RATHBONES

TASK FORCE ON CLIMATE-RELATED
FINANCIAL DISCLOSURES REPORT 2023

RESPONSIBLE ACTION

TCFD REPORT 2023

We are driven by our purpose to think, act and invest for everyone's tomorrow. We deliver for and with people; our clients, our colleagues and partners. We listen, engage, and adapt to our stakeholders' changing needs, reinforcing our commitment to delivering enduring sustainable value for the benefit of everyone's future.

CONTENTS

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.

Our reporting suite

This report and accounts forms part of our wider reporting suite where you can find more about our full activities

Annual report & Accounts 2023

Responsible business update 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

TCFD COMPLIANCE SUMMARY

Alignment level

- ● Full alignment
- ◐ Partial alignment
- ○ Further work required

TCFD THEME	RECOMMENDED DISCLOSURES	ALIGNMENT 2023[1]
GOVERNANCE Disclose the organisation's governance around climate-related issues and opportunities See page 08	**A:** Describe the board's oversight of climate-related risks and opportunities. **B:** Describe management's role in assessing and managing climate related risks and opportunities.	●
STRATEGY Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy andfinancial planning where suchinformation is material See page 16	**A:** Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term **B:** Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. **C:** Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	◐
RISK MANAGEMENT Disclose how the organisation identifies, assesses and managesclimate-related risks. See page 28	**A:** Describe the organisation's processes for identifying and assessing climate-related risks **B:** Describe the organisation's processes for managing climate related risks. **C:** Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	●
METRICS AND TARGETS Metrics and TargetsDisclose the metrics and targets used to assess and manage relevantclimate-related risks and opportunities where such information is material See page 36	**A:** Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process **B:** Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks. **C:** Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets	◐

1. Where partial alignment is indicated, the response is in full compliance with the relevant TCFD recommendation, however responses could be strengthened by increased availability of data and improvements to industry-wide methodologies

ENTITY REPORTING

In 2023, as part of this report, Rathbones Group is disclosing information on our entity level alignment to the TCFD recommendations. These reports can be found in the appendix to this group report.

ENTITY REPORTS

RIM report page 43
RAM report page 44
IW&I report page 46

OTHER REPORTS

RIMI report page 63
Greenbank report page 64

FURTHER INFORMATION

Methodology and approach page 67
Defining our metrics page 68

INTRODUCTION

A STATEMENT FROM OUR CEO

Paul Stockton
Group Chief Executive Officer

As the world continues to navigate the complexities of climate change, with more extreme weather events exposing economic vulnerabilities, it underscores the ongoing and urgent need for action from the financial services industry.

Rathbones Group is responding to the disruption caused by climate change by considering carefully both how we invest on behalf of our clients, and lessen our own impacts as a corporate group. We are in a crucial window for action, and are keen to play our stewardship role fully, assessing how climate change can impact the choices we make.

Like many in the industry, we continue to improve our understanding of the climate-related risks and opportunities that impact our business, and endeavour to strengthen our approach to governing and managing them effectively. As an integral part of this, we are delighted to be working towards our net zero commitments with our new colleagues and clients from Investec Wealth and Investment UK (IW&I), following the completion of our combination in September 2023.

This report outlines our approach and actions in addressing climate-related risks and opportunities, which I hope demonstrates our dedication to operating responsibly and transparently. By embedding climate considerations into the way in which we do business, we can deliver both long-term value to clients and contribute positively to the global effort against climate change.

Paul Stockton
5 March 2024

FOREWORD

With over £100 billion in funds under management and administration (FUMA), we recognise the impact that climate change can have on the performance and value of the investments we make on behalf of our clients.

As stewards and allocators of capital, we recognise that we have a responsibility to understand the potential implications of climate change on our clients' portfolios. We believe that failure to mitigate climate related risks could negatively impact on the performance of our clients' investment holdings in the long run. Therefore, companies with effective net zero targets and credible methods of implementation are making themselves increasingly attractive investment opportunities. In contrast, companies who show little evidence of future-proofed plans will be at a competitive disadvantage.

Net zero commitment

Rathbones is committed to becoming net zero by 2050 across our entire business. Our specialist ethical and sustainable impact investment team Greenbank aims to be net zero by 2040. These commitments cover emissions associated with our operations, supply chain and our clients' investments. As part of this, the Science Based Targets initiative (SBTi) have approved our near-term 1.5ºC-aligned target that commits the group to a Scope 1 and 2 emissions reduction of 42% by 2030 (from a 2020 baseline), 35% of our listed equity and bonds portfolio, by value, setting SBTi-approved targets by 2025, 57% by 2030, and 100% by 2040. We have also committed to set long term emissions reduction targets with the SBTi in line with reaching net-zero by 2050.

Our reporting approach

This report sets out our approach and response to the climate related risks and opportunities that we face as a business and aligns with the 11 disclosure recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In developing the report, we have considered and addressed the TCFD all sector guidance, and the requirements of the supplemental guidance for asset managers in full. Additionally, we conducted a gap analysis against the Financial Reporting Council's thematic review of TCFD disclosures and climate in financial statements to determine the appropriate level of detail to be included in our disclosure. For our formal statement of compliance to LR 9.8.6R(8) please see our 2023 annual report and accounts, pages 66 to 74.

WHAT WE DO AND WHERE WE DO IT

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

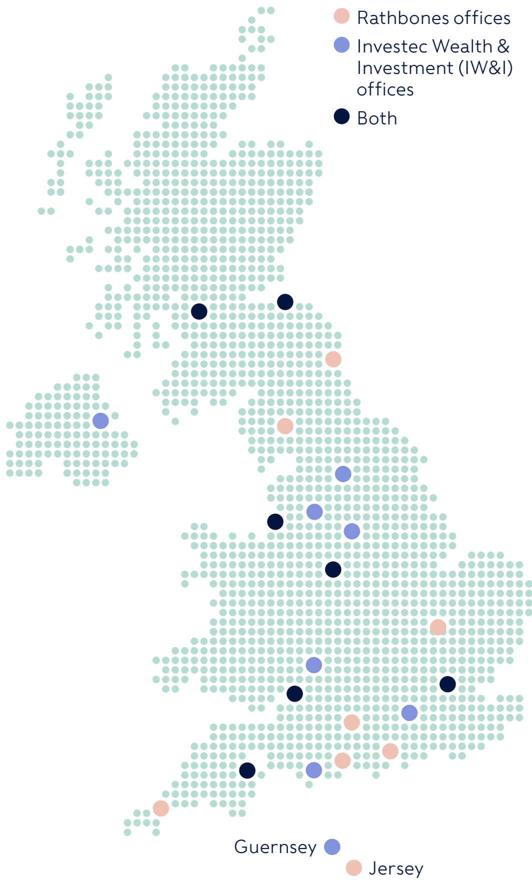
managed by us for our clients

FTSE 250

company listed on the London Stock Exchange

WHERE WE DO IT

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



1. Includes Vision Independent Financial Planning

OUR APPROACH TO EMBEDDING CLIMATE RELATED ACTIVITIES

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.

Our environmental impact

CHALLENGES AND PROGRESS

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.

2020 (BASE YEAR) | 2025 | 2030 | 2040 | 2050

KEY LEVERS TO REACH OUR NET ZERO TARGETS:

- Digitising our business: cloud computing, data centre consolidation, and digital communications platforms
- Swapping to renewable energy suppliers
- Seeking out green building credentials
- Embedding our travel policy and hybrid working
- Increasing the amount of relevant information to support their decisions
- Training to enable our investment managers to engage clients
- Engaging our suppliers on their climate commitments
- Carbon removal credits.

ACHIEVING NET ZERO ACROSS OUR OPERATIONS

	2025	2030	2040 / 2050
2020 BASELINE[1]	**21%** reduction across scope 1, 2 and 3 (categories 1-8) **100%** renewable energy sources for our offices	**42%** reduction across scope 1, 2 and 3 (categories 1-8) emissions	**NET ZERO**
2020 BASELINE[1]	**35%** listed equity and bonds portfolio, by invested value, committing to set or have set SBTi validated targets by 2025 (category 15)	**57%** committing to set or have set SBTi validated targets by 2030	**100%** by 2040[2] this allows time for those who have committed to achieve their targets

ESG engagement across colleagues, suppliers and clients → ESG integration and training → External collaboration and advocacy

1. Our environmental target was set base on our 2020 operational and investment emissions footprint. Our investment target covered 91% of our FUMA as at 31 December 2020
2. The 2040 timeline has been determined by SBTi to allow investees enough time to implement their target to ultimately achieve an economy-wide transition to net zero by 2050

CLIMATE RISK OVERVIEW

Climate action failure remains the most severe risk on a global scale over the next ten years, as identified by the World Economic Forum. Failure to keep the average global temperature increase to below 1.5°C will have an impact on our future risk profile.

Climate change risks are split into two categories: physical risks and transition risks. Physical risks arise from the physical effects of climate change on businesses' operations, workforce, markets, infrastructure, raw materials and assets. Physical risks can be event-driven (acute), such as increased severity of extreme weather events (e.g. cyclones, droughts, foods, and fires). They can also relate to long-term (e.g. chronic) shifts in precipitation and temperature and increased variability in weather patterns (e.g. increased melting ice causing sea level rise). Transition risks result from policy, legal, technology and market changes occurring in the shift to a lower-carbon global economy. Transition risk also incorporates 'stranded asset risk', i.e. the risk that assets that could quickly become unusable or reduced in value. Transition risks include policy constraints on emissions, imposition of carbon taxes, water restrictions, land-use restrictions, market demand and supply shifts, and reputational considerations.

The transition to a low-carbon economy also generates opportunities. At Rathbones we seek to incorporate climate change risk mitigation as part of our strategic agenda and you can read more about how we do this, in line with the TCFD recommendations in the following pages, as signposted by the summary table opposite.

TCFD RECOMMENDED DISCLOSURES

1. GOVERNANCE

- Describe the board's oversight of climate related risks and opportunities
- Describe management's role in assessing and managing climate related risks and opportunities

Read more: See page 08

2. STRATEGY

- Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term
- Describe the impact of climate-related risks and opportunities pm the organisation's business strategy and financial planning
- Describe the resilience of the organisation's strategy, taking into consideration different climate- related scenarios, including a 2°C or lower scenario

Read more: See page 16

3. RISK MANAGEMENT

- Describe the organisation's processes for identifying and assessing climate-related risks
- Describe the organisation's processes for managing climate-related risks
- Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

Read more: See page 28

4. METRICS AND TARGETS

- Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process
- Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks
- Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Read more: See page 36

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

GOVERNANCE

INTRODUCTION TO RISK GOVERNANCE, PROCESS AND INFRASTRUCTURE

Our approach to risk governance, processes and infrastructure ensures that we are constantly evaluating both existing and emerging risks and opportunities to our purpose, values and strategic and climate-related objectives.

Our risk governance and risk processes are designed to enable the company to manage risk effectively in accordance with our risk appetite and to support the long-term future of the company.

Oversight of the Rathbones risk management framework, which includes climate change, starts with our board of directors. The board is responsible for setting the right tone for the business, supporting a strong risk management culture and, through our senior leadership team, encouraging appropriate behaviour and collaboration across the business; it establishes the company's purpose and strategic objectives and on an ongoing basis, monitors management's performance against those objectives.

As part of this, the board provides oversight on the company's responsible business agenda, including our net zero commitment. Additionally, the board provides oversight and approval of remuneration arrangements for executive directors and the wider executive team.

⊕ **Annual report and accounts 2023**

RISK GOVERNANCE

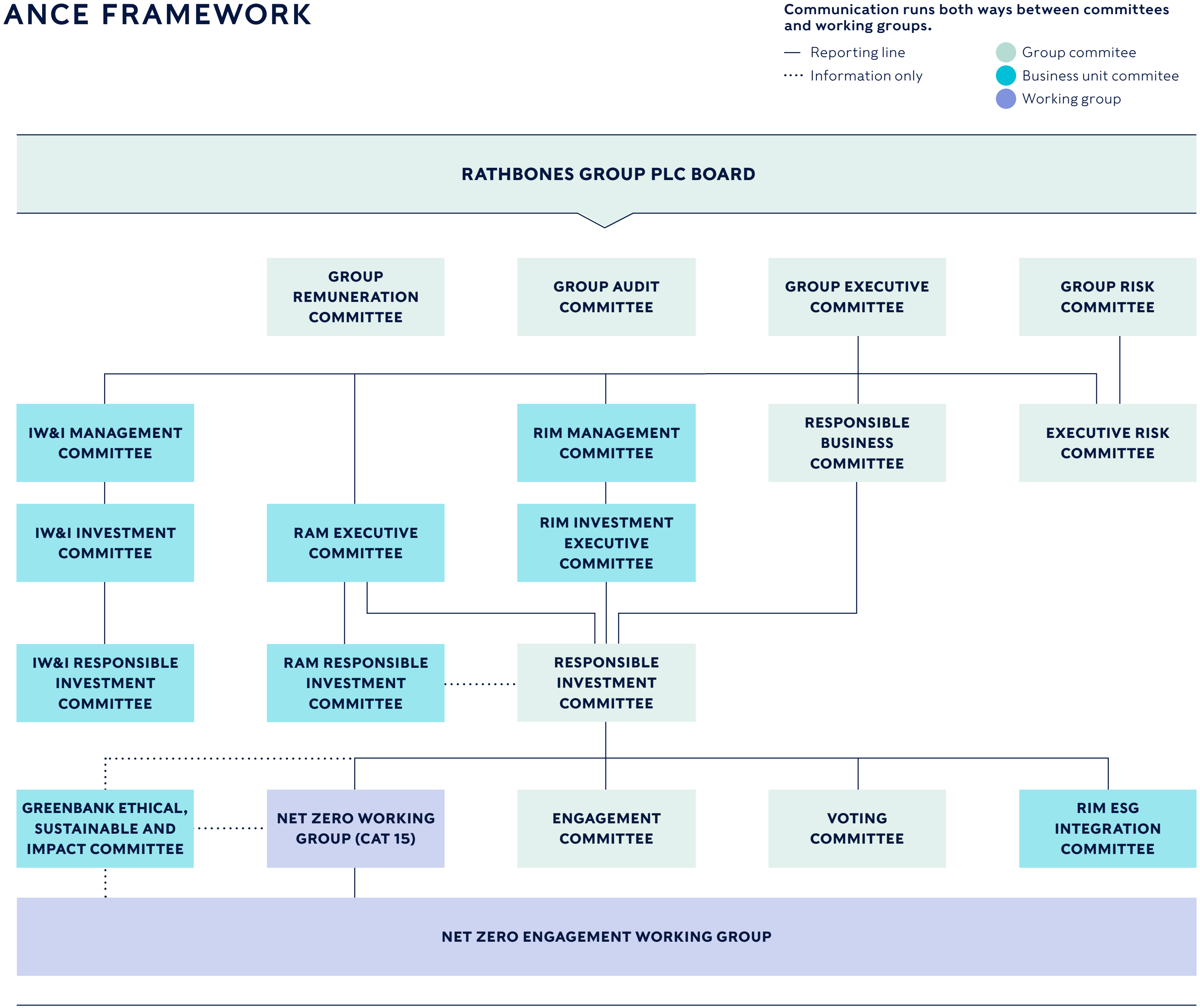
OUR NET ZERO GOVERNANCE FRAMEWORK

The board regularly assesses the most significant risks and emerging threats to the group's strategy and receives strategic risk updates at least twice a year via risk and responsible business papers.

Board members bring experience from a variety of sectors such as finance, capital markets and audit, which provides them with the necessary skills required to consider any future implications of climate change on Rathbones. In addition to board monitoring, oversight of climate-related risk and opportunity management is also undertaken by a number of committees, including the group risk and audit committees.

The transfer of information between committees and ultimately to the board is demonstrated by the figure on the right. These committees offer support to the board, setting a constructive tone in support of a strong risk culture, which is integrated into our company culture and which our people embrace as part of their day-to-day responsibilities.

Details of specific committee roles, responsibilities, meeting frequency and key activities within the reporting year is provided below. These committees are supported by working groups and forums where specific topics have been delegated.



COMMITTEES

GROUP AUDIT COMMITTEE

Iain Cummings
Chair of the Audit Committee

ROLES AND RESPONSIBILITIES

Our audit committee monitors and reviews the group's financial statements and related announcements. It also monitors the effectiveness of our internal controls. The committee reviews other statements, including our climate reporting, to ensure it is consistent with any reporting requirements.

FREQUENCY OF MEETINGS

The committee meets at least four times a year and otherwise as required.

2023 ACTIVITIES AND OUTCOMES

- Reviewed the company's TCFD climate risk disclosure responsibilities including the FRC feedback on our report on further areas of improvement.
- Our TCFD disclosure is run alongside our annual reporting cycle and as such is shared with the audit committee at least twice a year.

GROUP RISK COMMITTEE

Terri Duhon
Chair of the Risk Commmittee

ROLES AND RESPONSIBILITIES

Provide oversight on the firm's risk appetite and framework. The committee's activities include reviewing reports from the risk team, discussing significant risk topics, advising the board on the risk aspects of proposed major strategic change, and receiving reports from first line risk owners on risk management and improvements to controls and processes.

FREQUENCY OF MEETINGS

The committee meets at least five times a year and otherwise as required.

2023 ACTIVITIES AND OUTCOMES

- Provided oversight and approval of the ICAAP 2023 operational risk scenarios
- Approved the pillar 3 public disclosures document
- Conducted the annual review of risk appetite which determined that the risk appetite remained appropriate.

GROUP REMUNERATION COMMITTEE

Dharmash Mistry
Chair of the Remuneration Committee

ROLES AND RESPONSIBILITIES

The role of the remuneration committee is to set the over-arching principles and parameters of the remuneration policy across the company.

FREQUENCY OF MEETINGS

The committee meets at least three times a year and otherwise as required. The committee chair reports formally to the board on its proceedings after each meeting.

2023 ACTIVITIES AND OUTCOMES

- Took into account the leveraging of ESG credentials into executive remuneration, including but not limited to the integration of responsible investing across the firm and the laying of foundations to achieve our near-term net zero targets.

GROUP EXECUTIVE COMMITTEE

Paul Stockton
Group Chief Executive Officer

ROLES AND RESPONSIBILITIES

Our group executive committee (GEC) is chaired by the group CEO, who is supported by the senior management team. The key role of the committee is the day-to-day management of Rathbones. The committee actively reviews and assesses business performance supported by a range of committees that operate across the group.

FREQUENCY OF MEETINGS

Our GEC receives a minimum of two updates a year on our responsible business programme, which includes the approach to managing our environmental impact.

2023 ACTIVITIES AND OUTCOMES

- Considered the impact of the combination with Investec Wealth and Investment UK (IW&I) on both our approach to investment and our increased property footprint.

COMMITTEES CONTINUED

EXECUTIVE RISK COMMITTEE

Sarah Owen-Jones
Chief Risk Officer

ROLES AND RESPONSIBILITIES

The executive risk committee (ERC) is a standing committee of the group executive committee. It has responsibility for ensuring the effective assessment and management of risk throughout the group, in support of the business strategy and in line with the risk appetite approved by the board.

FREQUENCY OF MEETINGS

The ERC discusses climate risk at least twice a year, covering topics most relevant at the time.

2023 ACTIVITIES AND OUTCOMES

- Oversaw the annual review of group risk appetite including sustainability, one of our principal risks
- Considered climate change as part of the suite of stress tests and potential stress tests feeding into our ICAAP process.

RESPONSIBLE BUSINESS COMMITTEE

Paul Stockton/Ivo Darnley
Chief Executive Officer/ RIM Managing Director

ROLES AND RESPONSIBILITIES

Our responsible business committee is co-chaired by our group chief executive and the managing director of RIM. The committee oversees the four pillars of our responsible business programme: responsible investment; our people; society and communities; and our environmental impact. This committee oversees our approach to net zero, receiving progress updates at each meeting. The key activities of this committee are to; identify emerging risks and opportunities related to the social and environmental impacts of the group, provide oversight of the group's responsible business strategy and reporting and oversee the group's policies and progress across our framework. This includes understanding the impact of and reporting on climate risk, whilst supporting the business as we deliver on our overarching climate responsibility.

FREQUENCY OF MEETINGS

Established in 2020, the committee meets at least four times a year and reports to the group executive committee and the board at least twice a year.

2023 ACTIVITIES AND OUTCOMES

- Discussed the firms' approach to exclusions and net zero engagement. Approved our fossil fuel statement and thermal coal phase-out policy
- Reviewed feedback from the FRC on our TCFD reporting and agreed our response plan
- Oversaw full and half-year carbon reporting
- Ratified the update to our RI policy.

GROUP RESPONSIBLE INVESTMENT COMMITTEE

Elizabeth Savage
Co-Chief Investment Officer

ROLES AND RESPONSIBILITIES

The responsible investment committee (RIC) includes senior practitioners from across Rathbones Investment Management (RIM) and Rathbones Asset Management (RAM) and in 2023 was chaired by our RIM co-chief investment officer. The RIC is responsible for the formation and implementation of the four principles of our responsible investment policy: ESG integration; voting with purpose; engagement with consequences; and transparency.

FREQUENCY OF MEETINGS

The RIC meets 12 times a year. Their work overlaps with our stance as a responsible business more generally, and this committee updates the responsible business committee at each meeting.

2023 ACTIVITIES AND OUTCOMES

- Reviewed standards and oversaw the proposal of our fossil fuel statement and thermal coal phase-out policy
- Reviewed incoming entity and on-demand TCFD reporting requiremets and our response
- Considered the impact of the IW&I integration on our activity
- Approved the net zero engagement strategy
- Approved an update to our RI policy.

RIM INVESTMENT EXECUTIVE COMMITTEE

Peter Thompson
Head of London (RIM)

ROLES AND RESPONSIBILITIES

Our investment executive committee (IEC) establishes, leads and communicates the RIM investment policy to all investment managers, delivering a clear and consistent message. Members review investment risk across the business and promote the investment process and internal research by reviewing the effectiveness of research and other outputs.

FREQUENCY OF MEETINGS

The IEC meets 12 times a year and has oversight of the responsible investment committee and our investment governance framework and processes.

2023 ACTIVITIES AND OUTCOMES

- Discussed RIM application of the thermal coal phase-out policy
- Reviewed stewardship activities, including engagement
- Agreed communication and training for client facing colleagues.

COMMITTEES CONTINUED

RAM RESPONSIBLE INVESTMENT COMMITTEE

Tom Carroll
Chief Executive Officer RAM

ROLES AND RESPONSIBILITIES

Set up in June 2022, the responsible investment committee (RAM RIC) for our Funds business, reports into the RAM executive committee and supports the work of the group responsible investment committee.

FREQUENCY OF MEETINGS

The RAM RIC meets monthly and identifies the requirements to implement RAM's RI strategy and associated, training, communication and reporting.

2023 ACTIVITIES AND OUTCOMES

- Oversaw the agreement of the approach to entity and on-demand level TCFD reporting.

VOTING COMMITTEE

Matt Crossman
Stewardship Director

ROLES AND RESPONSIBILITIES

The voting committee is focused on proxy voting at investee companies across the group and on the development and maintenance of our bespoke group voting policy. It oversees proxy voting according to a well-defined process. The committee seeks to ensure that the voting we undertake on behalf of our clients contributes to drive positive climate change within our investee companies.

FREQUENCY OF MEETINGS

The committee meets at least three times a year to discuss the policy and practice with regard to proxy voting. Voting decisions linked to climate factors will be considered at each meeting. The voting committee reports to the responsible investment committee.

2023 ACTIVITIES AND OUTCOMES

- Reviewed the company's voting policy including voting on net zero targets and transition plans.

ENGAGEMENT COMMITTEE

Archie Pearson
ESG & Stewardship Analyst-Voting Lead

ROLES AND RESPONSIBILITIES

The engagement committee seeks to implement the group engagement policy. Reporting to the RIC, the committee decides on our multi-year engagement priorities, debates options for escalation, promotes new potential direct and collaborative engagements, and provides a coordination point for the various parts of the business. Climate is a standing agenda item.

FREQUENCY OF MEETINGS

The group meets monthly to review progress on ESG themed engagements on a wide range of issues and sectors. The engagement committee reports to the responsible investment committee.

2023 ACTIVITIES AND OUTCOMES

- Agreed the group level engagement action plan, which covered our approach to engaging on net zero with companies that we hold on behalf of our clients.

