

**FOCUS FINANCIAL PARTNERS INC.
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)
SUSTAINABILITY HIGHLIGHTS REPORT**

RECENT ACTIVITIES

March 20, 2020

General

In the past year in particular, Focus Financial Partners Inc. (“*Focus*”)¹ and its subsidiaries, including its partner firms, have undertaken a renewed commitment to integrating environmental, social and governance (“*ESG*”) considerations into our business. This commitment is reflected in the policies, codes and procedures that govern how we operate, many of which we have formally adopted or updated and improved this past year. The approach to ESG management for Focus and its subsidiaries, including its partner firms, includes:

- Utilizing resources in an environmentally responsible way to support the long-term sustainability of Focus and the environment in which we, our employees, our partners and clients and our other stakeholders live and operate;
- Investing in our human capital, and cultivating and maintaining a preeminent work environment for our employees that is diverse and inclusive;
- Strengthening the communities in which we live and work;
- Maintaining ethical, responsible and sound governance systems, risk management and controls; and
- Integrating sustainability into our operations.

Focus believes that managing ESG matters is fundamental to the business of Focus and its subsidiaries, including its partner firms, and is committed to continuing to improve in these areas because they are critical to our long-term success and our ability to continue to create long-term value for all of our stakeholders.

This is Focus’ first ESG Sustainability Highlights Report (this “*Report*”). Focus is committed to regularly communicating with our stakeholders in a transparent way about how we are addressing ESG matters, and publishing this Report is one way for us to do so. ESG information is also available on Focus’ website and in our various other reports and presentations, regulatory filings, press releases and other publications from time to time. This Report is intended to provide highlights and summaries of our work in managing ESG issues. All information in this Report is as of the date of this Report as indicated above, unless otherwise noted.

¹ When we use the term “Focus” in this document, we mean Focus Financial Partners Inc. and other headquarters entities, including Focus Financial Partners, LLC and Focus Operating, LLC, and we specify where we intend to refer to our other subsidiaries, including our partner firms, where applicable.

Environmental Stewardship

Policy on Environmental Sustainability and Climate Change

Focus believes that a healthy environment is necessary for the well-being of Focus and its subsidiaries, including its partner firms, and their employees, their business and their partners and clients, as well as our society. We are committed to environmental responsibility in the conduct of our business and to utilizing resources responsibly to support the long-term sustainability of our company and the environment in which we, our employees, our partners and clients and our other stakeholders live and operate. We are committed to providing a safe and healthful workplace, protecting the environment, and conserving energy and natural resources, and are committed to seeking approaches that reduce or offset the environmental impact of our corporate offices (including the reduction of greenhouse gas emissions) through advocating energy and waste management best practices and driving operating efficiencies. Accordingly, in 2020, we adopted our new Policy on Environmental Sustainability and Climate Change to formalize our commitment. This commitment is also reflected in our Vendor Code of Conduct, which we also formally adopted in 2020.

New Headquarters Office in New York City

In 2019, we moved into a new headquarters office in New York City, which features a number of design elements focused on environmental sustainability, including the following:

- An energy-saving daylight harvesting system is provided along the entire perimeter of the space, combined with occupancy sensors in every room and office throughout the space;
- Over 90% of light fixtures are LED for low energy consumption, low maintenance, and long life span, with some fixtures having up to 70% recycled content;
- 80% of the full space contains pre-consumer recycled content carpet tiles, our conference center (approximately 30% of the full space) contains 52% pre-consumer recycled content, and our open offices and conference rooms (approximately 50% of the full space) contain 41% pre-consumer recycled content;
- Our open office workstations feature “ceiling baffle clouds,” which absorb sound, minimize noise levels and contain 50% recycled water- and soda-bottle products;
- Our reception area, elevator lobby and town hall spaces contain “wood ceiling clouds” made of 100% bamboo certified wood and rapidly renewable materials;
- Full height glass office front and doors along the perimeter of the floor plate provide for maximum daylight, and dividing walls with glass transoms and glass fins in each office allow additional sunlight for the interior space and create an open, bright and airy working environment for our employees; and

- Moss wall panels located at high-traffic areas, such as our reception and town hall spaces, foster our employees' wellbeing and are 100% natural and preserved, do not require watering maintenance, and are 100% self-sustainable by absorbing air humidity to stay moist, helping the environment at the same time.

