

RATHBONES

RESPONSIBLE BUSINESS UPDATE 2023

# RESPONSIBLE PROGRESS



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For generations, Rathbones has been entrusted to manage and preserve our clients' wealth. Our purpose of thinking, acting and investing for everyone's tomorrow guides our actions. As we look to the future, we will further engage with our stakeholders to ensure our approach, driven by purpose and guided by people, continues to deliver positive impacts.

On 21 September 2023, following regulatory approval, Rathbones Group Plc completed its planned combination with Investec Wealth & Investment UK (IW&I). Throughout this report figures stated exclude IW&I, unless otherwise indicated. Where practicable, a 2022 like-for-like comparative has been included.

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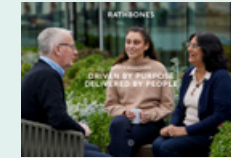
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### Our reporting suite

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**Annual report and accounts 2023**



**Task force on climate-related financial disclosures report 2023**



**Responsible investment report 2023**



**Gender pay gap report 2023**

### FURTHER INFORMATION

Throughout this report you'll see these icons to indicate where you can find out more

 **Read more**

 **Visit website**

## GROUP CHIEF EXECUTIVE OFFICER'S WELCOME



**Paul Stockton**  
Group Chief Executive Officer

The completion of the combination with Investec Wealth & Investment UK (IW&I) in 2023 marked a key milestone, propelling our total assets under management (FUMA) beyond £100 billion for the first time. With this increased size and scale, we are already responding to the heightened expectations from our stakeholders and, as a larger group, reaffirm our commitment to generating long-term value, benefiting society, and actively mitigating any adverse impacts our activities may have on the environment and our communities. We are working closely with our new colleagues from IW&I to integrate their experience and expertise in responsible business practices, leveraging the achievements of both organisations. The integration programme is progressing well, and together we will work to create a greater collective impact.

We are also entering a new era of governance that supports how we manage our business responsibly, through the greater disclosure and reporting of what we are doing, and heightened expectations of performance delivery against a backdrop of some significant ongoing economic change. Much progress was made in 2023 across the four pillars of our responsible business programme: responsible investment, our people, society and communities, and our environmental impact. Following the combination with IW&I, we rebased our carbon footprint and have made plans to update our emissions reductions targets in 2024 and resubmit them to the Science Based Targets initiative (SBTi) for validation. As this report highlights, we are making tangible progress.

In June 2023, we published our group approach to investment in fossil fuels which plans to phase out financial support to thermal coal. This alongside supporting our net zero commitment, shows our recognition that managing our exposure to fossil fuels and thermal coal should help to reduce our climate risk.

We also initiated a review of our current responsible business strategy by completing a high-level materiality assessment, identifying those sustainability themes most important to our stakeholders. We further strengthened our approach to community investment by creating regional community giving hubs so that we deliver social impact across our new footprint, now consisting of 23 locations in the UK and Channel Islands. We have also embedded a responsible business assessment into our supplier procurement process, gave more than 1.3% of pre-tax profit to community programmes and combined our inclusion networks to cover colleagues from the enlarged group.

While there is much that we can do as an organisation to deliver change, we can achieve more in partnership on the issues that matter most. Therefore, in 2023 we have been very pleased to continue to partner with and operate in alignment with selected recognised frameworks, including the [United Nations Global Compact \(UNGC\)](#) and [Sustainable Development Goals \(SDGs\)](#).

As we continue our integration with IW&I, in 2024 we will work together to strengthen our approach to responsible business. We will build on the initial materiality assessment undertaken in 2023 and launch a new responsible business strategy in our 2024 report that reflects our expanded group and future ambition. We will continue to support our clients through even the most challenging of conditions, whilst also maintaining our commitment as a responsible business group to deliver positive impacts for our people, society and the environment.

**Paul Stockton**  
Group Chief Executive Officer

### 2023 HIGHLIGHTS

#### PRI SCORE: GOVERNANCE AND STRATEGY

**77%**

#### DIRECT ENGAGEMENTS

**752**

#### VOTES MADE AGAINST MANAGEMENT

**786**

#### EMPLOYEE NET PROMOTER SCORE (eNPS)

**37**

(sector benchmark of 26)

#### IN SCOPE SUPPLIERS REVIEWED THROUGH OUR RESPONSIBLE BUSINESS ASSESSMENT

**76%**

#### CHARITIES SUPPORTED THROUGH OUR COMMUNITY INVESTMENT PROGRAMMES

**77**

#### CARBON INTENSITY OF OUR OPERATIONAL FOOTPRINT (tCO<sub>2</sub>e/FTE)

**6.8**

## ABOUT US

Rathbones is an independent, people-led business, underpinned by a strong culture of professionalism and integrity. With 23 offices throughout the UK and Channel Islands, we are a leading provider of individual investment, wealth management, asset management and related services for private clients, charities, trustees and professional partners.

### WEALTH MANAGEMENT

#### INVESTMENT MANAGEMENT

Clients of this discretionary service can expect a tailored investment strategy that meets individual objectives backed by an investment process that aims to provide risk-adjusted returns to meet clients' needs today and in the future.

#### OUR SPECIALIST CAPABILITIES

- Charities and not-for-profit organisations
- Our specialist ethical arm, Greenbank
- Personal Injury and Court of Protection
- Rathbones Investment Management International.

#### OUR SERVICES

##### Bespoke service

Provides clients access to a dedicated investment manager who will construct and manage a bespoke portfolio that is specifically tailored to their needs.

##### Managed service

Provides clients with access to a dedicated investment manager who will invest in a range of ready-made, diversified multi-asset portfolios managed by Rathbones Asset Management (RAM). IW&I also offer a managed portfolio service.

##### Select

Provides clients direct access to a range of ready-made, diversified multi-asset portfolios managed by Rathbones Asset Management (RAM). Select does not come with a dedicated investment manager; it is a more appropriate and cost-effective solution for smaller value portfolios.

#### FINANCIAL PLANNING AND ADVICE

We provide financial planning and advisory services through Rathbones Financial Planning, IW&I, Saunderson House Limited and Vision Independent Financial Planning. We also offer UK trust, tax and legal services through the Rathbones Trust Company.

Clients can choose a financial planning service as a standalone offering or combine it with one of our investment management services.

#### THREE LEVELS OF ADVICE

We can deliver our financial planning services to clients in one of three ways:

- One-off advice
- Initial advice and planning
- Ongoing advice and planning.

#### COMPLEMENTARY SERVICES

As a licensed deposit taker we are able to offer our clients a range of banking services including currency and payment services, fixed interest term deposits and loans to existing clients.

Through IW&I, we also offer SIPP administration services to clients.

### ASSET MANAGEMENT

Rathbones Asset Management is a UK fund manager, offering actively managed equity, fixed income and multi-asset capabilities for retail- and institutional-type investors. Our range of single-strategy and multi-asset funds are designed to potentially meet investors' core investment needs, or provide 'building blocks' for wealth solutions, with distribution primarily through UK advisers.

International clients may also access our funds through the Rathbone Luxembourg Funds SICAV, which allows access to a similar range of actively managed funds.

## 23

locations in the UK and Channel Islands

## 3,500+

employees

## £105.3bn

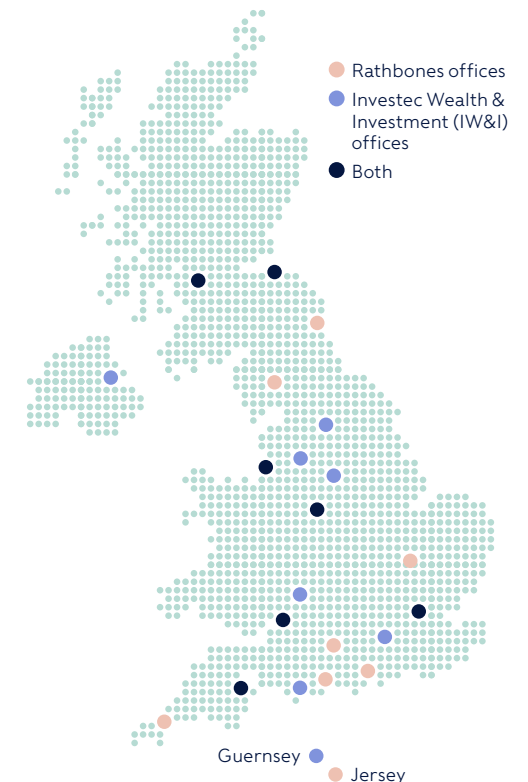
managed by us for our clients

## FTSE 250

company listed on the London Stock Exchange

### WHERE WE DO IT

With offices throughout the UK and the Channel Islands<sup>1</sup>, clients are never far away from high-quality, personalised wealth management services.



1. Includes Vision Independent Financial Planning

# OUR APPROACH TO RESPONSIBLE BUSINESS

Our responsible business approach is delivered through our four-pillar programme (which can be seen on the right). We work with a number of partners, recognising that collaboration will help drive the change we want to see ([read more on page 8](#)).

## AMBITION AND IMPACT

We have been trusted for generations to manage and preserve our clients' wealth. Our purpose of thinking, acting and investing for everyone's tomorrow continues to drive us forward. This means understanding the environmental, social and governance (ESG) issues that matter to both our stakeholders and to our business and looking beyond the short term for the most sustainable outcome. One way that we address these issues is through our responsible business framework.

We are focused on building enduring value for our clients, making a wider contribution to society, and creating a lasting legacy. Our commitment to responsible business is woven throughout our business strategy, recognising that this approach is core to our day-to-day decision making.

## UPDATING OUR STRATEGY

In 2023, we undertook a high-level materiality assessment that involved desk research, interviews with internal and external stakeholders, and a series of focus groups that included representation from our IW&I colleagues.

The outcomes will be used, in 2024, to support a review of our responsible business strategy and its associated governance. The new strategy will reflect the broader group including IW&I.

## OUR APPROACH TO RESPONSIBLE BUSINESS

**Our purpose is to think, act and invest for everyone's tomorrow**



**OUR PILLARS ARE UNDERPINNED BY OUR CRITICAL FOUNDATIONS**



**AND ACTIONED THROUGH**



OUR APPROACH TO RESPONSIBLE BUSINESS CONTINUED

OUR JOURNEY TO NET ZERO

We have committed to reaching net zero emissions by 2050 or sooner. Our near-term net zero emission targets have been validated by the [SBTi](#).

CHALLENGES

Whilst we have the data to support our operational emission calculations, data related to the emissions from the investments we hold on behalf of our clients remain in development. We regularly engage with data suppliers to understand both their approach and coverage.

