RATHBONES

FUTURE FOCUSED
Climate Progress

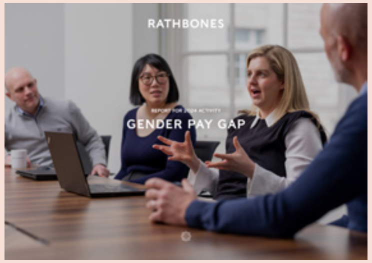
CLIMATE REPORT 2024

Our reporting suite

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

Annual Report and Accounts 2024

Responsible Business Update 2024



Gender Pay Gap Report 2024

Responsible Investment Report 2024

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 include IW&I, unless otherwise indicated. Where practicable, a like-for-like comparative has been included.

FURTHER INFORMATION LINKS

Throughout this report we use these icons to indicate where you can find out more.

Read more

Visit website

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COMPLIANCE SUMMARY

This report sets out our approach and response to the climate-related risks and opportunities that we face as a business.

As indicated in the table below, the content of our Climate Report is fully aligned with the UK Government's mandatory climate-related financial disclosure recommendations for public quoted companies. In developing the report, we have considered the 11 recommendations of the TCFD, which was disbanded in October 2023 but provides a useful framework for the disclosure. The International Financial Reporting Standards (IFRS) has since taken over from the TCFD, and its recommendations are expected to inform mandatory requirements in the near future. In anticipation of this, Rathbones has conducted a gap analysis informed by IFRS criteria and developed workstreams to improve alignment and compliance against IFRS criteria for future disclosures.

RECOMMENDED DISCLOSURES AND MANDATORY REPORTING REQUIREMENTS

TCFD THEME	TCFD RECOMMENDED DISCLOSURE	STRENGTH OF RESPONSE*	UK MANDATORY DISCLOSURE REQUIREMENTS	ALIGNMENT
GOVERNANCE See page 6	Describe the Board's oversight of climate-related risks and opportunities.	High	A description of the governance arrangements of the company in relation to assessing and managing climate-related risks and opportunities.	Full
	Describe management's role in assessing and managing climate-related risks and opportunities.	High		
STRATEGY See page 13	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	High	A description of the principal climate-related risks and opportunities arising in connection with the operations of the company or LLP and the time periods by reference to which those risks and opportunities are assessed.	Full
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Medium	A description of the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the company or LLP.	Full
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Medium	An analysis of the resilience of the business model and strategy of the company or LLP, taking into consideration different climate-related scenarios.	Full
RISK MANAGEMENT See page 26	Describe the organisation's processes for identifying and assessing climate-related risks.	High	A description of how the company or LLP identifies, assesses and manages climate-related risks and opportunities .	Full
	Describe the organisation's processes for managing climate-related risks.	High		
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	High	A description of how processes for identifying, assessing and managing climate-related risks are integrated into the overall risk management process in the company or LLP.	Full
METRICS & TARGETS See page 32	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	High	Description of the targets used by the company or LLPs to manage climate-related risks and to realise climate-related opportunities and of performance against those targets.	Full
	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	High	The key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based.	Full
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risk.	High		

***TCFD Disclosure: Strength of Response:** Rathbones Group meet and align with the requirements of the TCFD. However, for 2024, we have included an assessment of our strength of response to each requirement, recognising that improvements can be made.

ABOUT RATHBONES

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
— Ability to service international clients through Rathbones Investment Management International (RIMI).

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).

Select
Provides clients direct access to a range of ready-made, diversified multi-asset portfolios managed by 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 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.

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

— Initial advice, which could be delivered as a one-off service
— 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.

We are now able to 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 advisors.

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[1]
LOCATIONS IN THE UK AND CHANNEL ISLANDS

£109.2bn
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, clients are never far away from high-quality, personalised wealth management services.

1. Includes Vision Independent Financial Planning

INTRODUCTION

A statement from our CEO

PAUL STOCKTON
GROUP CHIEF
EXECUTIVE OFFICER

At Rathbones, we understand our role as stewards of capital, and have a responsibility to our clients, stakeholders, and future generations to drive meaningful change while delivering long-term value. The pace of that change on climate matters will inevitably vary based upon political will together with the economic and technological developments that create opportunities for investment and advancement.

The cause however has never been so pressing with 2024 being the first year that global average temperatures rose above 1.5°C compared to pre-industrial levels. With more extreme weather events exposing vulnerabilities and the devastating effects of climate change, it underscores the ongoing need for concerted action from the financial services industry to limit further warming.

We are therefore reaffirming our commitment to being a net zero business by 2050 as recognition of this responsibility. This report outlines our approach to doing so whilst managing the climate-related risks and opportunities we face as a business.

The findings in this report continue to indicate that climate change does pose a risk to the investments we make on behalf of our clients and that it is in the financial interests of our clients and stakeholders for us to manage climate risks effectively.

Critically, the report also outlines the steps we are taking to mitigate risks and realise opportunities. For example, how we engage with our investee companies on climate change – striving for science-based aligned targets, enhanced disclosure and emissions reductions – as well as taking steps to embed climate considerations into our investment decisions. We continue to make progress towards our Science Based Targets initiative (SBTi) investment target, with 24% of our investment holdings now having set SBTi aligned net zero targets.

We know there is more to be done but I hope this report outlines how we will navigate the challenges ahead, demonstrating an ongoing commitment to operating responsibly and transparently.

CLIMATE RISK OVERVIEW

Extreme weather events were identified as the most severe risk on a global scale over the next 10 years, as identified by the World Economic Forum in 2024. Failure to keep the average global temperature increase below 1.5°C will heighten the impacts of these events and significantly affect 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 could quickly become unusable or reduced in value. Transition risks also 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, throughout this report.

OUR JOURNEY TO NET ZERO

We have committed to reaching net zero[1] emissions by 2050 or sooner. Since the SBTi approved our net zero[1] emissions targets in 2022, Rathbones merged with Investec Wealth & Investment UK, which triggered the need for the recalculation of base year emissions and targets. Our restated near-term net zero emissions targets will be submitted for validation by the SBTi.

CHALLENGES IN OUR INVESTMENT FOOTPRINT
Data related to the emissions from the investments we hold on behalf of our clients remains an industry challenge. In response, we regularly engage with data suppliers to understand both their approach and coverage.

PROGRESS IN OUR INVESTMENT TARGET
In 2024, 24% of our in-scope[4] FUMA had validated SBTi aligned targets. This is up from 23% in 2023.

CHALLENGES IN OUR OPERATIONAL FOOTPRINT
Our purchased goods and services continue to be a primary driver of our operational footprint, in addition to capital goods and business travel.

OUR ROADMAP MILESTONES

2030 (2023 BASELINE[2]) | 2035 | 2040 | 2050

Key levers to reach our net zero[1] 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 investment managers' decisions
- Training to enable our investment managers to engage clients
- Engaging suppliers and investees on their climate commitments
- Carbon removal credits, to offset our residual emissions.

Achieving net zero[1] across our operations[5]

70%
of suppliers[3] by emissions to have set targets within five years of target submission date

42%
reduction across Scope 1 and 2 emissions

Achieving net zero[1] across our investments

55%
of in-scope[4] FUMA, by invested value, to have set SBTi targets by 2030 (category 15)

77%
have set SBTi validated targets by 2035

100%
BY 2040
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. Rathbones Group Plc define net zero as: balancing the release of greenhouse gases into the atmosphere by absorbing or avoiding an equivalent amount. As defined in our glossary
2. Our environmental target was set based on our 2023 operational and investment emissions footprint. Our investment target covered 89% of our FUMA as of 31 December 2023
3. Scope 3, Category 1 + 2, Purchased Goods, Services and Capital Goods
4. In-scope FUMA include equity, bonds, fixed income, structured products, collectives and passive funds
5. Our near term targets are set on a five year basis. Further targets will be set as we reach the end of our current target term.

Annual Report and Accounts
Responsible Business Update

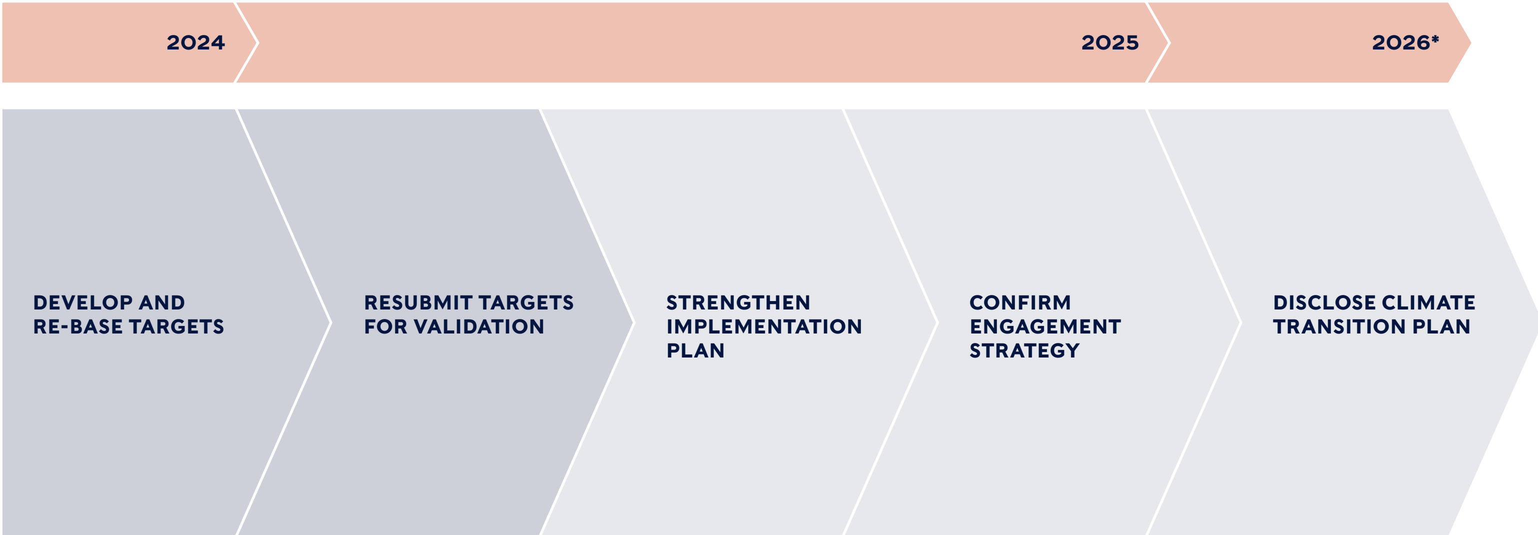
OUR TRANSITION PLAN

We are aiming for net zero emissions across our operations and investments by 2050, in line with a 1.5°C Paris Agreement goal.

In support of these goals, we intend to develop and disclose a Climate Transition Plan in 2026 which will outline the plans we have set to achieve our targets as well as contribute to the economy-wide transition to a low-carbon economy. Following the work we undertook to rebase our targets in 2024, we will resubmit our targets for validation, strengthen our implementation plan and confirm our engagement strategy, in order to build out and disclose a transition plan. The Climate Transition Plan will align with the guidance provided by the UK Transition Plan Taskforce and will be delivered through Rathbones Responsible Business Framework; informed by the climate-related risks and opportunities we have identified in this report.

See page 15

Following the work we undertook to rebase our targets in 2024, the development of our Climate Transition Plan will be guided by the following timeline and workstreams:



To develop and re-base our targets, we modelled our emissions, which helped to identify hotspots and potential reduction opportunities. Stakeholder engagement across operational and investment teams at Rathbones also helped us to identify key levers to reach our targets. These levers are outlined on page 33 of the metrics and targets section.

* Scheduled for Q1

GOVERNANCE

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

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.

Read more about our risk management framework on page 27

BOARD OVERSIGHT OVERVIEW

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 (see page 12 for details on remuneration).

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.

RISK GOVERNANCE			
BOARD	**AUDIT COMMITTEE**	**GROUP RISK COMMITTEE**	**EXECUTIVE COMMITTEE EXECUTIVE RISK COMMITTEE BANKING COMMITTEE**
Sets strategy and risk appetite across the Group, and is ultimately accountable for risk management.	Monitors and reviews the effectiveness of internal controls with oversight of the internal audit function in line with the Group's risk profile on behalf of the Board. It also oversees the appointment and relationship with the external auditor.	Oversees effectiveness of the risk management framework and activity across the Group. Advises the Board on risk appetite, risk assessment, risk profile and risk culture.	First line committees with responsibility for management of risk and internal control across the Group.