ESG INTEGRATION COMMITTEE

Francesca Cherubini Stoughton
Head of Investment Process Implementation

ROLES AND RESPONSIBILITIES

The ESG Integration Committee is responsible for facilitating the integration of ESG in our research and investment processes and for monitoring the ESG risk, ratings and sustainability characteristics of investments. The Committee oversees the development of relevant methodologies for assessing investments, reviews ESG data coverage, provides education and training to support investment managers and offers guidance to investment committees where appropriate.

FREQUENCY OF MEETINGS

The Committee meets monthly to track progress of ESG integration, including highlighting good practice, alignment and issues for escalation to other governance committees. The Committee reports to the responsible investment committee.

2023 ACTIVITIES AND OUTCOMES

- Oversaw the refinement of our investment process to include a sustainability alignment lens (broadly, how a company's intentions translate into real outcomes) into our investment analysis.

COMMITTEES CONTINUED

IW&I MANAGEMENT COMMITTEE

Ian Hooley/Paul Stockton
CEO to 31 Dec 2023/CEO from 1 Jan 2024

ROLES AND RESPONSIBILITIES

The management committee (ManCo) was established for major operational decisions and to oversee the day-to-day management of all aspects of IW&I's business. ManCo has responsibility and oversight for the company's strategy, performance, operations and governance. ManCo has delegated authority to several other committees to be responsible for certain key business and risk matters.These committees report into the ManCo.

FREQUENCY OF MEETINGS

Weekly.

IW&I INVESTMENT COMMITTEE

Pela Strataki/Jon Walker
Head of Research / Head of Portfolio Management

ROLES AND RESPONSIBILITIES

The committee is mandated by the ManCo to oversee the creation and delivery of an efficient investment process that is of an uniform and consistent high quality, suitable for all investment management clients of IW&I in accordance with the company's strategic direction. It has an objective to create policies regarding the reporting, review and escalation of matters which have an impact on the investment process and the associated risks and returns presented to clients. This includes sustainability and risk management within the research process as well as stewardship and corporate governance.

FREQUENCY OF MEETINGS

Monthly.

IW&I RESPONSIBLE INVESTMENT COMMITTEE

Cheryl Hayes/Max Richardson
Senior Strategy Director for Sustainability /Senior Investment Director

ROLES AND RESPONSIBILITIES

Set up in October 2023 as a permenent replacement for the Sustainable Finance Programme's working group and steering committee, the RIC is responsible for integrating RI practices into our investment process, promoting awareness of, engagement with, and learning on RI and managing stewardship initiatives.

FREQUENCY OF MEETINGS

Bi-monthly.

ENGAGEMENT WITH CLIMATE RISK

Risk management is an integral part of all Rathbones' employees day-to-day responsibilities and activities. It is linked to performance and development, as well as to the group's remuneration and reward schemes.

THE ROLE OF MANAGEMENT

We have assigned climate-related responsibilities to several individuals and committees across the business.

Our group chief executive officer has responsibility for bringing climate-related matters to the board. Through his position as co-chair of our responsible business committee, he oversees our responsible business programme, including our approach to achieving net zero emissions by 2050 and delivery of our near-term targets.

Meanwhile, our chief risk officer (CRO) is the senior management function responsible for climate-related financial risks, as designated in accordance with the Prudential Regulation Authority's Supervisory Statement on managing financial risks relating to climate change (SS3/19). The CRO reports to the non-executive director who chairs the board's risk committee. The CRO plays an important role in identifying and understanding the risks to which Rathbones is exposed.

There are several teams involved in assessing, managing and reporting on our climate risk. Operationally, our finance, risk and compliance, research and investment teams, alongside our supplier management function and properties and facilities departments, all contribute to supporting our approach. At an organisational level, responsibility for climate change-related matters lies with the company secretary and is led by our responsible business manager.

Our responsible investment specialists support the work of our investment committees, periodically attending meetings to ensure that ESG factors and risks are adequately represented in discussions, a process supported by ongoing ESG training for all professional employees. For more information on our RI specialists please see page 9 of our responsible investment report.

EMPLOYEE ENGAGEMENT

Risk culture embedded across the group enhances the effectiveness of risk management and decision-making. The board supports a strong risk culture, reinforced by our executive and senior management team, which encourages appropriate behaviours and collaboration on managing risk across the group. We aim to create an open and transparent working environment, encouraging employees to engage positively in risk management in support of the achievement of our strategic objectives.

REMUNERATION

For 2023, ESG measures have been incorporated into the variable pay component for our group executive committee members, including our group CEO and group CFO. Our ESG measures are considered as modifiers to our executive remuneration. In our annual report and accounts page 126 we share the outcomes of the non-financial strategic measures included in 2023 executive remuneration.

TRAINING

In 2023, investment managers in RIM continued to receive support, focused on the consideration of ESG risk and opportunities and how to engage with clients on the matter. Investment managers began to have structured responsible investment conversations with their clients, actively seeking their views and needs within the context of their broader financial goals. To further support this, since its roll out in 2021 around 400 employees have successfully studied for the Chartered Institute for Securities & Investments ESG certificate, of those over half were investment managers or directors.

STRATEGY

Together with a long-term focus, we seek to deliver good financial outcomes, create value for our clients and at the same time make a positive contribution to society

OVERVIEW

Climate change is a global threat to our economies, societies, and financial systems. Urgent action is required to restrict the rise in global temperatures to 1.5°C above pre-industrial levels. That's why we have committed to becoming a net zero business by 2050 or sooner, with our 1.5°C aligned targets validated by the Science Based Target initiative (SBTi) in 2022.

How we identify, manage and respond to the climate-related risks and opportunities that we face as a business is a core part of this commitment and the broader transition to a low-carbon economy. This in turn ensures that we continue to deliver on our strategic priorities.

RATHBONES' STRATEGIC FOCUS

The board believes that the most significant climate-related risk to our company is the potential negative impact on the investment performance of our clients' portfolios. This may affect our organisation and stakeholders in the short, medium and long term. As we work to enrich the client and adviser experience, we continue to integrate climate considerations into our investment approach and provide our clients with products that not only meet their financial needs but can also adapt to the continually evolving environment. Our climate change statement outlines our overall approach to achieving this.

Our goal is to continue to integrate climate-related issues in our investment approach, improve the quantity and quality of our climate-related disclosure to clients and the wider public, and scale up voting and engagement efforts in line with our ambition.

Our responsible business committee oversees the work of a cross functional team delivering on our net zero commitments. Our emissions calculations include both our supply chain exposure and the impact of our clients' investment holdings. Using data taken as of 31 December 2020 as our base year, we identified the most appropriate methodologies to calculate the company's decarbonisation trajectory.

Whilst the most material aspect of our impact is through the investments we make on behalf of our clients, we continue to work to operate more efficiently, reducing our direct footprint. Whether through the move to more efficient buildings, understanding the impact of our suppliers and partners or continued investment in digital transformation, we are committed to working across our footprint to deliver long-term reductions.

More details about our net zero commitment can be found in the metrics and targets section of this report.

RATHBONES' CLIMATE-RELATED RISKS AND OPPORTUNITIES

Rathbones recognises the potential impacts on our business, including those associated with the transition to a low carbon economy and the physical effects of climate change. We have identified a variety of risks and opportunities that fall across the short, medium and long-term, which are defined in the tables that follow.

TIME HORIZONS

Transition and physical risks materialise across different timelines. We have defined the timelines:

SHORT-TERM	< 1 YEAR
MEDIUM-TERM	1–5 YEARS
LONG-TERM	> 5 YEARS

Our risk timeframes align with those we use for going concern and our viability statements. For going concern we use a period of at least 12 months from the financials. Our viability statement is medium term (three years), which mirrors the risk assessment approach. This was reduced from five years, to manage the fact that the longer we look out the more uncertainty there is.

CLIMATE-RELATED RISKS

Magnitude: High, Medium-high, Medium, Low
Risk trend: Increasing, Stable, Decreasing
Time horizon: Long-term, Medium-term, Short-term

As a business, we consider several transitional and physical risks and opportunities. In the table below, we have provided a description of each climate-related risk and opportunity, an assessment of the potential impact on the business and our mitigation response. All risks and opportunities outlined below are deemed material to the business and correspond to Rathbones group principal risk categories (full definitions of which can be found in the annual report on pages 82 to 86).

For more details on how we identify, manage and respond to these risks, please see the risk management section of the report.

TRANSITIONAL

RISK TYPE AND DESCRIPTION	DESCRIPTION OF ACTUAL AND POTENTIAL IMPACT	MITIGATION RESPONSE
REPUTATIONAL Magnitude: High; Risk trend: Increasing; Time horizon: Short-term Failure to manage climate transition risk within our existing portfolios **RATHBONES GROUP PRINCIPAL RISK CATEGORY:** Reputational	Claims for financial compensation, loss of business and loss of market share. An increase in the likelihood of compensation and loss of business if we do not deliver on our fiduciary duty to clients by managing climate transition in our portfolio construction. This could also include a potential loss in market share if we fail to accurately communicate the climate-related credentials of our ethical and ESG focused investment funds.	Ongoing risk policy reviews, company engagement with clients and investees, and capability building for our investment and fund managers. We review our investment risk policy at least annually. This, alongside our engagement programme, which includes a focus on climate and delivery of net zero plans by our investee companies, supports our response to the changing landscape and increased regulation. We offer training to our investment managers to support client conversations and risk review as part of portfolio construction. This training helps to support open and transparent communication with our stakeholders on consideration of climate risk as part of the investment process. In 2023, our investment and fund managers continued to engage our clients on ESG integration.
POLICY Magnitude: Medium; Risk trend: Increasing; Time horizon: Short-term Failure to maintain compliance with enhanced emissions-reporting obligations and readiness for emerging regulations **RATHBONES GROUP PRINCIPAL RISK CATEGORY:** Regulatory, compliance and legal	Fines as a result of regulatory action, reputational damage and increased operational costs due to unplanned remedial action. Increased climate-related reporting obligations such as SECR and TCFD incur additional costs to ensure compliance. We expect that current reporting frameworks out for consultation may also incur cost for compliance.	Ongoing monitoring of legislative landscape using internal and external resources. We continue to ensure that our operating model supports our policy and reporting obligations by increasing the resources allocated to the responsible business function. We continue the annual retention of external consultants to support the business and ensure continued compliance with existing and preparation for emerging regulation. Our strategic change agenda focuses outcomes on emerging regulatory compliance, e.g. the Sustainability Disclosure Requirements. In 2023, the executive risk committee reviewed our plan to respond to the expanded TCFD reporting requirements including on-demand client communication.

CLIMATE-RELATED RISKS CONTINUED

Magnitude: High, Medium-high, Medium, Low
Risk trend: Increasing, Stable, Decreasing
Time horizon: Long-term, Medium-term, Short-term

TRANSITIONAL CONTINUED

RISK TYPE AND DESCRIPTION	DESCRIPTION OF ACTUAL AND POTENTIAL IMPACT	MITIGATION RESPONSE
MARKET RISK Inability to attract clients due to uncertain risks related to climate change **RATHBONES GROUP PRINCIPAL RISK CATEGORY:** Sustainability	If the business model does not respond in an optimal manner to changing market conditions, including environmental and social factors, such that sustainable growth, market share or profitability is adversely affected. This could result in loss of clients that could have a significant revenue impact.	We are aware of the long-term shift in customer expectations and preferences towards more ethical and ESG focused funds and must adapt accordingly to this market change. In response to this, we continue to offer ethical and ESG focused funds. Our Ethical Bond Fund reached £2.1 billion at 31 December 2023 (2022: £2.2 billion) while the Rathbone Greenbank Global Sustainability Fund now manages £69.0 million (2022: £70.6 million). We also offer the Rathbone Greenbank Multi-Asset Portfolios (RGMAPs) fund range. The RGMAPs funds are managed by Rathbones' multi-asset team and supported by Rathbone Greenbank Investments now manage £388 million. To support this growth, we continue to ensure we have the right resource in place and work to have data available to help our assessment of the risk and opportunities for the investments we make on behalf of our clients.
PRODUCT AND SERVICES Technology - substitution of existing products and services with lower emission options **RATHBONES GROUP PRINCIPAL RISK CATEGORY:** Sustainability	Rathbones recognise the importance of technology and IT processes in the transition to a net zero future. Failure to do so poses a significant risk to our own operations and in our value chain through increased costs and stranded assets.	We continue to manage and monitor our carbon footprint carefully, which informs our carbon reduction efforts in line with our SBTi targets. This is achieved through a reduction in utilised data centre 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 that 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_2e over a five-year period. We further drive digitisation reducing paper in our processes. We have an established print management system including a centralised print management and reporting facility, and improved digital tooling. In 2023, 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 also saved £3.5 million in print postage. In 2024, we will roll out digital contract notes that aim to remove 240,000 paper copies.

CLIMATE-RELATED RISKS CONTINUED

Magnitude: High, Medium-high, Medium, Low
Risk trend: Increasing, Stable, Decreasing
Time horizon: Long-term, Medium-term, Short-term

PHYSICAL

RISK TYPE AND DESCRIPTION	DESCRIPTION OF ACTUAL AND POTENTIAL IMPACT	MITIGATION RESPONSE
ACUTE: EXTREME WEATHER EVENTS The impact of climate change-related extreme weather events **RATHBONES GROUP PRINCIPAL RISK CATEGORY:** Business continuity	Extreme weather could cause disruption to our business operations and continuity. Whether directly or through the impact on our supply chain. This may result in increased operational expenses to rectify the damage.	We continue to enhance our business resilience framework. We maintain business continuity plans (BCP) to facilitate our ability to continue operating in the event of a disruption. At Rathbones, we aim to have effective, proportionate and resilient business continuity arrangements in place across the group, to prevent, respond to, recover from and learn from disruption. We ran a cycle of contingency testing in 2023. Outside of our direct operations, we maintain oversight of critical and significant supply chain and undertake an ESG review on all of our critical, strategic and preferred suppliers. This includes whether they have set environmental targets aligned with a net zero commitment. At year end, we had reviewed 76% of in scope suppliers, more details on the findings of which can be found in our responsible business update. We also run our third-party suppliers through a spend-based footprint calculation tool to understand our full scope-three value chain footprint.
CHRONIC: CHANGES IN WEATHER PATTERNS The impact of long-term changes in weather patterns, such as air temperature and precipitation **RATHBONES GROUP PRINCIPAL RISK CATEGORY:** Suitability	We have investments in global companies that are reliant on efficient manufacturing. Chronic changes in weather patterns or rising sea levels may impact their operations and consequently the financial value of their company assets which may result in increased operational expenses and lower returns for our clients. This in turn leads to a risk of our current clients leaving and not being able to attract new clients as they may feel we have not considered the material risks impacting their investments.	We have developed responsible investment frameworks and data to focus on issues such as materiality, sustainability alignment, climate and other ESG metrics. Over the past year we have enhanced these frameworks with more granular detail, taking into account sectoral considerations. In tandem, we are developing sector specific standards informed by industry focused indicators, our own research expertise and engagement activities. The application of the integration approach is tailored to fit the relevant investment service or mandate. This means that the investment manager or fund manager is accountable for interpreting ESG and stewardship information to inform investment decisions in the context of the suitability of the mandate or client objective.

CLIMATE-RELATED OPPORTUNITIES

Magnitude: High, Medium-high, Medium, Low
Opportunity trend: Increasing, Stable, Decreasing
Time horizon: Long-term, Medium-term, Short-term

Importantly, the transition to a low-carbon economy also provides Rathbones with opportunities which, if acted on, stand to benefit the business. An overview, timeframe and a description of our strategy to realise each opportunity is provided in the table below.

OPPORTUNITY AND DESCRIPTION	DESCRIPTION OF ACTUAL AND POTENTIAL IMPACT	STRATEGY TO REALISE OPPORTUNITY
PRODUCTS AND SERVICES Shift in consumer preferences leading to increased revenues from increased demand for products and services. **RATHBONES GROUP PRINCIPAL RISK CATEGORY:** Sustainability	An opportunity for us lies in the development of new products and solutions, developing an offering that meets client needs. All of the regulatory opportunity drivers listed have the potential to affect our business through the impact they may have on companies or assets in which we invest.	Our client team informs our client proposition, strategy and insight. In 2023, further enhancements were made to our ESG integration approach. This included further developments to our climate metrics. We deliver innovative low-carbon solutions that demonstrate our commitment to managing climate risks and impacts effectively throughout our clients' financial journeys. By embedding climate risk thoroughly across client portfolios, we will identify opportunities created by the transition to a low-carbon economy. Future client offerings will leverage existing solutions across our business, from our ethical, sustainable and impact investment specialists at Greenbank, through to sustainable and ethical funds already available through Rathbones Asset Management, such as the Rathbone Greenbank Global Sustainability Fund and the new fund range released in 2021, our Rathbone Greenbank Multi-Asset Portfolios (RGMAPs) fund range. In 2023 RAM released our global sustainable bond fund. Through our responsible investment and responsible business committees, we have the capacity to monitor regulatory opportunities as they emerge and incorporate them into our investment policies. This should enable us to adapt our investment strategies as necessary in order to maintain current levels of investment performance and continue to meet our clients' expectations in terms of projected returns. We believe this approach could support us in expanding our customer base.
MARKETS Increase market share by responding to changing stakeholder demands **RATHBONES GROUP PRINCIPAL RISK CATEGORY:** Market and reputation	Where appropriate, and in line with our conflicts of interest policy, we will seek to engage with reputable sustainability indexes or collaborative efforts. In line with this, we have become signatories or aligned with several high-level collaborative organisations. We support the work of the: Principles of Responsible Investment (PRI); Institutional Investors Group on Climate Change (IIGCC); Net Zero Asset Managers Initiative; and Net Zero Investment Framework. As members of such organisations, we have the capacity to contribute towards the improvement of several important climate and ESG issues. We believe that ESG issues - both risks and opportunities - can affect the long-term performance of investments. We continue to build out our research, data and decision frameworks so that we can better understand and weigh up ESG factors alongside other investment considerations.	We have made it a priority to join collaborative efforts and become signatories of reputable indices, as we recognise that many ESG issues are systemic, and hence are more suited to coordinated cross-sectoral action. We responded to sustainable disclosure requirements (SDR) consultation, supporting the development of transparent client communication on sustainability matters. We continued our role as lead investor for SSE Plc and National Grid Plc through Climate Action 100+ and as lead investors for an IIGCC engagement with Rio Tinto and Thyssenkrupp on net zero audits. We joined the Taskforce on Nature-related Disclosures (TNFD) Forum to support broader discussions on biodiversity. Our aim is to develop a more comprehensive view of a business' strategy, the way it executes this strategy and the dynamics of its sector than can be achieved solely through a financial lens. We do this by using ESG data, engaging with companies and exercising our carefully considered judgement. This helps us identify companies with stronger sustainability performance and those with whom, through engagement, we see potential to improve business practices to create value for shareholders. We continue to integrate ESG factors into our investment processes. In 2023, we identified companies for climate-related engagement and in line with our pillars of responsible investment. Using scenario analysis and the map of SBTi commitments against our clients' investments, we identified priority companies that we believe by engaging with we could support future alignment to a 1.5°C world.

CLIMATE-RELATED OPPORTUNITIES CONTINUED

THE IMPACT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON OUR BUSINESS

The climate-related risks and opportunities that we face as a business impact both our direct operations and our investments, and are considered in both in our business strategy and financial planning. Climate risks are considered as part of the suite of stress tests and potential stress tests that we use to support our International Adequacy Assessment Process (ICAAP) calculations.

Climate-related risks are considered as a potential driver of market failure. Many of the climate-related risks faced as a business are also factored into resourcing decisions. As an example, as climate-related reporting requirements and the availability of data continue to increase, we must continue to integrate, monitor and report on climate impacts, which may require the allocation of additional resources. Whilst our commitment to becoming a net zero business by 2050 or sooner includes both our direct operations and our investments, we recognise that most of our greenhouse gas emissions and climate-related risks are derived from the investments we hold on behalf of our clients.

The following section provides an overview of our approach across our operations and investments.

OUR OPERATIONAL IMPACT

Our initial assessment of our environmental impact focused on our own operations. In this regard, we continue to pursue an absolute reduction in our operational carbon footprint and offset residual emissions, alongside responding to the operational climate-related risks and opportunities that we face as a business.

The focus of our operational carbon reduction efforts is primarily directed on the following areas:

- resource consumption
- energy efficiency
- digitising our business
- business travel.

Additionally, the impact of climate is considered as we review office locations, as evidenced by our recent office selections, which is increasingly important considering our recent combination with IW&I. For more detail on our approach to reducing our operational footprint and our progress in 2023 please see pages 28-32 of our responsible business update.

OUR INVESTMENTS

We see it as our responsibility to be good, long-term stewards of our clients' wealth and believe it is in the interests of our clients that the companies and securities we invest in adopt good practice in managing ESG risks. As members of the UN-supported Principles for Responsible Investment (PRI) for over 14 years, we use the PRI's six principles to inform our approach. This provides each company with a framework for managing its operations in the long-term interests of its shareholders.

Since 2019, we have a group-wide responsible investment committee (RIC) which feeds into business unit decision-making processes. The RIC reports to the responsible business committee (RBC) on our approach to the integration of climate risk and broader responsible investment issues. The RIC oversees our responsible investment policy and reviews progress towards our SBTi-aligned target and commitment to net zero by 2050.

The responsible investment committee oversees our responsible investment policy and the application of our four principles see the side panel for more information.

NET ZERO AND OUR INVESTMENTS

In 2021, we announced our intention to be a net zero emissions business by 2050 or sooner. Our near-term target commits 35% of our listed equity and bonds portfolio, by invested value, committing to or setting SBTi-validated targets by 2025, 57% by 2030, and 100% by 2040, from a 2020 base year.

In 2023, our portfolio coverage amounted to 30% (+7.1pp since 2022).

In 2024, we will review our net zero baseline. This is to account for changes in the group related to the acquisition of Investec Wealth and Investment (UK) (IW&I) in September 2023. This review will include operational impacts (Scope 1, 2 and 3 (categories 1-8)), as well as the more material impact from the investments we make on behalf of our clients (Scope 3, category 15).

OUR RESPONSIBLE INVESTMENT PRINCIPLES

ESG INTEGRATION

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

VOTING WITH PURPOSE

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.

ENGAGEMENT WITH CONSEQUENCES

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 over time.

TRANSPARENCY

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

Responsible investment report

Responsible investment policy

CLIMATE SCENARIO ANALYSIS

OVERVIEW

Climate scenario analysis helps us understand the implications of possible climate pathways (scenarios) on our investment portfolio, and therefore the resilience of our investment strategies in the transition to a net zero economy.

Considering the implications of different scenarios on our clients' holdings helps us better understand and quantify the risks, opportunities and uncertainties our investee companies may face under different possible futures, and how current or potential trajectories could drive business value. At a granular level, it allows us to identify companies which are particularly exposed to transition or physical risks, and which ones are likely to benefit from low-carbon technology opportunities. We use these results, combined with other climate metrics, to identify priority companies for engagement and monitoring, and to explore the role we can play alongside policy and corporate action to mitigate climate risk and promote climate-related opportunities.

CLIMATE VALUE-AT-RISK (CLIMATE VAR)

Our approach to scenario analysis involves assessing the exposure of our equity and corporate bonds holdings by applying MSCI's Climate Value-at-Risk (Climate VaR) methodology[1]. This methodology provides a forward-looking and return-based valuation assessment to measure climate related risks and opportunities of publicly-listed companies and their issued securities, offering insights into how climate change could affect financial outcomes in different scenarios.

As both costs and opportunities are covered, the Climate VaR can be either negative or positive depending on the balance of future anticipated carbon-related costs and revenues for individual companies.

There are several scenarios and models available, and each is different, but it is possible to compare scenarios. This benchmarking shows that Network for Greening the Financial System (NGFS) supports analysis against a number of transition pathways and factors, including regional carbon pricing. It is also generally preferred by most banks and prudential supervisory authorities. It undergoes regular review and updates. Following a review of our approach and approval from the responsible investment committee we continued to use the NGFS REMIND model. We access the NGFS scenarios through MSCI.

We calculated the potential impact on the value of our equity holdings for five transition risk scenarios and two physical risk scenarios, reflecting the different emission projections and associated temperature pathways.