Recycling, Electricity Use and Office IT Equipment

We are committed to conserving natural resources by reusing and recycling materials, purchasing recycled materials and using recyclable packaging and other materials, including FSC (Forest Stewardship Council) and SFI (Sustainable Forestry Initiative) certified copy paper for our printers. We also maintain source-separated recycling at our offices, including for paper and cardboard, metal, glass, plastic and beverage cartons. In addition, we purchase electricity for office operations that includes electricity originating from renewable energy sources, such as solar and wind. We also procure office IT equipment that is certified to or in compliance with internationally acknowledged standards (such as ENERGY STAR Versions 5.0 or 6.0/1.2, EPEAT, ECMA 370/The Eco Declaration, TCO or similar standards).

Social Responsibility

Human Rights, Human Capital Development and Sustainability Policy

Respect for human rights, the development of human capital and corporate social responsibility and sustainability are fundamental values of Focus. In accordance with the UN Guiding Principles on Business and Human Rights, Focus and its subsidiaries, including its partner firms, are committed to protecting and promoting the human rights of their existing and prospective employees through appropriate policies, including those related to non-harassment and equal employment opportunity. Accordingly, in 2020, we adopted our Human Rights, Human Capital Development and Sustainability Policy to formalize this commitment, which is also reflected in our newly-adopted Vendor Code of Conduct.

Community Service and Volunteering

Focus and its subsidiaries, including its partner firms, are committed to being actively involved in the communities in which we live and work. For example, Focus has undertaken a quarterly community service volunteering initiative, with a particular focus on activities promoting ESG considerations. Employees of Focus and its subsidiaries, including its partner firms, are encouraged to participate. We have also undertaken an initiative to incorporate community service volunteering activities into our regular partners meetings and other conferences, summits and programs each year. Focus' partner firms and their personnel also actively and regularly volunteer in community service activities in their local communities.

Diversity and Inclusion; Women in Our Workforce and Our Communities

We recognize that the diversity of the employees of Focus and its subsidiaries, including its partner firms, is a tremendous asset, and we will continue to prioritize and promote diversity and inclusion in our workforce and in our communities. In furtherance of this commitment, for example, Focus is planning diversity and inclusion events that will be focused on women in the registered investment advisor (“**RIA**”) industry, and will include how to attract more women to the industry, as well as ways in which mentoring and career-pathing for women in the industry can be strengthened, and how RIA services to clients who are women can be improved. We also plan to utilize our expertise and experience in the financial services industry to participate in and develop mentoring programs in our communities.

Members of our team are also frequent presenters and participants in industry and investor conferences, presentations and panel discussions, including those tailored to diversity and inclusion issues, such as women’s executive and leadership events hosted or sponsored by Barron’s, Envestnet and The Economic Club of New York, as well as by Kohlberg Kravis Roberts and Stone Point Capital, Focus’ private equity investors. For example, Rajini Sundar Kodialam, our Chief Operating Officer and a member of Focus’ Board of Directors (the “**Board**”), was a panelist at the 2019 Stone Point Capital Women’s Leadership Symposium, which was also attended by other personnel of Focus and its partner firms. Ms. Kodialam is also a member of the Women’s YPO Network, 100 Women in Finance, and the Women’s Circle of Columbia Business School. She also participated in the Columbia Business School Women’s Business Leadership in Tech seminar in the first quarter of 2020, which focused on gender diversity in the technology sector.

In addition, Focus strives for a significant portion of its employees, including its subsidiaries and partner firms, to be women. As of December 31, 2019, approximately 55% of the approximately 3,400 employees of Focus and its subsidiaries were women, including our Chief Operating Officer, our Head of Investor Relations & Corporate Communications, and one-third of our Managing Directors, while over 50% of all of Focus’ employees, including its subsidiaries and partner firms, as well as the principals of its partner firms, were women. Two of the eight members of the Board are also women. In addition, six of our partner firms are currently led by women.

Human Capital Development; Health, Safety and Wellness

The vast majority of the employees of Focus and its subsidiaries are regular, full-time employees. As of December 31, 2019, Focus had 83 employees, and only two additional contingent temporary workers (less than 2.5% of that number), who are engaged by Focus through temporary staffing agencies. In 2019, Employee turnover was 16.3% for Focus, and ten Focus employees received internal promotions.

Focus is committed to ensuring a healthy and safe environment and the wellness of its employees, and continues to offer a number of formal wellness programs to its employees, including yoga and a personal training program and complimentary flu shots. Our new headquarters office in New York City features a complimentary in-house gym and game room for use by all employees at that office, and our offices feature dedicated lactation space. Focus also continues to provide complimentary weekly in-house lunches to all employees to facilitate

collaboration and camaraderie and foster Focus' culture, as well as complimentary drinks and healthy snacks.