COMMITTEE ROLES AND RESPONSIBILITIES

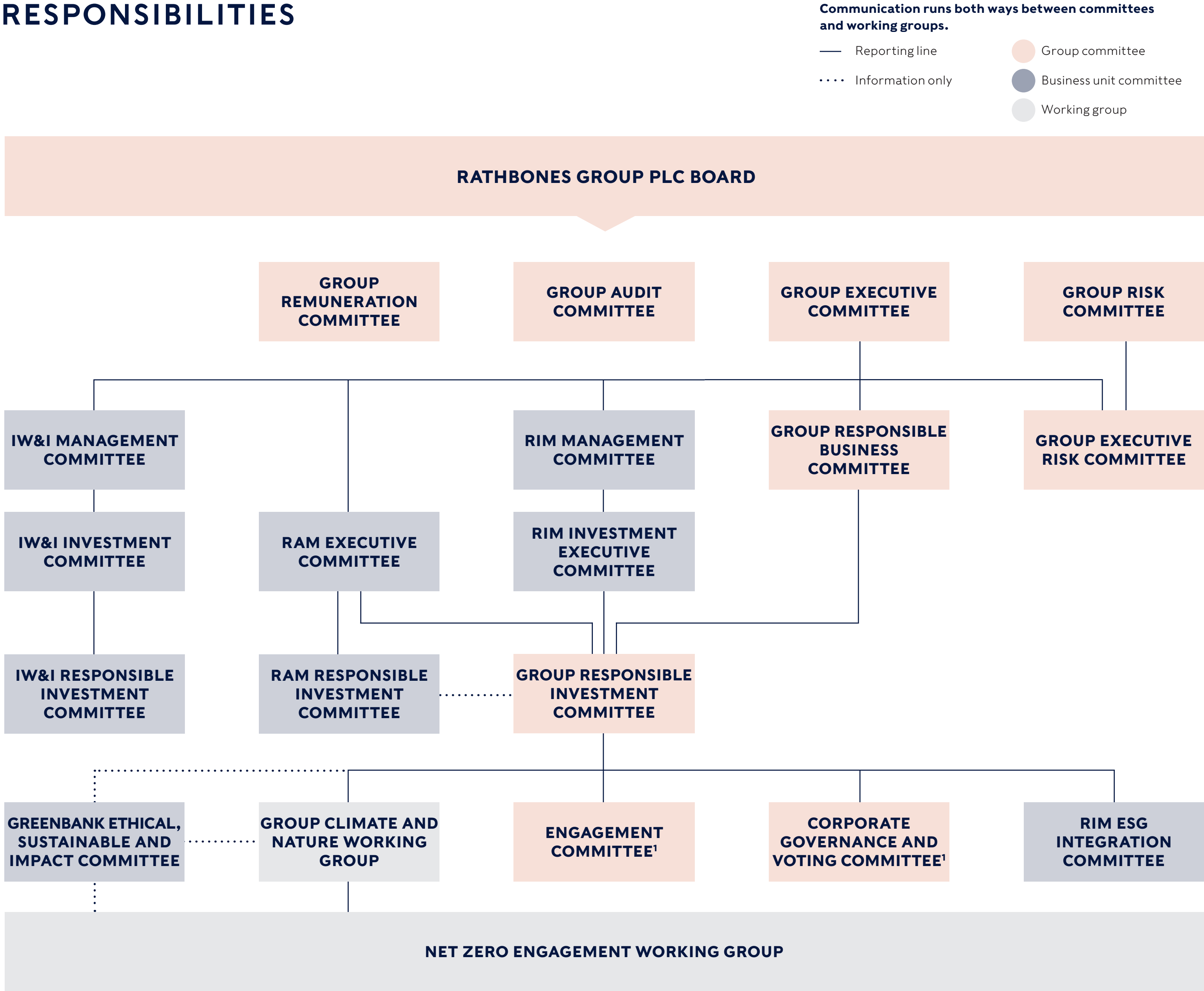
In addition to Board monitoring, oversight of climate-related risk and opportunity management is also undertaken by a number of committees, including the group risk and audit committees.

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 in the next section below. These committees are supported by working groups and forums where specific topics have been delegated.

Terms of Reference (TOR) for some of the committees are publicly available, which provide additional detail on stakeholder expectations and contributions.

Terms of Reference



1. Excluded IW&I in 2024

COMMITTEES

COMMITTEE AND LEAD	ROLES AND RESPONSIBILITIES	FREQUENCY OF MEETINGS	2024 ACTIVITIES AND OUTCOMES
GROUP AUDIT COMMITTEE **Iain Cummings** Chair of the Audit Committee	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.	At least quarterly and otherwise as required.	Reviewed the process for the Group's climate reporting, including the climate section in the Annual Report and Accounts.
GROUP RISK COMMITTEE **Terri Duhon** Chair of the Risk Committee	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.	At least five times a year and otherwise as required.	Provided oversight and approval of the ICAAP 2024 operational risk scenarios. 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	The role of the Remuneration Committee is to set the overarching principles and parameters of the Remuneration Policy across the company. The committee liaises with the risk committee and CRO to ensure remuneration policies are in line with sound and effective risk management.	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.	Took into account the leveraging of ESG credentials into executive remuneration, including but not limited to the rebasing of the Group's net zero targets and progress against them.
GROUP EXECUTIVE COMMITTEE **Paul Stockton** Group Chief Executive Officer	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.	Our GEC receives a minimum of two updates a year on our responsible business programme, which includes the approach to managing our environmental impact.	Oversaw the consolidation of the Group's property footprint.
GROUP EXECUTIVE RISK COMMITTEE **Sarah Owen-Jones** Chief Risk Officer	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.	The ERC discusses climate risk at least twice a year, covering topics most relevant at the time.	Oversaw the annual review of the Group's risk appetite. Considered climate change as part of the suite of stress tests and potential stress tests feeding into our ICAAP process.

Full details of the TORs can be found on our website.

COMMITTEES

COMMITTEE AND LEAD	ROLES AND RESPONSIBILITIES	FREQUENCY OF MEETINGS	2024 ACTIVITIES AND OUTCOMES
GROUP RESPONSIBLE BUSINESS COMMITTEE **Paul Stockton/Ivo Darnley** Group Chief Executive Officer/ RIM Managing Director	Our Responsible Business Committee is co-chaired by our Group Chief Executive and the Managing Director of RIM. The committee oversees our responsible business programme. 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.	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.	Approved the re-basing of the Group's net zero near-term targets. Received feedback on the activities of the RIC. Discussed the firms' approach to exclusions and net zero engagement. Oversaw carbon reporting. Ratified the alignment of our RI policy across the Group.
GROUP RESPONSIBLE INVESTMENT COMMITTEE **Elizabeth Savage** Co-chief Investment Officer	The Responsible Investment Committee (RIC) includes senior practitioners from across the Group and in 2024 include representatives from IW&I (UK). The RIC is responsible for the formation and implementation of the Responsible Investment Policy.	The RIC meets 12 times a year. Their work overlaps with our stance as a responsible business more generally and how we act as a responsible steward of our clients' assets.	Reviewed the implications of our thermal coal phase-out policy. Oversaw the implementation of our client TCFD reporting. Oversaw the expansion of our RI Policy across the Group.
RIM INVESTMENT COMMITTEE **Peter Thompson** Investment Director	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.	The IEC meets 12 times a year and has oversight of the responsible investment committee and our investment governance framework and processes.	Reviewed stewardship activities, including engagement. Agreed communication and training for client facing colleagues.
RAM RESPONSIBLE INVESTMENT COMMITTEE **David Harrison** Fund Manager	The RAM Responsible Investment Committee (RAM RIC) for our Asset Management business, reports into the RAM Executive Committee and supports the work of the Group Responsible Investment Committee.	The RAM RIC meets monthly and identifies the requirements to implement RAM's RI strategy and associated, training, communication and reporting.	Oversaw the application of the RI Policy. Engaged with the regulator on the implementation of the Sustainability Disclosure Requirements.
CORPORATE GOVERNANCE AND VOTING COMMITTEE **Matt Crossman** Stewardship Director	The Corporate Governance and 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.	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.	Reviewed the company's voting policy including voting on net zero and transition plans. Agreed expansion of responsibilities to include governance matters.

Full details of the TORs can be found on our website.

COMMITTEES

COMMITTEE AND LEAD	ROLES AND RESPONSIBILITIES	FREQUENCY OF MEETINGS	2024 ACTIVITIES AND OUTCOMES
ENGAGEMENT COMMITTEE **Archie Pearson** ESG & Stewardship Analyst Voting Lead	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.	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.	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.
RIM ESG INTEGRATION COMMITTEE **Francesca Cherubini Stoughton** Head of Investment Process Implementation	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.	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.	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.
IW&I MANAGEMENT COMMITTEE **Paul Stockton** Chief Executive Officer	The Management Committee (IW&I ManCo) was established for major operational decisions and to oversee the day-to-day management of all aspects of IW&I's business. IW&I ManCo has responsibility and oversight for the company's strategy, performance, operations and governance. IW&I ManCo has delegated authority to several other committees to be responsible for certain key business and risk matters.	The Committee meets on a formal monthly basis as well as during the intervening period on a shorter more informal basis.	Reviewed IW&I's latest PRI, TCFD reporting and Sustainable Disclosure Requirements (SDR). Close monitoring of ESG integration via the IW&I Investment Research report.
IW&I INVESTMENT COMMITTEE **Pela Strataki** Head of Research	The committee is mandated by the IW&I ManCo to oversee the creation and delivery of an efficient investment process that is of a 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.	Monthly.	Discharged and oversaw all aspects of IW&Is Responsible Investment policies and reporting. Promoted alignment of IW&I investment process and policies with Rathbones Investment Management's approach.
IW&I RESPONSIBLE INVESTMENT COMMITTEE **Cheryl Hayes/Max Richardson** Senior Strategy Director for Sustainability/ Senior Investment Director	Set up in October 2023 as a permanent 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.	The Committee met bi-monthly to discuss and track progress of responsible investment initiatives. The Committee reported to the IW&I Investment Committee.	Undertook a detailed review of the Stewardship Report and inaugural IW&I TCFD Report, which the committee members reviewed and approved for recommendation to the Investment Committee.

Full details of the TORs can be found on our website.

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

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 Group Risk Committee. The CRO plays an important role in identifying and understanding the risks to which Rathbones is exposed to.

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 climate training for all professional employees.

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 2024, ESG measures were 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 120) we share the outcomes of the non-financial strategic measures included in 2024 executive remuneration.

TRAINING

In 2024, 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. In 2024, the proportion of in-scope colleagues[1] who participated in climate training was 99.2% and the proportion of colleagues who participated in anti-greenwashing training was 99.8%. As part of these numbers, several colleagues have completed the Chartered Financial Analyst (CFA) Institute certificates in ESG Investing and Climate and Investing.

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. A small number of colleagues have embarked on post-graduate certificate and diploma programmes with CISL. Their studies have focused on the integration of climate risk into the strategic asset allocation process, engagement with oil and gas companies on the setting of emissions reduction targets, evolution of corporate governance regimes and the delivery of a just energy transition. We will maintain these relationships across Rathbones Group to increase the uptake of and enhance our focus on sustainable finance learning.

POLICIES

Policies play a key role in supporting the oversight of sustainability-related risks and opportunities. The following table summarises the key elements of the policies we have in place that support our sustainability-related commitments. Our Wealth and Asset Management businesses have their own policies, which align with our Group policies. During 2024, IW&I had equivalent but distinct policies. The aims of the IW&I policies were broadly similar to those outlined below for the Rathbones Group.

POLICY	OVERVIEW
VOTING POLICY ⊕ Read more	A framework for how we achieve our governance goals. Voting is informed by our Responsible Investment Policy, and through voting activities Rathbones will: be long-term stewards for a more sustainable world, protect returns and ensure ESG integration across investments.
GROUP RESPONSIBLE INVESTMENT POLICY ⊕ Read more	Provides the basis for how Rathbones will manage its funds and portfolios in a manner consistent with our responsible business objectives, relevant laws and governance standards. Please see page 29 of this report for a detailed overview of our four pillars of responsible investment.
GROUP ENGAGEMENT POLICY ⊕ Read more	Sets out Rathbones engagement principles in respect of the companies in which we invest. Engagement is codified in one of our four responsible investment principles – engagement with consequences – in which Rathbones aims to prioritise engagement where a difference can be made in addressing systemic ESG challenges.

1. Training was rolled out to Rathbones colleagues (excluding IW&I)

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

How we identify, manage and respond to the climate-related risks and opportunities that we face as a business is a core part of our commitment to net zero and the broader transition to a low-carbon economy. This in turn guides our strategic priorities through our operations and propositions.