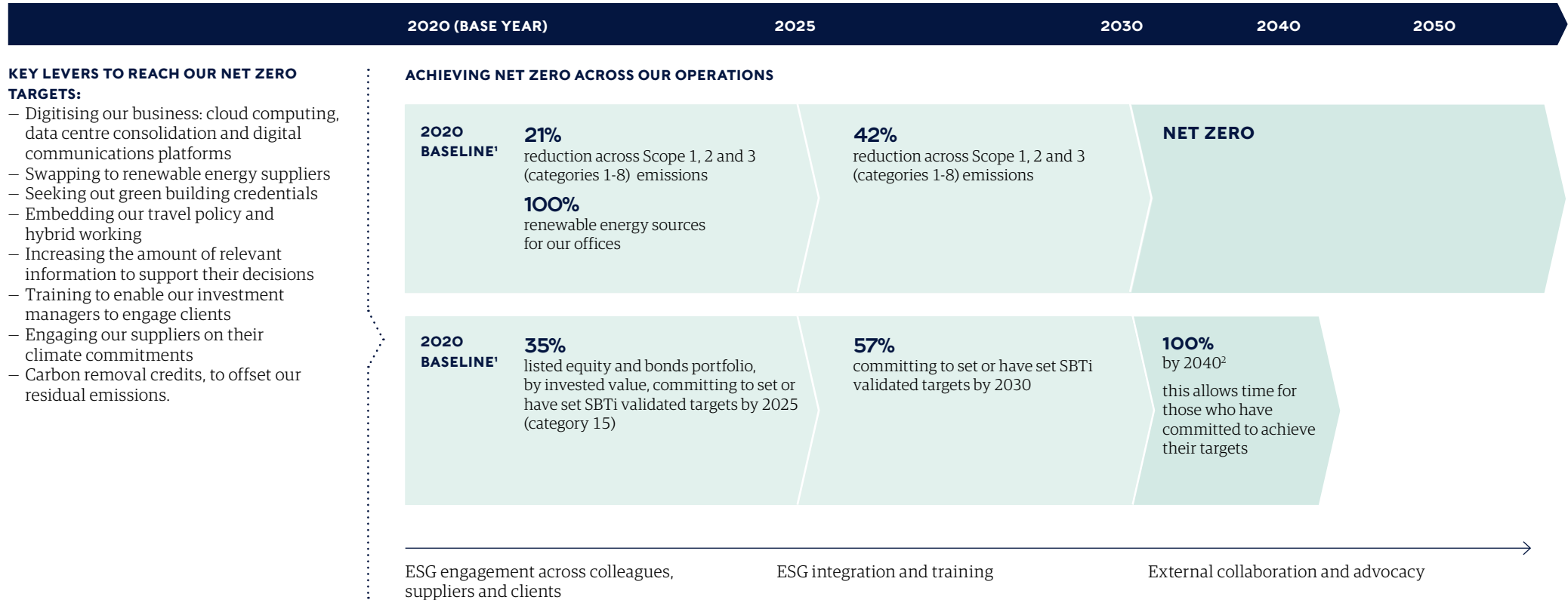
PROGRESS IN OUR INVESTMENT TARGET

In 2023, 30% of our FUMA had set or committed to set SBTi aligned targets. This is up 7.1pp since 2022 and shows that we are on track to meet our 2025 near-term target.

PROGRESS IN OUR OPERATIONAL FOOTPRINT

Whilst an obvious driver of change is the increase in our property footprint and employee figures year-on-year, key drivers of the increase in our operational footprint are products and services, travel and employee commuting.

OUR ROADMAP MILESTONES



1. Our environmental target was set based on our 2020 operational and investment emissions footprint. Our investment target covered 91% of our FUMA as at 31 December 2020  
2. Achieving 100% portfolio coverage by 2040 is the SBTi requirement. This allows 10 years for companies to deliver on their net zero commitments

## OUR 2023 RESPONSIBLE BUSINESS PROGRESS

PILLAR AND ISSUE	AREAS OF FOCUS	2023 PROGRESS <sup>1</sup>	FURTHER INFORMATION
RESPONSIBLE INVESTMENT	ESG integration	Published the <a href="#">group fossil fuel statement</a> and thermal coal phase out plan, which will support management of the carbon intensity of the investments we make on behalf of our clients	<p>➔ Read more: <a href="#">See page 9</a></p> <p>⊕ Responsible investment report</p>
	Voting with purpose	Voted on 48.04% of resolutions following our <a href="#">voting policy</a> . The policy is customised: we determine what matters to our clients, rather than purely applying the views of an external proxy voting consultant	
	Engagement with consequences	Undertook 752 direct engagements in line with priorities shared in our engagement action plan; this covered topics such as board diversity, biodiversity, net zero and modern slavery	
	Transparency	77% PRI score: governance and strategy, more can be found in our <a href="#">responsible investment report</a>	
OUR PEOPLE	Diversity, equality and inclusion	Launched new inclusion networks, seven are now operating and from 2024 these will be active across the enlarged group, including IW&I colleagues	<p>➔ Read more: <a href="#">See page 15</a></p> <p>⊕ Gender pay gap report</p>
	Culture and values	Received an employee net promoter score (eNPS) of 37 (benchmark of 26)	
	Employee wellbeing	Our wellbeing team ran webinars for colleagues covering topics such as menopause awareness, mental wellbeing, neurodiversity and anxiety	
	Learning and development	Delivered six webinars with charity partners on how to best identify and support vulnerable clients, supporting our work on Consumer Duty	
SOCIETY AND COMMUNITIES	Human rights	95.2% of in scope employees completed anti-bribery and corruption training	➔ Read more: <a href="#">See page 21</a>
	Supplier engagement	76% of our in scope suppliers were reviewed through our responsible business assessment; topics raised included net zero commitments and modern slavery	
	Community investment	1.38% of pre-tax profit invested in our local communities, this supported 77 charity partners at both a national and regional level	
OUR ENVIRONMENTAL IMPACT	Resource consumption <sup>2</sup>	19 sites (out of 33) using renewable electricity, which covers 64% of our total consumption (kWh)	<p>➔ Read more: <a href="#">See page 27</a></p> <p>⊕ Our TCFD report</p>
	Energy efficiency	Our decommissioning and consolidation practices have resulted in a 28.6% reduction in data centre emissions, from 98 to 70 (tCO <sub>2</sub> e)	
	Digitising operations	An additional 27% of clients used MyRathbones to access valuation and tax packs as well as custody location reports. At year-end, 58% of clients were registered on MyRathbones up from 50% in 2022, avoiding paper communication and supporting us in achieving our digital ambition	
	Travel <sup>2</sup>	Business travel emissions increased 49%, from 775 to 1,158 (tCO <sub>2</sub> e) since 2022 and increased 154% since our base year (2020) – Business travel emissions are broadly reflective of lockdown periods: low in 2020, lowest in 2021, high in 2022, highest in 2023	
	Carbon removal <sup>2</sup>	Purchased more than 6,500 nature based removal credits, offsetting Rathbones and IW&I Scope 1, 2 and Scope 3 category 3-8 emissions (excluding supply chain and investments)	

1. Our 2023 responsible business data excludes IW&I. Integration will take place through 2024 to support consolidated reporting for year end 2024

2. Environmental data includes IW&I. Totals have been recalculated and restated for the past three years



# GOVERNANCE



## GOVERNANCE

### OVERVIEW AND APPROACH

Across our expanding group, we rely on each employee to play their role. From the board and executive committee, to the whole employee base, by working together we can operate in an effective and accountable manner. As we review our strategy, we will update our approach as required to ensure we maintain a robust structure. This will include the integration of IW&I colleagues and structures into our updated framework.

### BOARD AND EXECUTIVE OVERSIGHT

The board sets a constructive tone in support of our group executive committee (GEC) and senior management team, which encourages appropriate behaviours across the group. The board provides oversight of performance against our responsible business framework and associated remuneration.

### COMMITTEE STRUCTURE

In 2020, Rathbones set up the responsible business committee to support board and GEC oversight of the responsible business programme. Co-chaired by our chief executive officer and RIM's managing director with representatives from across the group, this committee meets quarterly to discuss current and emerging responsible business matters, including the firm's approach to net zero and future reporting requirements.

In 2023, the committee discussed matters ranging from incoming regulatory requirements such as the Sustainability Disclosure Requirements, to the increasing ESG reporting frameworks such as those published by the International Sustainability Standards Board,

and the final Taskforce on Nature-related Financial Disclosures framework. They received updates on initiatives across our four pillars, including:

- progress towards our net zero commitment
- our stewardship activities
- our DE&I programme, including our gender pay gap
- continued engagement with suppliers and our modern slavery statement
- the changing shape of our community investment programme
- an update on the quality of carbon offsets following a review undertaken by Climate Impact Partners.

### RISK MANAGEMENT

We believe that everyone in the group has a role to play in reducing risks, from the board and executive team to all employees. If the entire workforce can operate with accountability, this enhances the effectiveness of risk management across the group.

We have a well-established approach to managing and reducing risks, which has continued to evolve as the group responds to external developments. Our risk governance, process and infrastructure are designed to ensure that appropriate risk management is applied to existing and emerging challenges, to our day-to-day activities and strategic objectives. Our approach to governance means that we frequently evaluate our process and response, through the regular tracking of people metrics and trends and employee engagement surveys.

### POLICIES AND PROCEDURES

As a responsible business, we have an important role in enforcing our policies and procedures, and ensuring effective due diligence processes are in place. These include our code of conduct, equal opportunities policy, health and safety policy and our anti-bribery and corruption policy. Through our alignment with and support for the United Nations Global Compact, the International Labour Organization's standards and the Universal Declaration of Human Rights, we show our commitment to operating in a way that protects and promotes human rights. This includes our direct employees, our suppliers and business partners and through the investments we make on behalf of our clients. For a full overview of our relevant policies and due diligence processes, please see the Non-Financial and Sustainability Information Statement on [pages 75-76](#) in our annual report and accounts.

### WHISTLEBLOWING

Rathbones' whistleblowing policy is available on our [website](#). It lays out our commitment to the highest possible standards of openness, probity and accountability. We understand the importance of having a mechanism in place that supports our colleagues and broader stakeholders in raising their concerns. Our policy refers to individuals as anyone including but not limited to our employees, former employees, volunteers, contractors, suppliers and clients. In 2023, there were three recorded cases, all three matters were independently investigated and resolved accordingly.

## OUR GOVERNANCE

### BOARD OF DIRECTORS

[View more information on our website](#)

### GROUP EXECUTIVE COMMITTEE

[View more information on our website](#)

### RESPONSIBLE BUSINESS COMMITTEE

The key activities of the committee are as follows:

- Identify emerging risks and opportunities related to the social and environmental impacts of the firm
- Provide oversight of the firm's responsible business strategy and reporting
- Oversee the firm's policies and progress across our framework.