The five transition scenarios[2] we have chosen to assess against our investment holdings are the following:

- 1.5°C / NGFS / Orderly
- 1.5°C / NGFS / Disorderly
- 2°C / NGFS / Orderly
- 2°C / NGFS / Disorderly
- 3°C / HOT HOUSE WORLD / Nationally Determined Contributions (NDCs).

Orderly scenarios assume that global climate action occurs steadily and efficiently, while disorderly ones assume significant climate action but with delays or regional tensions. The Hot-House World scenario assumes limited additional climate action is taken. In the more optimistic Hot-House World narrative, countries fulfil their Nationally Determined Contributions (NDCs) but nothing more, leading to warming of over 2.5°C in 2100.

MSCI's physical risk data measures the potential economic impacts of ten different climate-related hazards on company assets and operations, including both acute and chronic physical risks, grouped into 'average' (or 'most likely scenario') and 'aggressive' (or 'worst case scenario'), varying with the expected degree of physical risk.

RESULTS

As part of our net zero commitment, and in line with the Paris Agreement, we pursue a 1.5°C scenario. The purpose of the analysis is therefore to understand the differences between orderly and disorderly scenarios in a 1.5°C pathway, as well as the potential implications on our holdings at different levels of temperature rise.

The results in the graph on the following page indicate that orderly scenarios are preferable to disorderly scenarios and that aggressive physical scenarios have greater negative impacts on our VaR than average physical scenarios. The results also highlight the growing urgency of action required to limit global warming to 1.5°C by 2050 – as we move closer towards this year, the risk associated with pursuing a 1.5°C scenario will continue to grow unless concerted climate action is taken globally.

Our analysis is based on the securities we held at the end of June 2023 (half-year) and covers 77.5% of our FUMA. This is an increase from 35% last year. We believe increased coverage helps to improve the accuracy of results, however, because of this, direct comparison of results from previous years must be treated with caution and is therefore not a focus of this year's findings. We continue to work with data suppliers and our investee companies to support more complete reporting, which in turn will support more robust consolidated reporting.

As expected, transition risk is projected to be higher in scenarios where emissions are limited the most; likely as a result of policy and regulatory changes, technological developments, and changes in market and customer sentiment that will be more prominent in 1.5°C scenarios. However, we believe that these results alone do not accurately depict the VaR associated with physical changes across different temperature scenarios, due to the limitations associated with the methodology. Therefore, this year, we have provided a summary of our VaR across both transition and physical risks separately and have not reported the aggregated VaR to avoid mis-representing findings (more detail provided on the following page). With additional analysis, we are able to draw useful conclusions from the data, which we will use to inform our engagement process and investment decisions in the long-term. Further insights from the analysis are explored over the next few pages.

1. The Climate VaR represents a combination of the Physical Climate VaR (downside or upside of extreme weather events), the Policy Climate VaR (future policy risks), and the Technology Climate VaR (technology opportunity profits). The portfolio's Climate VaR, or Aggregated Climate VaR, is a weighted aggregation of each securities' Climate VaR
2. The TCFD recommends investors consider a set of scenarios, including a '2°C or lower scenario' in line with the Paris Agreement. Additionally, we have included a number of additional temperature scenarios to help understand the implications of climate action failing on our portfolio.

CLIMATE SCENARIO ANALYSIS CONTINUED

THERE ARE CLEAR ADVANTAGES IN PURSUING AN ORDERLY TRANSITION

Value is most at risk from a disorderly transition. The highest risks to our portfolio is found in scenarios where most of the climate action to limit warming to 1.5°C happens in the later part of the century and in a disorderly fashion.

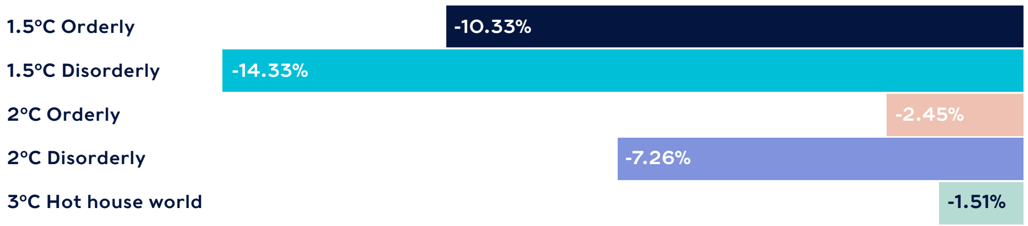
Disorderly scenarios experience higher transition risk due to policies being delayed or divergent across countries and sectors, along with typically higher carbon prices. As time goes on and new markets and technology opportunities continue to open up, the risk of stranded assets also increases. By contrast, in orderly scenarios, climate policies are introduced early and become gradually more stringent, consistent with the Paris Agreement.

To illustrate this point, it is useful to look at the impacts for both transition risks and opportunities in the 1.5°C NGFS Orderly scenario, and the 2°C NGFS Disorderly scenario. These two scenarios are particularly useful as they give a likely range of outcomes: the impact of policymakers taking decisive action to limit global warming and succeed in reaching net zero by 2050 in line with the Paris Agreement goals, is now seeing increased costs to transition. Whereas, if they delay action further, they can phase in the higher costs whilst still limiting global warming to 2°C. The results show that the transition risk is considerably higher in the 1.5°C NGFS Disorderly scenario: -14.33% Climate VaR contribution, versus -10.33% Climate VaR contribution in the 1.5°C NGFS Orderly scenario, and 7.26% in a 2°C disorderly scenario, versus 2.45% in a 2°C orderly scenario.

SECTORAL VARIATIONS CAN BE SIGNIFICANT

In both 1.5°C orderly and 2°C disorderly scenarios, the transition risk is highly concentrated in carbon-intensive sectors and industry groups such as energy, materials and transportation. However, in both scenarios, although these sectors still carry the highest policy risk, other industry groups are also significantly affected, such as food and staples, telecoms, and utilities.

TRANSITION VALUE AT RISK

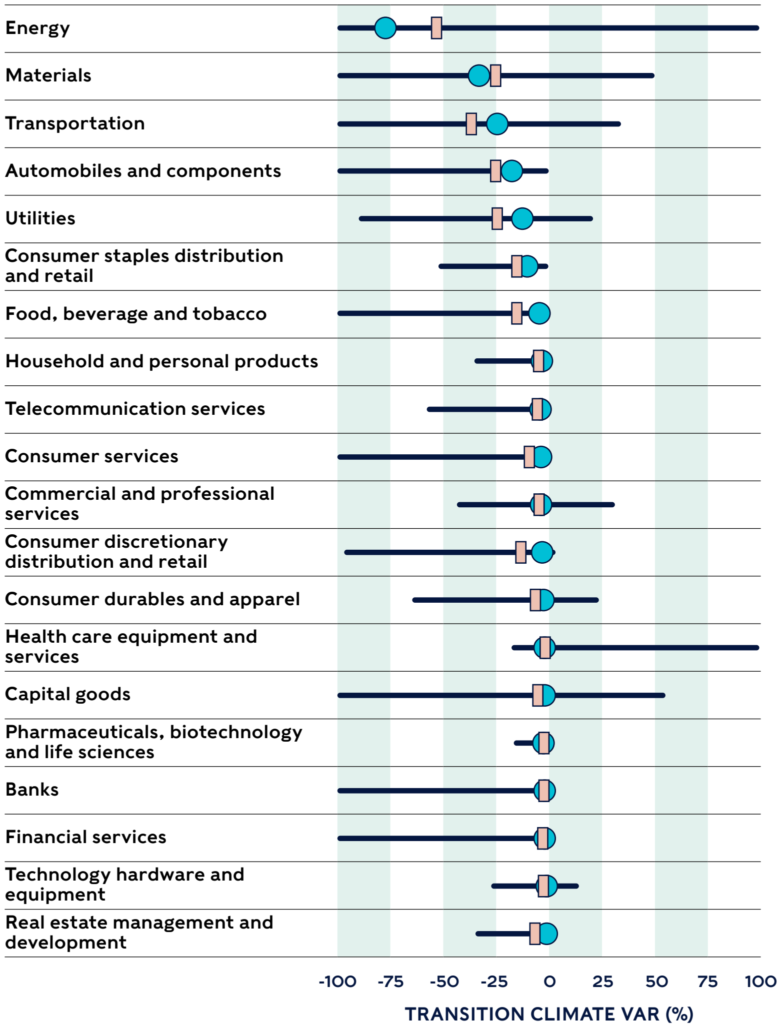


PHYSICAL VALUE AT RISK

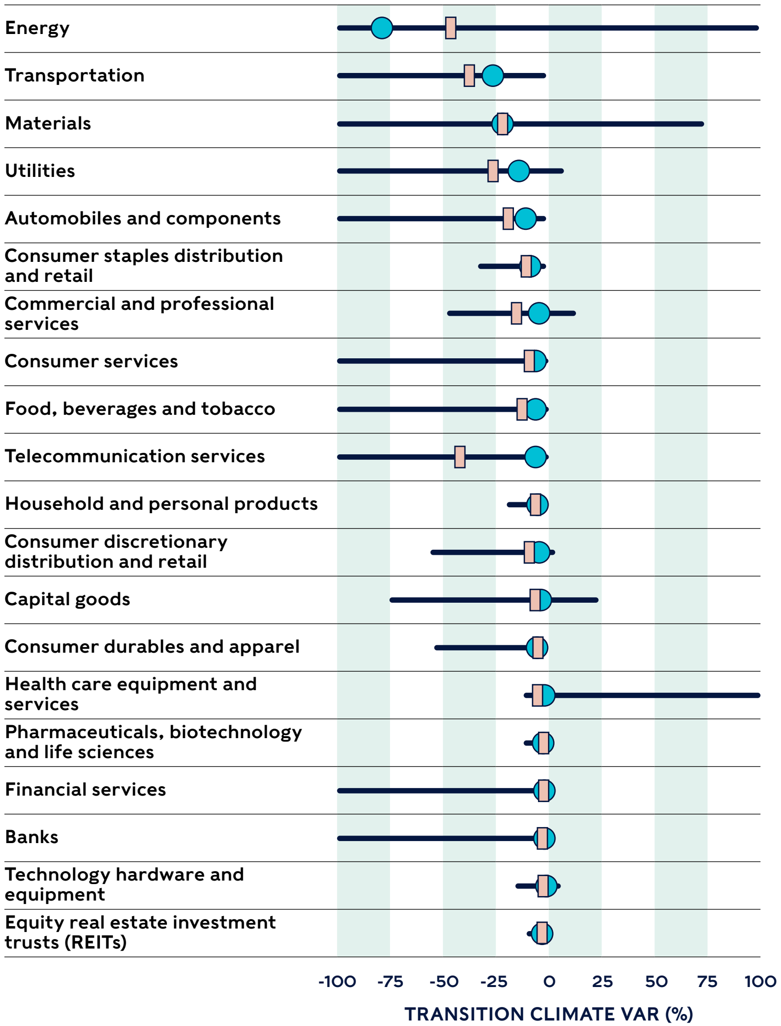
CLIMATE SCENARIO ANALYSIS CONTINUED

Aggregated Transition Climate VaR in each sector
- Weighted average
- Arithmetic average
- Spread between highest and lowest

1.5°C ORDERLY SCENARIO, TRANSITION CLIMATE VALUE AT RISK SPREAD BY PRIMARY SECTORS OF ACTIVITY – WEIGHTED SECURITIES



2°C DISORDERLY SCENARIO, TRANSITION CLIMATE VALUE AT RISK SPREAD BY PRIMARY SECTORS OF ACTIVITY – WEIGHTED SECURITIES



The blue circles illustrate the aggregated Transition Climate VaR in each sector weighted according to the security weights of the portfolio. The grey bars represent the arithmetic average of the aggregated Transition Climate VaR in each sector. The black error bars are a measure of the variability in that sector's Transition Climate VaR – demonstrating for each sector the spread between maximum and minimum values

The charts to the left provide an understanding of the sector-level risks found within the holdings we have on behalf of our clients. Sectors are displayed in order of risk exposure, starting with the highest.

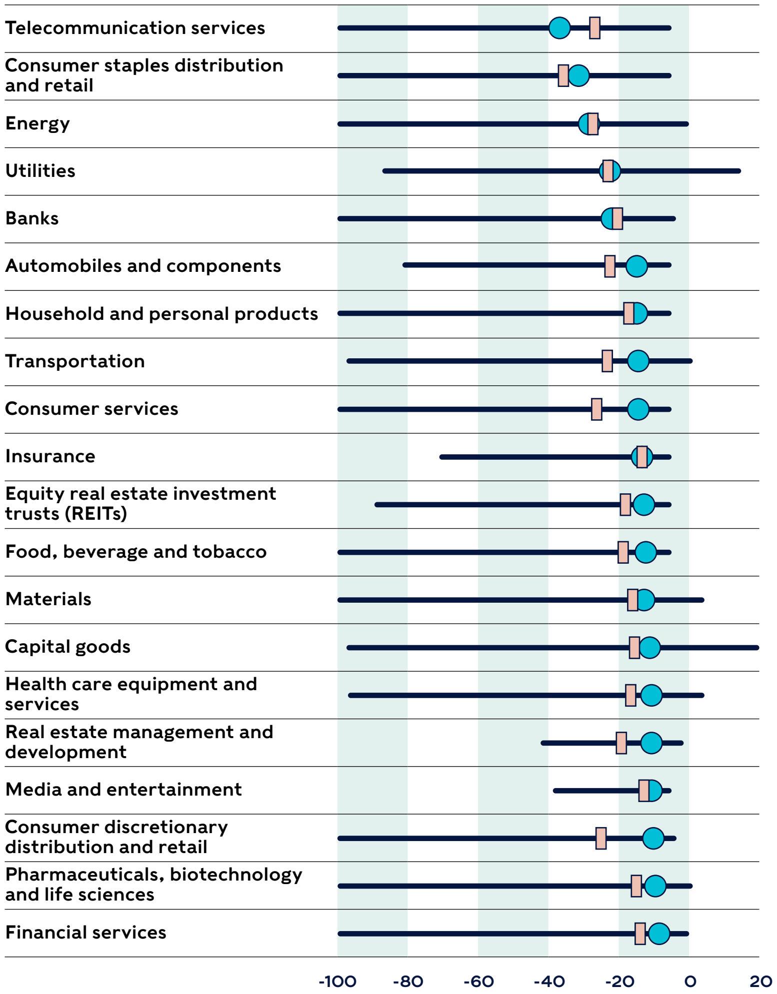
SOME COMPANIES' NEGATIVE CONTRIBUTION TO OUR AGGREGATED CLIMATE VALUE AT RISK EXCEEDS 1%

Our scenario analysis exercise allows us to identify which companies are the most exposed to transition and physical risks, while also accounting for the potential positive impact of technology opportunities on individual companies. Although results may vary in different scenarios, we notice that some companies are big contributors to the portfolio's Climate VaR, which is a weighted aggregation of each securities' Climate VaR.

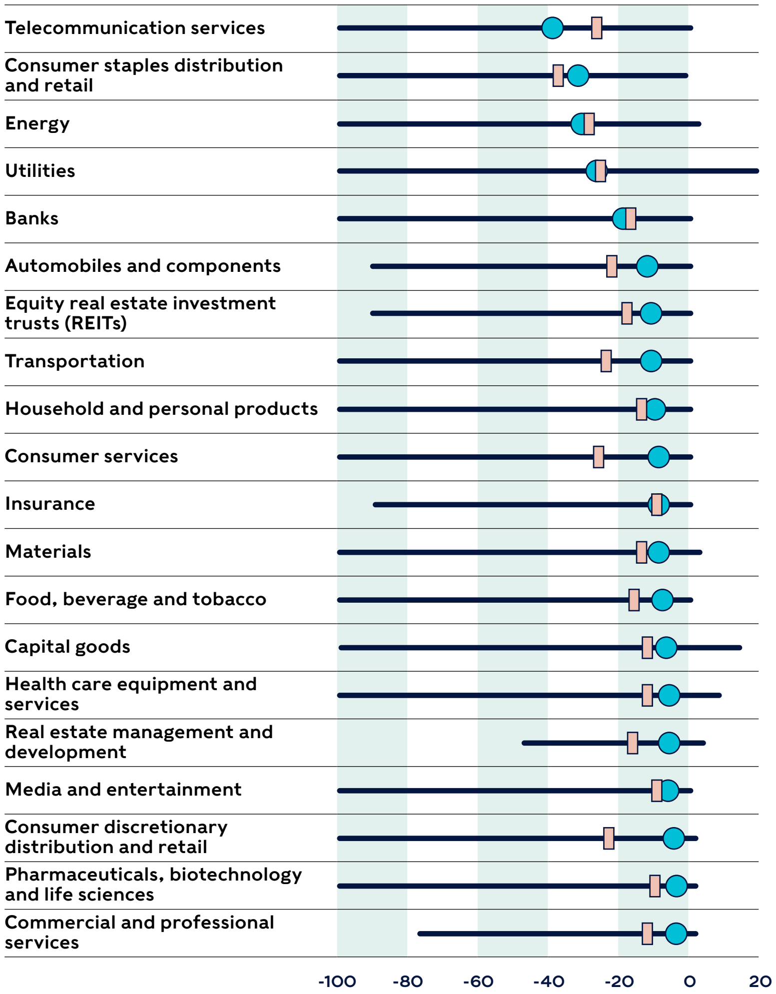
CLIMATE SCENARIO ANALYSIS CONTINUED

Aggregated Physical Climate VaR in each sector
- Weighted average
- Arithmetic average
- Spread between highest and lowest

PHYSICAL CVAR SPREAD BY PRIMARY SECTORS OF ACTIVITY – WEIGHTED SECURITIES (AVERAGE SCENARIO)



PHYSICAL CVAR SPREAD BY PRIMARY SECTORS OF ACTIVITY – WEIGHTED SECURITIES (AGGRESSIVE SCENARIO)



The blue circles illustrate the aggregated Physical Climate VaR in each sector weighted according to the security weights of the portfolio. The grey bars represent the arithmetic average of the aggregated Physical Climate VaR in each sector. The black error bars are a measure of the variability in that sector's Physical Climate VaR – demonstrating for each sector the spread between maximum and minimum values

These two charts provide an understanding of the sector-level risks found within the investments we make on behalf of our clients based on average and aggressive physical risk impacts. These charts can be used to identify the most at-risk sectors, and the analysis also helps us to identify the companies most exposed to physical climate risks based on location of facilities, type of weather-related events, costs, and relative contribution to the overall physical risk of the portfolio.

EXPOSURE TO PHYSICAL RISKS IS HIGHLY DEPENDENT ON THE SPECIFIC GEOGRAPHIC LOCATION

The impacts on our equity and corporate bond holdings show that extreme heat, and coastal and fluvial flooding contribute the highest risks to our investments. The contribution to the overall climate value at risk value from these physical factors varies between -7.8% for an average scenario to -9.53% in the aggressive model. Our analysis also identifies the top five countries in terms of Physical VaR according to our exposure in each. In a 3°C Hot House World, Climate VaR was the most negatively impacted in United States, China, Singapore, United Kingdom and the Netherlands across our average scenario with Australia replacing the Netherlands in our aggressive scenario.

CLIMATE SCENARIO ANALYSIS CONTINUED

LOWER TEMPERATURE SCENARIOS PROVIDE TECHNOLOGY OPPORTUNITIES

Climate VaR allows us to identify sectors that are more resilient to climate risks. The transition to a low-carbon economy provides untapped growth potential. The results provide an indicator of which companies are more likely to be the beneficiaries if 3°C, 2°C or 1.5°C aligned climate policies are implemented on a global level, and which ones are more attuned to the low-carbon technological opportunities.

Our results show that technology opportunities are much higher in 1.5°C scenarios than in 3°C scenarios. Technology opportunities can positively contribute by reducing Climate VaR, by +3.00%, in our 1.5°C disorderly average scenarios, helping compensate for negative policy risks in our transition risk scenarios. This contrasts with a 0.44% positive contribution of technology opportunities in our 3°C scenario.

LIMITATIONS OF SCENARIO ANALYSIS

When assessing the Climate VaR results for different scenarios, it is imperative to exercise caution. Notably, the methodologies associated with scenario analysis are still evolving. Therefore, in some cases, it is useful to complement the data acquired from third-party providers with in-house data and qualitative assessments that better reflect the nature of climate risks and opportunities.

Specifically, we recognise the limitations associated with our climate scenario analysis of physical risks. When analysing transition risks and physical risks in isolation, we are not able to accurately predict the cumulative value at risk in warmer temperate scenarios.

However, it is currently necessary to view these two types of risk in isolation because in this model, physical risk values are static to the model: the average or aggressive scenario is plotted from the beginning, so the physical risk does not vary as a result of more stringent or more lenient efforts to curb emissions, and the subsequent lower or higher temperature achieved. Additionally, the model considers physical risks directly posed to company facilities only and does not capture the potential affects of climatic events on global supply routes. We expect methodologies to continue to evolve so that future assessments will more accurately reflect the benefits of aiming for a 1.5°C scenario, namely higher transition VaRs compensated by lower physical VaRs. We plan to improve our approach to climate scenario analysis in coming years and report the aggregated physical and transition VaR in future years to more accurately reflect the resilience of our portfolio. We will continue to explore new scenario analysis methodologies, particularly with the aim to improve the representation of physical risks.

TRANSLATING SCENARIO FINDINGS INTO RESILIENCE

The findings from our scenario analysis are fed into our ICAAP consideration process (see more on pages 29 and 31). These insights are another factor we consider when we review the resilience of our investment approach at different temperature scenarios.

This is complemented with the evaluation of ESG data sources to identify climate-related risks and opportunities and training to support our client teams with client conversations on the impact of ESG investments; all of which help to ensure that we continually assess and build the resilience of our business strategy to the impacts of climate change.

Although our focus on climate is not new, our net zero commitment sets a clearer direction of travel and a new pace for our engagement. Growing investor awareness and increasingly tangible climate risks require a shift in stewardship practices. When using scenario analysis to understand the implications of different climate pathways (scenarios) to our portfolio, we are able to identify the companies most exposed to physical and transition risks. Although different scenarios may return different results, some companies appear consistently across different scenarios, which is good evidence of their high exposure to climate risks.

Whilst the main focus of our targeted net zero engagement is on high emitting companies which form a large proportion of our holdings, additional metrics are used to supplement the scenario analysis exercise and identify priority companies for engagement in the AGM season and in the regular cause of financial analysis. When combined, these metrics enhance our understanding of climate risk exposure and offer new layers of consideration when identifying priority companies for engagement. For more details on how we engage with companies on climate-related risk and opportunities, please see the engagement with consequences section on page 33 of this report.

FOSSIL FUEL EXPOSURE METRICS[1]

Whilst we are not able to provide an exact estimate of our exposure to all climate related risks and opportunities, we have provided a breakdown of metrics which indicate our exposure to fossil fuel and green revenue. Definitions can be found on page 68.

FOSSIL FUEL BASED REVENUE EXPOSURE

2.1%

GREEN REVENUE EXPOSURE

3.1%

1. These metrics cover 70.8% of securities and 76.3% of market cap (FUMA)

RISK MANAGEMENT

Our approach to risk management is fundamental to supporting the delivery of our strategic objectives. Our risk governance and risk processes are designed to enable the firm to manage risk effectively in accordance with our risk appetite and to support the long-term future of the company

INTRODUCTION TO RISK MANAGEMENT AT RATHBONES

RISK MANAGEMENT FRAMEWORK OVERVIEW

Our risk management framework (RMF) provides the foundation and organisational arrangements for identifying, monitoring, reviewing and continually improving risk management throughout the company. Climate-related risks such as changes to existing regulation are identified and assessed as part of our hierarchical approach to risk management.

RISK APPETITE

The board approves the company's risk appetite statement and framework at least annually to ensure it remains consistent with our strategic objectives.

The group's risk appetite aligns with our prudential responsibilities for business and strategic, financial and non-financial (conduct and operational) risk. Specific appetite statements are set and measures established for each principal risk. The risk appetite framework supports strategic decision making, as well as providing a mechanism to monitor our risk exposures.

The position against our risk appetite statements and measures is assessed and reported on a regular basis to the executive committee, group risk committee and the board, so that risk mitigation can be reviewed and strengthened if needed.

In line with our strategy, the current economic outlook and the evolving regulatory landscape within the sector, the board remains committed to having a relatively low overall appetite for risk and ensuring that our internal controls mitigate risk to appropriate levels. The board recognises our performance is susceptible to fluctuations in investment markets and has the potential to bear losses from financial and non-financial risks from time to time, either as reductions in income or increases in operating costs.