STRATEGIC FOCUS

The Board believes that climate-related risks have the potential to negatively impact the investment performance of our clients' portfolios. This may affect our organisation and stakeholders in the short, medium and long term.

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. As we work to enrich the client and adviser experience, we continue to provide our clients with products that not only meet their financial needs but can also adapt to the continually evolving environment.

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 as follows:

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

Our risk timelines align with those we use for going concern and viability statements. Our short term risk aligns with going concern, for which we use a period of at least 12 months from the financials. Our viability statement aligns with our medium term risk (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: L Long term, M Medium term, S 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 actions.

All risks and opportunities outlined below are deemed material to the business and correspond to Rathbones Group principal risk categories.

Full definitions of Rathbones Group principal risk categories can be found in the Annual Report on pages 63 to 67. For details on how we identify, manage and respond to these risks, please advance to the risk management section of the report.

TRANSITIONAL

RISK TYPE AND DESCRIPTION	ACTUAL AND POTENTIAL IMPACT	MITIGATION ACTIONS
REPUTATIONAL: CUSTOMER PERCEPTION Failure to manage climate transition risk within existing propositions Magnitude: High; Risk trend: Increasing; Time horizon: S	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 funds that consider ESG criteria.	**Corporate policy:** We review our investment risk policy at least annually. This gives our clients a clear understanding of the extent to which responsible or sustainable criteria are factored into our investment process. **Engagement programmes:** Our engagement programmes include a focus on climate and delivery of net zero plans by our investee companies, supporting our response to the changing landscape and increasing regulatory requirements. **Training:** We offer training to our investment and fund management teams to support client conversations and risk review as part of portfolio construction. This training supports open and transparent communication with our stakeholders on consideration of climate risk as part of the investment process. **Data availability:** We continue to support investment managers and analysts to advise our clients on ESG integration. In 2024, our ESG integration team focused on making enhancements to our investment research process. These are detailed in the spotlight on ESG integration on page 30 of this report.
REPUTATIONAL: EMPLOYEE SATISFACTION AND RETENTION Inability to attract and retain employees due to climate inaction Magnitude: High; Risk trend: Increasing; Time horizon: M	Employees are increasingly conscious of climate issues and expect us to take meaningful action on sustainability. If climate concerns are not addressed, Rathbones risks not attracting and retaining employees. Weakened sustainability efforts across the business could lead to disruption of business as usual, slowing of processes and financial losses. For example, due to inadequate risk assessments and poor decision-making.	**Target setting:** We have committed to reaching net zero emissions by 2050 or sooner and have set near-term net zero emissions targets to help achieve this. As part of our net zero commitments, we will develop and disclose a Climate Transition Plan in 2026 to outline the plans we have set to achieve our targets. We will continue to attract and retain talent by aligning our commitments with employee values and expectations. **ESG-linked remuneration measures:** We continue to incorporate ESG measures into the variable pay component for our Group Executive Committee members; embedding ESG and climate considerations as a strategic priority by aligning leadership incentives with long-term sustainability. **Training and development:** We continue to offer our employees access to ESG integration training; supporting employees with the skills and knowledge to help manage ESG risk and opportunities and incorporate ESG factors into investment research.

CLIMATE-RELATED RISKS

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

TRANSITIONAL CONTINUED

RISK TYPE AND DESCRIPTION	ACTUAL AND POTENTIAL IMPACT	MITIGATION ACTIONS
S **REPUTATIONAL: SHAREHOLDER CONCERN** Failure to manage shareholder climate expectations	Failure to manage shareholder expectations, for example, failing to align investment strategies with ESG criteria and our responsible investment principles, could lead to loss of business and competitive advantage; through potential shareholder withdrawals and an inability to attract new shareholders.	**Transparency and compliance:** We report how we embed responsible investment principles in investment strategies and how investment managers review and assess risk. Our Climate Report meets UK government mandatory reporting requirements, and we regularly monitor the evolving regulatory landscape. **Target setting:** Our SBTi aligned targets demonstrate our commitments to emissions reductions across our operations and investments. In 2026, we aim to disclose a Climate Transition Plan which will outline the specific plans we have set to achieve our targets. **Risk management:** Our risk management process is used to identify, assess and respond to risks that could affect the delivery of our strategic objectives and annual business plans. See page 28 for full details.
M **REGULATORY, COMPLIANCE AND LEGAL: CARBON PRICING** Increased regulations on carbon-intensive goods and services (Investments)	Indirect devaluation of investments through increased operational costs for investee companies. As regulations evolve and potential carbon pricing mechanisms are introduced (such as levies for emissions-intensive materials), high emitting sectors may face increased costs. This may decrease returns for investors, or might be passed on to consumers, affecting the demand for their products.	**Engagement with investee companies on ESG:** We continue to actively engage with companies to encourage sustainable practices, emission reductions and commitments to SBTi-aligned reduction targets. **Consideration of ESG criteria in investment decision:** We continue to integrate ESG factors in the investment research process to help us identify and prioritise investments in companies with strong sustainability practices, managing exposures to companies with higher carbon liabilities. We aim to use these processes to leverage direct investments in low-carbon industries, understanding the importance of providing stimulus for the transition to a low-carbon economy.
S **REGULATORY, COMPLIANCE AND LEGAL: CARBON PRICING** Increased regulations on carbon-intensive goods and services (Operations)	Direct regulatory costs imposed on operations through potential energy and fuel price increases and increasing supply chain costs, particularly from suppliers impacted by carbon pricing. Increased regulations on carbon pricing directly impact operations by raising costs associated with energy consumption, as governments implement carbon taxes, mechanisms and duties to curb the use of emissions intensive fuel.	**Internal carbon price:** We have assigned an internal carbon price to guide decisions on how to reduce our carbon footprint. We determine this internal carbon price by averaging the costs of carbon credits from different projects. Rathbones is exploring how the internal carbon price can be used to drive energy efficiency, drive low-carbon investment, identify low-carbon opportunities and set a carbon offset budget. **Energy efficiency programmes and green initiatives:** We continue to identify ways to invest in energy efficient operations through the Energy Savings Opportunity Scheme (ESOS). As of 2024, all offices are illuminated with LED fittings and an investment of £125,000 to upgrade to LED in Liverpool was complete. PIRs were also installed in the Birmingham office. **ESG review of suppliers:** We undertake an ESG review on our suppliers to measure their sustainability performance; including whether they have set environmental targets aligned with a net zero commitment. With 79% of suppliers having completed the ESG review, one main area identified for further action included net zero approaches supported by near-term targets and data disclosure in our larger partners.

CLIMATE-RELATED RISKS

Magnitude: High · Medium-high · Medium · Low
Risk trend: Increasing · Stable · Decreasing
Time horizon: L Long term · M Medium term · S Short term

TRANSITIONAL CONTINUED

RISK TYPE AND DESCRIPTION	ACTUAL AND POTENTIAL IMPACT	MITIGATION ACTIONS
REGULATORY, COMPLIANCE AND LEGAL: EMISSIONS REPORTING OBLIGATIONS Failure to maintain compliance with emissions reporting obligations and readiness for emerging regulations (Medium; Increasing; S)	Fines as a result of regulatory action, reputational damage and increased operational costs due to unplanned remedial action. Increased climate-related reporting obligations incur additional costs to ensure compliance. We expect that current reporting frameworks (e.g., IFRS) may also incur costs for compliance.	**Monitoring of legislative landscape:** We use internal and external resources to enable the ongoing monitoring of the legislative landscape. **Resource allocation:** We continue to ensure that our operating model supports our policy and reporting obligations by increasing the resources allocated to the responsible business function: the dedicated team at Rathbones that oversee emissions reporting and climate-related financial disclosure. **External expertise:** We continue the annual retention of external consultants to support the business and ensure continued compliance with existing and preparation for emerging regulation. In 2024, this included a gap analysis to review our readiness to report against the emerging IFRS sustainability disclosure standards.
SUSTAINABILITY: UNCERTAINTY IN MARKET SIGNALS Inability to attract and retain clients due to uncertain risks related to climate change (High; Increasing; S)	Adverse effects on market share and profitability. 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 a loss of clients that could have a significant revenue impact.	**Access to funds with sustainability characteristics:** We are aware of the long-term shift in customer expectations and preferences towards funds that consider ESG criteria and must adapt accordingly to this market change. Our Rathbone Ethical Bond Fund had £2.0bn at 31 December 2024 (2023: £2.2bn) while the Rathbone Greenbank Global Sustainability Fund maintained £0.1bn funds under management, level with 2023. **Resource allocation:** To support the growth in funds that consider ESG criteria, we continue to ensure we have the right resource in place and work to have data available to help our assessment of the risks and opportunities for the investments we make on behalf of our clients.
SUSTAINABILITY: PRODUCTS AND SERVICES Technology: Substitution of existing products and services with lower emissions options (Medium; Decreasing; M)	Failure to substitute existing products and services with lower emission options poses a risk to our operations and value chain through increased costs and stranded assets.	**Management and monitoring of our carbon footprint aligned with SBTi targets:** We continue to manage and monitor our carbon footprint carefully, which informs our carbon reduction efforts in line with our SBTi targets (undergoing revalidation in 2025). Our technology-related reduction efforts in 2024 focused on digitising access to client information, initiating the electrification of the heating system at our London office and implementing other efficiency measures as part of our ESOS action plan.

CLIMATE-RELATED RISKS

Magnitude
High Medium-high Medium Low

Risk trend
Increasing Stable Decreasing

Time horizon
L Long term M Medium term S Short term

PHYSICAL

RISK TYPE AND DESCRIPTION	ACTUAL AND POTENTIAL IMPACT	MITIGATION ACTIONS
M **BUSINESS CONTINUITY: ACUTE – EXTREME WEATHER EVENTS** The impact of climate-change related extreme weather events on business operation	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.	**Maintaining business continuity plans:** We continue to enhance our business resilience framework and maintain business continuity plans (BCP) to facilitate our ability to continue operating in the event of a disruption. We aim to have effective, proportionate and resilient business continuity arrangements in place, to prevent, respond, recover and learn from disruption. We ran a cycle of contingency testing in 2024. **ESG review of suppliers:** Outside of our direct operations, we maintain oversight of our 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 79% of in scope suppliers, and undertook a spend-based carbon footprint calculation of our full supplier base to understand our Scope 3 value chain footprint.
L **SUITABILITY: CHRONIC – CHANGES IN WEATHER PATTERNS** The impact of long-term changes in weather patterns, such as air temperature and precipitation (operations of companies invested in)	Chronic changes in weather patterns may impact the operations of the global companies we invest in and consequently the financial value of their company assets, which may result in increased operational expenses and lower returns for our clients.	**Responsible investment approach:** We use our responsible investment framework and data to focus on issues such as materiality, sustainability alignment, climate and other ESG metrics. In 2024, we enhanced these frameworks with more granular detail and developed specific standards informed by industry focused indicators, our own research expertise and engagement activities. **Application of integration approaches to fit investment services and mandates:** The application of the integration approach is tailored to fit the relevant investment service or mandate. This means that the investment 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. See page 30 of this report for our spotlight on ESG Integration in 2024.