Committee members:

- Group chief executive officer
- Managing director of Rathbones Investment Management
- Chief risk officer
- Company secretary
- Business unit representatives
- Workstream leads.

[View more information on our website](#)

**GOVERNANCE** CONTINUED

## OVERVIEW AND APPROACH CONTINUED

**REPORTING**

We are committed to being transparent about our approach to responsible business. We report on progress against our responsible business ambitions and key initiatives. Whether this is in alignment with or to meet requirements of external frameworks, such as CDP and the Net Zero Asset Managers initiative, we make our disclosures public to support transparent communication. Our reports are available on the [reports and disclosures](#) page of our website and/or through the specific initiative websites.

**DELIVERING AND TRACKING PROGRESS**

Our commitment to operating in a way that creates long-term value for our stakeholders includes putting in place strong governance foundations to hold us to account. Alongside clear accountability we set targets, track and monitor our progress and report on our commitments in a transparent and timely manner. Our responsible business programme enables us to deliver on our purpose through our various initiatives, including our responsible investment approach, diversity, equality and inclusion, community investment and reducing the environmental impact of our operations. Having taken our first step by defining our responsible business framework in 2019, in 2024 as we update the strategy, we will keep the governance under review.

**REMUNERATION**

In 2023, we continued to include ESG measures in the variable pay component for our group executive committee members, including our chief executive officer and chief financial officer. The measures include targets relating to meeting our consumer duty regulations, client and employee net promoter scores and maintaining an engaged workforce. More information can be found on [page 126](#) of our annual report and accounts.

**EXTERNAL FRAMEWORKS AND PARTNERSHIPS**

Although there is a lot that we can do to help tackle ESG issues, by working in partnership with others we can have an even greater positive impact on the world. We adopt relevant external frameworks and work with partners to ensure we are focused on the areas where we need to change, aligning to stakeholder expectations and communicating our actions in a way that aligns to other organisations and that is helpful to our stakeholders. These engagements alongside our work with regulators and delivery partners support our understanding of stakeholder expectations and best practice response opportunities.

Details of our affiliations and partnerships can be seen on our [website](#), including our continued support for the United Nations Global Compact.

**SUSTAINABLE DEVELOPMENT GOALS**

Our responsible business committee oversees our alignment to the [UNGC's ten principles](#) and the [Sustainable Development Goals \(SDGs\)](#).

Through the activities we undertake we have identified metrics that align with several of the underlining ambitions of the SDGs noted above. We review our alignment to, and progress against, these SDGs in more detail on [page 35](#). The alignment of work across our pillars to the SDGs is noted within each pillar section.



**United Nations**  
Global Compact

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## RESPONSIBLE INVESTMENT

### OVERVIEW AND APPROACH

We see it as our responsibility to be good, long-term stewards of our clients' wealth. We aim to deliver on clients' investment objectives while recognising that long-term returns depend on the continuing health of the overall economy. We also believe it is in the best interests of our clients that the companies and securities we invest in adopt best practice in managing ESG risks that protect their revenue and balance sheets.

We recognise that the environment, society and financial stability are connected. It is therefore our responsibility to incorporate ESG factors and the effect they can have on our clients' portfolio returns into our investment and ownership decisions. By embedding the analysis of ESG factors into our investment process, we strive to understand ESG risks and identify high-quality investments with attractive financial characteristics that can deliver on clients' long-term investment objectives. We also recognise the benefits that society can reap from our ability to potentially identify long-term sustainable investments for our clients.

For more information about how we incorporate ESG considerations into our investment and ownership decisions across the business, please see our [2023 responsible investment report](#).

The group responsible investment committee oversees our responsible investment policy and progress towards the investment aspects of our SBTi aligned target and commitment to net zero by 2050.

### WORKING TOGETHER



We have been signatories to the PRI since 2009. In December 2022, we showed our support for PRI Advance, a PRI-led collaborative stewardship initiative on human rights and social issues. In 2023 engagement was underway with over 35 companies in the metals & mining and renewables sectors.



In 2023, in addition to acting as a lead investor for SSE plc, we also became a lead investor for [Climate Action 100+](#)'s engagement with Glencore. This role opened the door for us to have deeper and more constructive engagement with the company to address investor disquiet, which centres around the management of climate risk.



Recognising the importance of understanding and managing our biodiversity impact. In 2023, we joined [Nature Action 100 \(NA100\)](#), pressing to reverse nature and biodiversity loss by 2030. In 2024, Rathbones Group will engage with four companies, with Greenbank working with a further four.

### 2023 HIGHLIGHTS

**% OF FUMA COMMITTED TO OR HAVING SET SBTi ALIGNED NET ZERO NEAR-TERM TARGETS**

**30%**

**DIRECT ENGAGEMENT WITH COMPANIES**

**752**

**PRI SCORE: POLICY, GOVERNANCE AND STRATEGY**

**77%**

**4/5 stars**



### OUR INVESTMENT TARGET

Our near-term target commits 35% of our listed equity and bonds holding, by invested value, to committing to or setting SBTi aligned targets by 2025, 57% by 2030, and 100% by 2040.

In addition to our group targets, Greenbank Investments, Rathbones' specialist ethical, sustainable and impact investment team, plans to reach net zero emissions by 2040 (including operations, supply chain and investments). Greenbank followed the Net Zero Investment Framework ([NZIF](#)) to set targets covering the investments it manages.

### PROGRESS AGAINST OUR INVESTMENT TARGET

In 2023, 30% of our FUMA were invested in companies that had set or committed to set SBTi aligned targets. This is up 7.1pp from last year and means that we are on track to meet our 2025 near-term target.

Progress towards our target is supported by the application of four principles outlined in the group's [responsible investment policy](#) and in the following pages.

In 2024, we will rebase our exposure to include the impact of combining with IW&I and reset our near-term targets.

**Annual report and accounts 2023**

**Responsible investment report 2023**

## RESPONSIBLE INVESTMENT CONTINUED

## PROGRESS ACROSS OUR AREAS OF FOCUS IN 2023\*

**ESG INTEGRATION****APPROACH**

We consider ESG factors in the evaluation of investments to help identify ESG opportunities and risks.

**2023 PROGRESS**

- Continued to invest in our responsible investment proposition across all business areas and have expanded our stewardship approach to further incorporate ESG integration, deepening our analysis of direct equities, direct fixed income and fund holdings
- Published our [fossil fuel positioning statement](#), including policy elements relating to exposure to high-carbon assets, and thermal coal phase out plan, supporting the delivery of our net zero commitments. The publication of our phase out plan aligns with the validation of our near-term net zero targets by the SBTi at the end of 2022, which asks that investment in thermal coal ceases by 2030
- Enhanced our responsible investment committee structure with the addition of our ESG integration committee for RIM to help improve our ESG practices with a focus on client outcomes
- Delivered further training for our investment and research teams to support client conversations on ESG opportunities and risk.

**VOTING WITH PURPOSE****APPROACH**

We actively vote in a manner that allows us to focus our resources where we believe we can make the most difference. This may involve voting against management to help drive positive change.

**2023 PROGRESS**

- Voted on 48.04% of resolutions: voted on 11,966 resolutions at 853 company meetings (2022: 13,071 resolutions at 1,013 company meetings) and spoke in person at several annual general meetings (AGMs). 786 votes made against management (2022: 971)
- The climate-related criteria set out in our voting policy were further refined in 2023. We supported a high number of climate-related shareholder resolutions and voted against company-proposed climate transition plans that we considered insufficient
- We have also taken firmer stances on social and governance issues such as audit failings, gender and racial diversity at board and senior management level, and corporate governance at FTSE AIM companies
- Votes Against Slavery (VAS): Rathbones convened an investor collaboration with £8.2 trillion in assets under management to challenge FTSE 350 companies that had failed to meet the reporting requirements of section 54 of the Modern Slavery Act 2015. To find out more, please see page 19 of our [responsible investment report](#).

\* Referred to as pillars or principles in the RI Report

**RESPONSIBLE INVESTMENT** CONTINUED

PROGRESS ACROSS OUR AREAS OF FOCUS IN 2023\* CONTINUED

**ENGAGEMENT WITH CONSEQUENCES****APPROACH**

We prioritise engagement where we can help make a difference in addressing systemic ESG challenges. We are prepared to escalate our engagement activity or reduce our holdings in companies that continue to present an ongoing ESG risk.

**2023 PROGRESS**

- Refreshed and updated the group responsible investment and engagement policies. This provides more clarity for our clients on when and where we will choose to use the tools available to us in our engagement work
- Undertook 752 engagements (up from 671 in 2022)
- Engaged with companies collaboratively as members of Climate Action 100+ (CA100+) and the Net Zero Engagement Initiative (NZEI) through the Institutional Investors Group on Climate Change (IIGCC). In 2023, letters went out to 107 companies, co-signed by 93 investors, asking companies on the CA100+ list of the world's largest corporate greenhouse gas (GHG) emitters to create robust net zero transition plans
- Joined Nature Action 100 (NA100), pressing to reverse nature and biodiversity loss by 2030. In 2024, Rathbones Group will engage with four companies, with Greenbank working with a further three
- As members of the [World Benchmarking Alliance](#), in 2023 we identified a target list of 12 companies to start engaging with in 2024 on human rights in their operations and supply chains
- Joined the [Investor Initiative on Hazardous Chemicals](#) and Global [Investor Commission on Mining 2030](#)
- Led collaborative engagement on modern slavery through the award-winning [Votes Against Slavery](#) programme and led IIGCC coordinated net zero engagement with SSE and Glencore.

**TRANSPARENCY****APPROACH**

We are committed to being transparent about our approach to responsible investment. We will actively report on the progress of our responsible investment activities to our clients, shareholders and other stakeholders.

**2023 PROGRESS**

- In 2023, we continued to be members of the UN Principles for Responsible Investment (PRI), and a signatory to the UK Stewardship Code 2020 (the full report can be found on our [website](#)). In the Policy, Governance and Strategy module, Rathbones group achieved a PRI score of 77% and IW&I achieved a score of 59%. For a deeper dive into our PRI results, please see page 41 in the [responsible investment report](#). As we continue to move through a period of integration with IW&I, we will be reassessing our partnerships, ensuring that they remain relevant and beneficial to the business in 2024, given the new size and scale of the company
- Established a responsible investment communications coordination group, which is reviewing and updating collateral and approaches to support both our Green Claims Code review process and Consumer Duty considerations
- Produced a rationale for every vote against management's recommendation, publicly stated on our voting disclosure tool
- Developed management information packs to support monitoring and decision making. These are scrutinised regularly by our ESG integration and engagement committees and reviewed quarterly by the group responsible investment committee
- Continued to use clear criteria for assessing corporate climate strategies, which are published in our voting policy on our [website](#)
- Maintained a policy of publishing voting statistics by company on the [website](#).

