



IFPR Disclosures

For the financial year ended 30 September 2024

isio.

Document classification: Confidential

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Overview

This disclosure is in relation to Isio Investment Solutions Limited ("IIS" or "the Firm").

This document sets out the required public disclosures for IIS as of 30 September 2024, which represents the end of IIS's financial accounting period ("FY24").

Background

IIS is authorised and regulated by the Financial Conduct Authority ("FCA") under Firm reference number 196669 to provide investment advisory and other services to professional clients and eligible counterparties. IIS's primary advisory activities fall within scope of the UK Markets in Financial Instruments Directive ("MiFID"). As a result, IIS is subject to the prudential requirements of the Investment Firms Prudential Regime ("IFPR") contained in the MIFIDPRU Prudential Sourcebook of the FCA Handbook.

Under MIFIDPRU 8 of the IFPR, IIS is required to publish certain disclosures on an annual basis at an individual entity level.

From 1 January 2022 – 14 November 2022, IIS was categorised as a non-small non-interconnected ("non-SNI") MIFIDPRU investment firm under the IFPR's firm categorisation thresholds.

Since 14 November 2022 IIS has been classified as a small non-interconnected ("SNI") firm.

The information in these disclosures has been assessed to be proportionate to IIS's size and organisation and to the nature, scope and complexity of IIS's activities.

Transitional Provisions

No transitional provisions have been applied in the preparation or publication of this document.

IIS has not included disclosures under MIFIDPRU 8.7 Investment Policy as these disclosures are only relevant to enhanced non-SNI firms under MIFIDPRU 7.1.4.

Review and Approval

IIS has a robust internal controls framework to ensure the completeness, accuracy, and compliance of these disclosures in line with the relevant regulatory requirements. These disclosures form an external publication, and as such, this document has been subject to internal verification and approval in line with both MIFIDPRU 8 disclosure requirements and internal review processes.

Governance Arrangements Disclosure

The following disclosures relating to IIS's governance arrangements are made under MIFIDPRU 8.3.

Governance Structure

IIS has a formal governance structure which provides oversight of the risk management of the Firm's business activities in line with the systems and controls in place to operate in line with the necessary regulatory requirements. The management body of IIS, is the Board of Directors ("Board") who have ultimate responsibility for the management of IIS.

Oversight Arrangements

The IIS Board is responsible for promoting the long-term sustainable success of IIS and for the approval and oversight of strategic objectives, the risk strategy, risk management and governance of the Firm in compliance with its regulatory obligations and providing effective oversight of senior management.

The Board comprises executive and non-executive directors who are appointed by the Board. IIS seeks regulatory approval from the FCA, prior to executive director appointments to the IIS Board under the FCA's Senior Managers and Certification Regime.

The IIS Executive Directors conduct their roles in line with their allocated FCA Senior Management Function role, prescribed responsibilities under the FCA's Senior Managers and Certification Regime and assigned responsibilities. The Board may delegate authority to other persons to act on behalf of IIS in certain matters, and a record is kept of any such delegations.

IIS Board meetings are held quarterly and are chaired by the Isio Chief Executive.

Segregation of Duties

The Board defines, oversees and is accountable for the implementation of governance arrangements that ensure the effective and prudent management of IIS, including the segregation of duties in the organisation and the prevention of conflicts of interest, and in a manner that promotes the integrity of the market and interests of clients.

The Compliance Oversight Officer, SMF 16, sits within Isio's Risk & Compliance function.

Promoting the Integrity of the Market and the Interests of Clients

Isio strives to create an inclusive culture that embraces difference, and provides creative solutions that drive value for us, our clients and our communities. Inclusion and belonging are at the heart of our values – 'strength in difference' is one of our four core beliefs. Our purpose is to create better outcomes for our people, our clients – and society.

Our commitment to our purpose and values is strongly embedded within our culture, enabling us to secure a more sustainable future through the way we operate with our people, partners and clients. It's reflected in our values, the investment we make in our people and our commitment to equality and

inclusion. It shows in our work with clients, as well as our support for social enterprises and charity partners.