CLIMATE-RELATED OPPORTUNITIES

Magnitude High · Medium-high · Medium · Low

Risk trend Increasing · Stable · Decreasing

Time horizon L Long term · M Medium term · S 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 TYPE AND DESCRIPTION	ACTUAL AND POTENTIAL IMPACT	STRATEGIC ACTIONS TO REALISE OPPORTUNITIES
Magnitude: Medium; Risk trend: Increasing; Time horizon: M **RESOURCE EFFICIENCY: EFFICIENT BUILDINGS** Increased energy efficiency at our offices	Scope 1 and 2 emissions reductions, decrease in costs associated with carbon credit purchases and reduced operational costs achieved by efficiency measures.	**ESOS action plan:** We will implement recommendations from the Energy Savings Opportunity Scheme (ESOS) to enhance energy efficiency across our direct operations. These include behaviour change measures in offices, reflective insulation behind radiators, LED and passive infrared lighting (PIR) as well as higher air conditioning temperatures. In 2024, ESOS included additional compliance stages: ESOS action plans and ESOS annual progress updates. We submitted our ESOS action plan in December 2024, which outlines potential energy reduction measures as a result of an energy audit; with expected energy savings of up to 640,000 kWh achieved by the end of 2027. **SECR compliance:** We continue to use the Streamlined Energy and Carbon Reporting (SECR) framework to accurately track and disclose energy usage and associated carbon emissions. Under SECR regulation we are required to split our global and UK emissions, and within this process, we are able to identify emissions-intensive offices and areas for improvement. **BREEAM buildings:** We aim to prioritise the leasing of office spaces that meet BREEAM (Building Research Establishment Environmental Assessment Method) sustainable buildings standards. BREEAM supports solutions to enhance efficiency and reduce carbon emissions at office sites. The framework can be used to assess the whole life performance of a site, from new build projects to refurbishment and fit out. As we consolidated our offices BREEAM certification was considered: London is BREEAM rated excellent and Bristol is rated outstanding.
Magnitude: Medium; Risk trend: Increasing; Time horizon: M **ENERGY SOURCE: RENEWABLE ENERGY** Purchase and use of renewable energy sources in our direct operations	Scope 1 and 2 emissions reductions, decrease in costs associated with carbon credit purchases and prevention of stranded assets (e.g., heating equipment).	**Renewable energy procurement (renewable electricity tariffs):** At Rathbones, we understand the importance in transitioning to renewable energy sources to reduce reliance on fossil fuels. We aim to transition all our offices to 100% renewable electricity (through supplier renewable electricity tariffs) by the end of 2025 (2024: 61%), which will lower our Scope 2 emissions from purchased energy. **Installation of lower-emissions energy sources:** We have identified replacing conventional boilers with electric alternatives as a way to reduce our Scope 1 emissions from fuel combustion. This has been achieved at our Winchester office, and the heating system at our London office will be electrified by 2027.
Magnitude: Medium-high; Risk trend: Increasing; Time horizon: S **SUSTAINABILITY: R&D AND INNOVATION OF NEW PRODUCTS AND SERVICES TO PROVIDE ACCESS TO NEW MARKETS** Launch products that provide clients with access to financing low-carbon opportunities	Reduction in Scope 3 Category 15 emissions, stimulus for low-carbon industries, acceleration of net-zero targets and an increased market share and revenue from increased demand in products. Developing and launching products that support low-carbon opportunities enables clients to invest in sustainable industries. These products open new revenue streams and expand market reach.	**Alignment with responsible investment framework:** Our aim is to provide access to new markets by better integrating ESG criteria into our existing propositions. By leveraging ESG data, engaging with companies and exercising judgement, we can identify businesses with strong performance and potential for improvement. In 2024, we identified companies for climate-related engagement in line with our pillars of responsible investment (see page 29). By considering ESG factors as part of our research process, we consider alignment of our propositions with sustainability frameworks and taxonomies, and in doing so, accurately communicate the climate-related credentials of our funds that consider ESG criteria. **Direct propositions in climate solutions and leveraging existing solutions:** By embedding climate risk thoroughly across client portfolios, we aim to 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 funds that consider ESG criteria, such as the Rathbone Greenbank Global Sustainability fund and Rathbone Greenbank Global Sustainable Bond fund (available through Rathbones Asset Management).

CLIMATE-RELATED OPPORTUNITIES

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 our business strategy and financial planning.

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 impact 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 and 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 the consolidations we made in 2024 due to the combination with IW&I.

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.

We have a Group 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, including the application of our four principles and reviews progress towards our SBTi-aligned target and commitment to net zero by 2050.

Read more: See page 29

CLIMATE SCENARIO ANALYSIS

OVERVIEW

We use climate scenario analysis to better understand the implications of possible climate pathways (scenarios) on the investments we make on behalf of our clients. Doing so allows us to quantify the risks, opportunities and uncertainties our investee companies face and the potential financial outcomes, therefore indicating the resilience of our investment strategies in different possible future scenarios.

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.

Methodology

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. 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 risks 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.

We use the Network for Greening the Financial System (NGFS) methodology to analyse a number of pathways out to 2100. This methodology is 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 of transition and physical risk on the value of our equity holdings through four scenarios, reflecting the different emission projections and associated temperature pathways. The four scenarios 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
- 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.

LIMITATIONS

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. Additionally, the model considers physical risks directly posed to company facilities only and does not capture the potential effects of climatic events on global supply routes.

IMPROVEMENTS

In 2024, improvements in our scenario analysis methodology allow us to report the aggregated Climate VaR to more accurately reflect the resilience of our portfolio (see pages 22 to 24). In comparison to our scenario analysis in 2023, which required physical and transition risks to be viewed in isolation, due to limitations in modelling (see 2023 TCFD Report).

We have analysed transition and physical Climate VaR in the following section, as well as the aggregated Climate VaR, which accounts for their combined effects, offering a more accurate reflection of the overall value at risk.

We will continue to monitor and explore scenario analysis methodologies, particularly with the aim to improve the representation of physical risks. 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.

CLIMATE SCENARIO ANALYSIS

Results

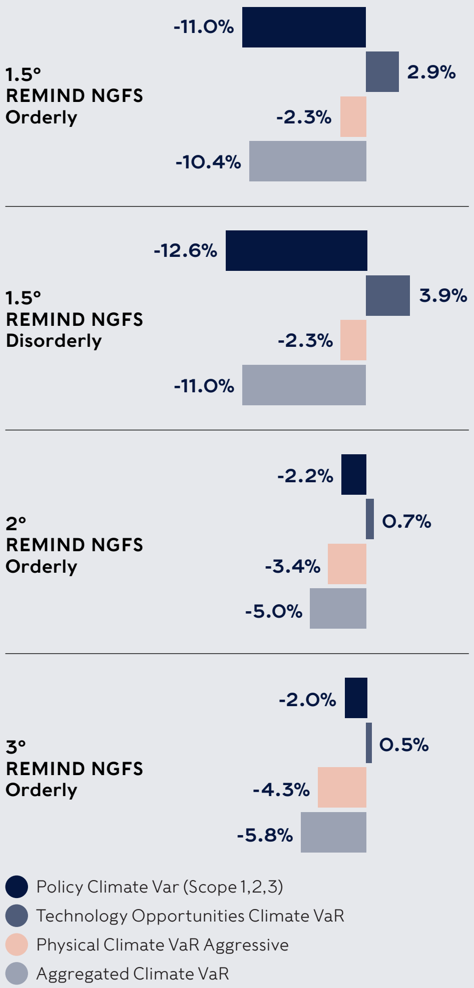
As part of our net zero commitment, and in line with the Paris Agreement, we pursue a 1.5°C scenario. The purpose of the analysis is therefore to understand the differences between orderly and disorderly scenarios in a 1.5°C pathway, as well as the potential implications on our holdings at different levels of temperature rise. This analysis is undertaken on pathways to 2100.

The results in the graphic to the right indicate that orderly scenarios are preferable to disorderly 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 2024 (half-year[1]) and covers 67% of our FUMA. Where data allows, we aim to increase coverage to improve the accuracy of results. Because of variation in coverage from year-to-year, direct comparison of results must be treated with caution. We continue to work with data suppliers and our investee companies to support more complete reporting.

1. The availability of mid-year data allows time for the data and insights to be built into the following year's engagement plans and priority engagement identification work which is scheduled for Q4

SCENARIO OUTCOMES



Key findings

THERE ARE CLEAR ADVANTAGES IN PURSUING AN ORDERLY TRANSITION

Both Transition VaR and Aggregated Climate VaR are projected to have the most significant negative impact in a 1.5°C disorderly scenario (-12.6% and -11.0%). Disorderly scenarios experience higher transition risk due to policies being delayed or divergent across countries and sectors, along with typically higher carbon prices and increased risk of stranded assets.

In contrast, Orderly scenarios demonstrate the impact of policymakers taking decisive action to limit global warming and succeed in reaching net zero by 2050. Both the 1.5°C NGFS Orderly scenario and the 2°C NGFS Orderly scenario model the introduction and gradual increase in stringency of climate policies, resulting in a reduced Transition and Aggregated VaR (relative to 1.5°C NGFS Disorderly scenario). Therefore, Orderly scenarios are comparatively preferable for our investment strategy.

HIGHER TEMPERATURE SCENARIOS INCREASES PHYSICAL RISK AND IMPACT

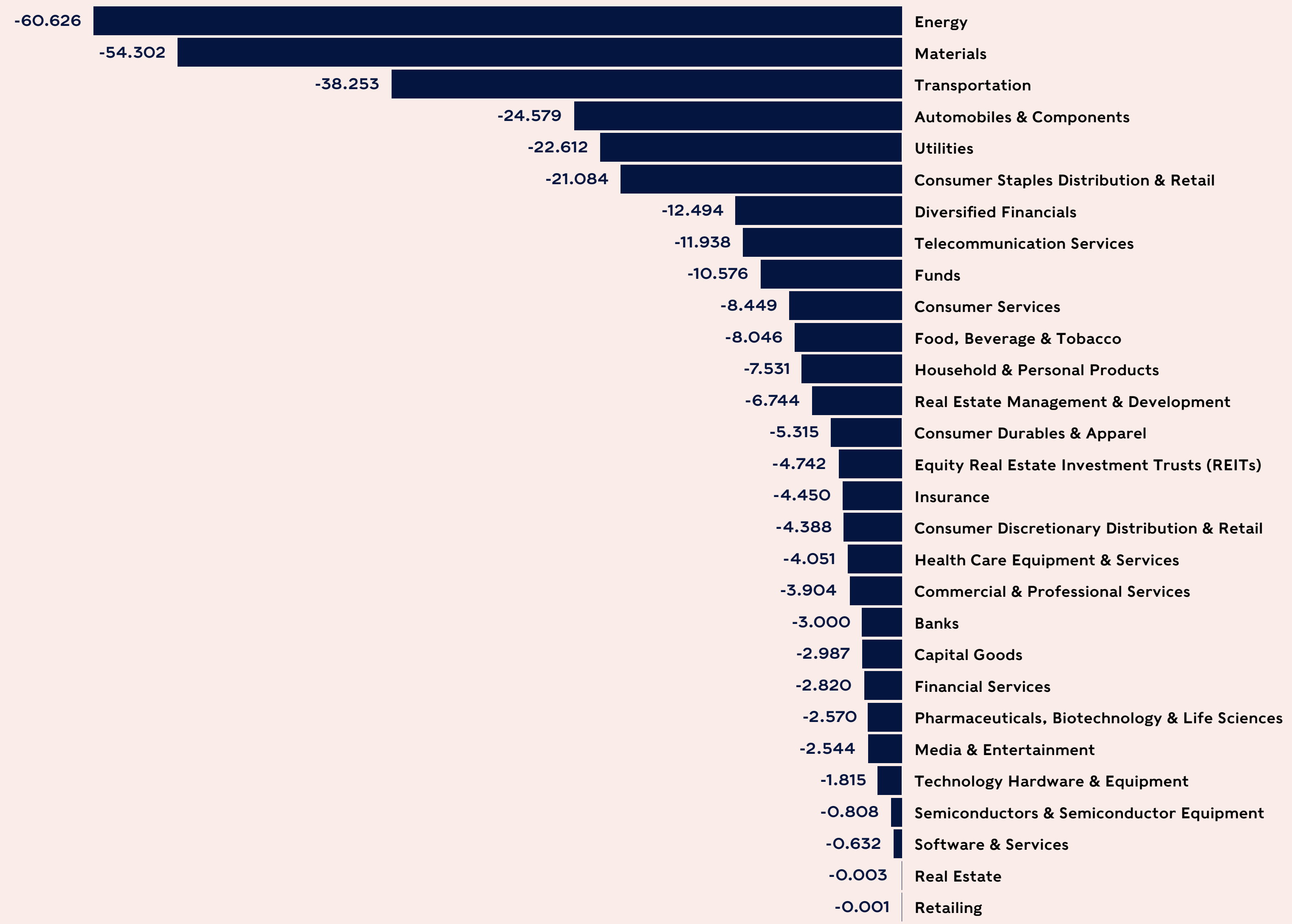
As expected, physical risk is projected to have the largest negative impact on the value of our holdings in a 3°C Hot House World scenario (-4.3%), as a result of the increased frequency and severity of weather events and rising sea levels. This indicates a growing urgency to take concerted climate action and pursue scenarios that limit global warming to below 2°C. Importantly, we do not believe our results fully represent the potential negative impacts of physical climate risks due to limitations in our scenario analysis methodology (outlined in the previous page). Therefore, whilst the Aggregated VaR for 2°C and 3°C scenarios might appear preferable to lower temperature scenarios, we believe the actual value at risk in warmer scenarios to be much greater.

LOWER TEMPERATURE SCENARIOS PROVIDE TECHNOLOGY OPPORTUNITIES

Climate-related opportunities, specifically technology, are projected to be greatest in a 1.5°C disorderly scenario; likely as a result of a rapid transition to a low-carbon economy with increased policy shifts and urgent investment in climate technologies. Under this scenario, technology opportunities reduce the overall impact, reflected in the aggregated Climate VaR. Our analysis of Climate VaR opportunities enables us to identify the investee companies that are more likely to be the beneficiaries of climate policies, and which ones are more attuned to the low-carbon technological opportunities. Our results suggest that technology opportunities could positively contribute to our Climate VaR by up to +3.9% in our 1.5°C disorderly scenario and up to +2.9% in a 1.5°C orderly scenario.