In 2023, we reviewed our appetite for climate risk and built on the 2022 discussion around impact on our internal capital adequacy assessment process (ICAAP).

When assessing climate risks and opportunities, we recognise the reliance on data. We acknowledge our reliance on data in our efforts to assess climate risks and opportunities. Given the still nascent nature of ESG disclosures, we recognise that climate data availability may be patchy, lagging, or biased towards larger companies and certain jurisdictions. We have taken a thoughtful approach to data and model management to mitigate gaps or inconsistencies. In particular, our integration approach, while informed by data, emphasises the vital importance of qualitative verification and input from our financial analysts and responsible investment specialists.

IDENTIFYING RISKS AND OPPORTUNITIES

Risks are identified within a three-tier hierarchy, with the highest level containing business and strategic, financial, conduct and operational risks. Risks are assessed on an inherent and residual basis across a three-year period according to several impact criteria, which include consideration of the internal control environment and/or insurance mitigation.

We maintain a watch list to identify and evaluate current issues and emerging risks as a result of business development or changes in the regulatory landscape, as well as threats and issues in the wider external environment. This helps inform the view of the company's current and longer- term risk profile, and influences managements decisions and actions. Stress tests are undertaken to include consideration of the impact of a number of severe but plausible events that could impact the business. This work takes account of the availability and likely effectiveness of mitigating actions that could be taken to avoid or reduce the impact or likelihood of the underlying risks materialising.

MANAGING RISKS & OPPORTUNITIES

OUR RISK MANAGEMENT PROCESS

Our risk management process is a defined approach to identify, assess and respond to risks that could affect delivery of strategic objectives and annual business plans. The board, executive and senior management are actively involved in this process. More details on our full risk management process can be found on page 77 of our annual report and accounts.

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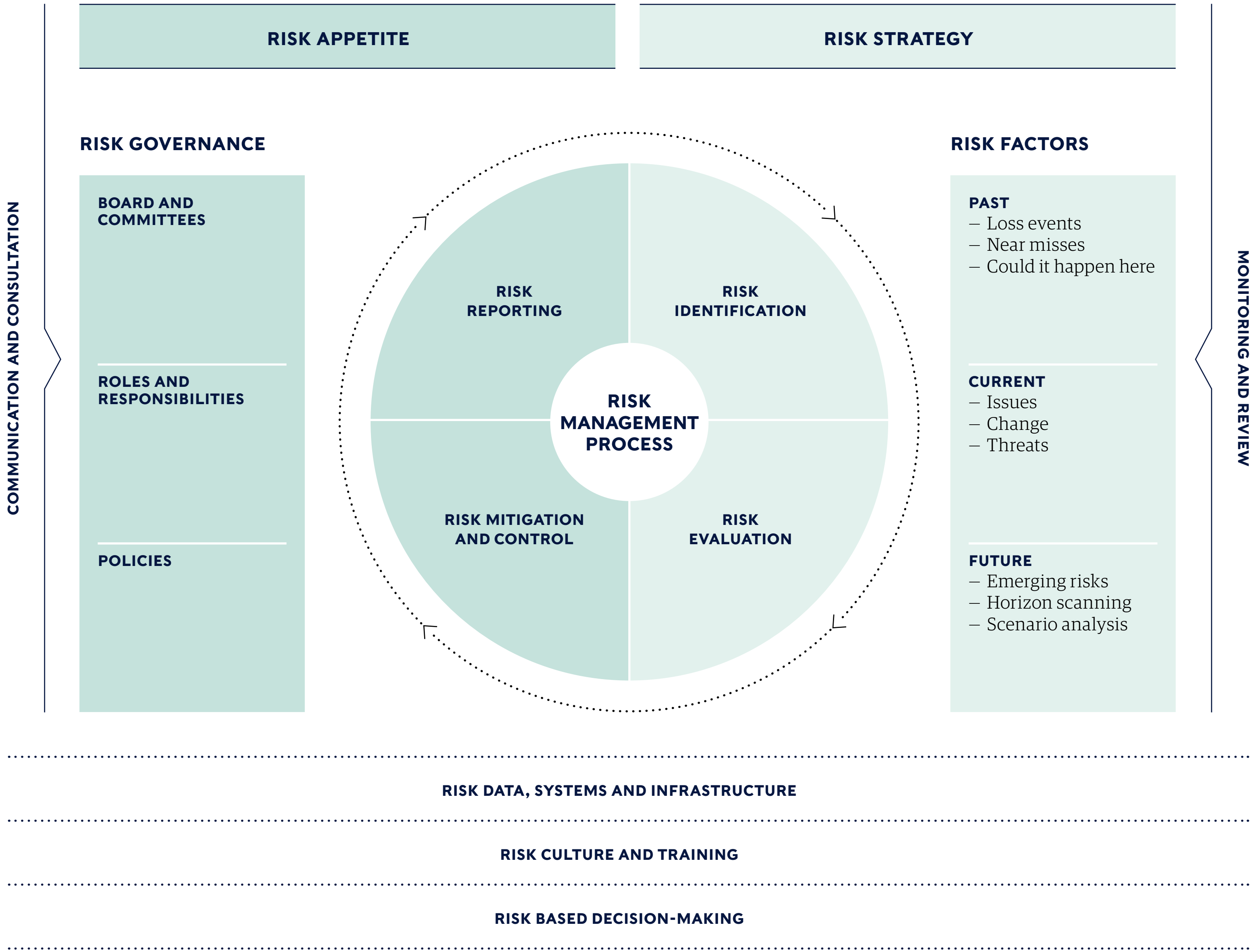
Stress tests are undertaken to include consideration of the impact of a number of severe but plausible events that could impact the business. This work takes account of the availability and likely effectiveness of mitigating actions that could be taken to avoid or reduce the impact or likelihood of the underlying risks materialising.

The group's risk profile, risk register, watch list and stress tests are regularly reviewed and challenged by the executive, senior management, group risk committee and the board.



MANAGING RISKS & OPPORTUNITIES CONTINUED

RESILIENCE ASSESSMENT

As with other companies in our sector, our exposure sits mainly in the investments we make on behalf of our clients. To date, we have relied on the stress test work undertaken as part of our ICAAP process to recognise the potential impact of climate or ESG risk on investment valuations, particularly for securities where ESG risk is high or unmanaged, thereby connecting these risks to our financial stability. Our financial stress testing and scenario analysis shows that the group would remain profitable in excess of our risk appetite tolerances for capital and liquidity, and would be able to withstand the impact of such scenarios.

RISK MANAGEMENT PROCESS

RISK REPORTING

- Risk information is routinely reported at governance committees across the group.
- Group Risk Committee convenes on a quarterly basis.
- Executive Risk Committee meets every month.
- A standing agenda across both committees is defined to ensure complete coverage of risk reporting and executive attendance is tracked.

RISK IDENTIFICATION

- Risk are identified in the context of the groups strategic objectives and aligned with our approved group risk taxonomy.
- Risks are identified from a top-down and bottom-up basis from group executive and business unit risk owners.
- In addition, a Watch List is a key tool used to highlight current and emerging issues, potential threats and both business and regulatory change likely to affect the group's overall risk profile.
- Enterprise Risk Management (ERM) software is embedded to capture all risk information.

RISK MITIGIATION AND CONTROL

- Control environment established to mitigate risks to an appropriate level.
- Independent control assurance processes are established across the 3 lines of defence as well as through routine reviews conducted by external auditors.
- Risk indicators are developed for each principal risk to provide an early signal of increasing risk exposure. Thresholds dictate an early warning trigger, a breach of risk tolerance through to invocation of the recovery and resolution plan.
- ICAAP and ILAAP is used to calculate regulatory capital required in the event that principal risks should crystallise.

RISK EVALUATION

- Risks are assessed on both an inherent and residual basis considering their impacts and likelihood.
- Risk impact is considered through multiple lenses including client, financial, regulatory and reputational.
- Likelihood is considered over a three year period.
- Risk events and issues are recorded within the ERM software and linked to risks based on materiality to help evaluate control effectiveness and the residual risk ratings.
- Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) stress test principal risks across the group.

INCORPORATING CLIMATE RISK INTO RATHBONES' RISK MANAGEMENT

ESG INTEGRATION

The following information outlines our overarching approach to integrating ESG into our clients' investments. Details of how our entities build or deviate from this approach are noted in the entity reports, which can be found in the appendix.

The integration of ESG factors into our investment process provides our research analysts, investment managers and clients with an additional lens of sustainability to inform their investment decisions. We consider the following:

- insights and data, gathered from our financial and engagement analysts
- external data, drawn from suppliers such as CDP, MSCI and Morningstar
- materiality assessments, such as those described by the Sustainability Accounting Standards Board (SASB)
- relevant applicable legislation and regulation, including the Task Force on Climate-Related Financial Disclosures (TCFD), the EU Sustainable Finance Disclosure Regulation (SFDR) and the EU Taxonomy Regulation
- widely-adopted international frameworks, such as the United Nations Sustainable Development Goals
- market-led initiatives seeking to develop best practice, such as the Science-Based Targets initiative and Net Zero Asset Managers initiative.

We have developed our own ESG framework which, for investments covered by our Research team, enables us to determine a company's overall preparedness to mitigate ESG risk and to measure companies against each other using a generally-relevant, comparable set of metrics. In addition, we have developed criteria to assess and identify the effect of companies on society and the environment. We are developing capabilities that will allow us to monitor, report and manage the climate impact of securities holdings and manage the risk they may pose to investment outcomes and our agreed climate goals.

Our integration framework, whilst heavily informed by data, emphasises qualitative verification and input from our specialist financial, ESG integration, and stewardship analysts. We continue to evolve our integration approach and to embed enhancements into our investment process. Through this analysis, we hope to understand how companies currently meet commonly-agreed ESG standards, demonstrate impact, and evolve to meet the changing regulatory and sustainability landscape.

One example of our efforts to manage material ESG risk concerns a reinsurance company, which had been significantly impacted by weather-related physical risks. In the insurance space, major companies have had to contend with larger pay-outs to policyholders than in previous years owing to damage from severe weather events and other natural disasters. Our analyst covering a large global reinsurance company noted the significant evidence that climate change is pushing up the frequency and cost of these events. This represents a threat to the company's profitability.

As a result, exposure to environmental risk has become a material ESG factor for insurance companies. The analyst considered the possibility of worsening natural disasters over time and the risk that this may present to the company's balance sheet, overall profitability, and valuation. Given the volatility in the company's business model from this and financial considerations, the analyst downgraded his assessment of the company's investment case.

We developed and delivered further training and guidance for our analysts, investment committees and investment managers to empower them to incorporate consideration of material ESG factors in investment research and portfolio construction activities. In addition, we are developing sector-specific standards, informed by industry-focused indicators proposed by market initiatives, materiality and our own internal research expertise and engagement. This will enable us to integrate climate and other ESG considerations into the investment research process in a measurable and impactful way.

To provide meaningful oversight of the ESG integration processes, where relevant, some entities have formally established additional committees. These are noted in the entity reports, which can be found in the appendix.

ESG INTEGRATION AND THE CLIMATE

This year, we have worked on deepening our knowledge of how our ESG integration activities an support our net zero ambitions. This is reflected in our approach to investing in fossil fuels. With fossil fuels envisaged to play a role in many plausible net zero scenarios and transition pathways, we see carefully considered investment in certain fossil fuel companies as compatible with our aim of achieving net zero emissions. However, given the particularly damaging impact on the environment of thermal coal and the research indicating the high risk that some assets may become stranded, causing financial loss, we have established a policy to guide a reduction in our investment in thermal coal companies over time. Using data, we initially screen our investable universe to identify thermal coal companies which breach established internal thresholds. Shortlisted companies are then subject to comprehensive qualitative analysis by our financial analysts and responsible investment specialists and may be subject to targeted engagement (described in greater detail, on page 33).

In 2023, we defined a methodology for classifying securities according to the Impact Management Project's ABC framework (A = avoid harm, B = benefits stakeholders, C = contributes to solutions). This will allow us to label securities according to their degree of sustainability alignment and will allow investment managers to better understand the securities in their portfolios through a sustainability lens. This alongside the approval of our fossil fuel positioning statement and thermal coal phase out plan, supports delivery on our net zero commitments. The publication of our phase-out plan aligns with the validation of our near-term net zero targets by the Science Based Targets initiative at the end of 2022, which asks that investment in thermal coal ceases by 2030.

INCORPORATING CLIMATE RISK INTO RATHBONES' RISK MANAGEMENT CONTINUED

ENGAGEMENT WITH CONSEQUENCES

We understand that meaningful engagement efforts require significant resources and perseverance, and it often takes time to achieve the intended outcome. Together with the urgency of tackling climate change, this highlights the importance of establishing escalation processes as part of our engagement strategy. A clear escalation pathway is critical, allowing for effective intensification of stewardship activities until the desired outcomes are reached.

Our engagement work is guided by our public commitments under SBTi. We aim to encourage an increasing proportion of our holdings (by value) to set SBTi-approved targets. The group and our ethical and sustainable investment team Greenbank worked in collaboration to cover the list of target companies to ensure that the engagement carried out is consistent with our objectives and that meaningful relationships can be built with management.

We also engage with companies collaboratively as members of Climate Action 100+ (CA100+) and the Net Zero Engagement Initiative through the Institutional Investors Group on Climate Change (IIGCC). Although many companies identified for targeted engagement have announced a commitment to net zero, the real test lies in the quality of these commitments. In 2021, Greenbank disclosed their engagement framework which aligned to our 1.5°C commitment making our net zero expectations clear to investee companies. From 2024 this will be applied to group level engagements.

2023 PROGRESS

In 2023, we continued to enhance our engagement framework in line with the IIGCC's Net Zero Stewardship Toolkit and the CA100+ Company Benchmark Indicators.

Supported by our specialist Greenbank team, we have now aligned our net zero engagement programme at group level with this framework.

Assessing the quality of net zero commitments and identifying where companies are in their net zero journey is not an easy task. Disclosures of Scope 3 emissions data is particularly poor, and most companies do not report across each of the 15 sub-categories. Although the net zero-aligned criteria, defined above, applies to all companies at a higher level, we recognise that some sector-specific criteria may be necessary, particularly with regards to high emitting sectors and where "sector decarbonization pathways" are available. For some sectors, an enhanced alignment framework is needed. For instance, for oil and gas companies, we supplement our framework with the IIGCC's Net Zero Standard for Oil and Gas, and for power and utilities the IIGCC's sectoral recommendations developed as part of the CA100+ Global Sector Strategies workstream. Rathbones is committed to embracing further sectoral recommendations as these become available.

As in previous years, in 2023, we contacted a range of companies to set out our expectations as investors for credible net zero strategies. The companies contacted accounted for over 70% of group financed emissions.

Additionally, we participated in several collaborative climate engagements: including, the 2023 Global Investor Statement on the Climate Crisis, the CDP Science Based Targets Campaign and as a signatory on letters to the main proxy voting providers encouraging them to include climate criteria in their benchmark voting policies. Details on the number of climate-related engagements made in 2023 as well as the percentage of our portfolio which have set or committed to setting SBTi-aligned targets can be found in the metrics and targets section of this report.

OUR NET ZERO ALIGNMENT FRAMEWORK

CORE CRITERIA	TO ASSESS BASELINE ALIGNMENT
AMBITION	A long-term emissions goal based on Scope 1, 2 and material Scope 3 consistent with achieving global net zero.
TARGETS	Short- and medium-term emissions targets (for Scope 1, 2 and material Scope 3).
EMISSIONS PERFORMANCE	Current emissions intensity performance (for Scope 1, 2 and material Scope 3) on a metric consistent with targets.
DISCLOSURE	Scope 1, 2 and material Scope 3 emissions disclosure.
DECARBONISATION STRATEGY	A quantified plan setting out the measures that will be deployed to deliver GHG targets, proportions of green revenues and the use of neutralising actions such as CCUS (Carbon Capture, Utilisation and Storage) and offsets.
CAPITAL ALLOCATION ALIGNMENT	Clear demonstration that future capital expenditures are consistent with the goal to achieve net zero emissions by 2050.

ADDITIONAL CRITERIA	TO AID ENGAGEMENT
CLIMATE POLICY ENGAGEMENT	The company has a Paris aligned climate lobbying position and demonstrates alignment of its direct and indirect lobbying activities.
CLIMATE GOVERNANCE	Board capabilities and competencies to manage climate change. Board member nominated responsible for climate and net zero oversight. Executive remuneration should be linked to delivering targets.
JUST TRANSITION	The company considers the impacts from transitioning to a lower-carbon business model on its workers and communities.
CLIMATE RISK ACCOUNTING AND AUDIT	The company provides disclosures on risks associated with the transition through TCFD reporting and financial accounts state the climate scenario under which they were generated as well as any material, climate sensitive, assumptions (e.g., fossil fuel prices, carbon taxes) and outcomes (eg: write-downs on coal assets, useful life impact on gas assets). Where assumptions are not consistent with a net zero scenario, the impact of a net zero scenario on financial statements should be indicated.

INCORPORATING CLIMATE RISK INTO RATHBONES' RISK MANAGEMENT CONTINUED

VOTING WITH PURPOSE

We believe it's in our clients' best interests that portfolio companies adopt best practice in ESG risk management and corporate governance. We press for this through the votes we make on behalf of our clients. Our voting committee is responsible for our bespoke voting policy, reporting to the group responsible investment committee.

Voting is undertaken on our most widely held holdings and on any company if requested by a client who is a shareholder of that company. Through voting, we encourage boards to:

- embed clear values and standards throughout the organisation
- develop a culture of transparency and accountability
- focus on strategic issues, of which climate change may be one, rather than simply short-term performance
- maintain systems of internal control and risk management for material issues such as climate
- create fair remuneration at all levels that rewards achievement
- responsibly manage impacts on all stakeholders.

For all climate-related resolutions, whether submitted by management or shareholders, our vote is followed by a letter to the company explaining why we consider climate risks to be material to the performance and valuation of our investments, detailing the reasons behind our vote (whether it is for, against or abstain), and specifying the changes we expect to see. We have also outlined our climate-related voting expectations in our custom voting policy.

We prefer to engage with our investee companies and will favour this option where possible. However, when material risks start to negatively impact the investment thesis, and/or when engagement has failed within a reasonable timeframe, we consider these companies to present higher or unmanaged ESG risks and may escalate our concerns by voting against management at AGM.

2023 PROGRESS

The climate-related criteria set out in our voting policy were further refined in 2023. At the time of writing, we are only able to support a very limited number of transition plans submitted by companies to investor approval as part of the 'Say on Climate' votes. Following our latest annual review, we have taken firmer stances on:

- climate change
- audit failings
- gender and racial diversity at board and senior management level
- corporate governance at FTSE AIM companies (mainly smaller companies).

In 2023, we supported a high number of climate-related shareholder resolutions and voted against company-proposed climate transition plans that we considered insufficient. Details on the number of climate-related voting actions taken in 2023 can be found on pages 27 and 29 of our responsible investment report. Going forward, we will continue to enhance our escalation approach to provide more clarity to companies on the windows for delivering demonstrable action to meet our net zero alignment framework.

CA100+ collaborative engagement initiative

Climate Action 100+
Global Investors Driving Business Transition

In 2023, we stepped up our engagement with Glencore Plc as part of the CA100+ collaborative engagement initiative, becoming part of the small sub-group of CA100+ members leading engagement on the company. We have formalised a list of four strategic asks, one relating to the company's climate targets and how it plans to 'responsibly phase down coal'.

Our critique of the company's level of ambition on climate action led us to vote against the company's report on the implementation of its Climate Transition Action Plan at its 2023 AGM. We held two direct meetings with the company in the year, the latter being focused on a reviewed Climate Transition Action Plan due to go for a shareholder vote in 2024.

Our core ask is that the phase-out of thermal coal at the company is pursued in a manner consistent with the IEA's Net Zero Scenario for Coal, as this aligns with the goals of the Paris Agreement.

INCORPORATING CLIMATE RISK INTO RATHBONES' RISK MANAGEMENT CONTINUED

TRANSPARENCY AND COLLABORATION

As a prominent participant in financial markets, 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. Our commitment to transparency is demonstrated through our disclosure of voting and engagement activities, our submissions to the market initiatives to which we are signatories, in addition to our reporting obligations under UK and EU regulation, and the publication of position statements in which we aim to set out our approach to key ESG issues.

2023 PROGRESS

In voting disclosure, we are recognised as leading our peers in providing access to our voting record in real time (see ShareAction's Voting Matters Charity Spotlight Report, January 2023). We provide a vote disclosure service for Rathbones Investment Management and Rathbone Asset Management where we publish a rationale for every vote issued against management, providing transparency to stakeholders on what we did and why. We have continued to use clear criteria for assessing corporate Say on Climate plans, which are published on our website, and have maintained our practice of publishing voting statistics by company, on our website, including number of votes for and against, and votes cast by proposal category.

In 2023, we continued to submit to external performance benchmarks. These include:

- the United Nations-backed Principles for Responsible Investment (PRI)
- the Financial Reporting Council's Stewardship Code
- ShareAction Global Responsible Investment Benchmark
- CDP.

Additional details of our commitments to external performance benchmarks and industry groups can be found in our stewardship report and in the metrics and targets section of this report.

Finally, in 2023, we formalised our approach to investment in fossil fuels as part of our commitment to managing material ESG risk. We published a statement, acknowledging, as described in sections above, that while well-considered investment in fossil fuel is part of many plausible transition scenarios, we will manage future risk by screening for companies which present a greater degree of unmanaged ESG risk and escalate our engagement to encourage companies to adopt net zero plans. investing in fossil fuels. Our investment in fossil fuel companies is therefore guided heavily by our four responsible investment pillars, as set out in the statement.

OUR 2023 PRI SCORES

HIGHLIGHTS:

- Investment and Stewardship Policy: our score was 72% in 2020. Now expanded to cover stewardship activities too, and renamed Policy Governance and Strategy, it gives us a score of 77%.
- Direct - Listed Equity Active Fundamental: up from 37% in 2020 to 42% now.
- Fixed Income - SSA and Corporate: up from 28% and 29% in 2020 to 67% in both cases.
- Confidence Building Measures: 80%. This is a new category, which assesses how we review and verify the data reported to the PRI. Issues considered include our overall approach to review and verification, whether a third party has checked the data, whether our internal audit team has done the same, and the seniority of the Rathbones executive who reviewed the report before submission.

SUMMARY SCORE CARD

Module score out of five		AUM Coverage	Score in detail
Policy Governance and Strategy	●●●●○		77%
Direct – Listed equity – Active fundamental	●●●○○	>50%	42%
Direct – Fixed income – SSA	●●●●○	<10%	67%
Direct – Fixed income – Corporate	●●●●○	>=10 and <=50%	67%
Confidence building measures	●●●●○		80%

METRICS & TARGETS

We use several metrics to measure the progress of our net zero journey, including carbon emissions and GHG intensity indicators.

OUR JOURNEY TO NET ZERO

We use several metrics to measure the progress of our net zero journey, which is the primary indicator used to determine how effectively we are responding to all of the climate-related risks and opportunities outlined above. These include carbon emissions and GHG intensity indicators and consider the environmental impacts of our operations, supply chain and our investments. In addition to our operational metrics, we use a selection of other metrics to inform our climate risk and engagement strategy which are detailed below.

OUR COMMITMENTS

In 2022, the SBTi approved our near-term 1.5°C-aligned emissions targets for Scopes 1, 2 and 3 including our investments. Progress against our targets is tracked by our executive and progress against them acts as a modifier in our non-financial strategic measures on which our executive are remunerated. In 2023, the percentage of our portfolio which have set or committed to SBTi-validated targets increased by 7.1 pp from last year, amounting to 30% coverage.

In addition to the group commitment, Greenbank Investments (Greenbank), Rathbones' specialist ethical, sustainable and impact investment team has detailed its plan to become a net zero emissions business by 2040. This commitment covers emissions associated with its operations, supply chain and client investments. To read more please see page 66.

For our full streamlined energy and carbon reporting (SECR) disclosure please see page 64 of our 2023 annual report and accounts. A summary of areas of our focus areas linked to our operational near-term SBTi targets is included below.