Training and Tuition Assistance

Employees participate in regular onsite and offsite training programs, including weekly and bi-weekly all-hands meetings focusing on a variety of relevant topics, including with respect to compliance and related matters, as well as specialized training programs provided by third parties in areas such as spreadsheet programs and accounting. In addition, managerial and leadership development training is provided to employees who we believe are future leaders of our company. Compliance and business ethics training is also provided to the employees of our partner firms, including at a minimum to the extent required by applicable SEC and other laws, rules and regulations. Under our Tuition Assistance Plan, we also provide tuition assistance benefits to eligible, selected employees to encourage them to maintain or improve skills required by their current or anticipated future positions at Focus. In 2019, Focus spent approximately \$470,000 for training programs for employees as described above.

Sound Governance

Focus continues to be committed to sound and ethical governance policies and practices. In 2020, in furtherance of this continued commitment, we formally adopted or updated a number of our policies, codes and procedures that govern how we operate, including the following:

- *Lead Independent Director.* We appointed a Lead Independent Director pursuant to our new Charter of Lead Independent Director. As long as the offices of Chairman and Chief Executive Officer are held by the same person, a majority of our Directors will continue to appoint a Lead Independent Director.
- *Director Resignation Policy.* Focus has adopted a resignation policy in connection with its plurality voting standard in the election of directors. Pursuant to the revised Corporate Governance Guidelines we adopted in 2020, a director who fails to receive a majority of votes for re-election in an uncontested election must offer his or her resignation to the Board for its consideration.
- *Stock Ownership Guidelines for Directors and Named Executive Officers.* We believe that our directors and named executive officers (i.e., our Chief Executive Officer, Chief Financial Officer, and next three most highly compensated executive officers) more effectively represent Focus' stockholders, whose interests they are charged with protecting, if they are stockholders themselves. Accordingly, the Board has established stock ownership guidelines for our directors and named executive officers, which are set forth in our revised Corporate Governance Guidelines.
- *Evaluation of Individual Director Performance.* In addition to annual self-evaluations to determine whether the Board and its committees are functioning effectively, pursuant to our revised Corporate Governance Guidelines, the performance of each of our individual directors will also be evaluated on a biennial basis.

Responsibility for Sustainability and Risk Management

In 2020, we re-designated the Nominating and Governance Committee of our Board as the Nominating, Governance and Sustainability Committee, and the Board updated the Nominating, Governance and Sustainability Committee's charter to reflect its responsibility for assisting the Board in overseeing the Company's initiatives, strategies, policies, programs and associated risks relating to sustainability, including with respect to ESG matters.

We also re-designated the Audit Committee of our Board as the Audit and Risk Committee to reflect and clarify the significance of that committee's responsibility for assisting the Board with oversight of enterprise risk generally, including cybersecurity, information technology and business continuity and resiliency.

Ethical and Sustainable Investing

Focus encourages and facilitates the consideration of ESG factors by its partner firms in their investment decision processes. Focus' partner firms are comprised of fiduciary wealth management firms that retain their entrepreneurial culture and independence as part of the Focus partnership. Accordingly, Focus partner firms each establish their own investment decision-making processes. Focus, however, encourages its partner firms to consider ESG factors, such as the environment and climate change, human rights, human capital development, health and safety, social opportunity, corporate governance and ethics, along with other appropriate factors, to assess the expected performance and risk over time of the investments they manage for clients. Accordingly, in 2020, Focus adopted a Policy Regarding Ethical and Sustainable Investing to reflect its commitment.

As an example of this commitment, many of Focus' partner firms that are investment advisers have implemented investment policies to consider ESG factors in managing investments for clients, such as positive and negative screening for ESG criteria when investing client assets in equity and other securities, mutual funds and exchange-traded funds (ETFs), including investing in ESG-focused index funds. As of December 31, 2019, approximately \$14.1 billion in individual equities and ETFs held in client accounts managed by Focus' partner firms had an MSCI ESG rating of "BB" or higher, and approximately \$7.5 billion had an MSCI ESG rating of "A" or higher. In addition, as of December 31, 2019, over \$2 billion of client assets were allocated by our partner firms to ESG-focused index funds, representing an approximate 35% year-over-year increase.

Focus also plans to have an ESG expert deliver a presentation on the importance of ESG considerations in investing at Focus' 2020 partners meeting, and also to be available as a resource for ESG matters to our partner firms thereafter.