\* Referred to as pillars or principles in the RI Report

## RESPONSIBLE INVESTMENT CONTINUED

## IMPACT IN ACTION

We have taken a range of measures to ensure that we are putting our approach to responsible investment into action, demonstrated by the examples below. The following spotlights highlight our efforts to identify ESG opportunities and risks in our investments, engage with our investee companies and to vote in line with our [policy](#).



### ESG integration: investing responsibly

The [Rathbone Greenbank Global Sustainable Bond Fund](#) was established in response to client demand for a diversified, sustainable global bond offering that complements existing fixed income strategies. Clients sought investment opportunities that back sustainable projects and businesses, contributing to a better future.

This fund is aimed at investors who want flexible global bond exposure with strong sustainability policies. The global fixed income market is huge, and the fund's flexibility means it can go anywhere across this deep and broad market, to identify the best investments for building a well-diversified portfolio of sustainability screened global corporate and government bonds.

Our objective is to deliver a greater total return, after fees, than a benchmark we have created to represent the global fixed income market over any rolling five-year period. At the same time, we avoid investing in activities that make the planet or its inhabitants worse off.

Distinct from our other offerings, the fund enjoys the backing of Greenbank, an investment team with a track record in ethical, sustainable and impact investing. All securities, including government bonds, are subject to the Greenbank screening.



### Engagement: SSE – continuing progress over climate change

In 2023 we were a material investor in SSE Plc, a major electricity provider in the UK and Ireland. Our investment in the company is a significant source of embedded emissions in our group carbon footprint.

In early 2023, we wrote to the company on behalf of other SSE CA100+/IIGCC lead investors to encourage the audit committee to ensure that material climate risks associated with the transition to net zero by 2050 were fully incorporated into SSE's financial statements. This disclosure of climate risk now helps inform their investment and stewardship decisions. The company's latest annual report showed in detail how SSE measured up to each of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), an international body. SSE has also been working on enhancing its analysis of climate scenarios to meet investor expectations and TCFD recommendations, with disclosures of progress expected in the 2023 annual report.

At SSE's AGM, our stewardship director made a statement to senior management and the board on behalf of CA100+ that commended SSE for actions already taken to address climate change, in particular the adoption and submission to the AGM of a formal Transition Plan. This plan explained how SSE expected to meet its SBTi approved targets and included a revision of its Net Zero Acceleration Plan. He also asked how the board would continue to ensure the right balance between short-term energy system demands and long-term goals for reducing its carbon emissions, and if more detail was available on the emissions reductions which SSE judged necessary to meet its emissions targets.



### Voting with purpose: Dollar General – red flags over health and safety

Every company has a duty to look after the health and safety of its employees. Since 2017, US Dollar General had faced US\$12.3 million in penalties from the Occupational Safety and Health Administration (OSHA). OSHA had included the company in its 'severe violator' program, which includes any company that repeatedly violates safety standards. It has also imposed more than US\$21 million in fines against Dollar General since 2017 for safety hazards in stores, such as blocked fire exits and electrical outlets, and boxes stacked up in aisles. As well as reducing the risk of fines, companies that look after their workers can deliver stronger financial performance and more efficient and motivated workforces.

We supported a shareholder resolution asking Dollar General to commission a third-party audit on health and safety to give shareholders improved transparency about the company's policies and practices, including the board's risk management. The proposal calling for an audit of the workplace passed, with 67.7% support, although the vote wasn't binding on management. Because the company failed to respond in the months following the AGM, we joined a group of shareholders in signing a letter requesting a meeting with the company to discuss how it will implement what the proposal asks for. After several attempts to organise a group meeting with the company, Rathbones met with the investor relations department for an update. In November 2023, the company said it planned before the 2024 shareholder meeting to respond to the shareholders' request to commission and publish the audit. We will keep monitoring whether the company fulfils this commitment.

## RESPONSIBLE INVESTMENT CONTINUED IMPACT IN ACTION CONTINUED

# Starbucks: support for freedom of association

The International Labour Organization espouses freedom of association, which it defines as the right for workers to create and join organisations of their choice freely and without fear of reprisal or interference. It also endorses the right to collective bargaining: allowing workers to negotiate their working conditions freely with their employers. This is often done through trade unions. Research suggests that unions reduce employee turnover, which can boost productivity.

According to workers, the trade union Workers United and the National Labor Relations Board, Starbucks has interfered with these rights and committed other labour rights violations.

Critics say its actions have also created a dissonance between the company's commitments and its actions.

We supported a shareholder resolution asking the board to commission a third-party assessment of Starbucks' freedom of association and collective bargaining policies and practices. The resolution called for this assessment to be published on the company's website. We believed that an independent third-party assessment would give shareholders a better understanding of the company's management of these issues.

The shareholder resolution passed, with 52.0% support, although it was non-binding. Six months after the AGM, the board disclosed the findings from the third-party evaluation of Starbucks' adherence to its commitment to the principles of freedom of association and the right to collective bargaining. Supervision of the assessment was carried out by the chair as well as the nomination and corporate governance committees. The assessment made clear that while Starbucks had not intended to deviate from these principles, there were things it could and should do to improve its stated commitments to them.

We were encouraged to see that in response to the assessment, the board has created an environmental, partner and community impact committee to oversee the company's work in this area.

## LOOKING FORWARD

Looking ahead, we have set out our engagement priorities for 2024. This includes long-standing priorities that remain vital, such as net zero, alongside newer priorities, such as the risks to workers and local communities posed by the mining industry. We will continue to be transparent and report on the progress of our responsible investment activities, and actively vote in line with our policy.

Whilst we undertook a regular review of our voting process in 2023 to ensure we maximise our impact across all voting channels, this will be reviewed again as part of the integration process with IW&I. Our aim is to both maximise the percentage of holdings we vote on whilst ensuring our votes are impactful.

In 2024, following the stewardship and ESG convergence planning considerations as part of the integration workstream, Rathbones group and IW&I will submit separate [Stewardship Code Reports](#), as approved by the FRC. They will include a consistent statement highlighting their unification from September 2023.

To prepare for the 2024 voting season, efforts are focused on synchronising voting activities between Rathbones Group and IW&I, utilising ISS for voting, albeit with different policies. Voting execution will be streamlined by 2025, with a unified approach to determining voting intentions in the works. Additionally, company engagement activities are aligned, with updates to the Rathbones' Climate Statement and compliance with Votes Against Slavery (VAS) underway, ensuring a cohesive strategy moving forward.





# OUR PEOPLE

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## OUR PEOPLE

### OVERVIEW AND APPROACH

We are a people business, so it is imperative that our strategy sets a culture that drives performance and builds long, rewarding careers for our colleagues. Based around a common set of corporate values and a commitment to diversity, equality and inclusion (DE&I), we are focused on leveraging the talent in our business, as we develop more career paths, build leadership skills and manage succession. Rathbones is committed to becoming a more diverse business which, in turn, will support us in delivering value to our clients.

As a combined business we have more than 3,500 employees (over 2,300 of whom are current Rathbones' colleagues). Our management team and the board continued to engage with our people through a variety of channels, ensuring open discussion across our workforce. A key highlight of the year was our employee engagement survey, with 76% response rate (82% in 2022) and an employee net promoter score of 37 (39 in 2022), which is above the sector average of 26 (22 in 2022). We also saw an employee turnover of 7.59% (up slightly on our 2022 level of 7.2%). In 2023, we shared our updated people plan.

### CULTURE AND VALUES

Our people strategy was finalised and is being used by our people business partners with their stakeholders to frame next steps to support our strategic ambition of 'inspiring our culture'. Through our integration we maintain our commitment to colleagues across Rathbones and IW&I to craft an inclusive culture.

We are committed to understanding how our culture is viewed and experienced across our organisations and are engaging leaders in direct conversations to understand this and their visions for how we come together, what cultural principles should be retained and how they think they may need to shift to support the business direction.

Colleagues across Rathbones and IW&I will participate in culture evaluation focus groups that will inform the actions we will take to create a shared sense of pride and belonging in our future organisation.

Through our integration, we are guided by the principle of making sure we treat all colleagues fairly and respectfully and maintaining open, transparent and frequent communication with everyone.

### WORKING TOGETHER



We initiated new partnerships with [Progress Together](#) who seek to drive socio-economic diversity across financial services.



Having registered our support in 2022, we formally signed the [Armed Forces Covenant](#), making a commitment that those who serve or have served in the armed forces, and their families, are treated fairly at Rathbones.

### Fertifa<sup>+</sup>

Introduced [Fertifa](#) to offer colleagues access to fertility and family forming, menopause and women's health, men's health and neurodiversity support.

### 2023 HIGHLIGHTS

% OF FEMALE EMPLOYEES IN THE GROUP

46%

% OF EMPLOYEES SHARING DIVERSITY DATA

63%

EMPLOYEE ENGAGEMENT SCORE

8.0

EMPLOYEE TURNOVER

7.59%



⊕ Annual report and accounts 2023

⊕ Gender pay gap report 2023

## OUR PEOPLE CONTINUED

## PROGRESS ACROSS OUR AREAS OF FOCUS IN 2023

## DIVERSITY, EQUALITY AND INCLUSION

## APPROACH

At Rathbones, we know that everyone walks a different path in life. By embracing our diverse experiences and perspectives we are working to create and protect an environment that is inclusive and equal for everyone. With more than 3,500 people across 23 offices, we recognise that our differences help us make better decisions and bring innovation into everything we do. Embedding DE&I across the group is critical to achieving our strategic ambitions and our purpose of investing for everyone's tomorrow.

## 2023 PROGRESS

- Launched two new inclusion networks, and we are actively encouraging colleagues to join
- We tracked progress against the targets in our DE&I plan and gathered feedback through our engagement surveys and via our inclusion networks
- We have collected circa 60% of employee demographic data across eight characteristics, and will continue to ask employees for further engagement to increase this completion rate and therefore our ability to understand who our colleagues are
- Five female directors on the board in 2023 (board was 56% female, up from 43% in 2022)
- Continued to be signatories to the Women in Finance Charter. As of September 2023 we reached 33% female representation in senior management compared to 27% female representation in 2022
- 46% of our total workforce was female at the end of 2023
- Continued to roll out 'DE&I in the modern workplace' training
- Our inclusion networks prioritised raising awareness across their strands of DE&I through speaker events and sharing colleague stories. With flagship events held during National Inclusion Week
- We've reported the Inclusion index from our engagement survey, Peakon, with our businesses to help them understand both sentiment and actions needed to keep a DE&I focus in their areas
- We've reduced our mean gender pay gap to 32.3% down from 36.36% in 2022 and 37.1% in 2021. These changes reflect the impact of our ongoing efforts to create a more balanced Rathbones and we're focusing on our progress; it's slower than we would like but we're on the right track.