OPERATIONAL FOOTPRINT

We saw emissions increase in 2023, with purchased goods and services remaining the largest emissions source. As spend increased our emissions also increased, 33% since 2020 to over 4,000 tCO_2e. Despite this, emissions grew slower than spending as cost was focused on lower-carbon services like legal and professional services and software support, leading to a reduction in emissions intensity from 0.16 to 0.12 $kgCO_2e$ per £ between 2020 and 2023. Business travel emissions continued to increase. The most significant contributors to this increase were road and air travel, particularly noticeable in 2023. Long-haul flights and average passenger travel had an impact, as colleagues returned to travel post the 2020 period of lockdown. In 2023, our property and facilities team began work on the consolidation of offices where we are co-located. The programme will continue in 2024 as we look to consolidate our Glasgow, Bristol and London offices.

CARBON REMOVAL AND OFFSETTING

Whilst our primary focus remains on reducing the carbon emissions associated with our operations and investment, we recognise the important, yet complex role offsetting will play in the global transition to net zero. Therefore, we continue to support carbon offsetting projects. In 2023, we purchased and retired over 6,500 credits, offsetting our scope 1, 2 and scope 3 (category 3-8) emissions. More details on our approach to offsetting can be found in our responsible business update. Through our carbon removal process we have calculated an internal carbon price of £23.50 (2022: £20.25).

⊕ Responsible business update

RATHBONES NEAR TERM NET ZERO EMISSIONS TARGETS

Our near-term targets:
- Scope 1 and 2: Rathbones Group Plc commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2020 base year
- Scope 3 operational targets: Rathbones Group Plc commits to reduce absolute scope 3 (category 1-14) GHG emissions 42% by 2030, from a 2020 base year
- Scope 3 asset class level targets: Rathbones Group Plc commits to 35% of its listed equity and bonds portfolio under management, by invested value, setting or having committed to set SBTi-validated targets by 2025, 57% by 2030, and 100% by 2040, from a 2020 base year.

Our portfolio targets cover 91% of our FUMA as of December 2020. Using the portfolio coverage methodology our targets include listed equity and bonds (common/preferred stock, corporate bonds, ETFs, investments in REITs and real estate).

OPERATIONAL PROGRESS

FOCUS AREAS	RELATED RISKS AND OPPORTUNITIES	KEY METRICS
RESOURCE CONSUMPTION	Policy and reputation	19 sites (out of 33) using renewable electricity, which covers 64% of our total consumption (kWh).
ENERGY EFFICIENCY	Policy and reputation	Our decommissioning and consolidation practices have resulted in a 28.6% reduction in data centre emissions, from 98 to 70 (tCO_2e).
DIGITISING OPERATIONS	Product and services	58% of clients now using MyRathbones (2022: 50%), with an additional 27% using the app to access valuation and tax packs, and custody locations reports.
TRAVEL	Policy and reputation	Emissions increased 49% from 775 to 1,158 (tCO_2e). Business travel emissions are broadly reflective of lockdown periods, increasing from 2021 to 2023.

OUR JOURNEY TO NET ZERO CONTINUED

OUR CARBON FOOTPRINT DATA
(INC. STREAMLINED ENERGY AND CARBON REPORTING)

Location-based emissions (tCO_2e)[2]	2023	2022	2021
Scope 1 (tCO_2e)	**584**	639	675
UK[3] emissions	**584**	639	675
Global[3] emissions (excl UK)	**–**	–	–
Scope 2 (tCO_2e)	**773**	757	704
UK[3] emissions	**769**	753	701
Global[3] emissions (excl UK)	**4**	4	3
Scope 3 (tCO_2e)[4, 5, 6, 8]	**22,324**	20,630	17,974
UK[3] emissions	**21,878**	20,621	17,719
Global[3] 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
Total location-based emissions (tCO_2e)	**23,681**	22,025	19,353
UK emissions	**23,231**	21,653	19,094
Global emissions (excl UK)	**450**	372	258
Market-based scope 2 emissions	**478**	540	428
Total energy consumption (MWh)[7]	**8,056,025**	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
Intensity ratios			
Scope 1 and 2 - location-based emissions (tCO_2e/FUMA £bn)	**12.9**	13.8	12.1
Total location-based emissions (tCO_2e/FUMA £bn)[9, 10]	**224.9**	218.0	170.1
Total location-based emissions (tCO_2e/FTE)[9, 10]	**6.8**	6.6	6.5

1. 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
2. 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_2e (2022: 540 tCO_2e)
3. 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
4. Data centre emissions are reported under Scope 3, as per the WRI GHG Protocol
5. Electricity transmission and distribution (T&D) reflects emissions from line losses associated with electricity transmission and distribution
6. 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
7. Total energy consumption (kWh) of our Scope 1 and Scope 2 emissions (electricity), and scope 3 (employee cars)
8. Emissions associated with hotel stays and employee cars were reported in business travel in 2022
9. Data relates to total scope 1, 2 (location-based) and 3 GHG emissions
10. 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

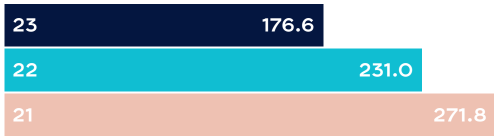
Read more on our website

OUR INVESTMENT METRICS[1,2]

OUR INVESTMENT METRICS[1,2]

CARBON FOOTPRINT
tCO₂e/$m invested

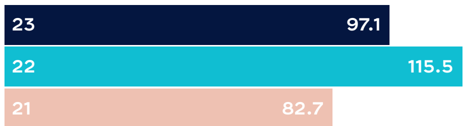
WACI SOVEREIGN CONSTITUENTS
tCO₂e/$m GDP nominal



TOTAL CARBON EMISSIONS
tCO₂e

WACI CORPORATE CONSTITUENTS
tCO₂e/$m sales

WEIGHTED AVERAGE CARBON INTENSITY (WACI) tCO₂e/$m sales



INVESTMENT FOOTPRINT

In 2023, we brought the process for calculating our investment exposure to climate change in-house. This means that we changed our methodology from that used by our previous third-party supplier to using the MSCI methodology. To ensure year-on-year comparability we have restated 2021 and 2022 data using the same approach. More information on our approach and definitions can be found in the appendix on pages 67 to 69.

Working with our investment research team we calculated our carbon metrics, using MSCI methodology based on our 31 December 2023 investment holdings. The results, shown in the graphs to the left, covered our equities (listed and unlisted), bonds (listed and unlisted) and sovereign bonds. At this time not all companies provide emissions data. Data coverage can be seen in the footnote to the graphs. Calculations include our holdings' scope 1 and 2 emissions from the asset classes that are in scope. Although not a direct target, these investment metrics enable us to monitor how we are responding to market risks and opportunities.

DRIVERS OF CHANGE

Total carbon emissions relating to our investment portfolio broadly changes in alignment with our funds under management and administration (FUMA). Over the last three years, we have observed companies paying increasing attention to addressing the challenges associated with managing their carbon footprint. This has led to improvements in data availability and coverage as more companies sign up to, and report under, recognised industry and global conventions. As is to be expected whilst companies re-orient their activities to align with such frameworks, many are in a transitory phase where misalignment with temperature goals is common, a trend we would expect to continue over the coming years.

SOVEREIGN BOND CONSTITUENTS

In 2023, our proportional exposure to overseas government bonds (and in particular the US) in terms of our overall government bond exposure fell significantly. We saw gilts make up a larger portion of our overall exposure.

1. Portfolio coverage amounts to 34.6% of securities and 45.1% of our market capitalisation (equity holdings) as of 31 December 2023. Asset classes were excluded due to limitation regarding the availability of data.
2. Metrics include Scope 1 and 2 emissions

OUR INVESTMENT METRICS CONTINUED

IMPLIED TEMPERATURE RISE

The Implied Temperature Rise (ITR) measure offered by MSCI is an alternative forward-looking metric which provides an indication of how well portfolio companies align with the ambitions of the Paris Agreement to limit the global temperature rise to well below 2°C. The portfolio-level ITR uses an aggregated budget approach: it compares the sum of "owned" projected GHG emissions against the sum of "owned" carbon budgets for the underlying fund holdings. The portfolio's total estimated carbon budget over- /undershoot is then converted to a degree of temperature rise (°C) using science based TCRE (Transient Climate Response to Cumulative Emissions). The allocation base used to define ownership is Enterprise Value including Cash (EVIC) in order to enable the analysis of equity and corporate bond portfolios. Although similar to the Portfolio Warming Potential measure provided in our previous TCFD reports, ITR uses a different methodology that is considered more robust and more closely aligned to the TCFD consultation recommendations. In line with industry updates, we are therefore reporting ITR. Although ITR is not a key metric for our net zero strategy and science-based target, for which we are using the SBTi portfolio coverage approach, we will continue to monitor and integrate climate data in our investment approach and working to bring our ITR into alignment with our commitment of 1.5°C above pre-industrial levels.

IMPLIED TEMPERATURE RISE CATEGORIES

	Companies in category %
1.5°C Aligned (<= 1.5°C)	**18.1**
2°C Aligned (>1.5 - 2.0°C)	**31.3**
Misaligned (>2.0 - 3.2°C)	**43.8**
Strongly Misaligned (>3.2°C)	**6.8**

PORTFOLIO

2.2°C

WHAT DOES THIS TELL US?

The model shows that our portfolio has an ITR of 2.2°C. This evaluation was completed on 70.8% of securities which equates to 76.3% of equity holdings. This means that 49.4% of companies that we invest in, on behalf of our clients, have the targets or plans in place to meet the goals of the Paris Agreement (aligned with a 2°C future or below), and the remaining 50.6% are not aligned to the goals of the Paris agreement or did not have ITR data available for this exercise. According to MSCI, less than 10% of the world's publicly listed companies had an ITR of 1.5°C or less as of September 2021, while less than half aligned with a 2°C temperature rise. This highlights the size of the challenge to investors and the importance of continuing to encourage companies to set robust net-zero plans in line with the Paris Agreement.

This year we have not disclosed our Portfolio Temperature Warming potential. We have made the decision to focus efforts on monitoring the Implied Temperature Rise of our portfolio going forward. This will help to ensure we communicate our progress towards global temperature goals with key stakeholders more consistently and effectively.

LOOKING FORWARD

At Rathbones, we recognise that climate change is a global risk and that it is crucial that we address it in order to deliver long-term value for our current and future stakeholders. This report is one of the ways that we can share our approach to identifying, managing and reporting on the impact of climate risk on our business. We are committed to embracing future recommendations and will continue to track best practice through our TCFD disclosure, including the build to product level reporting.

We will continue to embed our climate change strategy across the expanded group as we work to achieve our net zero commitment and support the transition to a net zero economy through the following activities:

- re-base our near-term net zero emissions targets and resubmit for SBTi validation
- continue to integrate climate data into our investment approach
- continue to share the impact of our net zero engagement activities, including engagement with our clients' most material investment to support the setting of SBTi-approved targets and the transition to a net zero economy
- continued collaboration across the industry on incoming reporting regulations, supporting the move to increased transparency
- continue the consolidation of our office footprint as we bring Rathbones and IW&I colleagues together at sites where we are co-located
- alongside the work to re-base our targets, we will produce our net zero transition plan, outlining our alignment with the UK's net zero plan.

We recognise that the transition to a net zero economy will not be delivered in a straight line and will take time, we will continue to evolve as more information becomes available. We are prepared for and committed to working towards a better future, believing that we have both an obligation and an opportunity to contribute to this global challenge.

APPENDICES

APPENDICES: ENTITY REPORT – SUMMARY TABLE

The TCFD outlines 11 recommendations for organisations to include in their climate reporting.

The table below directs to the relevant section where the 11 TCFD recommendations are covered in this report for the entities in scope of PS21/24: Rathbones Investment Management, Rathbones Asset Management and Investec Wealth & Investment UK (IW&I). We are voluntarily disclosing for Rathbones Investment Management International and Greenbank Investments.

Whilst we have complied with the 11 recommendations, we continue to work towards expanding the scope of our metrics and targets, developing the methodology of our climate scenario analysis and enhancing our disclosure in this area. In addition to the TCFD Group Report, we have also considered the TCFD Annex (issued October 2021). The subsidiaries approach to the management of climate-related risk and opportunities is consistent with the approach taken for Rathbones Group plc and therefore compliance with the TCFD recommendations for each of the legal entities in scope is achieved through reference to content in the group TCFD report 2023 and is supplemented by entity-specific content in the appendix.

TCFD PILLAR	TCFD RECOMMENDATION	RIM	RAM	IW&I	RIMI	GREENBANK
GOVERNANCE Disclose the organisation's governance around climate-related issues and opportunities	a. Describe the board's oversight of climate-related risks and opportunities	Group - pages 09-14	Group - pages 09-14	IW&I - pages 49-50	Group - pages 09-14	Group - pages 09-14
	b. Describe management's role in assessing and managing climate related risks and opportunities	Group - page 15	Group - page 15	IW&I - page 51	Group - page 15	Group - page 15
STRATEGY Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term	Group - pages 17-21	Group - pages 17-21	IW&I - pages 53-56	Group - pages 17-21	Group - pages 17-21
	b .Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Group - page 22	Group - page 22	IW&I - page 53	Group - page 22	Group - page 22
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Group - pages 23-27	Group - pages 23-27	IW&I - pages 57-58	Group - pages 23-27	Group - pages 23-27
RISK MANAGEMENT Disclose how the organisation identifies, assesses and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks	Group - page 29	Group - page 29	IW&I - pages 59-60	Group - page 29	Group - page 29
	b Describe the organisation's processes for managing climate related risks	Group - pages 30-31	Group - pages 30-31		Group - pages 30-31	Group - pages 30-31
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Group - pages 32-35	Group - pages 32-35		Group - pages 32-35	Group - pages 32-35
METRICS AND TARGETS Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a. Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process	RIM metrics - page 43	RAM metrics - page 45	IW&I - page 61	RIMI metrics - page 63	Greenbank - page 66
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	Group - page 38	Group - page 38	Group - page 38	Group - page 38	Group - page 38
	c. Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets	Group - page 37	Group - page 37	Group - page 37	Group - page 37	Greenbank - page 66

APPENDICES: ENTITY REPORT – RATHBONES INVESTMENT MANAGEMENT (RIM)

ABOUT US
Rathbones Investment Management (RIM) carries out individual investment and wealth management for private clients, charities, trustees and professional partners. Before the combination with IW&I, RIM represented 78.1% of group FUMA.

GOVERNANCE
RIM's approach to governing climate risks aligns with the group approach see pages 09-15.

STRATEGY
The climate-related risks and opportunities identified by Rathbones group are applicable and inclusive of RIM. The materiality and time horizons over which climate-related risks and opportunities are considered for RIM aligns with the group approach as disclosed on pages 17-22. Climate scenario analysis is carried out at group level and is inclusive of the FUMA managed by RIM. Details of the Climate Value At Risk (Climate VaR) information can be found on pages 23-27.

RISK MANAGEMENT
RIM's approach to risk management aligns with the group approach, with no material deviation, as outlined on pages 29-35.

One additional step taken to provide meaningful oversight of the ESG integration process within RIM was that, in 2023, we formally established an ESG Integration Committee reporting to our Group Responsible Investment Committee. This new Committee meets monthly to refine our data-led methodologies, review and sign-off recommendations based on qualitative analysis, and discuss future integration plans.

COMPLIANCE STATEMENT
This report should be read in conjunction with the information provided on pages (link to summary table and glossary and methodology statement). The disclosures for Rathbones Investment Management, including any third party or group disclosures cross referenced, complies with the requirements under the FCA's Policy Statement PS 21/24.

Paul Stockton
Chief Executive Officer
Rathbones Investment Management
5 March 2024

METRICS AND TARGETS

The metrics and targets used to assess the management of climate-related risks and opportunities are covered in the group report and are inclusive of RIM, found here.

RIMs entity level metrics are aligned to the group's climate reporting approach. The metrics are prepared for RIM as the key metrics for monitoring and reporting against the group's climate ambitions. A summary of these key investment metrics is provided in the figures opposite.

DATA COVERAGE

Metrics have been prepared for £49.2 billion funds under management and administration.

– Portfolio coverage amounts to 31.2% of securities and 34.7% of RIMs market capitalisation (equity holdings) as of 31 December 2023.
– For ITR coverage amounts to 70.4% of securities and 74% of market capital.

CARBON FOOTPRINT

FINANCED CARBON EMISSIONS
(tCO_2e/\$m invested)

41.2

TOTAL FINANCED CARBON EMISSIONS
(tCO_2e)

2,639,869

WEIGHTED AVERAGE CARBON INTENSITY (WACI) (tCO_2e/\$m sales)

115.6

WACI CORPORATE CONSTITUENTS
(tCO_2e/\$m sales)

84.8

WACI SOVEREIGN CONSTITUENTS
(tons CO_2e/\$m GDP nominal)

172.2

IMPLIED TEMPERATURE RISE

How aligned are the companies within the portfolio aligned to global temperature goals

PORTFOLIO

2.3°C

IMPLIED TEMPERATURE RISE DISTRIBUTION

	Companies in category %
1.5°C Aligned (<= 1.5°C)	17.3
2°C Aligned (>1.5 - 2.0°C)	31.4
Misaligned (>2.0 - 3.2°C)	44.4
Strongly Misaligned (>3.2°C)	6.8
Paris aligned	48.8
Non-Paris aligned	51.2

FOSSIL FUEL EXPOSURE

How aligned are the companies within the portfolio aligned to global temperature goals

FOSSIL FUEL BASED REVENUE EXPOSURE

2.4%

GREEN REVENUE EXPOSURE

3.1%

APPENDICES: ENTITY REPORT RATHBONES ASSET MANAGEMENT (RAM)

INTRODUCTION

Rathbones Asset Management (RAM) is an active management house offering a range of investment solutions to meet the capital growth and income requirements of our clients.

We believe that by focussing on our specific areas of expertise we can deliver long term investment returns which meet our clients' expectations and are superior to our competitors. Our long established and highly experienced investment teams have the autonomy to follow their own unique process within an environment that is passionate about client outcomes yet supportive of our people.

We use our experience to take a long-term view, resisting the temptation to panic in the face of volatility, but rather to see opportunities when others are blinded by short termism.

We take well thought out decisions based on experience rather than on what might be popular in the moment. We think intelligently, act decisively and make ourselves completely accountable for our decisions. Our fund managers have the freedom to invest in line with how they see the world, while benefiting from a solid framework that gives them the support they need to fully mitigate risks.

We believe this autonomy empowers them to follow their convictions and focus on returns. We always seek to do the right thing.

GOVERNANCE

RAM's approach to governing climate risks aligns with the group approach outlined on pages 09-15.

As well as being part of the Rathbones Group and benefiting from the governance structure detailed earlier, RAM has its own board which is responsible for strategic direction, approval of significant expenditure and investment, monitoring business performance, and ensuring that legal, regulatory, and compliance standards are achieved. Further, in its capacity as authorised fund manager (manager) and/or authorised corporate director (ACD) of the UK-domiciled RAM-operated funds, the RAM Board is ultimately responsible for regulatory reporting at both entity- and product-level and for the various funds it operates.

STRATEGY

The materiality and time horizons over which climate-related risks and opportunities are considered for RAM aligns with the group approach as disclosed on pages 17-22. Climate scenario analysis is carried out at group level and is inclusive of the assets managed by RAM. Details of the Climate Value At Risk (Climate VaR) information can be found on pages 23-27.

RISK MANAGEMENT

We have continued to make significant progress on the integration of ESG factors across all strategies managed. From a risk and reporting perspective, there is independent oversight of each fund which monitors ESG risk and carbon data on a regular basis. We draw on data from external providers such as MSCI and Sustainalytics to provide this information. We also track each strategy with regards to SBTi commitments and variance versus group targets. Any adverse changes in ESG metrics are seen by both the risk function and fund managers in real time. Integration of ESG factors is also implicitly incorporated into the research process of each strategy, with fund managers aware of risks. We employ a bespoke research process, depending on each strategy's mandate.

We have also enhanced our responsible investment committee structure, which feeds into the work of the group responsible investment committee. There is clear input from all fund manager teams, compliance and risk. The purpose of the committee is to consistently improve our ESG practices with a focus on client outcomes.

Additionally, we have added to our suite of sustainability focused strategies, with the launch of the Rathbone Greenbank Global Sustainable Bond Fund. RAM now has explicit sustainability capabilities across all relevant asset classes, drawing on a close collaboration with Greenbank.

APPENDICES: ENTITY REPORT – RATHBONES ASSET MANAGEMENT (RAM) CONTINUED

METRICS AND TARGETS

The metrics and targets used to assess the management of climate-related risks and opportunities are covered in the Group report and are inclusive of RAM. RAMs entity level metrics are aligned to the group's climate reporting approach. The metrics are prepared for RAM as the key metrics for monitoring and reporting against the group's climate ambitions. A summary of these key investment metrics is provided in the figures opposite.

COMPLIANCE STATEMENT

This Rathbones Asset Management report should be read in conjunction with the information provided on pages (link to summary table and glossary and methodology statement).

The disclosures for Rathbones Asset Management, including any third party or group disclosures cross referenced, complies with the requirements under the FCA's Policy Statement PS 21/24.

Tom Carroll
Chief Executive Officer
Rathbones Asset Management
5 March 2024

CARBON FOOTPRINT

FINANCED CARBON EMISSIONS
(tCO_2e/\$m invested)

22.5

TOTAL FINANCED CARBON EMISSIONS
(tCO_2e)

370,512

WEIGHTED AVERAGE CARBON INTENSITY (WACI) (tCO_2e/\$m sales)

61.9

WACI CORPORATE CONSTITUENTS
(tCO_2e/\$m sales)

72.7

WACI SOVEREIGN CONSTITUENTS
(tons CO_2e/\$m GDP nominal)

200.6

IMPLIED TEMPERATURE RISE

How aligned are the companies within the portfolio aligned to global temperature goals

PORTFOLIO

1.9˚C

IMPLIED TEMPERATURE RISE DISTRIBUTION

	Companies in category %
1.5°C Aligned (<= 1.5°C)	46.8
2°C Aligned (>1.5 - 2.0°C)	26.8
Misaligned (>2.0 - 3.2°C)	19.0
Strongly Misaligned (>3.2°C)	7.4
Paris aligned	73.6
Non-Paris aligned	26.4

FOSSIL FUEL EXPOSURE

FOSSIL FUEL BASED REVENUE EXPOSURE

1.1%

GREEN REVENUE EXPOSURE

3.3%

DATA COVERAGE

Metrics have been prepared for £13.8 billion funds under management.

- Portfolio coverage amounts to 80.3% of securities and 85.4% of RAMs market capitalisation (equity holdings) as of 31 December 2023.
- For ITR coverage amounts to 77.1% of securities and 85.0% of market capital.

APPENDICES: ENTITY REPORT – INVESTEC WEALTH AND INVESTMENT UK (IW&I)

A STATEMENT FROM OUR CEO

Iain Hooley
Group Chief Executive Officer
(to 31 December 2023)

IW&I aims to embed thinking about climate change throughout the investment process. As we believe climate change poses a significant risk to the global economy in the coming years, in 2023 we adjusted the process by which we review our yearly Capital Markets Assumptions to enhance our climate change considerations.

These assumptions ultimately feed into the determination of our long-term Strategic Asset Allocation, and the insights are also used to make tactical allocation assessments. Climate change is no longer a distant threat. It has become a critical issue that is disrupting the status quo across industries. We are committed to consistently improving our inputs and understanding of these issues and to fully incorporating them into our investment strategy.

During 2023 we have continued to work in partnership with the Cambridge Institute for Sustainability Leadership (CISL) through membership of their Investment Leaders Group. Through this work we hope to continue to innovate and improve our sustainable finance offering.

Our report complies with the FCA's ESG Sourcebook (PS21/24) and illustrates IW&I's continuing commitment to addressing climate change. In the context of the combination with the Rathbones Group we will become de facto members of the Net Zero Asset Managers initiative and will be bound by the Rathbones Group net zero commitment. In time this will include net zero pathway targets that will serve to provide a clear focus for us to advance our efforts to decarbonise our assets under management.

FOREWORD

In September 2023, IW&I became part of the Rathbones Group, bringing together two trusted and prestigious UK wealth management businesses with closely aligned client-centric cultures and operating models, creating the UK's leading discretionary wealth manager.

