

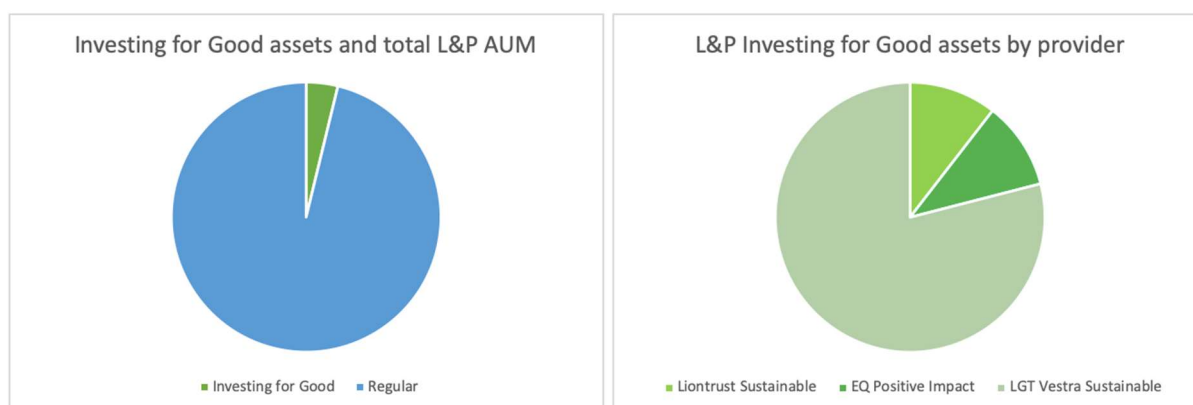
December 2020

Loveday & Partners Sustainability Report 2020

The interest, enthusiasm, and engagement Loveday & Partners (L&P) has experienced in 2020 for our *Investing for Good* proposition has provided us with an opportunity for introspection and formal examination of our own performance compared to the companies found in the world-improving portfolios we recommend. The following reports on the environmental, social and governance achievements of L&P, providing a platform from which the company can improve in each objective so we may continue to be leaders in corporate responsibility not just in Norfolk, but in a renewed *Global Britain*.

Environmental Responsibility

This year has seen a surge of interest in our *Investing for Good* proposition with investment in this area (whether in Vestra SMPS, EQ impact, Liontrust, or bespoke portfolios) exceeding 3.8% of our total assets under management (AUM).

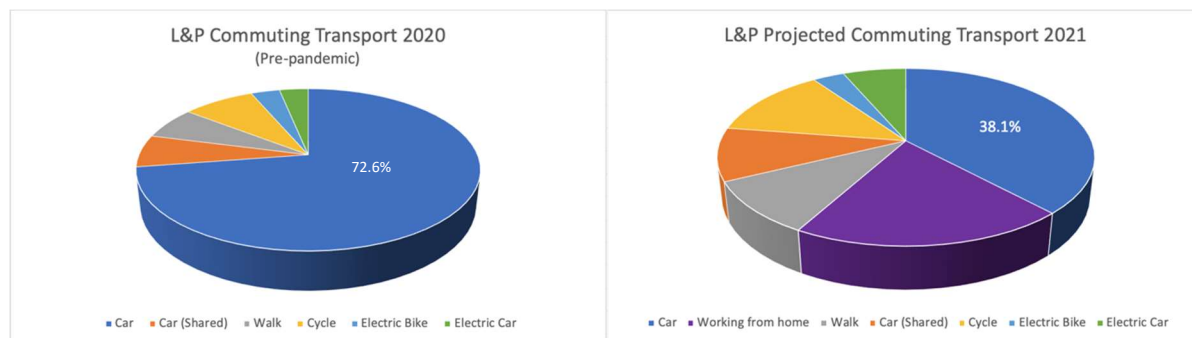


Source: author's own

We have always believed that the future is important, this is visible in our investment strategy, but we also feel that our business practices should reflect the worldview of our clients. This is why we are committed to being stewards of our clients, our employees, our community and our planet.

Research was conducted into the environmental impact of L&P. Unsurprisingly, the largest effect on our carbon footprint is commuting miles - annually the collective commute to L&P generates 15 tonnes of CO₂ emissions*. This year, exceptional circumstances have meant that commuting emissions dropped by 95%. Though before this sudden requirement to work from home, we had been active in consciously decreasing our impact with many employees living locally encouraged to walk or cycle as we know this also leads to a happier, healthier and more productive workforce. We have promoted this by enrolling in the cycle to work scheme (Cyclecheme) and advocating for the availability of Beryll Bikes (a local company with bicycles rentable through an app dotted around Norwich). Though a number of committed employees do walk or cycle, there is still more to be done with the eventual

return to the office. Among these is our alliance with LiftShare; which has seen a disappointing delay, partly due to pandemic. We will redouble our efforts to encourage other firms on the business park to join us as soon as government guidelines permit for the safety of our employees. With all these alternative travel campaigns, a projected decrease of car use by over 30% can be achieved in 2021 (from pre-pandemic levels and assuming the return of normal work practices). This estimates that each employee will work from home one day a week, and that one more employee will opt for each commuting alternative (cycling, walking, car-sharing and conversion to electric car†). This shift would almost half our commuting carbon emissions from 15 t/year to 7.9 t/year.