CLIMATE SCENARIO ANALYSIS

AGGREGATED CVAR 1.5°C ORDERLY SCENARIO



SECTOR-SPECIFIC VARIATION

Climate risks vary significantly across different industries. A single aggregated figure for Climate VaR (as displayed on the previous page) does not indicate sectoral variation.

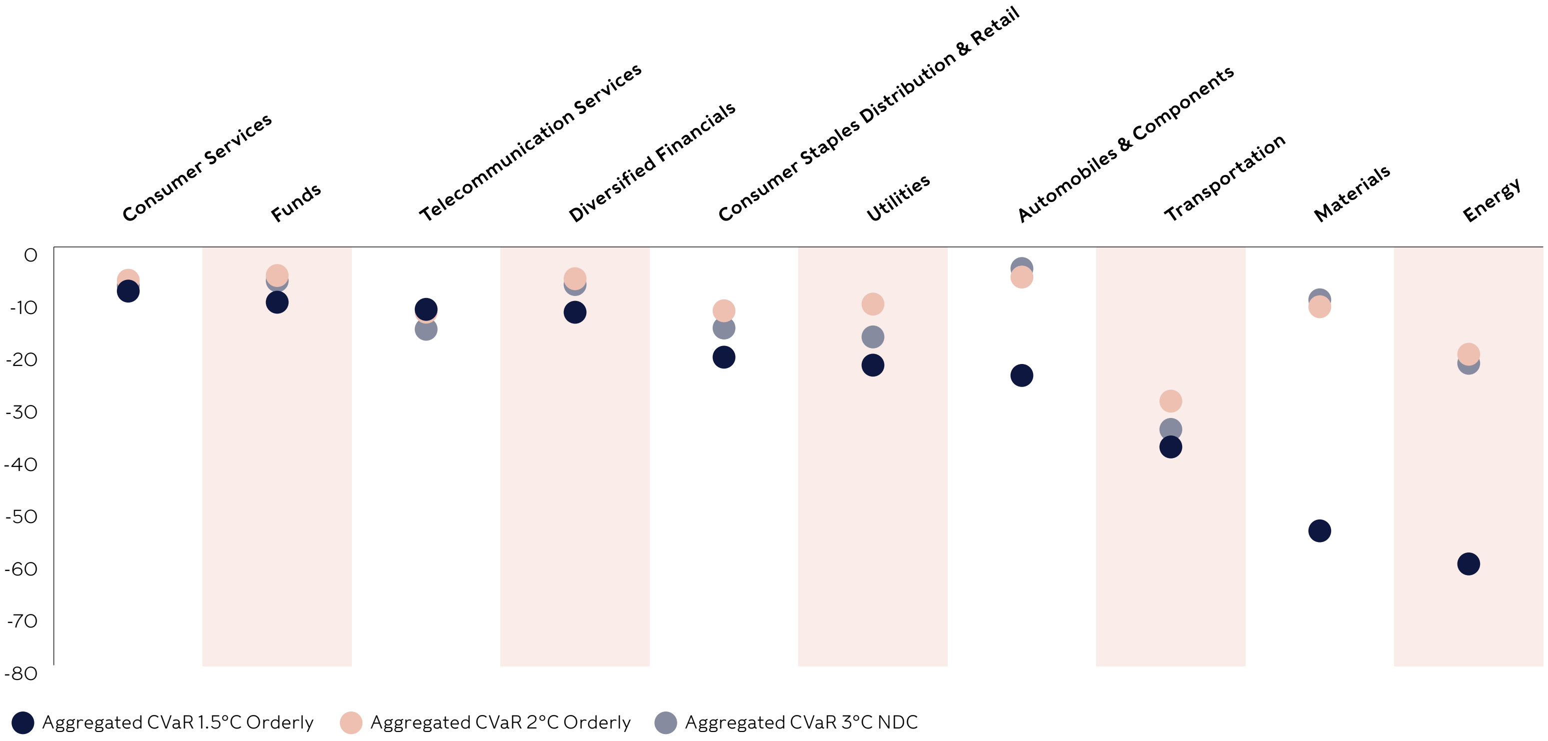
Using the data provided by MSCI, our scenario analysis exercise allows us to identify the sectors and companies that are the most exposed to climate-related risks.

The chart to the left provides a sector-level breakdown of the potential financial impacts on our investment holdings in a 1.5°C orderly scenario, in order of risk exposure. We have selected this scenario because it most closely aligns with our SBTi net zero target and it is the temperature scenario which has the most significant potential impact on our holdings. As the graph indicates, the top three industries most at risk in this scenario are Energy, Materials and Transportation.

All CVaR results displayed have been assessed under MSCI's aggressive scenario, which provides the worst-case scenario (compared to the average scenario), meaning that the impact of climate change could be more severe. Data shows marginal difference in CVaR between the average and aggressive scenario. This analysis is undertaken on pathways to 2100.

CLIMATE SCENARIO ANALYSIS

AGGREGATED CVAR COMPARISON (TOP 10 SECTORS AT RISK)



SECTOR-SPECIFIC VARIATION ACROSS SCENARIOS

The chart on the left displays a comparison of aggregated CVaR for three different temperature scenarios; 1.5°C orderly scenario, 2°C orderly scenario and 3°C scenario. The chart displays ten of the most at risk sectors, which are broadly consistent across the three scenarios. However, the sectors displayed in the graph have been ordered according to a 1.5°C orderly scenario.

As mentioned on page 22, orderly scenarios are generally preferable for our investment strategy, which is why we have chosen to analyse the results here. The sector-specific CVaR results reinforce that the 1.5°C orderly scenario has a greater associated risk than a 2°C and 3°C scenario. However, while the 1.5°C scenario may show greater risk due to the rapid transition required, it will significantly reduce long-term physical risks, which as explained in the limitation section on page 21, may not be fully captured in this analysis.

HOW WE USE THESE FINDINGS

The results of this analysis support and inform our engagement plans and activity with priority investee companies. Specifically, pursuing a 1.5°C scenario means addressing climate change proactively. In doing so, we must use the sector-specific Climate VaR results to target and engage companies that exhibit high (negative) CVaR under a 1.5°C scenario.

CLIMATE SCENARIO ANALYSIS

STRATEGY AND BUSINESS MODEL RESILIENCE

We perform an Internal Capital Adequacy Assessment Process (ICAAP) annually, which includes performing a range of stress tests to determine the appropriate level of regulatory capital that the group needs to hold in the event that principal risks should crystallise. The ICAAP accounts for a number of financial risks from climate change; using the findings from our scenario analysis and identified risks (see page 15 of this report) in the consideration process.

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.

The ICAAP 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. Please see the ESG Integration Spotlight on page 30 of this report for more information.

FOSSIL FUEL EXPOSURE METRICS

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.

The following metrics are provided by MSCI. The Fossil-Fuel Based Revenue Exposure metric includes oil and gas revenue exposure for Integrated oil and gas and exploration and production companies. Green Revenue Exposure is the revenue derived from products or services related to alternative energy, energy efficiency, green building, pollution prevention, sustainable water or sustainable agriculture.

	2024	2023
Fossil Fuel-Based Revenue Exposure	**1.7%**	2.1%
Green Revenue Exposure	**3.7%**	3.1%

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

RISK MANAGEMENT FRAMEWORK

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 are 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 Group 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.

When assessing climate risks and opportunities, we recognise the reliance on data in our efforts to assess climate risks and opportunities. We recognise that climate data availability may be patchy, lagging, or biased towards larger companies and certain jurisdictions therefore, take 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.

FOUR STEP RISK MANAGEMENT PROCESS

CLIMATE RISK AND OPPORTUNITY IDENTIFICATION AND ASSESSMENT

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.

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 management's decisions and actions.

Rathbones Group, with support from external consultants, benchmarks against industry best-practice to ensure all relevant risks are identified and added to the risk register. 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.

Risk Management Process

RISK REPORTING

- Risk information is routinely reported at governance committees across the group
- Group Risk Committee convenes at least quarterly
- 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

- Risks are identified in the context of the Group's 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 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), Internal Capital Adequacy Risk Assessment (ICARA) and Internal Liquidity Adequacy Assessment Process (ILAAP) stress test principal risks across the Group.

RISK MITIGATION AND CONTROL

- Control environment established to mitigate risks to an appropriate level
- Independent control assurance processes are established across the three 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.

OUR RESPONSIBLE INVESTMENT PRINCIPLES

We know it's important to adopt an active and thoughtful approach to responsible investment. By doing this, we seek to protect the value of our clients' investments over the long term; basing our approach to responsible investment on four core principles.

PRINCIPLE	OVERVIEW	APPROACH
ESG INTEGRATION	We consider ESG factors in the evaluation of investments to help identify ESG opportunities and risks. By addressing ESG issues, our responsible investment approach seeks to generate returns through better risk management and the identification of promising investment opportunities.	We have developed a data-driven[1] ESG framework, which emphasises qualitative verification and input from our financial, ESG integration and stewardship analysis. This enables us to determine a company's overall preparedness to mitigate ESG risk, how they meet agreed ESG standards and evolve to meet the changing regulatory landscape.
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.	It is in our clients' interests that portfolio companies adopt good practice ESG risk management and corporate governance. We deliver this through the votes we make on behalf of our clients. Voting is undertaken on our most widely held holdings and on any company if requested by a client. For all climate-related resolutions, our vote is followed by a letter to the company explaining why we consider climate risks to be material to the performance and value of our investments (detailing reasons behind the vote).
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.	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. We cover a list of target companies to ensure that the engagement is carried out and is consistent with objectives. We also engage with companies collaboratively as members of Climate Action 100+ and the Net Zero Engagement Initiative (IIGCC), primarily to improve the quality of company's net zero commitments.
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.	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.

RESPONSIBLE INVESTMENT AND STEWARDSHIP ACTIVITIES Our approach to responsible investment and stewardship focuses on the four pillars of ESG Integration, Engagement, Voting and Transparency	Updated our Responsible Investment Policy[2] and refined our investment process to include a sustainability alignment lens into our investment analysis
	Shared our net zero stewardship and engagement strategy to further explain our net zero aligned activities
	Undertook 743 engagements (2023: 752)[3]
	Rathbones voted on 11,615 items at 870 company meetings in 2024 (2023: 11,966 items at 853 company meetings). In 2024, IW&I voted on 5,930 items at 449 company meetings
	Established an RI communications coordination group to review and update content and approaches to support both our Green Claims Code review process

⊕ **Responsible Business Update**

1. We consider the following data sources to enable a well-rounded evaluation of investments: 1) Insights and data gathered from financial and engagement analysts 2) external data from CDP, MSCI and Morningstar 3) materiality assessments, such as those described by SASB 4)
2. During 2024 IW&I had equivalent but distinct policies. The aims of the IW&I policies were broadly similar to those for the Rathbones Group policies
3. Data excludes IW&I (UK)

2024 ACTIVITIES

Spotlight on ESG Integration

It is in the interests of our clients that the companies and securities we invest in adopt good practice in managing environmental, social and governance (ESG) risks that jeopardise the long-term interests of our shareholders.

By addressing ESG issues, a responsible investment approach not only tries to protect the environment and society, but it also seeks to preserve wealth and generate returns through better risk management and the identification of promising investment opportunities. While each of our four Responsible Investment principles form the cornerstones of our approach, we have focused on spotlighting our ESG integration efforts in 2024, in this year's report.

We continue to evolve our integration approach and embed enhancements into our investment research process. In our 2023 report, we disclosed our ambitions to develop capabilities that allow us to monitor, report and manage the climate impact of securities holdings and manage the risk they pose to the investment outcomes and our agreed climate goals. To deliver on this, we focused on three enhancements to our investment research process in 2024:

1) ESG DATA AVAILABILITY:

Our investment managers consider ESG factors alongside an investment's financial credentials and other data to inform their decisions. In 2024, the ESG integration team enhanced the visibility of data across the business. Not only did the ESG Integration team increase the ways the data is available (i.e., through internal dashboards) but they also increased the availability of specific inputs including: external ratings, Rathbones ESG Ratings, Sustainability Alignment[1], Ethical Restrictions, portfolio WACI, financed emissions and Implied Temperature Rise.

By increasing the availability of proposition-level views of key ESG information, we aim to empower analysts, investment managers and investment committees to incorporate considerations of material ESG factors in research and portfolio construction activities.

