

## **PARTNERS CAPITAL INVESTMENT GROUP LIMITED: SECTION 172 STATEMENT**

This Statement focuses on how the Directors of the Company have had regard, during the year, to the matters set out in Section 172(1) (a) to (f) of the Companies Act 2006 (the “Act”) when performing their respective duties under Section 172 of the Act to promote the success of the Company.

During the financial year ending 31<sup>st</sup> December 2021 (the “Relevant Period”), the Directors have acted in the way that they considered, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In the performance of its duties, the Board has, amongst other matters, considered the long-term consequences of its decisions and engaged with, and listened to the views of, the Company’s key stakeholders so as to build trust, and with a view to ensuring that it fully understands the potential impacts of the decisions it makes. Prior to making key decisions, the Board identifies and considers competing stakeholder interests, priorities and views to ensure that such decisions are fair and balanced and consistent with the Board’s wider duty to promote the long-term success of the Company.

The Company forms part of a wider group, the parent of which, Partners Capital Investment Group, LLP (“PCIG”), is registered in, and subject to the laws of the State of Delaware in the United States. Consequently, the PCIG main Board and its various sub-committees have overarching decision making authority for the Partners Capital group as a whole (including the Company) where matters are of group wide significance. PCIG’s decision making framework seeks to take into consideration broader stakeholder issues, which ensures that stakeholder consideration with respect to decisions at the Company level flows naturally from the broader group’s governance framework.

As a firm, we are committed to maintaining high standards of business conduct and our culture encourages our people to act with integrity at all times. Our group wide policies and procedures, governance framework, code of ethics and ongoing staff training programme all support this.

### **Clients**

Our clients are key to ensuring the long-term success of the Company and, as a result, they will always be a key focus and priority for the Company. We are dedicated to serving our clients and to ensuring that we treat them fairly. We seek to provide quality investment advisory and discretionary management services to sophisticated clients so that they can achieve their long-term investment objectives. We strive to develop a deep relationship with each client so as to fully understand their objectives and we engage continuously to ensure that we are delivering on their expectations and adapting our advice as those objectives evolve.

The continued uncertainty arising from the global pandemic has prompted us to engage with our clients in new, digitally led ways, such as through the introduction of online webinar events, which we believe to have been well-received. We have also, during the Relevant Period, conceived of and/or launched a number of new investment pooled vehicles focussed on specific investment strategies that are of interest in view of the current investment climate, thereby broadening our clients’ ability to gain exposure to relevant markets and ensuring that our offering expands in line with the evolving investment landscape.

### **Employees**

Our people drive the success of our business and enable us to deliver for our clients and broader stakeholders. We have spent a significant amount of time over the relevant period in further formalising and professionalising our People Strategy and related policies to ensure that they are fit for our organisation and are aligned with best practice across the industry. We regularly engage with our employees so we can continue to attract, retain and develop diverse talented individuals who are aligned to our culture.

Our meritocracy is enabled by fostering a truly inclusive and collaborative culture. Diverse perspectives, backgrounds and experiences are valued and encouraged. This is embodied in the way we do business. We believe that cultivating and sustaining a diverse workforce and inclusive work environment is vital to our mission to deliver excellence to our clients and to create an exceptional place to work. Our strategic initiatives are key to fostering our inclusive culture and include:

- Our DEI council which continues to promote awareness and education through events that celebrate commemorative observances
- Our partnerships including Seizing Every Opportunity (SEO), GAIN and 10,000 Black Interns
- Global DEI Objectives

We also commissioned, during the Relevant Period, an external employee-engagement survey, the results of which have driven a number of policy changes across the business with respect to people priorities. We continue to engage with team members via surveys and forums to receive feedback on our culture, leadership and the Firm. This feedback enables the reevaluation of goals and strategic priorities.

From a compensation perspective, we have an attractive compensation structure, which applies consistently across the business globally. A key element of the firm’s compensation structure is our Profit Share Plan which provides team members with a Firm-funded means of investing in our Pooled Vehicles, aligning incentives with the performance of Partners Capital investments.