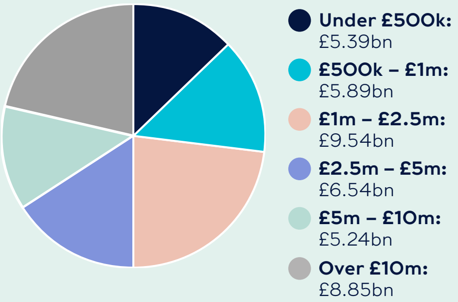
Together, we believe that our focus on the long-term enables us to build value for our clients, whilst making a wider contribution to society. We have a clear understanding of who we are as a business and are committed to investing for everyone's tomorrow. This means understanding the environmental, social and governance (ESG) issues that matter to both our stakeholders and to our business, and climate risks are at the forefront of this.

The combination deal closed in September 2023, meaning that for the first nine months of 2023, IW&I were part of the Investec Group and for the final three months, IW&I were part of the Rathbones Group. This report aims to capture, at a high level, the progress already made within IW&I in relation to climate risk management prior to September 2023, much of which mirrors activity within the Rathbones Group. We aim to also communicate the clear intention for IW&I to fully align with the Rathbones Group approach to climate risk management going forward.

APPENDICES: ENTITY REPORT – INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED

BUSINESS AT A GLANCE

SIZE OF INVESTMENT MANAGEMENT RELATIONSHIP VALUE



TOTAL FUNDS UNDER MANAGEMENT[1]

£42.27bn

31 December 2023
(across the UK and Channel Islands)

MANAGED

£37.82bn

NON-MANAGED

£4.45bn

LOCATIONS

15

across the UK and channel islands

EMPLOYEES

1,334

OUR APPROACH TO BUSINESS

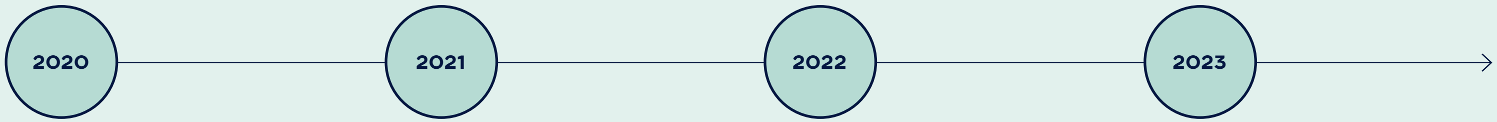
We have a responsibility to preserve and grow the wealth that is entrusted to us over the long term, and we understand that we need to do this by investing responsibly on behalf of our clients.

In 2021, IW&I developed and formalised our Sustainable Finance strategy, which has a set of aims that directly follow our purpose and investment beliefs.

This includes the following:

- Be active owners and conscious stewards of our clients' capital, to engage with investees to drive positive change
- Manage risk holistically - understanding that emerging ESG risks become financial risks and should be incorporated within fundamental analysis when making decisions
- Invest in human capital in such a way as to create a generation of leaders that understand sustainability.

TIMELINE FOR EMBEDDING CLIMATE-RELATED ACTIVITIES INTO IW&I



2020

Became signatories to UN Principles for Responsible Investment (PRI)

2021

Joined Climate Action 100+

Became a signatory to the UK Stewardship Code

Published first voting summary

Became members of the Investor Forum

2022

Became members of the IIGCC

Signed up as CDP signatory and joined the non-disclosure campaign

Joined the CISL Investment Leaders Group

Founding member of the Blue Economy Accelerator programme

2023

Voting Policy updated to include climate priorities

Responsible Investment Committee established

In 2024, we will participate in the work to rebase Rathbones net zero near-term targets to include IW&I emissions exposure.

1. Relationship values exclude external MPS platform data, IBSAG and MAM

APPENDICES: ENTITY REPORT – INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED

TCFD SUMMARY TABLE

The table below indicates where a reader can find the relevant content to support TCFD compliance for Investec Wealth & Investment UK (IW&I).

TCFD PILLAR	RECOMMENDATION	PAGE REFERENCE
GOVERNANCE Disclose the organisation's governance around climate-related issues and opportunities	– Describe the board's oversight of climate-related risks and opportunities. – Describe management's role in assessing and managing climate related risks and opportunities.	See page 49
STRATEGY Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material	– Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term – Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning – Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	See page 52
RISK MANAGEMENT Disclose how the organisation identifies, assesses and manages climate-related risks	– Describe the organisation's processes for identifying and assessing climate-related risks – Describe the organisation's processes for managing climate related risks. – Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	See page 59
METRICS AND TARGETS Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	– Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process – Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks – Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets	See page 61

Climate action failure remains the most severe risk on a global scale over the next ten years, as identified by the World Economic Forum. Failure to keep the average global temperature increase to below 1.5°C will have an impact on our future risk profile. Climate change risks are split into two categories: physical risks and transition risks.

Physical risks arise from the physical effects of climate change on businesses' operations, workforce, markets, infrastructure, raw materials and assets. Physical risks can be event-driven (acute), such as increased severity of extreme weather events (e.g. cyclones, droughts, floods, and fires). They can also relate to long-term (e.g. chronic) shifts in precipitation and temperature and increased variability in weather patterns (e.g. increased melting ice causing sea level rise).

Transition risks result from policy, legal, technology and market changes occurring in the shift to a lower-carbon global economy. Transition risk also incorporates 'stranded asset risk', i.e. the risk that assets that could quickly become unusable or reduced in value. Transition risks include policy constraints on emissions, imposition of carbon taxes, water restrictions, land-use restrictions, market demand and supply shifts, and reputational considerations.

The transition to a low-carbon economy also generates opportunities. Rathbones incorporate climate change risk mitigation as part of their strategic agenda at the Group level and IW&I have made significant steps forward in this area also over the course of 2023. You can read more about our progress on this, in line with the TCFD recommendations in the following pages, as signposted by the summary table above.

APPENDICES: ENTITY REPORT – INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED

GOVERNANCE

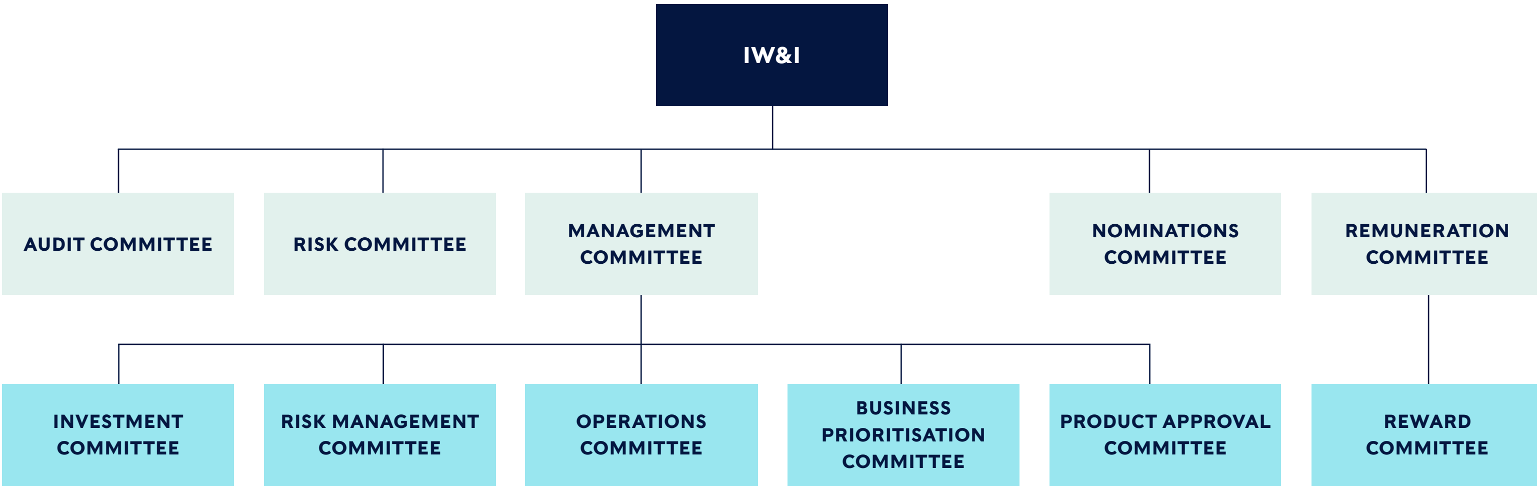
Board committees
Key oversight committees

IW&I became part of Rathbones Group Plc in September 2023 via an all-share combination with Rathbones Group Plc, to read more please visit our website. This Governance section outlines the governance framework that was in place during 2023. The framework formally changed in early January 2024, for details on the current 2024 governance framework please refer to page 10 of the Rathbones group TCFD report.

IW&I maintains a Management Responsibilities Map (MRM), that describes its management and governance arrangements, including details of the reporting lines and the lines of responsibility.

The IW&I Board is accountable for the performance and affairs of the Company, including climate-related risks and opportunities. The Board is responsible for the development and adoption of strategic plans, monitoring operational performance and management, ensuring an effective risk management strategy, the culture of the organisation, compliance with applicable legislation, upholding corporate governance standards and succession.

During 2023, there were four Board Committees. Each was mandated by the Board with delegated authority for specific matters plus an Executive Committee (newly named Management Committee (ManCo) in 2024) which was established by the Chief Executive and is an IW&I key Committee. The following four committees were composed of non-executive members.



These were the:

i) Audit Committee
ii) Risk Committee
iii) Nomination Committee
iv) Remuneration Committee

The governance structure supports clear segregation of duties between the functions responsible for the investment decision making process, monitoring of portfolios against client restrictions, the dealing process and the accounting and settlement process.

The Board of Directors is committed to complying with applicable regulatory requirements and the associated guidance. As such, the Board of Directors is responsible for ensuring the effective management of IW&I's legal and regulatory obligations.

In addition to the committees referenced above, there are working groups and forums that support the decision making taking place within the formal governance structure.

APPENDICES: ENTITY REPORT – INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED

GOVERNANCE CONTINUED

GROUP AUDIT COMMITTEE

Liz Catchpole
Non-Executive Director

ROLES AND RESPONSIBILITIES

The Audit Committee is responsible for monitoring the integrity of the Company's financial statements, reviewing internal financial controls, monitoring, and reviewing the effectiveness of internal auditors, to recommend the appointment or replacement of external auditors and to review the effectiveness of their work. In 2024, this committee was replaced by the Rathbones Group Audit Committee.

FREQUENCY OF MEETINGS

4 times a year

BOARD RISK COMMITTEE

Liz Catchpole
Non-Executive Director

ROLES AND RESPONSIBILITIES

The Group Risk Committee oversees the Company's risk framework and risk strategy to ensure that the framework is appropriate to the size, scale, and nature of the Company's activities for the purposes of effectively managing the material risks to which the company is exposed and considers whether the resources allocated to the risk management framework are adequate for the purposes of managing the Company's material risk exposures effectively, including those relating to climate change. In 2024, this committee was replaced by the Rathbones Group Risk Committee.

FREQUENCY OF MEETINGS

4 times a year

MANAGEMENT COMMITTEE

Ian Hooley
CEO until 31 Dec 2023
Paul Stockton
CEO from 01 Jan 2024

ROLES AND RESPONSIBILITIES

The Management Committee (ManCo) was established for major operational decisions and to oversee the day-to-day management of all aspects of IW&I's business. ManCo has responsibility and oversight for the Company's strategy, performance, operations, and governance. ManCo has delegated authority to several other Committees to be responsible for certain key business and risk matters. These Committees report into the ManCo.

FREQUENCY OF MEETINGS

Weekly

NOMINATIONS COMMITTEE

Henrietta Baldock
Non-Executive Director

ROLES AND RESPONSIBILITIES

The Nominations Committee is responsible for ensuring a formal, rigorous, and transparent process is in place to ensure that the composition of the Board is appropriate. The committee is expected to ensure that the directors bring characteristics to the Board that provide a mix of qualifications, skills, diversity and experience. In 2024, this committee was replaced by the Rathbones Group Nominations Committee.

FREQUENCY OF MEETINGS

4 times a year

BOARD REMUNERATION COMMITTEE

Cath Thorpe
Non-Executive Director

ROLES AND RESPONSIBILITIES

The Remuneration Committee determines, develops, and agrees, with the IW&I Board, the framework for the remuneration of the members of its Board and Management Committee as well as other members of the Senior Management and Material Risk Takers who fall within the definition of Principle 8 of the FCA Remuneration Code. The committee ensures that remuneration packages for members of the Compliance and Risk function are determined independently of other business areas. In 2024, this committee was replaced by the Rathbones Group Remuneration Committee.

FREQUENCY OF MEETINGS

4 times a year

INVESTMENT COMMITTEE

Pela Strataki
Head of Research
Jon Walker
Head of Portfolio Management

ROLES AND RESPONSIBILITIES

The IW&I Investment Committee is mandated by ManCo to oversee the creation and delivery of an efficient investment process that is of a uniform and consistent high quality and suitable for all IW&I investment management clients in accordance with the Company's strategic direction. It has an objective to report, review, and escalate, matters which have an impact on the investment process and the associated risks and returns presented to clients, including sustainability and risk management within the research processes as well as stewardship and corporate governance.

FREQUENCY OF MEETINGS

Monthly

RESPONSIBLE INVESTMENT COMMITTEE

Cheryl Hayes
Senior Strategy Director for Sustainability
Max Richardson
Senior Investment Director

ROLES AND RESPONSIBILITIES

Set up in October 2023 as a permanent replacement for the Sustainable Finance Programme's Working Group and Steering Committee, the Responsible Investment Committee (RIC) is responsible for integrating responsible investment practices into our investment process, promoting awareness of, engagement with, and learning on this topic and managing stewardship initiatives.

FREQUENCY OF MEETINGS

Bi-monthly

APPENDICES: ENTITY REPORT – INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED

GOVERNANCE CONTINUED

ENGAGEMENT WITH CLIMATE RISK

Risk management is an integral part of everyone's day-to-day responsibilities and activities. It is linked to performance and development, as well as to the Rathbones group's remuneration and reward schemes which IW&I will be aligning with following business integration. We aim to create an open and transparent working environment, encouraging employees to engage positively in risk management in support of the achievement of our strategic objectives.

THE ROLE OF MANAGEMENT

We have assigned climate-related responsibilities to several individuals and committees across the business.

There are several teams involved in assessing, managing and reporting on our climate risk. Operationally, our finance, risk and compliance, research and transformation teams, alongside our properties and facilities departments, all contribute to supporting our approach. We have had a responsible investment-focussed transformation programme in place since October 2021, steered by members of our Risk & Compliance, Research, Investment Management, Marketing and Product teams. This year the process of obtaining a new data provider to support our TCFD obligations completed, and we decided to close the programme and transition this activity into 'business as usual'. Subsequently, our Responsible Investment Committee was established in October 2023, populated by representatives from across the business.

In 2022/2023 we built a dedicated Stewardship team. This new function forms part of our Research team, coordinating, and leading our stewardship efforts to achieve and drive best practice, and helping the analysts prioritise their efforts appropriately. The team is led by our Stewardship Manager, who is supported by our Stewardship Analyst. The team aims to stay agile and flexible in order to work on a variety of tasks and meet various deadlines. Activities are prioritised based on importance and urgency and assigned by the Stewardship manager, according to each team member's skillset and existing workload. Other resourcing approaches have been considered, such as dividing tasks based on topic (environmental/social/governance) or type of activity (voting, engagement etc.). However, given the size and broad skillsets of the team, the current approach is deemed to be most effective; it allows the team to be more agile and remain generalists, honing a broad skillset and developing SME knowledge across ESG topics.

To increase capacity for other Sustainability and ESG integration activities, we have also recruited a Senior Strategy Director for Sustainability. The role focuses on development of our Sustainable Finance strategy, which among other things includes alignment with and reporting under the UN Principles for Responsible Investment (PRI), and preparation of this report and the disclosures contained within it, as recommended by the Task Force on Climate related Financial Disclosures and mandated by the FCA in the Environmental, Social and Governance Sourcebook. They also conducted a review and update of our ESG policy, this year.

TRAINING

IW&I has relationships with both the University of Cambridge Institute for Sustainability Leadership (CISL) and CFA UK. Both institutions have provided climate-related training and study opportunities to IW&I UK colleagues, as demonstrated below.

In 2022, 30 members of the executive and board across IW&I and Investec Bank UK attended a bespoke workshop organised by CISL. Numerous CISL faculty and external speakers across industry and academia delivered interactive leadership training on the following topics:

- Sustainability pressures and trends across the global economy including those linked to climate change
- Evolving leadership trends and best practice in navigating sustainability challenges
- The role of business in society and effective goal setting in relation to climate change and other sustainability topics.

The IW&I research team attended a separate workshop delivered by CISL faculty and external speakers which focussed on sustainability pressures and trends and how they relate to value chain analysis, with a focus on climate risks and opportunities.

A further 30 members of our client-facing teams and Investment & Research Office took CISL's eight-week Sustainable Finance online course, to enhance their knowledge and spend time considering how to apply sustainable finance and climate risk management to their roles on a day-to-day basis.

A smaller number of colleagues have embarked on longer post-graduate certificate and diploma programmes with CISL. Their studies have focussed on the integration of climate risk into the strategic asset allocation process, engagement with oil & gas companies on the setting of emissions reduction targets, evolution of corporate governance regimes and the delivery of a just energy transition.

Across IW&I several colleagues have also completed the CFA certificates in ESG Investing and Climate & Investing.

Our focus on sustainable finance learning continued in 2023 with the delivery of a sustainable finance roadshow to IW&I offices across the country. These sessions were designed to help investment decision makers to view the investment process through an additional lens, integrating various emerging risks and opportunities, such as climate and nature, into the investment process.

IW&I's role in relation to sustainability training extends beyond our colleagues with:

- Membership of the CISL Investment Leaders Group which brings together academic and industry partners to build open-source research and practical guides on the implementation of sustainable finance practices
- Contribution to building the CFA UK Impact Investing qualification
- Client events to raise awareness of climate related risks and opportunities.

APPENDICES: ENTITY REPORT – INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED

STRATEGY

OVERVIEW

At a group-level, Rathbones has committed to becoming a net zero business by 2050 or sooner, with their near-term 1.5°C aligned targets validated by the Science Based Target initiative (SBTi) in 2022. IW&I will now join that commitment.

During 2023 we have developed how we identify, manage and respond to the climate-related risks and opportunities that we face as a business.

Climate change poses a clear threat to financial stability and, in turn, to the efficient and effective role of the capital markets upon which we depend to serve our clients. We recognise that the decarbonisation of the economy is a global imperative and have determined that we have at least two clear roles in this respect. First, we aim to reduce the carbon footprint of our operations and influence, wherever possible, that of our supply chain. Second, our duty to achieve attractive risk-adjusted returns for our clients means that we integrate environmental risks and opportunities into our investment process.

Through our stewardship activities, we also seek to influence the capital allocation and organisational practices of the entities in which we invest with the aim of maintaining the health of the financial system.

STRATEGIC FOCUS

Our Capital Markets Assumptions (CMAs) reflect our views on expected market returns and volatilities on a ten-year view. They are the initial building blocks for the development of our strategic asset allocation and are used as the foundation of our framework portfolios and to construct reasonable risk and return expectations for our clients.

This year we made improvements to our sustainability inputs into the yearly CMA work with support from a newly developed IW&I Sustainability Research Group (SRG). The SRG researched several key topics, with a primary focus on the effects of climate change, and debated each topic from an economic, environmental, geopolitical, societal, and technological risk perspective. The SRG topics identified were broadly aligned with the top ten global risks for the coming 10 years as identified by the World Economic Forum Global Risks Perception Survey 2022-2023 and the SRG findings were directly considered by the Research Team strategists as part of the CMA process.

We acknowledge the intricate interplay between global climate and economic systems, highlighting their growing impact on each other. Given the urgency to address climate change's severe consequences, our efforts to incorporate its effects into macroeconomic indicators like inflation or growth, as well as its influence on sector-specific earnings, might appear oversimplified. Approaching climate change through traditional lenses such as growth and inflation and reducing it to simple measures of average global temperature change risks missing many of its wider impacts including those on inequality and society.

We are at an early stage in our integration of climate factors into the foundation building of our portfolios utilising, as best we can, both industry and academic research and hope to build our capabilities in and understanding of this complex task in the future.

The influence of climate-related risks and opportunities on our investment decisions and therefore strategic focus is consistent with that of Rathbones group, more details of which can be found in the full group TCFD disclosure.

APPENDICES: ENTITY REPORT – INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED

STRATEGY CONTINUED

Magnitude: High, Medium-high, Medium, Low
Risk trend: Increasing, Stable, Decreasing
Time horizon: Long-term, Medium-term, Short-term

CLIMATE RELATED RISKS

IW&I recognises the potential impacts on our business, including those associated with the transition to a low carbon economy and the physical effects of climate change.

As a business, we consider a number of transitional and physical risks. A description and progress update in the reporting year is provided against each climate-related risk in the table below.

For more details on how we identify, manage and respond to these risks, please see the risk management section of the report.

As investors, we allocate capital across economies globally. We, alongside other financial service sector participants, can provide capital to organisations that are positioned to provide solutions to the problems caused by climate change, but we accept that the majority of our investment activity is undertaken in secondary markets.

Transitioning to a low carbon economy requires large funding support from the private and public sectors. We believe that our ability to identify and allocate to these types of investments, where it also makes financial sense, is in the interests of clients and broader society.

TRANSITIONAL

RISK TYPE AND RISK	DESCRIPTION OF ACTUAL AND POTENTIAL IMPACT	2023 MITIGATION RESPONSE
REPUTATIONAL Not managing climate transition risk within our existing portfolios **PRINCIPAL RISK CATEGORY[1]:** Reputational	An increase in the likelihood of compensation and loss of business if we do not deliver on our fiduciary duty to clients by managing risks, including climate transition risk, in our portfolio construction. This could also include a potential loss in market share if we fail to successfully integrate Rathbones's sustainability focused investment approach into the IW&I business.	We review our investment risk policy at least annually. This alongside our engagement programme which includes a focus on climate and delivery of net zero plans by our investee companies, supports our response to the changing landscape and increased regulation. In 2023, we ran a series of Sustainable Finance learning sessions for our investment managers to increase awareness and understanding and knowledge of the importance of this area.
REPUTATIONAL Reputational damage due to greenwashing and breach of Sustainability Disclosure Requirements (SDR) Anti-Greenwashing (AGW) Rule **PRINCIPAL RISK CATEGORY:** Reputational	A failure to comply with the FCAs Sustainability Disclosure Requirements (SDR) regime, and in particular the Anti-Greenwashing rule, could result in reputational damage in the market and possible loss of clients. In addition, there is a risk of financial loss due to regulatory fines and loss of fees due to client attrition.	We continue to have active and ongoing engagement with regard to the SDR Anti-Greenwashing Rule. Development of and requirements under SDR are overseen by the Responsible Investment Committee which meets on a bi-monthly basis and has SDR as a standing agenda item. In addition both the Financial Promotions review process and the Product Approval process consider the risk of greenwashing.
POLICY Emerging regulation and enhanced emissions-reporting obligations **PRINCIPAL RISK CATEGORY:** Regulatory compliance and legal	Increased climate-related reporting obligations such as Streamlined Energy and Carbon Reporting (SECR), Sustainability Disclosure Requirements (SDR), and TCFD incur additional costs to ensure compliance. We expect that current reporting frameworks out for consultation may also incur additional cost for compliance. The companies that we are invested in on behalf of our clients (directly and indirectly) may suffer losses because of transition risks including the loss of revenue, additional regulation and cost increases (such as a carbon tax/levy) and challenges in sourcing key inputs for their businesses. Additionally, perceived risks may impact the value of securities, irrespective of actual financial impacts on companies. This could impact our clients and our profitability as a business.	We ensured that our operating model supports our on-going policy and reporting obligations by creating and allocating resources to the Responsible Investment Committee. A member of our Compliance Advisory team is part of that committee and is responsible for updates on the current and developing regulatory framework in this area, including the Sustainability Disclosure Requirements. The combination with Rathbones enables IW&I to leverage support from external consultants to ensure continued compliance with existing and emerging regulation.