2) MANAGING CLIMATE RISK: UNDERSTANDING COMPANIES' LONG TERM EXPOSURE TO THERMAL COAL

In 2024, we began the initial stages of phasing out thermal coal from the Rathbones investment universe. As a first step, we introduced internal thresholds to thermal coal mining and power generation companies. We anticipate these thresholds will tighten over time. We regularly conduct screening to assess the thermal coal exposure of investments in the Rathbones universe. Investments that are flagged as breaching our internal thresholds may be subject to additional analysis or targeted engagement. If necessary, future purchases of such investments may be limited.

We also understand that a transition to net zero emissions requires system-wide change. In 2025, our net zero engagement will include dialogue with financial institutions that invest in or insure thermal coal projects. We aim to encourage them to disclose more clearly their financial involvement in such activity, so that our analysts can better understand our exposures and the long-term transition risk they create. We endeavour to continually monitor our progress against our net zero commitments and refine our approach to phasing out thermal coal over time.

3) SECTOR STANDARDS:

In 2024, we developed sector-specific standards, informed by industry-focused indicators, materiality and our own internal research expertise and engagement. The sector standards will enable us to integrate climate and other ESG considerations into the investment research process and input into our stewardship activities.

The sector-specific standards model is a framework set to be used by analysts to assess portfolio alignment with sector standards. The standards were built to support analysts' judgements on material topics such as emissions performance, high risk ESG activities, nature and biodiversity and people. The data can also be used by the stewardship team to focus their efforts on the areas that are most material to the companies they invest in. Whilst these standards were developed in 2024, roll-out and engagement will occur throughout 2025, and we will report progress made in our next report.

As of 2024, the sector-specific standards were developed for the Oil and Gas industry. Alongside roll-out and engagement in 2025, sector coverage will also be expanded.

1. Our methodology for classifying securities follows the Impact Management Project's ABC framework (A = avoid harm, B = benefits stakeholders, C = contributes to solutions). This allows us to label securities according to their degree of sustainability alignment and allows investment managers to better understand the securities in their portfolios through a sustainability lens.

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
AMBITION	The company has a Paris aligned climate lobbying position and demonstrates alignment of its direct and indirect lobbying activities.
TARGETS	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.
EMISSIONS PERFORMANCE	The company considers the impacts from transitioning to a lower carbon business model on its workers and communities.
DISCLOSURE	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 (e.g., 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.

ASSESSING NET ZERO COMMITMENTS

We have a responsibility to assess the quality of investee companies' net zero commitments. In addition to tracking the adoption of SBTi targets as a means of assessing investee companies' net zero commitments, we have established our own framework to determine whether companies' emission reduction plans are aligned to what is needed to limit global warming to no more than 1.5°C above pre-industrial levels.

The net zero alignment framework, to the left, is inspired by the IIGCC's Net Zero Stewardship Toolkit, and broadly requires compliance with established industry guidelines such as the NZIF criteria and CA100+ Company Benchmark Indicators. The framework is used to engage investee companies by identifying areas where companies are meeting requirements and where there may be need for more urgent action. While the framework is applicable to all companies at a high-level, we recognise that specific criteria is necessary (as discussed in the sector standards section on the previous page), particularly with regards to high-emitting sectors. As mentioned, sector coverage will be expanded in 2025, through our commitment to embrace further sectoral recommendations as they become available.

Reports and Disclosures

OUR 2024 PRI ASSESSMENT

The United Nations Principles for Responsible Investment (PRI) is a set of guidelines for investors to make responsible financial choices. The PRI recognise climate change as the highest priority ESG issue facing investors and works to help investors protect portfolios from risks and realise opportunities. Our responsible investment implementation is assessed at an asset-class level and as a PRI signatory, we receive feedback that supports the enhancement of Rathbones responsible investment processes.

As part of the recent combination with IW&I, Rathbones is undergoing a transition period to align reporting frameworks and consolidate data across the newly combined business. In 2024, this aligned with a year where for the Group, reporting was voluntary. The opportunity was therefore taken to not report in 2024 (for 2023 activities). We will report in 2025 based on 2024. We remain fully committed to responsible investment and the principles of the PRI and look forward to resuming our participation with a unified and strengthened approach in the next reporting cycle. Please see our dedicated webpage on PRI for full details on the principles and reference to our previous transparency report.

OUR 2024 CDP SCORE

We disclose our environmental performance through CDP. For 2024, our thematic score for Climate was B-. This is different to the score disclosed in our Annual Report (page 31), as our score was upgraded due to the identification of an isolated error in CDP's scoring infrastructure.

METRICS & TARGETS

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

OUR ENVIRONMENTAL IMPACT

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 we have identified. 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.

COMMITMENTS

We have committed to reaching net zero emissions by 2050 or sooner. This ambition aligns with the need to limit warming to no higher than 1.5°C above pre-industrial levels. Using 2023 as our baseline year, and having undertaken a full emissions inventory, we used the Science-Based Targets initiative (SBTi) methodology to set our operational and investment targets. Due to the combination with Investec Wealth & Investment UK in 2023, this triggered the need for a recalculation of base year emissions and targets. Our restated near-term net zero emissions targets are set out in the box to the right.

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.

For our full streamlined energy and carbon reporting (SECR) disclosure please see page 77 of our 2024 Annual Report and Accounts. A summary of our focus areas linked to our operational near-term SBTi targets is included below.

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 2023 base year
- **Scope 3 operational target:** 70% of Scope 3, Category 1 & 2 suppliers by emissions to have science aligned targets within five years of target submission date
- **Scope 3 asset class level targets:** Rathbones Group Plc commits to 55% of in-scope FUMA[1], by invested value, having set SBTi-validated targets by 2030, 77% by 2035 and 100% by 2040, from a 2023 base year.

Our environmental target was set based on our 2023 operational and investment emissions footprint. Our investment target covered 89% of our in scope FUMA as of 31 December 2023. Using the portfolio coverage methodology, our targets include: equity, bonds, fixed income, structured products, collectives and passive funds.

KEY LEVERS TO REACH OUR NET ZERO TARGETS

LEVERS	APPROACH
Digitising our business	Through cloud computing, data centre consolidation, and digital communications platforms.
Swapping to renewable energy suppliers	Transitioning to renewables in all offices by end of 2025.
Seeking out green building credentials	Implementing ESOS efficiencies, following EU regulations on Aircon-gas, and switching to electric boilers.
Embedding our travel policy and hybrid working	Reviewing our travel policy and developing internal mechanisms to monitor travel patterns across the year; informing decision-making and carbon reductions.
Increasing the amount of relevant information to investment managers to support their decisions	Engage AUM securities that have not set targets and are in sectors that are able to; increase AUM in existing securities with validated targets; invest in new securities with validated targets.
Training to enable our investment managers to engage clients	Obtaining additional data on underlying assets of Rathbones funds to measure SBTi coverage and identify assets to engage.
Engaging our suppliers on their climate commitments	Increasing SBTi coverage through engagement with priority suppliers.
Carbon removal credits	Continue to support climate action through the carbon credit market.

1. In-scope FUMA include equity, bonds, fixed income, structured products, collectives and passive funds

OUR OPERATIONAL CARBON FOOTPRINT

2024 OVERVIEW

PURCHASED GOODS AND SERVICES

Emissions increased in 2024, with purchased goods and services remaining the largest emissions source. As spend increased our emissions also increased, 75% from 2020 and 10% from 2023. Despite this, emissions grew slower than spending due to an increase in low-carbon intensity services, such as management consultancy, software supply support and uncategorised spend, leading to a reduction in emissions intensity from 0.16 to 0.11 $kgCO_2e$/£ between 2020 and 2024 (2023: 0.12). In terms of uncategorised spend, more accurate emissions factors were applied by researching the associated suppliers' emissions, resulting in a lower carbon intensity of uncategorised spend ($kgCO_2e$/£).

CAPITAL GOODS

Capital Goods account for 36% of emissions in 2024, a significant contrast to previous years where it contributed between 2-4%. Emissions in this category increased by 13,060 tCO_2e relative to 2023, due to an increased in spend on office relocations and refits, with the refit of our London office being a key driver. We expect emissions in this category to return to pre-2024 levels next year.

BUSINESS TRAVEL

Business travel emissions continued to increase, 66% relative to 2023. The most significant contributor to this increase was from air travel; with an increase in long-haul business class flight travel increasing emissions by 412 tCO_2e. Other significant contributors to business travel emissions were domestic air travel and road mileage. Part of the increase in emissions reflects improvements in data accuracy and reporting methods: providing a clear picture of our business travel emissions profile.

OPERATIONAL PROGRESS

FOCUS AREAS	RELATED RISKS AND OPPORTUNITIES	KEY METRICS
RESOURCE CONSUMPTION	Reputation; Regulatory, Compliance and Legal	20 sites (out of 33) using renewable electricity, which covers 66% of our total consumption (kWh).
DIGITISING OPERATIONS	Products and Services	61% of clients now using MyRathbones (2023: 58%, 2022: 50%).
TRAVEL	Reputation; Regulatory, Compliance and Legal	Emissions increased 66% from 1,259 to 2,093 (tCO_2e). Business travel emissions are broadly reflective of a return to previous travel patterns, increasing year on year since 2021.

CARBON CREDITS

Whilst our primary focus remains on reducing the carbon emissions associated with our operations and investments, we believe that funding Nature-Based Solutions has a positive impact on climate change, playing an important role in carbon sequestration and supporting several Sustainable Development Goals. Therefore, we continue to support carbon finance projects.

In 2024, we funded two Nature-Based Solutions which focused on delivering positive impacts through afforestation. We purchased and retired 7,000 credits, offsetting our Scope 1, 2 and Scope 3 (category 3-8) emissions.

Through investing in carbon offsetting solutions, we have calculated an internal carbon price of £22.10 (2023: £23.50)[1].

GUANARE AFFORESTATION, URUGUAY

This project promotes sustainable timber production while enhancing afforestation rates. By planting trees, it aims to restore habitats and reduce topsoil degradation. This is particularly significant in a region where afforestation has traditionally been considered an unviable land-use option, as the area has suffered from years of soil and grassland degradation due to extensive cattle grazing.

VICHADA AFFORESTATION, COLOMBIA

This project's goal is to restore land degraded by cattle raising through timber plantations. This is multi-beneficial, removing carbon from the atmosphere, promoting connectivity between ecosystems through improved tree canopy coverage, and providing equal employment opportunities to both women and men.

1. Rathbones determined its internal carbon price by averaging the cost of carbon credits (£/tCO_2e) from different projects. The £/tCO_2e was gathered through direct agreements with our offset provider. This method gives Rathbones an estimate of what it would cost to offset its emissions using real market-based data.

OUR OPERATIONAL CARBON FOOTPRINT

OUR CARBON FOOTPRINT DATA[1]

(Inc. streamlined energy and carbon reporting)

Location-based emissions (tCO_2e)[2]	2024	2023	2022
Scope 1 (tCO_2e)	**531**	584	639
UK[3] emissions	**531**	584	639
Global[3] emissions (excl UK)	**–**	–	–
Scope 2 (tCO_2e)	**643**	773	757
UK[3] emissions	**637**	769	753
Global[3] emissions (excl UK)	**5**	4	4
Scope 3 (tCO_2e)[4, 5, 7, 8]	**36,168**	22,425	20,630
UK[3] emissions	**35,831**	21,977	20,621
Global[3] emissions (excl UK)	**337**	448	368
Scope 3 – category 1: purchased goods and services	**17,211**	16,842	15,413
Scope 3 – category 2: capital goods	**13,409**	349	821
Scope 3 – category 3: fuel and energy-related activities	**271**	329	379
Scope 3 – category 4: upstream transportation and distribution	**268**	274	341
Scope 3 – category 5: waste generated in operations	**23**	14	16
Scope 3 – category 6: business travel	**2,093**	1,259	775
Scope 3 – category 7: employee commuting	**2,885**	3,287	2,787
Scope 3 – category 8: upstream leased assets	**8**	70	98
Total location-based emissions (tCO_2e)	**37,342**	23,781	22,025
UK emissions	**36,999**	23,330	21,653
Global emissions (excl UK)	**342**	451	372
Market-based scope 2 emissions	**394**	478	540
Total energy consumption (MWh)[6]	**5,194**	8,057	8,111
UK consumption	**5,104**	7,955	7,891
Global consumption (excl UK)	**90**	101	94
Intensity ratios[7, 8, 9]			
Scope 1 and 2 – location-based emissions (tCO_2e/FUMA £bn)	**10.7**	12.9	13.8
Total location-based emissions (tCO_2e/FUMA £bn)	**342**	225.8	218
Total location-based emissions (tCO_2e/FTE)[7, 8]	**10.6**	6.8	6.6

1. Following agreement of the combination with IW&I we have restated our environmental figures. All figures in the table include IW&I (UK) 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 2024 are 394 tCO_2e (2023: 478 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 and Guernsey offices. 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. Total energy consumption (kWh) of our Scope 1 and Scope 2 emissions (electricity), and scope 3 (employee cars)
7. 2023 Scope 3 emissions increased by 100 tCO_2e relative to what was reported last year due to data improvements (business travel). This also impacted our intensity ratios for 2023
8. Data relates to total scope 1, 2 (location-based) and 3 GHG emissions
9. 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.