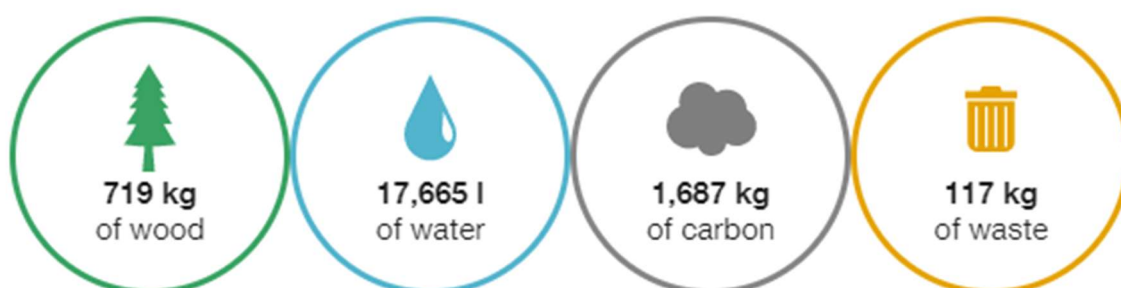


Source: author's own

We are proud to report that 100% of our electricity is renewable (wind and solar, sourced from Ecotricity) and the building we are housed in (Lakeside 500) is gas-free. We are keen to continue to reduce the impact our business has on the environment by engaging in new projects such as promoting the investigation of rain-water harvesting and use throughout Broadland Business Park.

The sudden move to working from home precipitated our shift towards a fully electronic operation. Through the use of electronic signing (DocuSign) and a revision of our compliance policy, L&P is now set on its journey towards a paperless office. We are committed to keeping to these levels by continuing to use digital documents as standard unless expressly requested by clients or if 'wet' signatures are obligatory for regulatory purposes. So far 3063 documents have been signed via our electronic signature platform, DocuSign, this represents 17,465 sheets of paper, or approximately 719 kg of wood. This has saved 17,665 L of water and prevented 1,687 kg of carbon emissions.

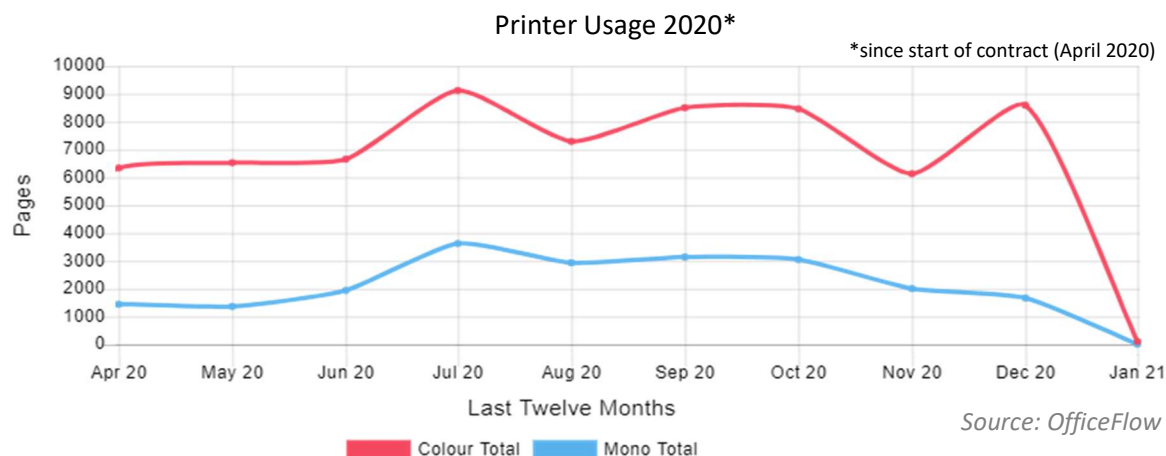
L&P's Environmental Savings



Source: DocuSign

We have been monitoring our printer usage closely in conjunction with our DocuSign data and have found that there is a delay in the translation of increase in documents signed electronically to decrease in paper printed. Unfortunately, we are unable to compare our monthly usage to figures from previous years as we entered a new printing contract in April 2020. We will continue to examine our printer usage and draw informed and more confident conclusions from this comparison. In this analysis we remain conscious of the other parts of our business which rely on paper use; a significant component being our review documents which are posted to clients. We provide the option to all clients to have their review 'packs' emailed to them and in the process have been made aware of the preference

many clients have for a 'hard copy'. We greatly value our clients' decisions and are determined to find a solution which deliver their wishes whilst reducing our environmental footprint.