## CULTURE AND VALUES

## APPROACH

The Rathbones' culture is set from the top. Our board and executive team recognise the role that our culture plays in the long-term success of the group. We have identified eight drivers of our culture and performance, and progress against associated indicators are reported to the board twice a year. Our values are integrated into the employee appraisal process – at both our mid-year and full-year appraisals, employees are required to confirm they are in alignment with these.

## 2023 PROGRESS

- Finalised our people strategy and the eight commitments we make to our people which roll up to Rathbones continuing to be a great place to work. This also underpins our strategic priority of inspiring our culture
- People business partners worked in unison with senior leaders to create people plans for their business areas focusing on the key commitments to our people which in turn help us deliver our business strategy
- Inviting colleague voice through our engagement surveys, we gathered insight and commentary which tells us directly how people feel and what they think about our integration and working here
- Colleagues in Rathbones were invited to give their views in summer and winter surveys and IW&I colleagues participated in the winter survey for the first time. Rathbones' engagement score was 8.0
- We heard that our cultural strengths are in goal setting, our people knowing what they are expected to deliver; peer relationships and management support, autonomy and flexibility and management being interested in the opinions of their teams.

## OUR PEOPLE CONTINUED

## PROGRESS ACROSS OUR AREAS OF FOCUS IN 2023 CONTINUED

## EMPLOYEE WELLBEING

## APPROACH

At Rathbones we care about colleague wellbeing. We have a range of provisions in place to support the mental and physical health of our people.

## 2023 PROGRESS

- Continued to offer access to our employee assistance programme (EAP), including a free and confidential phone and online advice service
- Introduced two new wellbeing apps, which provide a virtual GP for all employees and support for mental and physical health, including counselling, nutrition advice, personal training, second medical opinions, physiotherapy and children's mental health services
- Introduced [Fertifa](#) to offer colleagues access to fertility and family forming, menopause and women's health, men's health and neurodiversity support
- Ran awareness sessions on topics including men's health, mental health, breast health
- Took part in Movember to raise funds and awareness of men's health issues
- Ran menopause training for colleagues, line managers and HR. Menopause group have grown in momentum and engagement during 2023. We held a pivotal event recognising World Menopause Awareness Day hosted by Louise Minchin. During National Inclusion Week the group produced a video with senior male leaders raising awareness about menopause
- Added mammograms to our annual medicals for women over 40
- Promoted the Eldercare Support service we have through our income protection insurer to help support those caring for elderly relatives
- Ran our annual benefits fair, with various providers to summarise/promote the benefits we already have, i.e. PMI, Income Protection, EAP, Workplace Nursery Scheme, Tusker Green Car Scheme.

## LEARNING AND DEVELOPMENT

## APPROACH

We are committed to investing in the learning and development of all employees and will support participation in appropriate programmes, whether internal or external.

We seek to give all our people the opportunity to develop the skills, knowledge and behaviours they require to fulfil their current roles effectively, supporting them in realising their potential and enjoying a varied and engaging career.

## 2023 PROGRESS

- In 2023, we rolled out programmes focused on the four pillars of Consumer Duty and ran awareness sessions on compliance with the Green Claims Code
- We continued to build and grow our mentoring scheme, providing several opportunities during the year for interested colleagues to join
- Our 2023 training spend per employee was £529 (2022: £456)
- Launched our new management and leadership skills pathways, 'Aspire to Inspire', which will support early careers and aspiring managers to build new skills, and as well as refining the skills of our current managers and leaders
- The programmes are designed to give our managers and leaders the time to reflect, learn from each other and build relationships across all of our teams, functions and offices, taking opportunities to collaborate, share and learn from one another.

## OUR PEOPLE CONTINUED

## IMPACT IN ACTION

In support of our people, we have implemented a range of initiatives over the past year to further DE&I, our culture and values, and our employees' wellbeing and development. The spotlights below are a demonstration of our ambition to invest in creating a supportive and diverse workforce.



### Culture and values: culture through change

Our culture is the heartbeat of our organisation, the thread that runs through what we do and how we do it. Our integration gives us the opportunity to understand and evaluate the cultural pillars across Rathbones and IW&I to make sure we maintain and build the best of both cultures.

With a consistent understanding about what makes Rathbones great and the cultural strengths that underpin our client first delivery, we'll seek to create a shared pride and belonging in our organisation. We plan to begin this in Q1 2024 by understanding how leaders view and experience their current cultures, what culture principles should be retained and what might need to shift to support the business direction. We will hear directly from colleagues in both organisations in focus groups and develop actions that will ensure all our people feel like they belong, sustaining and increasing their engagement with our growing and changing organisation.



### Employee wellbeing: mental health first aiders

At Rathbones we believe mental health is as important as our physical health. However, there can be a stigma around mental health, even though many of us will experience mental health problems at some time in our lives. Mental health issues such as stress, anxiety, sleeping disorders or depression can make people feel isolated or worried. Our mental health first aider initiative is designed to encourage our people to talk about any problems they may be experiencing in a supportive, non-judgemental and confidential environment.

Our mental health first aiders act as a go-to resource for anyone who feels stressed or anxious or has mental health concerns. They provide the option of a liaison with line managers and the people team for those who want it. Having someone to talk to in confidence can be hugely important and can be a life-changing conversation, which is why we already have 43 mental health first aiders and plan to recruit more in the coming years.



### Learning and development: vulnerable client training and Consumer Duty

As Consumer Duty emphasises the importance of vulnerable client considerations, in 2023 we carried out a series of activities to ensure positive outcomes for all customers - including those with vulnerable characteristics.

Open to all colleagues, we organised a series of six charity-led training sessions from RNID, City of London Police, Cruse Bereavement Support, Alzheimer's Research UK, UK Finance and Partially Sighted Society to provide practical client engagement tips.

Accessible to all colleagues, we created a vulnerable client hub as a one-stop-shop for associated resources. This included the updated policy, conversation techniques, organisations to signpost clients to, video guides and much more.

We worked with the vulnerable client panel, supporting them all in completing the CISI Professional Assessment in Vulnerable Clients and scheduled regular meetings to share best practice.

## OUR PEOPLE CONTINUED

### IMPACT IN ACTION CONTINUED

# Inclusion in action

We know that everyone walks a different path in life. From where we grew up to the languages we speak, how we think and who we love - we are all different. Here, difference is valued. By embracing our different experiences and perspectives we can create and protect an environment that is inclusive and equal for everyone. Our growing inclusion network communities are built on shared experiences, intersectionality and allyship. They are culture carriers for our organisation, offering employees and allies the opportunity to enhance and shape the inclusive culture we aspire to.

Our inclusion networks champion the benefits of diversity and inclusion at Rathbones, whilst sharing the lived experiences and nuances of our diverse colleagues. In 2023, the focus of the networks was on four main pillars:

#### DIVERSITY

- Support the attraction of underrepresented communities in partnership with the people function and resourcing team
- Developing network members in personal and professional development
- Provide opportunities to help members to grow their careers, i.e: mentoring
- Support with upskilling and learning to promote self development.

#### INCLUSION

- Help Rathbones to build a diverse and inclusive place to work
- Create a network vision and programme of activity to inspire members and set the tone and value of inclusion at Rathbones
- Provide insights into the lived experience and sentiment of Rathbones for diverse colleagues
- Work in partnership with other inclusion networks to address intersectionality.

#### BELONGING

- Connect and engage with diverse colleagues to build the sense of belonging
- Educate and celebrate cultural events.

#### ALLYSHIP

- Build a set of principles for allyship
- Raise awareness and educate how colleagues can be allies to each other, especially those from diverse backgrounds.

In 2023, we made progress, and ensured that each network is aligned and sponsored by members of the GEC, with the networks continuing to be designed by employees, for employees. We also introduced a socio-economic diversity network and continued to track our employee's opinions on DE&I through our employee surveys.

With the combination of IW&I's Belonging, Inclusion & Diversity Working Group and Rathbones' networks we're pleased to relaunch and introduce a couple of new networks (Armed Forces Network and Generations Network) along with how to access our combined inclusion networks.

Through 2024 work will continue to craft a diverse and inclusive business.

#### LOOKING FORWARD

Following the completion of the IW&I transaction, we will review our current people plan and underlying commitments, including a review of our DE&I strategy. As we bring our organisations together we will be undertaking a review of our culture and values to ensure we set solid foundations on which to base our future people progress.

2024 will see the introduction of a DE&I dashboard. This will be used to inform regular and ongoing conversations across the business to drive DE&I actions and track progress against our targets.

Following the hard work in 2023 from our menopause group, we are now working on getting Rathbones accredited as a menopause friendly organisation.

Rathbones recognises the scale of training required annually. We will keep this under review and support colleagues in delivering their development plans. We will be looking to review the content of the inclusive leadership training that we provide in 2024, as well as potentially looking to develop a DE&I 101 training programme for everyone to go through, to understand the Rathbones' DE&I values that will include content on psychological safety.



# SOCIETY AND COMMUNITIES

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## SOCIETY AND COMMUNITIES

### OVERVIEW AND APPROACH

Through our business we aim to add value not only to our clients but also to the societies and communities in which we operate. With more than 3,500 people across 23 offices and with more than £100 billion of funds under management, we recognise the role we can play in being a positive influence on society - whether through our decisions as a business or through giving our clients peace of mind, knowing we consider more than just financial returns when we invest on their behalf. But our purpose extends beyond our clients to our role in society. We work with regulators, partners, suppliers and communities to understand their aims and ambitions, working to align our approach to best practice across our programmes.

### WORKING TOGETHER



**United Nations**  
Global Compact

In 2023, we registered to participate in the business and human rights accelerator. With the aim of reviewing and updating our approach to managing human rights risks and opportunities.



Our support of the Social Shifters Global Innovation Climate Challenge accelerates youth-led solutions to climate challenges. In 2023, we announced the 2022 winner and kicked-off the 2023 programme, which was ultimately won by Lome, a project using AI to help understand and educate on soil ecology.



We continued our support for Young Enterprise for a second year. In addition to supporting our usual in school programmes, our group chief executive officer attended an event at Downing Street, with a small group of influential senior stakeholders, to discuss the economic business case for the UK to advance the use of applied learning to increase young people's preparedness for work and make a significant contribution to productivity and social mobility.