Conflicts of interest

IIS has adopted Isio's group-wide Conflicts of Interest policy. The Conflicts of Interest policy and related procedures are in place to prevent and manage any potential and actual conflicts of interest should they arise in the course of both individual appointments, responsibilities as members of the IIS Board and in relation to the business activities of the Firm.

Directorships

As at 30 September 2024, IIS Directors only held Directorships with IIS or other Isio Group subsidiaries. These Directorships are outside of the disclosure requirements under MIFIDPRU 8.3.2R. There are no relevant external Directorships held at external, commercial organisations to be reported.

Diversity and inclusion

Diversity and inclusion have always been at the heart of Isio. Accountability and transparency underpin Isio's inclusion work. Since Isio launched in 2020, we've undertaken a number of initiatives to promote a diverse, inclusive and equitable environment. And we know our activities and actions are driving the business in the right direction and helping us build a culture where everyone can succeed, as evident in our 2021 Hourly Pay Gap results which saw an improvement on the previous year.

Risk Committee

IIS is not required to establish a Risk Committee under MIFIDPRU as IIS is an SNI firm.

IIS has a dedicated Risk and Compliance function that follows a risk mapping process to identify material risks and monitor these, including reporting on key risks to the IIS Board. The Risk and Compliance team is overseen by IIS's Compliance Oversight Officer who holds the FCA Senior Manager Function holder role of SMF16 as appointed by the IIS Board.

As part of IIS's Internal Capital and Risk Assessment (ICARA) process, the IIS Board have overseen and challenged the design and execution of scenario testing, day-to-day risk management, due diligence on risk issues and are committed to embedding and maintaining a supportive risk culture throughout the Firm.

Nomination Committee and Remuneration Committee

IIS is not required to establish a Nomination Committee or Remuneration Committee under MIFIDPRU 7.

Remuneration Policy and Practices

The following disclosures relating to IIS's remuneration policy and practices are made under MIFIDPRU 8.6.

Approach to remuneration

IIS's approach to remuneration ensures that employees receive a competitive fixed remuneration linked to the skills, knowledge, experience and role undertaken, recognizing colleagues who have gone 'the extra mile' in demonstrating Isio's core behaviours.

Variable remuneration is paid in line with the policy such that employees must have demonstrated commitment to and understanding of Isio's culture and values. Where an individual employee has open disciplinary or compliance warnings on their file, this may impact their ability to receive variable remuneration.

Employees are not present when their remuneration is being discussed. The year end performance assessment outcomes are communicated to each individual employee by their Performance Manager.

Governance around remuneration

IIS is not required to have a Remuneration Committee under MIFIDPRU 7.

Performance Criteria

Employees performance is assessed against Isio's core behaviours, and how individuals have demonstrated these behaviours throughout the performance year.

To assess performance, it is important that employees have a range of feedback on the work they have completed over the year. Colleagues are asked to not only reflect on the 'what' but also the 'how' and their overall contribution. Performance is rated against the goals (i.e. 'what' you achieve') and behaviours (i.e. 'how' you achieve it) of each employee.

Material Risk Takers

A material risk taker is a member of staff whose professional activities have a material impact on the risk profile of the firm. In identifying material risk takers in IIS, the criteria set out in SYSC 19G.5.3 must be considered, which outlines a person will be a material risk taker if they meet the relevant criteria.

Having considered the criteria for a material risk taker with reference to the roles and responsibilities performed within IIS, it has been agreed the IIS Board members are the individuals within the firm who take all material risks.

**Quantitative disclosures under MIFIDPRU 8.6.8R01/01/2022,
covering the period for the financial year ended 30 September
2024**

Total number of material risk takers: 5

Total amount of fixed remuneration awarded to MRTs: available on request

Total amount of variable remuneration awarded to MRTs: available on request

Total amount of guaranteed variable remuneration for MRTs: 0

Total amount of the severance payments awarded during the financial year and
number of MRTs receiving those: N/A

The amount of the highest severance payment: N/A

Total amount of fixed remuneration awarded to all staff: available on request

Total amount of variable remuneration awarded to all staff: available on request