1. The principal risk categories referenced here are Rathbones group principal risk categories. To read more, including details of how risk magnitude is considered, please see the 2023 Annual Report and Accounts page 82

APPENDICES: ENTITY REPORT – INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED

STRATEGY: CLIMATE-RELATED RISKS CONTINUED

Magnitude High · Medium-high · Medium · Low

Risk trend Increasing · Stable · Decreasing

Time horizon Long-term · Medium-term · Short-term

TRANSITIONAL CONTINUED

RISK TYPE & RISK	DESCRIPTION	2023 PROGRESS/UPDATE
MARKET RISK Inability to attract clients due to uncertain risks related to climate **PRINCIPAL RISK CATEGORY:** Sustainability	This risk relates to the potential loss of clients or inability to attract clients due to competitor advantage with innovative sustainable financial product offering. It was developed in the Rathbones taxonomy in 2020 and was defined as the risk that the business model does not respond in an optimal manner to changing market conditions, including environmental and social factors, such that sustainable growth, market share or profitability is adversely affected. A loss of clients could have a significant revenue impact. In addition the companies that we are invested in on behalf of our clients (directly and indirectly) may suffer losses because of transition risks including the loss of revenue, and cost increases that may result from changing consumer preferences and competition from more sustainable products/services. This could impact our clients and our profitability as a business.	We are aware of the long-term shift in customer expectations and preferences towards more sustainability focussed investment approach and must adapt accordingly to this market change. IW&I have managed an Illustrative Sustainable Model portfolio for a number of years which is available for clients who specifically require a sustainability-focussed outcome. Going forward we intend to integrate Rathbones sustainability focussed funds into our unified proposition. To support this we will review, as a group, our governance structures, resourcing and data providers, to ensure we have the right people and data available to help our assessment of the risk and opportunities for the investments we make on behalf of our clients.
TECHNOLOGY Products and Services-Substitution of existing products and services with lower emission options **PRINCIPAL RISK CATEGORY:** Sustainability	IW&I recognises the importance of Technology and IT processes and the need for substitution of technology to cleaner alternatives. Financing legacy technologies poses a risk to our own operations and in our value chain. This is particularly important to ensure we continue to manage and monitor our carbon footprint accurately, and inform carbon reduction efforts in line with our newly adopted operational SBTi targets following the combination with Rathbones.	We conduct ongoing assessments of operational efficiencies to reduce environmental footprint. The business has adopted cloud services and reduced the reliance on on-premises data centres, with an accelerated digitisation initiative. Similar initiatives exist in Rathbones and will continue as we progress through the combination. Hybrid working driven by the pandemic has seen improvements in initiatives such as desk-based video calling and virtual collaboration with reduced daily commuting for our employees as we adopt a more flexible approach to the workforce.

APPENDICES: ENTITY REPORT – INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED

STRATEGY: CLIMATE-RELATED RISKS CONTINUED

Magnitude: High, Medium-high, Medium, Low
Risk trend: Increasing, Stable, Decreasing
Time horizon: Long-term, Medium-term, Short-term

PHYSICAL

RISK TYPE & RISK	DESCRIPTION	2023 PROGRESS/UPDATE
Medium; Increasing; Medium-term **ACUTE: EXTREME WEATHER EVENTS** Extreme weather cause disruption to our business operations and continuity **PRINCIPAL RISK CATEGORY:** Business continuity	Extreme weather could cause disruption to our business operations and continuity. Whether directly or through the impact on our supply chain. This may result in increased operational expenses to rectify the damage.	We continue to enhance our business resilience framework. We maintain business continuity plans (BCP) to facilitate our ability to continue operating in the event of a disruption. IW&I aim to develop and maintain an Operational Resilience capability and strategy that will allow for effective and appropriate response to significant business disruption to important business services (IBS) and other critical functions. All three initiatives are core requirements of our Regulator and form a key element of our compliance and risk function. IW&I have a dedicated Incident Management Team (IMT) which consists of representatives from across the business who co-ordinate the response and recovery to major incidents, which may include but is not limited to extreme weather events.
Medium-high; Increasing; Short-term **CHRONIC: CHANGES IN WEATHER PATTERNS** The impact of long-term changes in weather patterns, such as air temperature and precipitation **PRINCIPAL RISK CATEGORY:** Suitability	We have investments in global companies that are reliant on resilient processes. Chronic changes in weather patterns or rising sea levels may impact their operations and consequently the financial value of their company assets which may result in increased operational expenses and lower returns for our clients. This in turn leads to a risk of a shrinkage of our customer base. and not being able to attract new clients as they may feel we have not considered the material risks impacting their investments.	We have developed responsible investment frameworks and data to focus on issues such as materiality, sustainability alignment, climate and other sustainability metrics. Going forward IW&I will seek to align with Rathbones' recently enhanced frameworks, taking into account sectoral and geographic considerations.

APPENDICES: ENTITY REPORT – INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED

STRATEGY: CLIMATE-RELATED OPPORTUNITIES

Magnitude: High, Medium-high, Medium, Low
Opportunity trend: Increasing, Stable, Decreasing
Time horizon: Long-term, Medium-term, Short-term

CLIMATE-RELATED OPPORTUNITIES

The transition to a low-carbon economy provides IW&I with valuable opportunities to benefit our clients, the business and wider communities if we act upon these. An overview, timeframe anda description of our strategy to realise each opportunity is provided in the table below.

OPPORTUNITY AND DESCRIPTION	DESCRIPTION OF ACTUAL AND POTENTIAL IMPACT	STRATEGY TO REALISE OPPORTUNITY
PRODUCTS AND SERVICES Increased revenues from increased demand for products and services with a sustainability component **PRINCIPAL RISK CATEGORY:** Sustainability	Shift in consumer preferences leading to increased revenues from increased demand for products and services for sustainable investment propositions. In addition, all of the regulatory opportunity drivers listed have the potential to affect our business through the impact they may have on companies or assets in which we invest.	An opportunity for us lies in the integration with Rathbones, who already offer sustainability focussed funds, along with development of new products and solutions that meet client needs. By considering climate issues when building client portfolios, we should identify opportunities created by the transition to a low carbon economy. Future client offerings will leverage existing solutions across our combined businesses, leveraging Rathbones's sustainability investment specialists at Greenbank, and sustainable funds already available through Rathbone Asset Management. Through our Responsible Investment Committee, we have the capacity to monitor regulatory opportunities as they emerge and incorporate them into our investment policies. This should enable us to adapt our investment strategies as necessary in order to maintain current levels of investment performance and continue to meet our clients' expectations in terms of projected returns. We believe this approach could support us in expanding our customer base. Progress: Creation of an integration project for client propositions, strategy and insight. Creation of the Responsible Investment Committee. Onboarding of a new data vendor to enhance our climate risk and opportunity integration into the investment process.
MARKETS Prioritise joining collaborative groups for systemic ESG issues, recognising the need for coordinated cross-sectoral action **PRINCIPAL RISK CATEGORY:** Market and reputation	We have made it a priority to join collaborative efforts and become signatories of reputable groups, as we recognise that many ESG issues are systemic, and hence are more suited to coordinated crosssectoral action.	Where appropriate, and in line with our conflicts of interest policy, we will seek to engage with reputable sustainability efforts. In line with this, we have become signatories or aligned with several high-level collaborative organisations. We support the work of the: UN Principles of Responsible Investment (PRI) ; Institutional Investors Group on Climate Change (IIGCC); University of Cambridge Institute for Sustainability Leadership - Investment Leaders Group. Going forward we will join Rathbones who in 2023 continued their role as lead investor for SSE Plc and National Grid Plc through Climate Action 100+'s engagement efforts and as lead investors for an IIGCC engagement efforts with Rio Tinto and Thyssenkrupp on net-zero audits. Joined the Taskforce on Nature-related Disclosures (TNFD) Forum to support broader discussions on biodiversity. As members of such organisations, we have the capacity to contribute towards the improvement of several important climate and ESG issues. Progress: Responded to sustainable disclosure requirements (SDR) consultation, via PIMFA, supporting the development of transparent client communication on sustainability matters.
MARKETS Actively engage with investee companies on ESG issues, tailoring strategies to align with our clients' individual goals and ESG views **PRINCIPAL RISK CATEGORY:** Market and reputation	Further developing our engagement on ESG issues with the companies which we invest in. As a discretionary wealth manager, our approach allows us to work closely with clients to determine their individual goals and long-term plans, including their views on ESG matters.	We believe that ESG issues - both risks and opportunities - can affect the long-term performance of investments. We will continue to build out our research, data and decision frameworks so that we can better understand and weigh up ESG factors alongside other investment considerations. Our aim is to develop a more comprehensive view of a business' strategy, the way it executes this strategy and the dynamics of its sector than can be achieved solely through a financial lens. We do this by using ESG data, engaging with companies and exercising our carefully considered judgement. This helps us identify companies with stronger sustainability performance and those with whom, through engagement, we see potential to improve business practices to create value for shareholders. Progress: In 2023 we, continued the integration of ESG factors into our investment processes. Identified companies for climate-related engagement. Refer to our Voting Report for further information.

APPENDICES: ENTITY REPORT – INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED
STRATEGY: CLIMATE-RELATED OPPORTUNITIES CONTINUED

IMPACT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON OUR BUSINESS

The climate-related risks and opportunities that we face as a business occur across both our direct operations and our investments, influencing both our business strategy and financial planning. Climate risks are considered as part of our Risk Assessment Process. Additionally, the 2023 Internal Capital Adequacy Risk Assessment (ICARA) process made reference to climate risk and due consideration will be given to formal inclusion of a climate risk-related scenario in the 2024 ICARA process.

OUR INVESTMENTS

We firmly believe it is our responsibility to be good, long-term stewards of our clients' wealth and believe it is in the interests of our clients that the companies and securities we invest in adopt good practice in managing ESG risks and taking a long-term approach. In 2023, the existing governance structure for responsible investment was reviewed and an IW&I Responsible Investment Committee formed, to feed into business decision-making processes and report to the Investment Committee on our approach to the integration of climate risk and broader responsible investment issues.

The Investment Committee oversees our Responsible Investment Policy, which outlines the IW&I approach to responsible investment and demonstrates our commitment to, and support of, the PRI.

CLIMATE SCENARIO ANALYSIS

Climate change poses significant risks and opportunities for investors. As the Earth's climate continues to warm due to human activities, two main categories of risks emerge: Physical risks and Transition risks.

Quantifying these risks is crucial for investors seeking to make informed decisions and safeguard their investments but also to comply with the increasing regulatory requirements.

Physical risks refer to the impact to economies and portfolios from the direct consequences of climate change on the environment, infrastructure, society, and ecosystems. Rising sea levels, extreme weather events, heatwaves, and prolonged droughts are just a few examples of physical risks that can lead to impacts such as property damage, supply chain disruptions, business interruptions, increased operational costs or economic slowdowns. Due to the systemic nature of climate change, these risks affect all industries and geographies, but with different impacts.

Transition risks, on the other hand, arise from the shift towards a low-carbon economy and the policies, regulations, and technological advancements aimed at mitigating climate change. These risks encompass regulatory changes and shifts in consumer preferences that can impact the value and profitability of certain industries and assets. However, they also present opportunities for investors who can identify and capitalise on the transition to a low-carbon economy.

Scenario analysis applies climate and economic data to different future pathways to estimate how climate risks and opportunities might impact the total return of investment portfolios, as compared to a forecast returns baseline which assumes no impact from climate change at all.

CLIMATE IMPACT ON RETURNS METHODOLOGY

The scenario analysis was performed using the Clarity AI Climate Impact on Returns solution. Three scenarios were used to cover different pathways our society might take:

- Net Zero: a radical but orderly transition scenario. Average global temperature increase of 1.5°C in 2100. Very low emissions' IPCC scenario (SSP1-RCP1.9). Early and smooth transition, with market pricing-in dynamics that occur smoothed in the first four years
- Net Zero Financial Crisis: a radical transition scenario similar to the Net Zero but in a disorderly way, with sudden divestments in 2025 to align portfolios to the Paris Agreement goals which have disruptive effects on financial markets. Average temperature increase of 1.5°C in 2100, very low emissions' IPCC scenario (SSP1-RCP1.9)
- High Warming: average temperature increase of 4.3°C by 2100, high emissions' IPCC scenario (SSP3-RCP7.0). This failure to meet Paris Agreement goals results in severe gradual physical and extreme weather impacts.

Top-down models are used in order to capture the systemic nature of climate change, in three main stages:

1. Climate modelling: acute and chronic physical and transition risks are modelled to produce shocks on GDP, GVA and inflation.
   a. Acute physical risks are estimated from the frequency projections of extreme weather events, past financial losses and countries' resilience to these events
   b. Chronic physical risks' main drivers are temperature-induced agricultural, industrial and labour productivity declines as well as agricultural yields decline on food prices
   c. Transition impacts are assessed based on three types of policies: carbon tax/ETS, energy efficiency improvements and subsidies to low-carbon energy, which are factored in energy demand and technology mixes at sector level.
2. Financial modelling: physical and transition shocks are translated into impacts on returns per asset class, country, and industry. These impacts include direct effects to the performance of each industry in each country as well as the repricing performed by financial markets. A Sentiment Shock is also added for the Net Zero Financial Crisis scenario.
3. Application to investment portfolios: impacts on returns are estimated at security-level based on the securities' characteristics such as the sectors and geographies that they operate in.

The climate impacts on returns are provided as a cumulative percentage change of portfolios' total returns.

Climate impacts are estimated for each of these scenarios at four time-horizons: 5, 10, 20 and 40 years from 2022.

APPENDICES: ENTITY REPORT – INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED

STRATEGY CONTINUED

APPLICATION AT ENTITY-LEVEL HOLDINGS

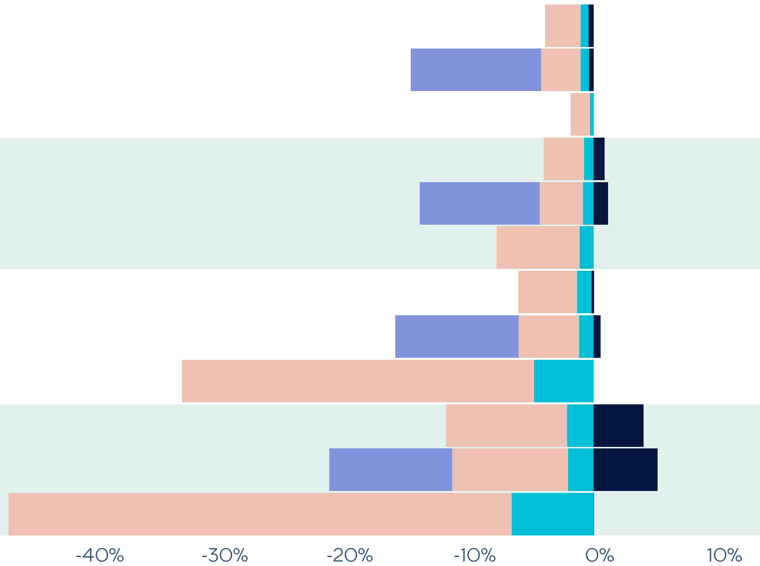
Our holdings were captured at a single point in time (31 December 2023) and the table to the right illustrates that our portfolios will need to adapt under all scenarios. As we are an active investment manager, this is both what we expect and are well equipped to do.

We expect that those investments which currently carry the most value at risk under these scenarios will either adapt as required or, if our engagement efforts are unsuccessful, we will find alternative holdings, and we are continuously researching those companies and funds that are well positioned to take advantage of the opportunities that the various scenarios present. The analysis makes clear that alignment to a net zero pathway is the optimal way to minimise the erosion of value under all scenarios, across all time horizons, except in the very short-term. As long-term investors and stewards of our clients' capital, this fits with our investment philosophy and approach.

A Net Zero Financial Crisis would be consistently detrimental across all time horizons, driven primarily by the sentiment shock of an abrupt change in investor behaviour. As we move towards the notionally assumed year of this occurring (2025), a sentiment shock seems likely at some point but could manifest later, as political polarisation around how and at what pace to achieve net zero targets evolves.

CLIMATE IMPACT ON RETURNS

	Total (% IMPACT CUMULATIVE RETURNS)	
Net Zero	-3.83%	5 YEARS
Net Zero Financial Crisis	-14.53%	
High Warming	-1.83%	
Net Zero	-3.06%	10 YEARS
Net Zero Financial Crisis	-12.65%	
High Warming	-7.71%	
Net Zero	-5.97%	20 YEARS
Net Zero Financial Crisis	-15.19%	
High Warming	-32.70%	
Net Zero	-7.75%	40 YEARS
Net Zero Financial Crisis	-15.93%	
High Warming	-46.49%	



Transition Risk · Physical – Acute · Physical – Chronic · Sentiment Shock

Under the high warming scenario, the analysis points to a highly significant erosion of portfolio value over the ten-to-twenty-year time horizon, yet it is important to note that this assumes our holdings remain static, which over the longer time period, becomes increasingly unlikely. As referenced above, we will adapt our positions accordingly to all of the scenarios.

LIMITATIONS OF SCENARIO ANALYSIS

When assessing the climate value at risk (VaR) results for different scenarios, it is imperative to exercise caution. Notably, the TCFD recommendations are relatively new, as are the methodologies associated with scenario analysis. We expect methodologies to continue to evolve so that future assessments will more accurately reflect the benefits of aiming for a 1.5°C scenario, and the fact that losses caused by transition risk will be more than compensated by avoided losses from potential physical damage.

The above scenario analysis is based on 64% coverage of AUM.

Going forward, Rathbones group, incorporating IW&I, will continue to explore new scenario analysis methodologies, particularly with the aim to improve the representation of physical risks.

APPENDICES: ENTITY REPORT – INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED

RISK MANAGEMENT

The IW&I governance structure has evolved towards the end of 2023 and this will continue into 2024 as integration with the Rathbones group progresses. The following information describes the IW&I governance structure and risk management approach that primarily applied during the 2023 calendar year.

During 2023 the IW&I Board was ultimately responsible for the overall risk appetite of the business as well as the risk appetite per risk type. This includes setting strategic policy limits and ensuring there is an appropriate governance structure in place. Whilst the overall risk appetite is set by the Board, several Committees identify and manage risk at both IW&I and group level. The key Committees are as follows:

- The Board Risk Committee was the independent risk committee to ensure that effective systems and processes for the management and control of risk exposures were embedded throughout the Group entities. The Committee was responsible for providing oversight and advice to the Group Board in relation to risk strategy, including oversight of current and future risks and associated risk exposures. The Committee was also responsible for providing advice, oversight and challenge necessary to embed and maintain a supportive risk culture. This committee has been replaced in 2024 by the Rathbones Group Group Risk Committee.
- The IW&I Executive Committee (now Management Committee) was mandated by the IW&I Board to oversee the day-to-day management of all aspects of IW&I's business including the implementation of the Enterprise Risk Management Framework (ERMF).
- The Risk Management Committee is mandated by the IW&I Board and the IW&I ManCo to oversee the development and maintenance of a structured, robust and consistent approach to risk management. The committee also seeks to ensure that risk identification, assessment, monitoring and reporting are embedded at all levels of management and throughout all areas of the firm's operations.

Risk management is at the forefront of decisions made by the IW&I. The ERMF process is the process used to identify and address methodically the potential events that represent risks to the achievement of IW&I's strategic objectives or its opportunities to gain competitive advantage.

RISK IDENTIFICATION

A number of risk management tools are used to facilitate the identification of risk, including, but not limited to, the Internal Capital Adequacy Risk Assessment (ICARA) process, risk and controls self-assessments, scenario workshops, internal and external Audits, forums and committees and key indicators.

Climate Risk and ESG Risk have been identified under the IW&I Enterprise Risk Management Framework (ERMF) as one of seven key material sources of risk.

The framework has been reviewed and updated so that it identifies and addresses methodically the potential events that represent risks to the achievement of IW&I strategic objectives, or opportunities to gain competitive advantage. It is aligned to IW&I's stress testing process and framework as well as to the capital and financial planning process. Risk appetite limits are reviewed against Internal Capital Adequacy and Risk Assessment (ICARA) forecasts.

RISK ASSESSMENT

Risk assessment is the identification, analysis and ongoing management of risks that may compromise the achievement of strategic business objectives and / or result in operational risk events. Risk assessment should be integrated with business area strategy and forms the basis for robust risk management. All risk assessments at IW&I are required to be recorded within Protecht, the IW&I Governance, Risk and Compliance (GRC) system.

Risk assessments are required to be regularly updated to accurately reflect the evolving risk, control and regulatory environment, but at a minimum they are to be formally reviewed with operational risk on at least an 18-month basis or when a trigger event prompting a re-assessment has occurred.

Through the risk assessment process, risks are assessed from an inherent and residual perspective and the process also encompasses the assessment of controls from both a design as well as operating effectiveness perspective based on key metrics available. A qualitative risk and control assessment is conducted using the risk assessment framework provided and in line with the IW&I Risk Taxonomy classification to ensure consistent integration of risk assessments and risk events. Climate-related risk classification is catered for within the approved IW&I Risk Taxonomy and related risks are reflected across pertinent Business Unit Risk Assessments.

Scenario analysis is defined as the process of analysing extreme, yet plausible risk events derived from both identified internal and external operational risk exposures. IW&I uses scenario analysis as an important input into the Internal Capital Adequacy Risk Assessment (ICARA).

The 2023 ICARA process made reference to climate risk with a view to formal inclusion of a climate risk scenario in the 2024 process.

RISK RESPONSE/MANAGEMENT

The IW&I risk response and mitigation to be followed is outlined in the IW&I ERMF document. Actions taken will depend on an assessment of whether risks are within or outside of agreed risk appetite. Actions range from Mitigation plans to Risk termination or Acceptance depending on the level of risk. Any risks that are outside of appetite are reported to the Risk Management Committee and monitored to ensure appropriate treatment has been applied.

IW&I's approach was aligned to the Investec Group's publicly disclosed environmental policy and climate change statement which takes into account the challenges that climate change presents to the global economy.

Accordingly, climate risk is considered by the relevant investment committee when making investment decisions and the Engagement and Underwriting Committee on advisory engagement. There was also oversight by the DLC ESG Executive Committee and the Social and Ethics Committee (DLC SEC) on climate-related matters. The group ESG Executive Committee mandated by the group's executive directors reports relevant climate matters to the DLC SEC and group ERC.

APPENDICES: ENTITY REPORT – INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED
RISK MANAGEMENT CONTINUED

RISK MONITORING AND REPORTING
IW&I currently uses Protecht as the Group Risk and Compliance (GRC) system used to manage Risk across the business. Protecht allows the recording and assessment of risks and key controls, as well as the recording of other ERMF constituents such as Risk Events. The system also allows the recording of actions across all components of the ERMF to ensure appropriate mitigation. Moreover, the tool encompasses reporting capability across the constituent components of the framework, thus facilitating oversight and adherence to risk appetite and ERMF requirements. All lines of defence have access to the tool, which aligns with their respective roles and responsibilities.

INTEGRATING ESG INTO OUR INVESTMENT PROCESS
Our exposure to climate related risks is most material through the investments we make on behalf of our clients.

The integration of environmental, social and governance (ESG) considerations into our investment process is a core principle of our responsible investment policy. Each of our asset classes has a differentiated ESG analysis and stewardship strategy, given the different requirements of each. Although we do not aim for a 'one size fits all' strategy, there is alignment of our activities, and the team discuss this together, sharing best practice.

- Although we embed ESG analysis in different ways, we are aligned under a common focus to engage with those with whom we invest to ensure we generate good long-term outcomes for our clients. This engagement is considered a fundamental step in our research process and helps inform our final investment recommendations
- We use engagement and ESG analysis as part of our due diligence before adding an investment to our centrally researched universe and we continue to use it as part of our ongoing monitoring. Our direct equity and fixed income ESG research is quality and cash-flow focused and incorporates ESG factors in a four-stage model as part of fundamental research. Our collectivised funds – which includes equity, fixed income, property and alternatives options – are assessed according to a qualitative framework (the APPROVED process) which focuses on the quality of the management team and their execution; ESG analysis is one of the determinants of this quality
- Although we utilise Institutional Shareholder Services (ISS) to inform our engagement and voting decision making in both direct and collectivised fund processes, we are committed to making our own assessments and judgments.

ENGAGEMENT WITH CONSEQUENCES
Our voluntary signatory status of the UN Principles for Responsible Investment and the UK Stewardship Code require us to manage money responsibly, including undertaking active engagement.

We have a Stewardship Policy, comprising Voting, Engagement and Escalation Policies. While divestment is included in our Escalation Policy as a final escalation method that may be used, we employ this method of escalation rarely, as we prefer to retain the rights and leverage associated with ownership, to actively engage with the holding and encourage positive climate outcomes. We feel that divestment in the face of climate concerns can lead to 'greening' our portfolio rather than 'greening our planet' and so, does not generate positive real-world outcomes.