Recycling has been a part of the L&P office operation for some time though a review was conducted into our engagement with this at the end of 2020 to ensure we maximise the efficacy of our recycling systems and minimise the amount we send to landfill. As a result, our waste management systems are being amended with the aim of making recycling the default option and provoking both thought and effort when disposing of general waste. We are also championing the introduction of a food-waste composter for Broadland Business Park and have an appointed a sustainability advocate who will support and encourage the company's advancement in mindful waste-management.

All employees are welcome to benefit from Broadland Business Park's lake and memorial gardens. The former provides a habitat for local wildlife (including otter, waterfowl, butterflies and dragonflies) and promotes biodiversity in Thorpe. The rest of the landscaped areas are designed with native species in mind as well as to create quiet spaces for the wellbeing of the Business Park's workforce. We are dedicated to supporting this both for our employees and our local wildlife.



**100%
renewable**

Gas-free

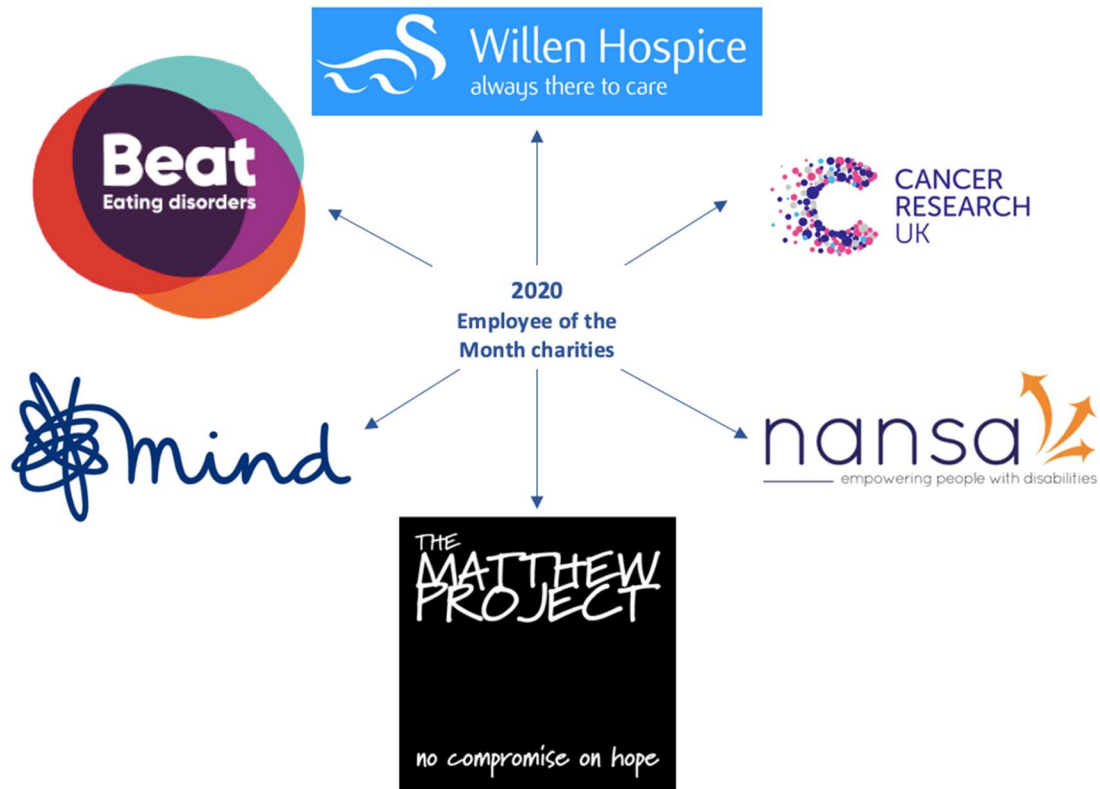
Paperless

Biodiversity

Source: author's own

Social Responsibility

Philanthropy is at the heart of L&P culture as we relentlessly look for ways to give back to our local and wider community. Our team is full of passionate fundraisers and persuasive advocates who together have raised over £30,000 (in 2020) from L&P for causes close to our hearts. This includes a 10-mile team fundraising walk from Brancaster to Wells for the *Norman Lamb Mental Health and Wellbeing Fund (Norfolk Community Foundation)*; bi-monthly donations to charities chosen by our *Employee of the Month*, and the donation of this year's Christmas Party fund to the *St Martin's Housing Trust*. Additionally, we encourage and support the numerous employee-led sponsored walks, cycles and runs which occur throughout the year.