OUR INVESTMENT PROPOSITION CARBON FOOTPRINT

INVESTMENT METRICS[1,2]

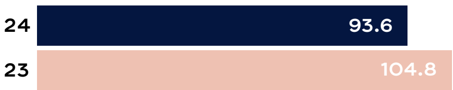
FINANCED CARBON EMISSIONS[3]
(tCO_2e/$m invested)

WACI CORPORATE CONSTITUENTS[5]
(tCO_2e/$m sales)

TOTAL FINANCED CARBON EMISSIONS[3]
(tCO_2e)

WACI SOVEREIGN CONSTITUENTS[6]
(tCO_2e/$m GDP nominal)

WEIGHTED AVERAGE CARBON INTENSITY[4]
WACI (tCO_2e/$m sales)



INVESTMENT FOOTPRINT

We calculated our carbon metrics, using MSCI methodology based on our 31 December 2024 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 linked to a direct target, these investment metrics enable us to monitor how we are responding to market risks and opportunities. More details on the MSCI methodology can be found in the appendix on page 51.

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.

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 (prior to 2023), 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 (please see the following page for results).

1. Data has been restated for 2023 to include securities held by IW&I (UK)
2. Metrics include Scope 1 and 2 emissions
3. Financed Carbon Emissions portfolio coverage: 73.8%
4. WACI portfolio coverage: 40.5%
5. WACI Corporate Constituents portfolio coverage: 73.9%
6. WACI Sovereign Constituents portfolio coverage: 14.4%

Coverage is defined as the market value of covered assets divided by the portfolio total market value, excluding out-of-scope positions

OUR INVESTMENT PROPOSITION CARBON FOOTPRINT

ITR RESULTS

As was the case last year, 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.

WHAT DOES THIS TELL US?

The model shows that our portfolio has an ITR of 2.3°C. This evaluation was completed on 71.2% of securities (81.2% of market capitalisation). This means that 33.2% 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 66.8% 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.

IMPLIED TEMPERATURE RISE

2.3°C

2023: 2.3°C

Implied Temperature Rise Categories	Companies in category (%) 2024	2023
1.5°C Aligned (<= 1.5°C)	**8.7**	18.1
2°C Aligned (>1.5–2.0°C)	**24.5**	31.3
Misaligned (>2.0–3.2°C)	**57.2**	43.8
Strongly Misaligned (>3.2°C)	**9.6**	6.8

SBTI PORTFOLIO COVERAGE

Whilst ITR does not directly inform 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 work to bring our ITR into alignment with our commitment of 1.5°C above pre-industrial levels. For details on our SBTi portfolio coverage, please see page 4. 'Our Journey to Net Zero', which outlines the progress made in our investment target (coverage of in-scope FUMA with validated SBTi aligned targets).

Looking forward

At Rathbones, we recognise that climate change is a global risk and that it is crucial we address it in order to deliver long-term value for our current and future stakeholders. We will continue to embed our climate change strategy across the group as we work to achieve our net zero commitment and support the transition to a low-carbon economy through the following activities:

- the development and disclosure of a Climate Transition Plan which will outline the plans we have set to achieve our targets and contribute to the economy-wide transition to a low-carbon economy
- continued collaboration across the industry on emerging and incoming reporting regulations, supporting increased transparency
- continued integration of climate data in our investment approach by expanding the coverage of sector standards and improving access to and availability of ESG data
- continued engagement with investee companies to increase the proportion of our investment holdings having set SBTi aligned net zero targets, in alignment with our investment target.

APPENDICES

APPENDICES: ENTITY REPORTS
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 2024 Group Climate Report and is supplemented by entity-specific content in the appendix.

TCFD PILLAR	TCFD RECOMMENDATION	RIM	IW&I	RAM	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 7-11	Group – pages 7-11	Group – pages 7-11	Group – pages 7-11	Group – pages 7-11
	b. Describe management's role in assessing and managing climate-related risks and opportunities	Group – page 12	Group – page 12	Group – page 12	Group – page 12	Group – page 12
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 14-19	Group – pages 14-19	Group – pages 14-19	Group – pages 14-19	Group – pages 14-19
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Group – page 20	Group – page 20	Group – page 20	Group – page 20	Group – page 20
	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 21-25	IW&I – pages 41-43	Group – pages 21-25	Group – pages 21-25	Group – pages 21-25
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 27	Group – page 27	Group – page 27	Group – page 27	Group – page 27
	b. Describe the organisation's processes for managing climate-related risks	Group – page 28	Group – page 28	Group – page 28	Group – page 28	Group – page 28
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Group – pages 29-31	Group – pages 29-31	Group – pages 29-31	Group – pages 29-31	Group – pages 29-31
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 40	IW&I – pages 43-44	RAM metrics – page 46	RIMI metrics – page 47	Greenbank – page 50
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	Group – page 35	Group – page 35	Group – page 35	Group – page 35	Group – page 35
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Group – page 33	Group – page 33	Group – page 33	Group – page 33	Greenbank – page 48

APPENDICES: ENTITY REPORT
RATHBONES INVESTMENT MANAGEMENT (RIM)

Rathbones Investment Management (RIM) carries out individual investment and wealth management for private clients, charities, trustees and professional partners.

GOVERNANCE
RIM's approach to governing climate risks aligns with the Group approach see pages 7-12.

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 14-20. 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 21-25.

RISK MANAGEMENT
RIM's approach to risk management aligns with the group approach, with no material deviation, as outlined on pages 27-31.

COMPLIANCE STATEMENT
This report should be read in conjunction with the information provided in the summary table on page 39 and methodology and glossary on pages 51-53. 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.

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 £50.6 billion funds under management and administration.

Portfolio coverage[1] per metric:
— Financed Carbon Emissions: 69.2%
— WACI: 33%
— WACI (Corporate constituents): 69.3%
— WACI (Sovereign constituents): 15.7%
— ITR: 74.7% of securities and 77.5% of market capitalisation.

PAUL STOCKTON
GROUP CHIEF EXECUTIVE OFFICER
Rathbones Investment Management
25 February 2025

Our Metrics

Carbon Footprint Metrics

FINANCED CARBON EMISSIONS
(tCO_2e/\$m invested)

32.8

2023: 41.2

TOTAL FINANCED CARBON EMISSIONS
(tCO_2e)

2,204,292

2023: 2,639,869

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

103.9

2023: 115.6

WACI CORPORATE CONSTITUENTS
(tCO_2e/\$m sales)

77.2

2023: 84.8

WACI SOVEREIGN CONSTITUENTS
(tCO_2e/\$m GDP nominal)

143.7

2023: 172.2

Implied Temperature Rise

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

PORTFOLIO

2.3°C

2023: 2.3°C

Implied Temperature Rise Distribution	Companies in category (%) 2024	2023
1.5°C Aligned (<= 1.5°C)	**9.8**	17.3
2°C Aligned (>1.5–2.0°C)	**26.2**	31.4
Misaligned (>2.0–3.2°C)	**55.5**	44.4
Strongly Misaligned (>3.2°C)	**8.4**	6.8
Paris Aligned	**36.1**	48.8
Non-Paris aligned	**63.9**	51.2

Fossil fuel exposure

FOSSIL FUEL-BASED REVENUE EXPOSURE

1.9%

2023: 2.4%

GREEN REVENUE EXPOSURE

3.4%

2023: 3.1%

1. Coverage is defined as the market value of covered assets divided by the portfolio total market value, excluding out-of-scope positions

APPENDICES: ENTITY REPORT
INVESTEC WEALTH AND INVESTMENT (UK)

In September 2023, Investec Wealth & Investment (UK) combined with Rathbones Group. In 2024, we continued the process of integration and have worked steadily to bring our businesses together.

Dedicated integration teams were set up and worked to manage the change carefully, minimise disruption and focus on how we deliver our work to our clients. Our central investment research functions combined under common leadership in 2024: now one of the largest and best resourced in the industry.

GOVERNANCE

IW&I's governance framework formally changed in early January 2024 and is reflected in the current framework of Rathbones Group. Please refer to pages 7-12 of the Group report.

STRATEGY

OVERVIEW

At a Group-level, Rathbones has committed to becoming a net zero business by 2050 or sooner. In 2024, IW&I participated in the work to rebase Rathbones net zero near-term targets to include IW&I emissions exposure: joining the commitment. New targets have been developed and will be taken through the SBTi validation process in 2025.

Please refer to pages 4 and 5 of the Group report for further details of our journey to net zero and Climate Transition Plan.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

In 2024, as part of the integration process, we screened IW&I's separately identified climate-related risks and opportunities against Rathbones Group disclosure, to add relevant risks and opportunities to the Group disclosure and ensure IW&I coverage. Therefore, the climate-related risks and opportunities identified by Rathbones Group are applicable and inclusive of IW&I. The materiality and time horizons over which climate-related risks and opportunities are considered for IW&I aligns with the Group approach as disclosed on pages 14-20. To support this work the Risk Management Committee (RMC) was mandated by the IW&I ManCo to oversee the development and maintenance of the structured, robust and consistent approach to risk management.

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.

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 IMPACTS ON RETURNS METHODOLOGY

Climate scenario analysis is carried out separately for IW&I and Rathbones Group. Scenario analysis for IW&I was performed using the Clarity AI Climate Impact on Returns solutions. 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 2024.

APPENDICES: ENTITY REPORT
INVESTEC WEALTH AND INVESTMENT (UK)

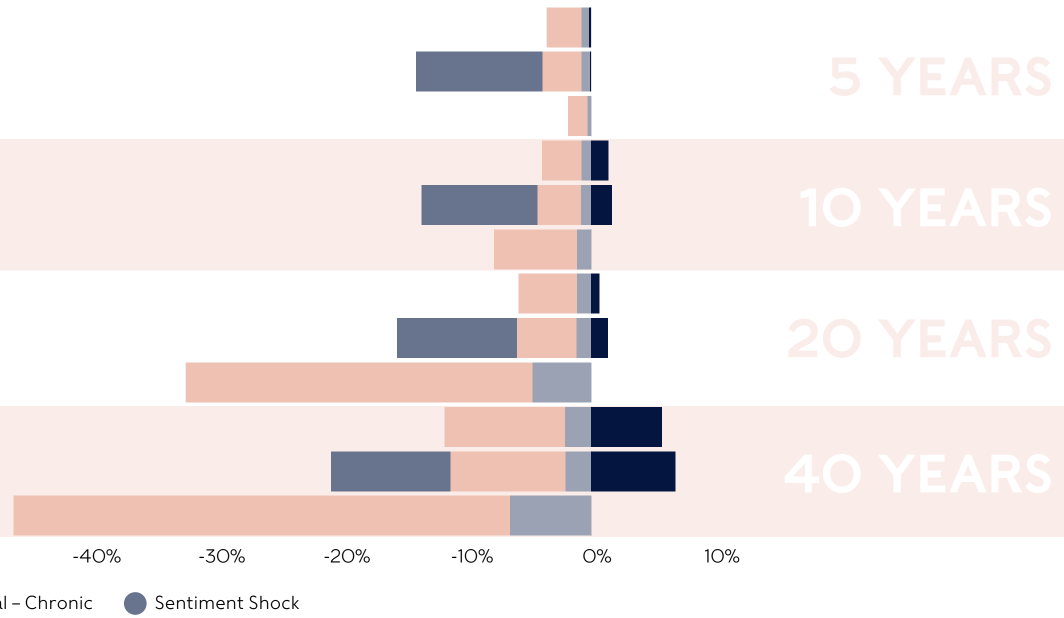
APPLICATION AT ENTITY-LEVEL HOLDINGS
Our holdings were captured at a single point in time (31 December 2024) and the table below illustrates that our portfolios will need to adapt under all scenarios. As we are an active investment manager, this is both what we expect and are well equipped to do.

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.

Similar to 2023 scenario analysis results, 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.

