is complete, up-to-date and/or accurate. Furthermore, information disclosed is based on data established at a specific time which may be liable to change. More generally, the coverage, standardisation, and comparability of ESG data continues to change and develop over time. This disclosure is not intended to be used for marketing purposes and nor does it constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. The figures in this report are aggregations and calculations which draw upon data from our external data providers, principally MSCI.

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