This year we were proud to become Gold Corporate Members of the Norfolk Wildlife Trust (NWT). In addition to the financial support this provides the NWT for their conservation projects, we are committed to offering our time as enthusiastic volunteers to help with the vital work they do to protect Norfolk's wildlife. So far, we have been fortunate to participate in two team days out at Thorpe Marches (just a stone's throw from our offices) and look forward to continuing this journey of education, preservation, and enjoyment of our local wildlife.



We are very grateful for the support and trust we receive from our clients and believe that it is this close relationship which is fundamental to the culture and operation of L&P. This is why many of our advisers send a birthday card to their clients. We hope that this helps to show our appreciation and demonstrate the care we have for every client with which we are fortunate to share this long-term relationship. This year we took this a step further with the help of *Little Difference*. As a result, for the birthday of every client of participating advisers, a tree is planted through the purchase of a *Little Difference* card. They are made from 100% recycled paper and are fully recyclable and compostable. So far 1,201 trees have been planted thanks to our clients and the team at *Little Difference*. We look forward to a long and fruitful relationship with *Little Difference* and are proud to support the fantastic work they do.



Source: littledifference.org

Governance Responsibility

Our long-term investment strategy includes investment in the foundational asset of our company - our employees. We are enthusiastic in promoting and supporting professional and personal development primarily through mentoring, bi-annual appraisals, encouraging the furthering of professional development by funding and providing time and a space to work towards exams.

We provide a clear structure for career development and progression within the firm, with employee appraisals providing an opportunity to discuss progress, areas for improvement and ways in which the company can help individuals in our firm with their own personal and professional targets. It is at these occasions where discussions take place regarding the possibility for promotion, pay-rise and an end of company profit bonus.

Bi-monthly meetings for Financial Planning Assistants (FPA) take place to discuss announcements, operational changes, and to open a formal channel for communication from staff to the leadership team regarding feedback or procedural proposals. A reciprocal channel is open via the bi-monthly company meeting which gives the directors the occasion to share company progress, leadership decisions and any actions taken following requests from the FPA meeting. This increases transparency in the operation of the business which encourages dynamic progress and company-wide trust, a quality which is essential for the work we do.

As mentioned, investing for the future is in our DNA, which is why our advisers benefit from one-to-one training with our directors and have access to the combined total of over 100 years' experience in financial planning. We are confident this will help the next generation to grow and succeed in their professional endeavours. Further, opportunities are encouraged for advisers to lead projects close to their hearts, an example being the research which went into our Investing for Good proposition, carried out by part of this enthusiastic young team.

We know how important it is to have control over one's future, which is why our advisers are given a platform to express their views on their employment contracts with consultations taking place after important changes.

Being a small company has many benefits. It allows us to be flexible with our employees, a quality which is appreciated throughout the firm; and have a strong team ethos and close supportive network of colleagues. To strengthen these bonds which make our company a productive and happy place of work, we regularly hold team socials (though circumstances in 2020 have prevented all from physically taking place). We have noticed the very positive effect that getting to know each other outside the

professional context has had on our team and plan to continue these while boosting their positive outcomes by combining our socials with our commitments to environmental (sustainability focus), social (community focus) and governance (staff welfare focus) responsibilities.

Conclusion

We are pleased with the progress we have made so far and hope that these achievements succeed in making our clients, employees and professional contacts proud to be associated with Loveday & Partners. But we know that there is more to be done, and we intend to be more ambitious and more energetic in our efforts to enhance the positive impact we have as a company and lead the way for environmentally and socially conscious businesses.

Loveday & Partners 2021 Targets

1) Improve our commuting footprint

- Reduce commuting car use to 38% of L&P workforce by December 2021

2) Continue our journey to paperless office

- 70% paperless by December 2021

3) Maximise recycling, minimise waste

- Alter internal waste-management systems to maximise recycling, minimise waste and promote awareness
- Introduction of food-waste composter

4) Actively promote eco-projects in the Business Park

- Campaign for rainwater harvesting, have a feasibility report published by December 2021

5) Continue our relationship with Little Difference

- Continue to plant more trees!

6) Continue charitable endeavours

- Total donations for 2021 to at least match 2020

7) Continue volunteering endeavours

- Change all regular socials for 2021 to have a positive ESG impact
- Build a wellbeing garden behind our offices as a company-wide project by December 2021
- Complete at least 4 team days helping local causes

References

*this is an approximate, assumptions were made on commuting distances per employee and kg/mile emitted using data from the government publication Average CO2 emissions of newly registered cars, Great Britain (<https://www.gov.uk/government/publications/new-car-carbon-dioxide-emissions>)

†according to Bloomberg's Electric Vehicle (EV) Outlook 2020, global EV market share forecast (<https://about.bnef.com/electric-vehicle-outlook/>)

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