### 2023 HIGHLIGHTS

**% OF IN SCOPE EMPLOYEES COMPLETING  
ANTI-BRIBERY AND CORRUPTION TRAINING**

**95.2%**

**% OF SUPPLIERS ENGAGED ON ESG ISSUES**

**76%**

**% OF THIRD-PARTY SPEND ENGAGED ON  
ESG ISSUES**

**70%**

**% OF PRE-TAX PROFITS INVESTED IN  
OUR COMMUNITIES**

**1.38%**

**NUMBER OF PEOPLE REACHED THROUGH  
OUR FINANCIAL AWARENESS PROGRAMME  
(ACROSS THE LAST TEN YEARS)**

**>12,300**





## SOCIETY AND COMMUNITIES CONTINUED

## PROGRESS ACROSS OUR AREAS OF FOCUS IN 2023

**HUMAN RIGHTS****APPROACH**

Through our alignment with and support for the United Nations Global Compact (UNGC), the International Labour Organization's standards and the Universal Declaration of Human Rights, we show our commitment to operating in a way that protects and promotes human rights. We will not tolerate child or forced labour. This includes our direct employees, our suppliers/partners and through the investments we make on behalf of our clients. Our support of SDG 8 includes the right to freedom of association and collective bargaining.

**2023 PROGRESS**

- Continued to support the [UNGC](#)
- Following the completion of the IW&I transaction we reviewed our modern slavery statement to ensure alignment and map the expanded supplier universe
- Rathbones has a zero tolerance policy towards bribery and corruption and, in line with this, we ensure all our employees are adequately trained. In 2023, 95.2% of our in scope colleagues completed anti-bribery and anti-corruption training (99.2% in 2022), further evidencing our commitment to the FCA's new Consumer Duty
- Logged three whistleblowing cases in 2023, all three matters were independently investigated and resolved
- Maintained our commitment to paying the Living Wage
- Engaged with our investee companies on modern slavery and other human rights issues (see our [responsible investment report](#)).

**SUPPLIER ENGAGEMENT****APPROACH**

We believe that we have the potential and responsibility to work with our supplier partners across their material ESG issues. We manage this through our supplier management framework, which includes a checklist of ESG criteria against which we track supplier activity.

**2023 PROGRESS**

- Our supplier management team reviewed and updated our maturity roadmap, including a revision of our ESG questionnaire
- 76% of suppliers (equating to 70% of Rathbones' third-party spend) completed our ESG review (69% in 2022)
- Fully embedded process for procurement that includes a responsible business assessment
- Engaged with some suppliers and partners on how to develop a net zero plan or evolve their current approach to operating responsibly.

## SOCIETY AND COMMUNITIES CONTINUED

## PROGRESS ACROSS OUR AREAS OF FOCUS IN 2023 CONTINUED

**COMMUNITY INVESTMENT****APPROACH**

As we work to become a trusted partner in the societies in which we operate, we deliver both financial and in-kind support through the Rathbones Group Foundation, our employee Give As You Earn scheme, employee matching and volunteering.

**2023 PROGRESS**

- In line with our business model, the group continued our community support through the Rathbones Group Foundation, our employee matching scheme and our Give As You Earn scheme
- 77 community partners were supported, including national charities such as [Young Enterprise](#), [Social Shifters](#) and Children in Need, alongside our more localised support for regional charities such as FareShare South West, Romsey Mill or Brathay Aspiring Leaders
- Invested more than £585,000 or 1.38% of pre-tax profit in over 75 projects (2022: £795,110, 1.24% and more than 80 projects)
- Maintained our support for [Social Shifters](#) and [Young Enterprise](#), aligning with the work we carry out through our financial awareness programme
- Supported the Disasters Emergency Commission (DEC) Turkey-Syria appeal
- Reviewed our volunteering policy. Employees can take up to three days a year to volunteer
- Post-completion of the IW&I combination, the structure of our support and giving was reviewed and a new structure, involving community investment hubs, covering all offices and colleagues was agreed.

**FINANCIAL AWARENESS AND EDUCATION****APPROACH**

We continue to recognise the importance of financial awareness in society and our role in supporting this.

**2023 PROGRESS**

- Continued to run Rathbones' financial awareness sessions for 16-25 year olds and have now reached a total of more than 12,300 people across the past 10 years
- Our financial awareness sessions reached 239 adults of which 163 were female
- Rathbones' programmes reached 504 participants aged between 16-25
- Entered our third year of partnership with [Young Enterprise](#) (YE) to further support the work of the Rathbones' financial awareness programme
- Hosted YE's Financial Education Forum in October 2023.

## SOCIETY AND COMMUNITIES CONTINUED

## IMPACT IN ACTION

We recognise our responsibility to the societies and communities in which we operate. The policies and commitments we have in place ensure we're supporting those who need it and are engaging in conversations with our suppliers on key ESG issues. Our work in this area is demonstrated through the examples below:



### Human rights: Apple – keeping children safe

The decision by Apple to halt the implementation of its child sex abuse material (CSAM) detection tool sparked criticism from both investors and non-governmental organisations (NGOs). At a time when Apple's peers are taking steps to understand and reduce the risks to children - such as Meta, which completed a human rights impact assessment in 2022 that included risks to children - Apple is at risk of a more hostile regulatory environment.

Rathbones Group co-signed a joint letter, coordinated by Christian Brothers Investment Services, asking Apple to assess where the greatest risks of online sexual abuse and exploitation of children lie across its platforms and services. It also called on Apple to disclose how well its child protection tools were working to prevent this and perform a child rights impact assessment.

Apple's response fell short of expectations. It refused to disclose any data evaluating the success of its child protection interventions, or information about the risks to children. In response, Christian Brothers and several other investors filed a resolution on the topic for the company's 2024 AGM. While we were unable to co-file on this occasion, we hope to support this resolution in the future.



### Supplier engagement: ESG questionnaire

Working with our suppliers and partners is a great way for us to support those tackling the same challenges and opportunities as us, whilst delivering against our commitments.

In 2023, we engaged with clients, suppliers and peers to share our approach to topics including net zero and impactful community investment. These conversations support the regular due diligence that we do on our supplier partners, to better understand their approach to managing ESG issues.

We reviewed and updated our supplier maturity roadmap, including a revision of our ESG questionnaire. The roadmap outlines our next steps, including increased business level management information and a greater focus on procurement/on-boarding support from the central team. From the responses we received we could see the main areas of concern raised through the responses being: modern slavery statements, living wage compliance (where our smaller supplier partners' response may be limited by their size) and net zero approaches supported by near-term targets and data disclosure in our larger partners.



### Financial awareness and education: Young Enterprise

Rathbones, like many financial service providers, recognises the need and our responsibility to support increasing financial awareness with our clients, partners and community partners.

With our focus on equality of opportunity and disadvantaged youth, we continued working with [Young Enterprise](#) (YE) in 2023 to reach a broader portion of society and deliver impact in the communities that need them most. We hosted YE's Financial Education Forum in October 2023, helping young people take control of their finances and providing them with the knowledge and skills to build a secure financial future. The Financial Education Forum is a cross-sector network run by YE (as the secretariat to the APPG for Financial Education), which was set up in 2000 to provide a platform for organisations and individuals with an interest in financial education policy and programmes. Forum members meet twice a year to share good practice and the latest news and developments in financial education for children and young people. Our ambition as part of the Transforming Future's Group activity is to reach around 1,500 students a year.

In 2023, we continued to run Rathbones' sessions for 16-25 year olds and have now reached a total of more than 12,300 people across the past 10 years. We look forward to working with YE as they enter their anniversary year, supporting the delivery of programmes and creating positive impact in the communities in which we and they operate.

## SOCIETY AND COMMUNITIES CONTINUED IMPACT IN ACTION CONTINUED

# Community investment: volunteering

### INDIVIDUAL

All of our employees can take up to three volunteering days a year. In 2023, Michelle Davies, one of our employees, used her volunteering days to help DIY SOS transform a mental health hub in Harlow. Angie Hannibal set up The Butterfly Effect Wellbeing group in 2019 with her mother Chris Dyson who suffered with poor mental health. This not-for-profit interest company organises cooking and craft workshops, therapy sessions, a singing group, men's meet-ups and sessions for teenagers. But when Ms Dyson took her own life in March 2020, her daughter decided to run the group seven days a week and has since helped more than 4,000 people in Harlow.

**“I volunteered to help in any capacity. I cleared rubbish, painted the outside of a yoga building, painted the inside of bespoke book cabinets, cleaned windows and loaded soil in flower beds. I met an amazing team of tradespeople and many sole trades giving their time for this incredible project and other like-minded people who just wanted to give back to a community project who really appreciated the help. This was a fantastic opportunity and it is great that a firm like Rathbones allowed me to give my time for such a deserving cause, which is highly valued in the local community”**

### TEAM-BASED VOLUNTEERING

14 million people in the UK live in food poverty, yet more than six million tonnes of good-to-eat food is wasted across the UK food industry every year, contributing to the climate crisis. FareShare South West (FSSW), turn an environmental problem into a social solution, acting as a vital link between food suppliers and hundreds of charities, schools and community groups to get food away from waste and onto people's plates.

Throughout 2023, 34 Rathbones' employees regularly volunteered for FSSW, and seven group volunteer sessions took place. The entire Rathbones Group Bristol office (who have supported FSSW as a charity partner since 2021), also championed FSSW's new Employability Programme, enabling disadvantaged people in Bristol access to training, skills and a supportive work environment.

### LOOKING FORWARD

We have a strong foundation on which build as we combine our approach to include IW&I.

In human rights, our communication on progress to the [UNGC](#) will include IW&I for the first time in 2024. We will maintain our zero tolerance approach to bribery and corruption and will continue our training on the issue.

Next year will see us bring our supply chains together and work to understand our expanded supplier base. We plan to automate our ESG questionnaire in 2024. A database and workflow tool will be developed to automate this process. Our updated modern slavery statement for the expanded group will be approved by our board and released in May 2024.

Having agreed how we will update our approach to community giving in 2023, we will implement these changes in 2024. We will work in hubs to deliver support locally and engage employees across the group in volunteering opportunities and supporting the causes close to them through our matching and Give As You Earn schemes.

We enter the second year of our partnership with Young Enterprise continuing to support the delivery of YE's Day Programmes, including 'Learn to Earn' and 'Employability Masterclass'. The aim of these programmes, aligns closely with those of the Rathbones' awareness sessions, which we delivery digitally. These will also run throughout 2024, building on the strong foundation built over the past ten years.