Following the easing of the lock-down measures in line with the Government Roadmap announced in February 2021, supporting and safeguarding our employees remained an absolute priority. A phased approach was introduced for the full reopening our London office to employees when the Government Roadmap allowed, whereby employees who needed to work from the London office due to specific work requirements or for their wellbeing could do so. Further re-opening of the office to more staff was permitted as key government roadmap dates were passed. The office fully reopened on 7 February 2022 to all staff on a hybrid working arrangement with staff working from the London office at least three days a week on average. The Company continues to closely monitor government guidance and will adapt policies and procedures as necessary to ensure that it keeps its staff, clients and other persons who use our office safe. During the Relevant Period, we provided extensive support and practical assistance to our staff as they adapted to the new working arrangements, which included improving our technological capabilities and providing regular information aimed at offering practical tips and strategies to maximise productivity, improve collaboration and maintain a healthy work/life balance.

### Regulator

The Company's subsidiary, Partners Capital LLP, is regulated by the United Kingdom's Financial Conduct Authority ("FCA") and engages with the FCA in an open and transparent manner. The firm's Compliance team are primarily responsible for engaging with regulators on compliance activities, monitoring, regulatory engagement and developments.

### Suppliers

We value the relationship we have with all of those who supply goods and services to the firm and acknowledge that they are fundamental to our business success. We seek to use highly reputable suppliers across all areas of our business and our preferred supplier list consists of trusted partners with whom we have established methods of working together, ensuring we deliver for all our relevant stakeholders. We seek to act as a trusted partner to all of our suppliers by ensuring that we pay promptly for goods or services received and comply with all relevant contractual obligations to which we are subject. Each relevant department engages with their respective suppliers and are responsible for managing their respective relationships, including ensuring that appropriate service level agreements and key performance indicators are in place and that these are closely monitored to ensure that service delivery standards are met.

### Society and ESG

Partners Capital aims to deliver superior long-term investment performance for our clients, whilst also giving due consideration to material environmental and societal factors in our investment due diligence and decision-making process. Our approach to the consideration of environmental, social and governance factors focuses on the following three areas:

- (1) Integration:** We believe that asset managers that systematically integrate financially material ESG factors and insights from their own engagements with investee companies into their decision making can make better long term investment decisions for their, and ultimately our, clients. The integration of financially material ESG factors alongside traditional fundamental analysis provides the asset managers with a more comprehensive assessment of an investee company, the quality of its ESG practices as well as its potential risks and the opportunities that might be arising out of its exposure to material ESG factors. To assess the quality and sophistication of an asset manager's ESG integration approach, we carry out our annual ESG Asset Manager Survey. With the help of that survey, we assess most of the asset managers we work with and assign a proprietary ESG classification as part of our investment due diligence process.
- (2) Engagement:** Due to predominantly investing via third party fund managers rather than directly holding shares in public companies, Partners Capital has developed an approach to engagement and stewardship that focuses on our relationships with third party managers with which we invest. We aim to constructively engage with our asset managers to assist them in improving their ESG integration practices. During our ongoing monitoring of the asset managers that we work with, we highlight the importance of the integration of ESG considerations and engagement insights into their investment decision making process and constructively engage with them to support in approving their practices by sharing industry best practice. Our ESG Asset Manager Survey helps us to inform the selection of engagement targets as well as the topics of engagement to focus on with them.
- (3) Exclusions:** Generally, Partners Capital prefers engagement over exclusionary investment approaches. Therefore, we deploy a minimal exclusions policy which focuses on exclusion of companies operating in the thermal coal, controversial weapons (including cluster munitions and anti-personnel landmines), tobacco and "payday lending sectors" where our pooled investment vehicles or clients' portfolios are invested directly in public equities. We continuously develop our thinking with regards to our exclusions approach further and review our approach periodically.

Partners Capital became a signatory to the UN-supported Principles for Responsible Investment in 2020 and joined the Institutional Investors Group on Climate Change (IIGCC) in 2021.