These policies were refreshed in 2023; Voting Principles and Thematic Engagement Priorities were developed and added to the policies. Both the Voting Principles and Thematic Engagement Priorities include Climate. We have also developed a Thematic Engagement Priorities Framework, which outlines what we feel 'good looks like' across each Priority, leveraging a number of external benchmarks and data sources we have. These data sources include Sustainalytics, ISS, CDP and Clarity AI. These data points and the Framework help us assess our holdings across a number of criteria and accordingly prioritise areas for engagement. Climate and net zero have been a particular area of focus in 2023.

Our memberships of industry bodies such as the Institutional Investors' Group on Climate Change (IIGCC) and the Investor Forum provide us with access to specialist materials used to mitigate climate risk, such as the IIGCC's Net Zero Investment Framework.

VOTING WITH PURPOSE
We use ISS to inform our voting decisions but as an input only; climate-related management and shareholder proposals are given particular thought and consideration, before a voting decision is made.

To track our voting, engagements and their progress, we use an engagement tracker, as well as a voting tracker. We report on our voting and engagement activity on a quarterly basis.

As part of the integration our approach to voting will be aligned with that of Rathbones group, full details of which can be found in the Group TCFD disclosure, see page 34.

APPENDICES: ENTITY REPORT – INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED

METRICS AND TARGETS

We use several metrics to measure our carbon emissions. These include carbon emissions and Greenhouse Gas (GHG) intensity indicators. In 2022, we took steps to assess our environmental impact focusing not only on our operations but also our supply chain and our investments. In addition to our operational metrics, we use a selection of other metrics to inform our climate risk and engagement strategy. Metrics shown include scope 1 and 2 emissions, we have excluded scope 3 due to confidence in data quality and coverage. We will work with our data suppliers and investee companies to encourage reporting to support more robust future calculations.

To read more on the definitions of our metrics please see page 69.

OPERATIONAL EMISSIONS

For year-end 2023 (31 December), IW&I's operational emissions have been calculated as part of the Rathbones Group footprint. Historic data has also been restated to ensure comparability. To see the group's operational footprint please see page 38 of this report.

TEMPERATURE ALIGNMENT

The Temperature Alignment metrics offered by Clarity AI allow investors to understand whether the emissions reduction efforts of a portfolio or an organisation are aligned with the goal of the Paris Agreement i.e. 'Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels'.

CARBON FOOTPRINT

(Data includes Scope 1 and 2 emissions)

FINANCED CARBON EMISSIONS (tCO_2e/\$m invested)	WEIGHTED AVERAGE CARBON INTENSITY (tCO_2e/\$m sales)	TOTAL CARBON EMISSIONS (tCO_2e)
43.07	91.59	1,393,399

CLIMATE-RELATED RISKS AND OPPORTUNITIES

FOSSIL FUEL BASED REVENUE EXPOSURE[1]

10.28

CLIMATE CHANGE MITIGATION ALIGNMENT[2]

1.77%

1 PAI M4 which aggregates exposures data of fossil fuel production and participation
2 Share (%) of investment aligned to EU Taxonomy's Climate Mitigation objective

IMPLIED TEMPERATURE RISE

How aligned are the companies within the portfolio to global temperature goals

PORTFOLIO

2.1°C

IMPLIED TEMPERATURE RISE CATEGORIES

	Companies in category %
1.5°C Aligned (<= 1.5°C)	26%
2°C Aligned (>1.5 - 2.0°C)	12%
Above 2°C	6%
Well above 2°C	56%

APPENDICES: ENTITY REPORT – INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED

METRICS AND TARGETS CONTINUED

NEAR-TERM TEMPERATURE ALIGNMENT

This metric provides a Temperature Alignment range to understand how companies comply with the Paris Agreement. It is based on the existence or absence of companies' near-term reduction targets.

Two metrics are provided: one for Scopes 1+2 and another one for Scope 3. Due to our lack of confidence in Scope 3 data, we are reporting the Scope 1+2 metric here.

These metrics calculate the temperature rise implied by the company's emissions according to its targets, using the scenarios in the IPCC's Special Report on Global Warming of 1.5°C. The underlying data for Temperature Alignment is provided by CDP (previously Carbon Disclosure Project) according to a methodology they have developed in collaboration with the WWF. ITRs are calculated on the basis of the targets approved by the SBTi and those reported to CDP.

CDP-reported targets are processed to be able to compare the companies' rate of emissions reductions to the scenarios compiled by the IPCC. Both absolute and intensity targets are assessed.

PORTFOLIO-LEVEL TEMPERATURE ALIGNMENT

This metric is an aggregation of the company-level Temperature Alignment metric. It delivers a portfolio Temperature Alignment based on the temperature rise induced by the portfolio's constituent companies and allows investors to monitor the alignment of their portfolios with the Paris Agreement. It includes both SBTi targets and CDP-reported targets.

The portfolio-level Temperature Alignment is provided in two ways:

- The calculated portfolio Temperature Rise value, as a decimal figure (e.g. 2.2°C)
- The related Temperature Alignment range (1.5°C Aligned, 2°C Aligned, Above 2°C. Well above 2°C).

WHAT DOES THIS TELL US?

The model shows that our portfolio has an ITR of 2.1°C. This evaluation was completed on our total holdings of which approximately 39% of companies have ITR data available (covering 64% of AUM). The ITR categories tell us that within this data set, 38% of companies that we invest in, on behalf of our clients, have the targets or plans in place to meet the goals of the Paris Agreement (aligned with a 2°C future or below), and the remaining 62% are not aligned to the goals of the Paris agreement.

LOOKING FORWARD

PLANNED ACTIONS

At IW&I, we recognise that climate change is a global risk and that it is crucial that we address it in order to deliver long-term value for our current and future stakeholders.

This report is one of the ways that we can share our approach to identifying, managing and reporting on the impact of climate risk on our business. This is our first TCFD report and we are committed to embracing future recommendations and will continue to track best practice through our TCFD disclosure.

As part of the Rathbones Group we will continue to embed our climate change strategy and support the climate transition through the following activities:

- partner with Rathbones in the work to re-base near-term net zero emissions targets and submit for SBTi validation
- continue to integrate climate data into our investment approach
- share more about our net zero engagement activities
- continue to collaborate across the industry on incoming reporting regulations, supporting the move to increased transparency.

APPENDICES: VOLUNTARY REPORT - RATHBONES INVESTMENT MANAGEMENT INTERNATIONAL (RIMI)

ABOUT US

We cater for the investment needs of individuals and families, charities and professional advisers who are looking for offshore investment management.

GOVERNANCE

RIMI's approach to governing climate risks aligns with the group approach outlined on pages 10-15.

STRATEGY

The climate-related risks and opportunities identified by Rathbones group are applicable and inclusive of RIMI. The materiality and time horizons over which climate-related risks and opportunities are considered for RIMI aligns with the group approach as disclosed on pages 17-22. Climate scenario analysis is carried out at group level level and is inclusive of the assets managed by RIMI. Details of the Climate Value At Risk (Climate VaR) information can be found on pages 23-27.

RISK MANAGEMENT

RIMI's approach to risk management aligns with the group approach, with no material deviation, as outlined on pages 28-35.

METRICS AND TARGETS

The metrics and targets used to assess the management of climate-related risks and opportunities are covered in the Group report and are inclusive of RIMI. RIMIs entity level metrics are aligned to the Group's climate reporting approach. The metrics are prepared for RIMI as the key metrics for monitoring and reporting against the group's climate ambitions. A summary of these key investment metrics is provided in the figures opposite.

ALIGNMENT STATEMENT

This Rathbones Investment Management International report should be read in conjunction with the information provided on pages 42 and 67-69.

CARBON FOOTPRINT

FINANCED CARBON EMISSIONS
(tCO_2e/\$m invested)

37.4

TOTAL FINANCED CARBON EMISSIONS
(tCO_2e)

110,268

WEIGHTED AVERAGE CARBON INTENSITY (WACI) (tCO_2e/\$m sales)

87.6

WACI CORPORATE CONSTITUENTS
(tCO_2e/\$m sales)

80.6

WACI SOVEREIGN CONSTITUENTS
(tons CO_2e/\$m GDP nominal)

216.7

IMPLIED TEMPERATURE RISE

How aligned are the companies within the portfolio aligned to global temperature goals

PORTFOLIO

2.3°C

IMPLIED TEMPERATURE RISE DISTRIBUTION

	Companies in category %
1.5°C Aligned (<= 1.5°C)	22.0
2°C Aligned (>1.5 - 2.0°C)	29.4
Misaligned (>2.0 - 3.2°C)	41.7
Strongly Misaligned (>3.2°C)	7.0
Paris aligned	51.3
Non-Paris aligned	48.7

FOSSIL FUEL EXPOSURE

FOSSIL FUEL BASED REVENUE EXPOSURE

2.4%

GREEN REVENUE EXPOSURE

3.1%

DATA COVERAGE

Metrics have been prepared for RIMI and data coverage for each metric is as follows:

– Portfolio coverage amounts to 31.2% of securities and 34.7% of RIMIs market capitalisation (equity holdings) as of 31 December 2023.
– For ITR coverage amounts to 70.4% of securities and 74% of market capital.

APPENDICES: VOLUNTARY REPORT – GREENBANK INVESTMENTS

ABOUT US

Greenbank was established in 2004 as Rathbone Greenbank Investments, to be the ethical investment arm of Rathbones group. It offered one of the UK's first tailored ethical portfolio services.

Greenbank's legacy of investing responsibly has served us well. This long-term commitment is especially important given how the ethical and sustainable investment landscape has evolved. And as more people have sought investment options that align with their own values, our client numbers have grown too.

Since 2004, Greenbank has remained committed to generating long-term value for our clients.

Today, Greenbank is established as a widely trusted expert team of investment managers, research and engagement specialists, that care deeply about environmental, social and ethical issues.

GREENBANKS STRATEGIC FOCUS

Greenbank consider climate and environmental factors within our investment process. Our approach continues to evolve as we seek to support the transition to a more sustainable economy and avert the most serious impacts of climate change.

Greenbank's net zero plan includes:

- The ambition to reach net zero carbon emissions from our investments by 2040
- A clear pathway to net zero carbon emissions: a cut of 60% in the carbon intensity of our investments by 2030 (from a 2020 baseline)
- A continuation of our long-standing strategic engagement programme to encourage corporate action on climate change
- A commitment to reach net zero carbon emissions from our own operations and supply chain by 2030, in line with the wider Rathbones Group, using the Science Based Targets initiative (SBTi) framework.

The climate-related risks and opportunities identified by Rathbones group are applicable and inclusive of Greenbank. The materiality and time horizons over which climate-related risks and opportunities are considered for Greenbank aligns with the group approach as disclosed on page 17. Climate scenario analysis is carried out at group level and is inclusive of the FUMA managed by Greenbank. Details of the Climate Value At Risk (Climate VaR) information can be found on pages 23-27.

THE IMPACT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON OUR BUSINESS

The most material aspect of our impact is through the investments we make on behalf of our clients. In October 2021, Greenbank established a net zero implementation and integration workstream comprised of researchers from our in-house ethical, sustainable and impact (ESI) research team, investment analysts and investment managers. The aim of this group is to more fully embed climate-related data within the investment process and support Greenbank in achieving net zero. Greenbank continue to work to operate more efficiently, reducing our direct footprint. Greenbank's approach to monitoring and reducing our operational footprint is consistent with Rathbones group and can be found in the group report on page 38.

RISK MANAGEMENT

Greenbank's risk management framework to identify, assess, manage and report on climate-related risks is consistent with that of group. Full details of which can be found in the group TCFD report on pages 29-31.

However, there are some important differences to how climate risk management is integrated into the broader risk management process within Greenbank, which is outlined below.

Energy and climate is one of the eight sustainable development themes that guide how Greenbank invest and is a core part of our assessment of potential investment opportunities. Each company is assessed against a range of positive and negative environmental criteria in order to determine suitability for investment. Several automatic exclusion areas and red flags linked to adverse climate impacts also form part of our sustainable investment framework.

Greenbank uses IIGCC's Net Zero Investment Framework (NZIF) to assess companies' operational performance and their alignment with net zero. Within cost and opportunity, Greenbank assess the financial implications of a changing climate using a proprietary methodology. Similarly, with impact the in-house research team assesses the company's contribution to climate mitigation and adaptation solutions. This supports the construction of net zero aligned portfolios with the capability of tailoring to client requirements.

APPENDICES: VOLUNTARY REPORT – GREENBANK INVESTMENTS CONTINUED

IMPLEMENTATION OF ENHANCED STEWARDSHIP STRATEGY FOR GREENBANK

To achieve net zero by 2050 and limit warming to below 1.5°C GHG emissions must halve by 2030. This requires rapid adoption of ambitious short term GHG targets by companies. This unprecedented challenge will demand a rapid shift in stewardship practices. While private dialogue will likely remain a key tool for investors, more specific, time bound objective setting paired with escalation will likely need to become the norm.

Portfolio alignment tools such as the NZIF, have emphasised the strong role that stewardship needs to play. For example, asset managers that have committed to net zero through the Net Zero Asset Managers initiative (NZAMi) have committed to 'implement a stewardship and engagement strategy, with a clear escalation and voting policy, that is consistent with an ambition for all assets under management to achieve net zero emissions by 2050 or sooner'.

PORTFOLIO ANALYSIS TO IDENTIFY PRIORITY COMPANIES FOR ENGAGEMENT

This analysis was based on several factors including Scope 1 and 2 emissions intensity, % of portfolio financed emissions, progress to date, consideration of coverage by other collaborative engagements, exposure, jurisdiction, etc.

To support this shift, Greenbank has followed IIGCC's stewardship toolkit to ensure it prioritises high impact engagement while ensuring we have the measures in place to hold laggard companies to account.

We also worked with the group's stewardship team to agree who should lead on engagements, where there was an overlap in holdings. During 2023, Greenbank identified 35 priority holdings. Engagement with 19 of these is led by Greenbank's ESI research team with the remainder subject to engagement led by the Rathbones group stewardship team.

ESTABLISH NET ZERO ALIGNMENT CRITERIA AND DEVELOP ALIGNMENT STAIRCASE TO INFORM OBJECTIVE SETTING

Greenbank has followed the NZIF criteria for assessing alignment. All investors using NZIF have to set an engagement goal for "the coverage of assets under active engagement at >70% of financed emissions in material sectors are either net zero, aligned to a net zero pathway or are the subject of direct or collective engagement and stewardship actions".

These criteria allowed us categorise overall alignment of a portfolio company. This set of alignment levels or 'staircase' clearly sets out what criteria a portfolio company needs to meet, and in what timeframe, to be considered: committed, aligning, fully aligned and net zero. This approach enables us to track progress over time and allows us to set time bound annual objectives for each company. Whilst Greenbank broadly follows the expectations set by NZIF, some enhancements are made. For example, in addition to NZIF's core criteria, Greenbank require low carbon impact companies to meet the following criteria in order to be classified as 'committed' to net zero:

- Set or signal the intention of setting, a long-term emissions reduction goal
- Disclose Scope 1 and 2 emissions.

Completing a baseline assessment to identify where companies in scope of our net zero strategy are on the alignment staircase enables us to set goals for increasing the alignment status of companies in our portfolio over time. The NZIF recommends we do this in five-year increments.

ENGAGEMENT WITH PRIORITY COMPANIES

Greenbank are now in the process of engaging on net zero with priority holdings. Greenbank engage priority companies in a consistent manner to ensure that each is aware of investor expectations regarding action on climate change, in line with Greenbank's net zero investment strategy and related targets. Initial meetings are also an opportunity to run through how Greenbank will be assessing net zero alignment, introduce the alignment staircase approach and the annual objectives Greenbank have set for each company.

Annual time bound objectives for each company are critical for structuring engagement and escalation processes. Once companies are categorised across the levels, a gap analysis with the next level up can be carried out. In terms of prioritising objectives between levels, Greenbank will be structuring it as follows: disclosure, ambition, targets, strategy, performance.

Greenbank also used these meetings to signal our escalation strategy if results were not achieved within the timeframe. This escalation strategy can be found on Greenbank's website.

APPENDICES: VOLUNTARY REPORT – GREENBANK INVESTMENTS CONTINUED

METRICS AND TARGETS

METRICS AND TARGETS

Consistent with Rathbones Group, Greenbank use several metrics to measure the progress of our net zero journey, which is the primary indicator used to assess how well Greenbank is responding to the climate-related risks and opportunities we face as a business. In recent years, the quality and coverage of company-level, climate-related data has increased substantially. As such, Greenbank has expanded its access and use of such datasets including economic scenario analysis, climate value at risk data and implied temperature rise metrics.

Greenbank follow the International Energy Association (IEA) pathway to net zero by 2050, published in May 2021. The target goes beyond our fair share of global emissions reductions. The target is for 60% reduction by 2030, surpassing the 50% threshold identified as a requirement in the IPCC special report on global warming of 1.5°C. In addition, Greenbank's in scope holdings are less emissions intensive than the 'universal' benchmark MSCI World, so Greenbank's targeted reductions are from a lower starting point. Hence, this goes above and beyond our fair share of global emissions reduction.

CARBON FOOTPRINT

FINANCED CARBON EMISSIONS
(tCO_2e/\$m invested)

30.1

TOTAL FINANCED CARBON EMISSIONS
(tCO_2e)

82,284

WEIGHTED AVERAGE CARBON INTENSITY (WACI) (tCO_2e/\$m sales)

88.8

WACI CORPORATE CONSTITUENTS
(tCO_2e/\$m sales)

66.9

WACI SOVEREIGN CONSTITUENTS
(tons CO_2e/\$m GDP nominal)

159.2

IMPLIED TEMPERATURE RISE

How aligned are the companies within the portfolio aligned to global temperature goals

PORTFOLIO

1.9°C

IMPLIED TEMPERATURE RISE DISTRIBUTION

	Companies in category %
1.5°C Aligned (<= 1.5°C)	24.8
2°C Aligned (>1.5 - 2.0°C)	35.5
Misaligned (>2.0 - 3.2°C)	36.4
Strongly Misaligned (>3.2°C)	3.3
Paris aligned	60.3
Non-Paris aligned	39.7

FOSSIL FUEL EXPOSURE

FOSSIL FUEL BASED REVENUE EXPOSURE

0.4%

GREEN REVENUE EXPOSURE

7.3%

DATA COVERAGE

Metrics have been prepared for £2.2 billion funds under management and administration.

– Portfolio coverage amounts to 31.9%% of securities and 42.3% of Greenbank market capitalisation (equity holdings) as of 31 December 2023.
– For ITR coverage amounts to 76.4% of securities and 71.6% of market capital.

APPENDICES: METHODOLOGY AND APPROACH

USE OF MSCI DATA TO CALCULATE OUR INVESTMENT METRICS

This disclosure was developed using information from MSCI ESG Research LLC or its affiliates or information providers.

Although Rathbones Group Plc's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or redisseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

GOOD BUSINESS 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 - 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").

USE OF CLARITY AI DATA TO CALCULATE IW&I INVESTMENT METRICS

IW&I's disclosure included in this report was developed using information from Clarity AI or its affiliates or information providers.

Clarity AI disclaims any and all warranties whether express or implied, regarding the data and information provided by Clarity AI to the extent allowed by law, including but not limited to: warranties of absence of error, non-infringement of third-party rights (including intellectual property rights), accuracy, completeness, reliability, and possibility of profits or any form of results expected by the recipient or any third party. Data provided under no circumstances may be interpreted as the provision of legal, financial, compliance, commercial or strategic advice. Clarity AI is not engaged in providing such advice and is not responsible for the results, analyses and decisions derived from the data provided by Clarity AI.

APPENDICES: DEFINING OUR METRICS

METRIC	DESCRIPTION	ASSET CLASS/BOUNDARIES	RISK PHYSICAL/TRANSITION	SCOPE	DATA PROVIDER
WEIGHTED AVERAGE CARBON INTENSITY	Measured in (tCO_2e/$m sales), this assesses the sensitivity of our held securities to an increase in carbon prices and our progress towards the Paris Agreement target	Equity, Sovereign bond and corporate bond	Transition	Assets held on behalf of our clients	– MSCI
IMPLIED TEMPERATURE RISE	Provides a portfolio level number in degrees of Celsius demonstrating how aligned the companies in the portfolio are to global temperature goals	Equity and bond holdings	Transition	Assets held on behalf of our clients	– MSCI
PORTFOLIO COVERAGE	The percentage of securities that have set or have committed to setting Science Based Targets initiative aligned targets	Group funds under management	Physical and transition	Assets held on behalf of our clients	– Good Business – SBTi
EMISSIONS	Our operational carbon emissions in tCO_2e Operational carbon emissions	N/A	Transition	Rathbones' operations	– DEFRA – Good Business
CARBON INTENSITY METRICS	Our operational carbon emissions, normalised by an associated denominator e.g. FUMA, FTE or operating income	Operational carbon emissions	Transition	Rathbones' operations	– DEFRA – Good Business – Internal
1.5°C ALIGNED TARGET	The targets we have set using the methodologies laid out by the Science Based Targets initiative. Covering our Scope 1, 2 and Scope 3 category 1-8 and 15 emissions	Scope 1, 2 and 3 (category 1-8) emissions and Scope 3 category 15 emissions including our client holdings through common stock, corporate bonds, exchange traded funds, corporate loan, investments in real estate, preferred stock, REIT, private equity and debt	Physical and transition	Assets held on behalf of our clients	– SBTi
FOSSIL FUEL BASED REVENUE EXPOSURE	The weighted average of revenue exposure to thermal coal extractio, unconventional and conventional oil and gas extraction, oil and gas refining as well as revue from thermal coal power generation	Equity and bond holdings	Transition	Assets held on behalf of our clients	– MSCI
GREEN REVENUE EXPOSURE	The weighted average of revenue exposure to alternative energy, energy efficiency, green building, pollution prevention, sustainable water and sustainable agriculture	Equity and bond holdings	Transition	Assets held on behalf of our clients	– MSCI

APPENDICES: DEFINING OUR METRICS CONTINUED

METRIC	DESCRIPTION	ASSET CLASS/BOUNDARIES	RISK PHYSICAL/TRANSITION	SCOPE	DATA PROVIDER
PRI	Score for the strategy and governance section of PRI report	Group funds under management	Physical and transition	Group-level disclosure	– Internal
CDP	Score for our climate change submission	From 2022 our submission includes our expanded data disclosure. 2021 and 2022 data includes Saunderson House. In 2023, we have rebased our data to include IW&I.	Physical and transition	Group-level disclosure	– Internal – Good Business
WEIGHTED AVERAGE CARBON INTENSITY (WACI) (I.E. FINANCED CARBON INTENSITY)	This metric calculates the carbon intensity of the portfolio weighted by the amount invested in each company, which serve as a measurement of emissions performance of the portfolio (for Scope 1+ Scope 2). Expressed in tons CO_2e / USD M revenue	Equities, bonds and collectives	Transition	IW&I assets held on behalf or our clients	– Clarity AI
TOTAL CARBON EMISSIONS	This metric measures the absolute GHG emissions associated with a portfolio and is expressed in CO_2 equivalent tonnes (for Scope 1 + Scope 2)	Equities, bonds and collectives	Transition	IW&I assets held on behalf or our clients	– Clarity AI
CARBON FOOTPRINT (I.E. FINANCED CARBON EMISSIONS)	This metric calculates the total carbon emissions for a portfolio normalised by the market value of the portfolio (for Scope 1+ Scope 2). Expressed in tons CO_2e / M USD invested	Equities, bonds and collectives	Transition	IW&I assets held on behalf or our clients	– Clarity AI
FOSSIL FUEL BASED REVENUE EXPOSURE	This metric provides the proportion of the portfolio's value that is exposed to companies that derive revenues from fossil fuels such as coal, oil and natural gas. Revenue derived from the following activities are included; exploration, mining or extraction, refining, distribution; transportation, storage and trade	Equities, bonds and collectives	Transition	IW&I assets held on behalf or our clients	– Clarity AI
CLIMATE CHANGE MITIGATION ALIGNMENT	This metric provides the proportion of investments that are aligned with the Climate Change Mitigation objective of the EU Taxonomy.	Equities, bonds and collectives	Transition	IW&I assets held on behalf or our clients	– Clarity AI

RATHBONES

Rathbones
8 Finsbury Circus
London
EC2M 7AZ
+44 (0)20 7399 0000
rathbones.com