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# ENVIRONMENTAL IMPACT



# OUR ENVIRONMENTAL IMPACT

## OVERVIEW AND APPROACH

### OUR OPERATIONAL TARGETS

Our [SBTi](#) validated target is to reduce our scope 1 and 2 emissions by 42% by 2030, from a 2020 base. We believe that the investment in digitising our business and completing the transition of our offices to renewable energy sources by the end of 2025 will help us to meet our 2025 internal target of a 21% reduction across our scope 1 and 2, and scope 3 emissions (excluding investments).

Following the combination with IW&I, we will work to consolidate not only our operational data but also our emissions exposure through the investments we make on behalf of our clients. Using this as a baseline we will recalculate our near-term targets to reflect our continued commitment to achieving net zero emissions by 2050 or sooner.

#### PROGRESS UPDATE

Operationally, our footprint increased in 2023, driven largely by increased spend driving an increase in our scope 3, category 1 emissions.

### OUR JOURNEY TO NET ZERO

In July 2021, the group announced its intention to be a net zero emissions business by 2050 or sooner. This ambition aligns with the need to limit warming to no higher than 1.5°C above pre-industrial levels. Using 2020 as our baseline year, and having undertaken a full emissions inventory, we used the Science Based Targets initiative ([SBTi](#)) methodology to set our operational and investment targets. These were validated by SBTi in October 2022. To deliver on our commitment we need to reduce emissions in our own operations, and exert our influence on the investments we make on behalf of our clients in order to reduce the emissions associated with our investments.

Whilst our commitment to becoming a net zero business by 2050 or sooner includes both our direct operations and our investments, we recognise that the majority of our greenhouse gas emissions and other climate-related risks are focused on the investments we hold. However, reducing our operational footprint remains a core focus for the business.

### RESTATING OUR DATA

Rathbones completed our combination with IW&I in September 2023. Therefore, emissions arising from the operations and value chain of IW&I were calculated and included in Rathbones Group Plc reports in 2023. Due to the combination and inclusion of IW&I in the organisational boundary, there is a significant change in GHG emissions results.

### WORKING TOGETHER



Having registered our intention to set an [SBTi](#) aligned target in 2020, alongside stating our long-term net zero commitment, we received validation for our near-term targets in 2022 and put in place our thermal coal exclusion policy aligning to SBTi expectations in 2023.



We recognise the benefit of understanding our role in protecting global biodiversity. With its continued erosion, the risk and opportunities to business are increasing. We joined the [TNFD](#) Forum to help us better develop our understanding of our exposure both through our operations and the investments we make on behalf of our clients.



For more than ten years we have partnered with [Climate Impact Partners](#) to purchase carbon credits to offset our residual emissions. Working with them we identified and purchased credits to remove carbon equivalent to the Scope 1, 2 and 3 (categories 3-8).

### 2023 HIGHLIGHTS

#### RESOURCE CONSUMPTION (% OF SITES THAT USE RENEWABLE ENERGY)

65%

#### CARBON INTENSITY OF OUR OPERATIONAL FOOTPRINT (TCO<sub>2</sub>E/FTE)

6.8

#### % OF CLIENTS USING THE MYRATHBONES APP

58%

#### TONNES OF CARBON PURCHASED OF OFFSET RESIDUAL EMISSIONS

>6,500



⊕ Annual report and accounts

⊕ TCFD report

⊕ Responsible investment report

## OUR ENVIRONMENTAL IMPACT CONTINUED

## PROGRESS ACROSS OUR AREAS OF FOCUS IN 2023

## RESOURCE CONSUMPTION

## APPROACH

As part of our renewable energy procurement strategy, 'Path to Green', we continue to transition our offices and data facilities to renewable energy contracts. Our building and facilities team have ensured that our remaining contracts will transition at the end of their terms. In 2015, we introduced our waste protocol as part of our plan to improve the data quality and quantity of waste collected from our operations.

## 2023 PROGRESS

- We currently have 19 sites (out of 33) using renewable electricity, which covers 65% of our total consumption (kWh)
- While waste emissions decreased by 3.7% since 2022, there is a general increase in emissions since the base year, that is likely as a result of increasing employee headcounts
- The focus of our waste management efforts remained on our London and Liverpool offices which, due to the nature of our business, contribute the most to our waste profile.

## ENERGY EFFICIENCY

## APPROACH

Our offices range from historic buildings with single glazing to modern developments with high BREEAM ratings. Our aim is to work with landlords and fellow tenants to improve the efficiency of our workplaces. If we are considering relocating an office, we will consider environmental factors as part of our decision-making process.

## 2023 PROGRESS

- Following the combination with IW&I, our property and facilities team began work on a full review of the offices where we are co-located, bearing in mind environmental factors in the decision-making process. The programme will continue in 2024 as we look to consolidate our Glasgow, Bristol and London offices
- Conducted energy audits at a selection of Rathbones' offices in 2023, through the Energy Savings and Opportunities Scheme (ESOS) to identify future measures to make energy, carbon and cost savings. Our decommissioning and consolidation practices have resulted in a 28.6% reduction in data centre emissions, from 98 to 70 (tCO<sub>2</sub>e).

## DIGITISING OPERATIONS

## APPROACH

Rathbones continues to invest in improving IT technology, people and processes. Our aim is to reduce manual and paper-based processes and enhance our digital offerings to our clients and employees.

## 2023 PROGRESS

- An additional 27% of clients used MyRathbones to access valuation and tax packs as well as custody location reports. At year-end, 58% of clients were registered on MyRathbones. This has saved £3.5million in print postage and reduced paper in our processes
- Decommissioned 16 physical servers and two storage devices, which allowed us to reduce our power draw by 15.31%.

**OUR ENVIRONMENTAL IMPACT CONTINUED**

PROGRESS ACROSS OUR AREAS OF FOCUS IN 2023 CONTINUED

**TRAVEL****APPROACH**

Travel was suppressed by the pandemic (especially air travel) and emissions have increased as our colleagues returned to face-to-face meetings and moved between our offices post the Covid-19 recovery.

**2023 PROGRESS**

- Business travel emissions increased 49%, from 775 to 1,158 (tCO<sub>2</sub>e) since 2022 and increased 154% since our base year (2020)
- Business travel emissions are broadly reflective of lockdown periods: low in 2020, lowest in 2021, high in 2022 and highest in 2023
- Reviewed the travel policy to ensure any booked travel is necessary.

**CARBON REMOVAL****APPROACH**

We are committed to reducing our operational footprint on an annual basis. We recognise the need to compensate for our residual emissions and therefore continue to offset our operational footprint (excluding supply chain) in partnership with Climate Impact Partners. We identify nature-based projects that align their impact with the UN Sustainable Development Goals and are certified by internationally accredited bodies.

**2023 PROGRESS**

- Following the combination with IW&I, and our restatement of our operational data we purchased credits to cover both Rathbones' and IW&I's operational footprint
- More than 6,500 nature-based removal credits were purchased at an average cost of £23.50 to offset Rathbones and IW&I Scope 1, 2 and Scope 3 category 3-8 emissions (excluding supply chain and investments)
- Supported two carbon offsetting projects: Vichada Afforestation in Colombia and Degraded Grasslands Afforestation in Uruguay (a project certified by the Forest Stewardship Council).



## OUR ENVIRONMENTAL IMPACT CONTINUED

## OPERATIONAL IMPACT

## OUR CARBON FOOTPRINT DATA

(INC. STREAMLINED ENERGY AND CARBON REPORTING)

Location-based emissions (tCO <sub>2</sub> e) <sup>2</sup>	2023	2022	2021
<b>Scope 1 (tCO<sub>2</sub>e)</b>	<b>584</b>	639	675
UK <sup>3</sup> emissions	584	639	675
Global <sup>3</sup> emissions (excl UK)	-	-	-
<b>Scope 2 (tCO<sub>2</sub>e)</b>	<b>773</b>	757	704
UK <sup>3</sup> emissions	769	753	701
Global <sup>3</sup> emissions (excl UK)	4	4	3
<b>Scope 3 (tCO<sub>2</sub>e)<sup>4, 5, 6, 8</sup></b>	<b>22,324</b>	20,630	17,974
UK <sup>3</sup> emissions	21,878	20,621	17,719
Global <sup>3</sup> emissions (excl UK)	446	368	255
Scope 3 - category 1: purchased goods and services	16,842	15,413	13,852
Scope 3 - category 2: capital goods	349	821	856
Scope 3 - category 3: fuel and energy-related activities	329	379	368
Scope 3 - category 4: upstream transportation and distribution	274	341	285
Scope 3 - category 5: waste generated in operations	14	16	14
Scope 3 - category 6: business travel	1,158	775	285
Scope 3 - category 7: employee commuting	3,287	2,787	2,197
Scope 3 - category 8: upstream leased assets	70	98	116
<b>Total location-based emissions (tCO<sub>2</sub>e)</b>	<b>23,681</b>	22,025	19,353
UK emissions	23,231	21,653	19,094
Global emissions (excl UK)	450	372	258
<b>Market-based scope 2 emissions</b>	<b>478</b>	540	428
<b>Total energy consumption (MWh)<sup>7</sup></b>	<b>8,056,025</b>	8,110,666	7,324,444
UK consumption	7,955,402	7,890,792	7,189,538
Global consumption (excl UK)	100,623	94,468	83,971
<b>Intensity ratios</b>			
Scope 1 and 2 - location-based emissions (tCO <sub>2</sub> e/FUMA £bn)	12.9	13.8	12.1
Total location-based emissions (tCO <sub>2</sub> e/FUMA £bn) <sup>9, 10</sup>	224.9	218.0	170.1
Total location-based emissions (tCO <sub>2</sub> e/FTE) <sup>9, 10</sup>	6.8	6.6	6.5

- Following agreement of the combination with IW&I we have restated our environmental figures. All figures in the table include IW&I emissions and are therefore comparable
- In accordance with best practice introduced in 2015, we report two numbers to reflect emissions from electricity. Location-based emissions are based on average emissions intensity of the UK grid and market-based emissions reflect emissions from our specific suppliers and tariffs. Scope 2 market-based emissions for 2023 are 478 tCO<sub>2</sub>e (2022: 540 tCO<sub>2</sub>e)
- Under SECR regulation we are required to split our global and UK emissions. Our global emissions (excl. UK) and global consumption (excl. UK) reflect electricity emissions and consumption (respectively) from our Jersey office. It is not possible to split out travel and allocate to our Jersey office at this stage
- Data centre emissions are reported under Scope 3, as per the [WRI GHG Protocol](#)
- Electricity transmission and distribution (T&D) reflects emissions from line losses associated with electricity transmission and distribution
- Emissions from water supply and treatment are included in our disclosure for the first time this year; 2021 emissions have been restated to include these emissions
- Total energy consumption (kWh) of our Scope 1 and Scope 2 emissions (electricity), and scope 3 (employee cars)
- Emissions associated with hotel stays and employee cars were reported in business travel in 2022
- Data relates to total scope 1, 2 (location-based) and 3 GHG emissions
- Total location based emissions intensity metrics are calculated using our Scope 1, 2 and Scope 3 category 1 - 8 data.

We do not report on scope 3, categories 9 to 14 as we consider these downstream emissions not material to our footprint. This decision has been made as Rathbones Group does not participate in activities in all the categories within scope 3

 [Read more on our website](#)

## OUR ENVIRONMENTAL IMPACT CONTINUED IMPACT IN ACTION

# Digitisation operations: reducing our digital footprint

We continue to manage and monitor our carbon footprint accurately, which informs our carbon reduction efforts in line with our SBTi targets. This is achieved through a reduction in utilised datacentre capacity due to consolidation and transformation, moving services to cloud-based solutions. Leveraging cloud services means we can scale up and down the services needed thereby saving energy, cost and effort when not in use. In 2023, we decommissioned 16 physical servers and two storage devices, which allowed us to reduce our power draw by 15.31%. We also completed an assessment on the remaining data centre and the benefits of migrating to Azure, which has an expected reduction of 203,575kg CO<sub>2</sub>e over a five-year period.

In 2023, we continued to drive digitisation and reduce paper in our processes. An additional 27% of clients used MyRathbones to access valuation and tax packs as well as custody location reports. This has saved £3.5million in print postage. By the end of 2023, 58% of clients were registered on MyRathbones and in 2024 we will roll out digital contract notes, which will hopefully remove 240,000 paper copies.

### LOOKING FORWARD

Given our increased physical footprint, following the combination with IW&I, the focus for 2024 will be the consolidation of offices where we are present in two offices in the same place, e.g. London and Edinburgh. In parallel with this we will be reviewing energy contracts, with the aim of increasing the percentage of energy from green sources.

We will continue our commitment to digitising our business, and working to encourage more clients to use MyRathbones, where they can access their investment information.

We recognise that 2024 may see travel levels the same or perhaps higher as we work to create an integrated workforce. We will review our policy to align ambitions across the broader group.

As stated, we will be reviewing and updating our near-term net zero emissions targets. Our overarching commitment has not changed and we'll work with teams across the group to review both our operational and investment decarbonisation pathway. Alongside this process we will produce our transition plan, ready for publication evidencing our alignment to the UK's net zero target.



# FURTHER INFORMATION

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- 35 Sustainable Development Goal alignment



## FURTHER INFORMATION

### OUR APPROACH TO DATA MANAGEMENT

#### METHODOLOGY

We continue to meet the greenhouse gas (GHG) emissions reporting requirements of the Companies Act 2006 (Strategic and Directors' Reports) Regulations 2013 and our obligations under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. We have prepared this report in accordance with the requirements for quoted companies under these regulations by including our specific energy usage and energy-efficiency initiatives and have split out our global and UK emissions. Rathbones continues to report all material GHG emissions across our direct operations. The methodology used to compile this disclosure is in accordance with Defra's Environmental reporting guidelines: Including Streamlined Energy and Carbon Reporting guidance (March 2019), and the World Resources Institute Greenhouse Gas (WRI GHG) Protocol Corporate Standard. Rathbones uses an operational control approach and has included GHG emissions arising from business activities in the reporting year 1 January 2023 to 31 December 2023.

#### ALIGNMENT WITH REPORTING STANDARDS AND REGULATIONS

Data has been collected and calculated following Defra's 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019)' and the WRI GHG Protocol Corporate Standard principles of relevance, completeness, consistency, transparency and accuracy (see below for the full breakdown). Along with the aforementioned standards and regulations, Rathbones' 2023 Carbon Footprint results have been prepared in accordance with the following additional standards and calculation methodologies:

- World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) (2015) (GHG Protocol)
- WRI/WBCSD GHG Protocol Scope 2 Guidance: An Amendment to the GHG Protocol Corporate Standard (2015) (GHG Protocol Scope 2 Standard)
- WRI/WBCSD GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2013) (GHG Protocol Scope 3 Standard).

Good Business's work has included interviews with key Rathbones' personnel, a review of internal and external documentation, and interrogation of source data and data collection systems, including comparison with the previous years' data.

#### WRI GHG PROTOCOL CORPORATE STANDARD PRINCIPLES

Ultimately, the methodology is defined by the [GHG Protocol's Corporate Standard](#) principles. The below provides Good Business's response to each guiding principle:

##### RELEVANCE

We have ensured the GHG inventory appropriately reflects the GHG emissions of the company and serves the decision-making needs of users, both internal and external to the company.

##### COMPLETENESS

Rathbones defines its organisational boundaries using the operational control approach. Under this approach, Rathbones accounts for 100% of the GHG emissions over which it has operational control. This includes emissions arising from the operation and value chains of Rathbones Group Plc and each of its subsidiaries.

##### CONSISTENCY

To ensure comparability, we have used the same calculation methodologies and assumptions as for the previous year, or stated any updates made across all years.

##### TRANSPARENCY

Where relevant, we have included appropriate references to the accounting and calculation methodologies, assumptions and recalculations performed.

##### ACCURACY

To our knowledge, data is considered accurate within the limits of the quality and completeness of the data provided. To measure Rathbones' value chain footprint, Good Business has followed the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting

Standard. Our Scope 3 emissions include calculations through spend-based activity data and average emission factors. GHG emissions have been quantified in accordance with the GHG Protocol. The calculation methodology applied by emission scope and source involves applying the relevant GHG emission conversion factor (EF) to the relevant activity data. Rathbones uses the Intergovernmental Panel on Climate Change's (IPCC) AR5 GWPs.

#### STATEMENT OF ACCURACY

Good Business Independent Statement: Relating to Rathbones Group Plc 2023 Carbon Footprint.

Good Business was commissioned to calculate the full value chain carbon footprint of Rathbones Group Plc for the period 1 January 2023 to 31 December 2023.

The objective of this work was to calculate scope 1, 2, and 3 emissions for use in public reporting and for internal analysis and emissions reduction tracking.

The scope of this work was to identify the boundary of the carbon footprint, collect and analyse activity data, and apply relevant emissions factors. This did not involve verifying the data supplied by Rathbones Group Plc. All stages were conducted in accordance with the principles laid out in the reporting standard: World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) (2015) (GHG Protocol).








## FURTHER INFORMATION CONTINUED

## SUSTAINABLE DEVELOPMENT GOAL ALIGNMENT

OUR SUSTAINABLE DEVELOPMENT  
GOAL ALIGNMENT

As we work to understand and manage the environmental, social and governance risks and opportunities that face our business, we are looking to align our reporting to recognised frameworks. Alongside showing our support for the [United Nations Global Compact](#) in 2021, we also mapped our responsible business programme to the 17 [United Nations Sustainable Development Goals](#) (SDGs) and their underlying 169 targets.

As a result of this process, we have identified seven goals which we believe we materially align with. Through our various fund or investment approaches, we impact many more SDGs. At this time rather than show alignment to all 17 SDGs, we have chosen to show those which, we see, have a direct impact. [Greenbank Investments](#), our ethical, sustainable and impact business' approach to responsible investment, has long recognised many of the challenges encompassed in the SDGs and the ways in which companies can meet them.

			2023	2022	2021
	<b>Developing our people</b>	Investment per person (training) £	<b>529</b>	456	484
		Total number of employees completing CISI ESG module	<b>394</b>	385	366
	<b>Responsible investment</b>	% of ESG topics engaged on which relate to DE&I	<b>11.4</b>	7.5	22
	<b>Creating an inclusive business</b>	% women on our board	<b>56</b>	43	33
		% group executive managers female/male	<b>33/67</b>	30/70	30/70
		% women in senior management	<b>37/73</b>	30/70	28/72
	<b>Responsible investment</b>	Living wage signatory	<b>Yes</b>	Yes	Yes
	<b>Creating an inclusive business</b>	Our mean gender pay gap	<b>32</b>	36	37
	<b>Our supply chain</b>	% of suppliers paid on time	<b>94</b>	92	70
	<b>Managing our modern slavery risk</b>	% of key suppliers supporting Rathbones Group Plc reviewed for alignment to the Modern Slavery Act	<b>76</b>	69	66
	<b>Creating an inclusive business</b>	% employees female/male	<b>46/54</b>	46/54	47/53
		% employee sharing their diversity data	<b>63</b>	64.9	64.7
	<b>Responsible investment</b>	Transparency - PRI score - policy governance and strategy (previously investment and stewardship policy)	<b>77%</b>	72%	A+
	<b>Our environmental impact</b>	Waste produced (tonnes) <sup>1</sup>	<b>407</b>	369	257
		Supply chain emissions <sup>1</sup> (category 1 and 2) tCO <sub>2</sub> e	<b>17,192</b>	16,234	14,708
	<b>Responsible investment</b>	Climate-related voting action taken	<b>45</b>	61	14
		% of our underlying securities that have set or committed to set targets in alignment with the SBTi	<b>30</b>	22	17
	<b>Our environmental impact<sup>2</sup></b>	Weighted average carbon intensity (scope 1 and 2) equity (tCO <sub>2</sub> e/\$m sales)	<b>97.1</b>	115.5	82.7
		Total location-based emissions intensity <sup>1</sup> (tCO <sub>2</sub> e/FUMA £bn)	<b>224.9</b>	218.0	170.1
		Emissions intensity <sup>1</sup> (tCO <sub>2</sub> e/£m of operating income)	<b>41.47</b>	48.31	-
		Total location-based emissions intensity <sup>1</sup> (tCO <sub>2</sub> e/FTE)	<b>6.8</b>	6.6	6.5
	<b>Responsible investment</b>	Number of engagements carried out	<b>752</b>	671	705
	<b>Community investment</b>	Group donations £	<b>589,172</b>	795,110	418,000
		Group donations - % of pre-tax adjusted operating profit	<b>1.38</b>	1.24	0.45
		Total number of charities supported by Rathbones Group	<b>77</b>	81	57
		Number of charities supported by Rathbones Group Foundation	<b>45</b>	44	36
		Give as you earn - employee donations £	<b>262,257</b>	221,467	214,396
		Give as you earn - corporate donations £	<b>215,974</b>	204,511	178,021
		Rathbones Financial Awareness - people reached	<b>906</b>	794	545
		Rathbones Financial Awareness - people reached (since 2013)	<b>12,343</b>	11,839	11,045

1. Environmental data has been restated to incorporate emissions from Investec Wealth & Investment (UK) into our GHG inventory

2. In 2023 we have not been able to report paper purchased as in previous years, this impact has been included in our Scope 3, category 1 emissions

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