CLIMATE IMPACT ON RETURNS (CLIMATE VALUE AT RISK)

Horizon	Scenario	TOTAL (% IMPACT CUMULATIVE RETURNS)
5 YEARS	Net Zero	-3.50%
5 YEARS	Net Zero Financial Crisis	-13.92%
5 YEARS	High Warming	-1.83%
10 YEARS	Net Zero	-2.48%
10 YEARS	Net Zero Financial Crisis	-11.83%
10 YEARS	High Warming	-7.69%
20 YEARS	Net Zero	-5.08%
20 YEARS	Net Zero Financial Crisis	-14.08%
20 YEARS	High Warming	-32.18%
40 YEARS	Net Zero	-6.03%
40 YEARS	Net Zero Financial Crisis	-13.94%
40 YEARS	High Warming	-45.85%



As seen last year, 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 are in the notionally assumed year of this occurring (model assumption is 2025), a sentiment shock seems probable at some point but could manifest later. 2025 has seen political polarisation become increasingly pronounced and several big institutions have stepped back from their net zero targets, this demonstrates that the global commitment to and the pace at which we achieve net zero targets will continue to evolve in the near term. 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. 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 results from this scenario analysis do not cover 100% of FUMA.

The above scenario analysis is based on 80.40% of FUMA. Going forward, Rathbones Group, incorporating IW&I, will continue to explore new scenario analysis methodologies, particularly with the aim to align methodologies and improve the representation of physical risks.

APPENDICES: ENTITY REPORT
INVESTEC WEALTH AND INVESTMENT (UK)

RISK MANAGEMENT
IW&I's approach to risk management aligned with the Group approach, as outlined on pages 27-31 of the Group report.

ESG INTEGRATION
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.

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 which focuses on the quality of the management team and their execution; ESG analysis is one of the determinants of this quality.

The above process applied to IW&I for the first part of the year prior to the launch of the combined (RIM and IW&I) asset class lists; which were phased in between July and October 2024.

Our Metrics

Carbon footprint

FINANCED CARBON EMISSIONS
(tCO_2e/\$m invested)

38.4

2023: 43.07

TOTAL FINANCED CARBON EMISSIONS
(tCO_2e)

1,297,214

2023: 1,393,399

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

99.99

2023: 91.59

Implied Temperature Rise

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

PORTFOLIO

2.2°C

2023: 2.1°C

Implied Temperature Rise Distribution	Companies in category (%) 2024	2023
1.5°C Aligned (<= 1.5°C)	**28%**	26%
2°C Aligned (>1.5–2.0°C)	**13%**	12%
Above 2°C	**7%**	6%
Well above 2°C	**52%**	56%

Fossil fuel exposure

FOSSIL FUEL-BASED REVENUE EXPOSURE[1]

9.21%

2023: 10.28%

CLIMATE CHANGE MITIGATION ALIGNMENT[2]

1.63%

2023: 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

APPENDICES: ENTITY REPORT
INVESTEC WEALTH AND INVESTMENT (UK)

METRICS AND TARGETS
We use several metrics to measure our carbon emissions. These include carbon emissions and Greenhouse Gas (GHG) intensity indicators.

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 pages 52-53.

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).

LOOKING FORWARD
Planned actions

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. Rathbones Group Climate Report and this entity report are ways to manage and report on the impact of climate risk on our business.

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

— continue to integrate climate data into our investment approach
— share more about our net zero engagement activities
— collaborate with Rathbones to support the delivery of the Climate Transition Plan (see page 5 of the Group report for details)
— Collaborate across industry on incoming reporting regulations, supporting the move to increased transparency.

PAUL STOCKTON
GROUP CHIEF EXECUTIVE OFFICER
Investec Wealth & Investment (UK)
25 February 2025

APPENDICES: ENTITY REPORT
RATHBONES ASSET MANAGEMENT (RAM)

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.

INTRODUCTION
We believe that by focusing on our specific areas of expertise we can deliver long term investment returns which meet our clients' expectations.

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 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 7-12.

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 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 climate-related risks and opportunities identified by Rathbones Group are applicable and inclusive of RAM. 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 14-20. 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 21-25.

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 available to 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 stewardship approach with the addition of a dedicated engagement analyst within RAM. The engagement analyst covers engagements and voting for all the fund franchises, working in collaboration with the Rathbones Group stewardship team.

The engagement analyst attends the weekly RAM investment risk meeting to understand any changes in ratings or controversies, as well as the RAM Responsible Investment Committee, the Rathbones Group Engagement Committee and the Rathbones Group Voting Committee.

In 2024, RAM published a standalone Engagement Policy to further clarify our approach to engagement and voting. Also, we developed our own engagement plan for 2025 including our key themes and priorities for the year ahead, such as our approach to net zero engagement.

APPENDICES: ENTITY REPORT
RATHBONES ASSET MANAGEMENT (RAM)

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 to the left.

COMPLIANCE STATEMENT
This Rathbones Asset Management report should be read in conjunction with the information provided in the summary table on page 39 and methodology and glossary on pages 51-53. 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.

DATA COVERAGE
Metrics have been prepared for £15.8 billion funds under management. Portfolio coverage[1] per metric:

— Financed Carbon Emissions: 82.4%
— WACI: 81.3%
— WACI (corporate constituents): 82.5%
— WACI (sovereign constituents): 10.7%
— ITR: 80.9% of securities and 81.4% of market capitalisation.

TOM CARROLL
CHIEF EXECUTIVE OFFICER
Rathbones Asset Management
25 February 2025

1. Coverage is defined as the market value of covered assets divided by the portfolio total market value, excluding out-of-scope positions

Our Metrics

Carbon footprint

FINANCED CARBON EMISSIONS
(tCO_2e/\$m invested)

18.1

2023: 22.5

TOTAL FINANCED CARBON EMISSIONS
(tCO_2e)

356,701

2023: 370,512

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

57.0

2023: 61.9

WACI CORPORATE CONSTITUENTS
(tCO_2e/\$m sales)

67.4

2023: 72.7

WACI SOVEREIGN CONSTITUENTS
(tCO_2e/\$m GDP nominal)

176.6

2023: 200.6

Implied Temperature Rise

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

PORTFOLIO

2.1°C

2023: 1.9°C

Implied Temperature Rise Distribution	Companies in category % 2024	2023
1.5°C Aligned (<= 1.5°C)	**30.8**	46.8
2°C Aligned (>1.5–2.0°C)	**27.2**	26.8
Misaligned (>2.0–3.2°C)	**30.6**	19.0
Strongly Misaligned (>3.2°C)	**11.3**	7.4
Paris Aligned	**58.1**	73.6
Non-Paris aligned	**41.9**	26.4

Fossil fuel exposure

FOSSIL FUEL-BASED REVENUE EXPOSURE

1.1%

2023: 1.9%

GREEN REVENUE EXPOSURE

4.2%

2023: 3.3%

APPENDICES: VOLUNTARY REPORT
RATHBONES INVESTMENT MANAGEMENT INTERNATIONAL (RIMI)

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 7-12.

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 14-20. Climate scenario analysis is carried out at Group 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 21-25.

RISK MANAGEMENT
RIMI's approach to risk management aligns with the Group approach, with no material deviation, as outlined on pages 27-31.

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 39 and 51-53.

DATA COVERAGE
Metrics have been prepared for £0.26 billion funds under management and administration.

Portfolio coverage[1] per metric:

— Financed Carbon Emissions: 75.9%
— WACI: 28.2%
— WACI (corporate constituents): 76.1%
— WACI (sovereign constituents): 11.7%
— ITR: 82.2% of securities and 84.2% of market capitalisation.

1. Coverage is defined as the market value of covered assets divided by the portfolio total market value, excluding out-of-scope positions

Our Metrics

Carbon footprint

FINANCED CARBON EMISSIONS
(tCO_2e/\$m invested)

29.0

2023: 37.4

TOTAL FINANCED CARBON EMISSIONS
(tCO_2e)

93,463

2023: 110,268

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

78.9

2023: 87.6

WACI CORPORATE CONSTITUENTS
(tCO_2e/\$m sales)

71.4

2023: 80.6

WACI SOVEREIGN CONSTITUENTS
(tCO_2e/\$m GDP nominal)

189.6

2023: 216.7

Implied Temperature Rise

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

PORTFOLIO

2.3°C

2023: 2.3°C

Implied Temperature Rise Distribution	Companies in category (%) 2024	2023
1.5°C Aligned (<= 1.5°C)	**11.4**	22.0
2°C Aligned (>1.5–2.0°C)	**25.6**	29.4
Misaligned (>2.0–3.2°C)	**54.6**	41.7
Strongly Misaligned (>3.2°C)	**8.4**	7.0
Paris Aligned	**37**	51.3
Non-Paris aligned	**63**	48.7

Fossil fuel exposure

FOSSIL FUEL-BASED REVENUE EXPOSURE

1.9%

2023: 2.4%

GREEN REVENUE EXPOSURE

3.7%

2023: 3.1%

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 21-25.

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 35.

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 report on pages 27-31.

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

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.

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

A core focus of Greenbank's direct engagement with companies will be encouraging them to develop a robust climate strategy, aligned to the core and additional criteria laid out in the Net Zero Investment Framework.

In 2024, Greenbank continued to participate in the Institutional Investors Group on Climate Change's (IIGCC) Net Zero Engagement initiative, a collaborative engagement which focuses on major emitters that fall beyond the Climate Action 100+ focus list. Greenbank also continued to support engagement via the Climate Action 100+ initiative and is also a member of the UK Wealth Managers on Climate Group, which aims to engage collaboratively with asset managers on climate to support greater ambition within the industry.

In 2024, Greenbank sent letters to 65 companies outlining our assessment of their alignment to net zero. We asked companies to explain how they were addressing identifiable gaps in their progress to net zero. The letters were tailored depending on the company's current level of net zero alignment. Through the year, we received 43 responses and recorded a 20% increase in the number of companies in our investment universe registered as 'aligned' or 'aligning' to net zero.

APPENDICES: VOLUNTARY REPORT
GREENBANK INVESTMENTS

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.

Metrics have been prepared for £2.3 billion funds under management and administration. Portfolio coverage[1] per metric:

- Financed Carbon Emissions: 67.8%
- WACI: 43.6%
- WACI (corporate constituents): 67.8%
- WACI (sovereign constituents): 19.8%
- ITR: 76.4% of securities and 72.6% of market capitalisation.

1. Coverage is defined as the market value of covered assets divided by the portfolio total market value, excluding out-of-scope positions

Our Metrics

Carbon footprint

FINANCED CARBON EMISSIONS
(tCO_2e/\$m invested)

22.3

2023: 30,1

TOTAL FINANCED CARBON EMISSIONS
(tCO_2e)

61,551.8

2023: 82,284

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

79.3

2023: 88.8

WACI CORPORATE CONSTITUENTS
(tCO_2e/\$m sales)

60.2

2023: 66.9

WACI SOVEREIGN CONSTITUENTS
(tCO_2e/\$m GDP nominal)

135.9

2023: 159.2

Implied Temperature Rise

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

PORTFOLIO

1.8°C

2023: 1.9°C

Implied Temperature Rise Distribution	Companies in category (%) 2024	2023
1.5°C Aligned (<= 1.5°C)	**15.2**	24.8
2°C Aligned (>1.5–2.0°C)	**36.7**	35.5
Misaligned (>2.0–3.2°C)	**42.0**	36.4
Strongly Misaligned (>3.2°C)	**6.1**	3.3
Paris Aligned	**51.9**	60.3
Non-Paris aligned	**48.1**	39.7

Fossil fuel exposure

FOSSIL FUEL-BASED REVENUE EXPOSURE

0.2%

2023: 0.4%

GREEN REVENUE EXPOSURE

6.3%

2023: 7.3%

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 2024 Carbon Footprint.

Good Business, an external sustainability agency, was commissioned to calculate the full value chain carbon footprint of Rathbones Group Plc for the period 1 January 2024 – 31 December 2024.

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
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
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	Assets held on behalf of our clients	Clarity AI MSCI
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
CDP	Score for our climate change submission	From 2023, we rebased our data to include IW&I	Physical and transition	Group-level disclosure	Internal Good Business
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	Assets held on behalf of our clients	Clarity AI
EMISSIONS	Our operational carbon emissions in tCO_2e Operational carbon emissions	N/A	Transition	Rathbones' operations	DEFRA Good Business
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	Assets held on behalf of our IW&I clients	Clarity AI

APPENDICES: DEFINING OUR METRICS

METRIC	DESCRIPTION	ASSET CLASS/BOUNDARIES	RISK PHYSICAL/TRANSITION	SCOPE	DATA PROVIDER
FOSSIL FUEL BASED REVENUE EXPOSURE	The weighted average of revenue exposure to thermal coal extraction, 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	Clarity AI 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
PRI	Score for the strategy and governance section of PRI report	Group funds under management	Physical and transition	Group-level disclosure	Internal
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	Assets held on behalf or our clients	MSCI Clarity AI
WEIGHTED AVERAGE CARBON INTENSITY (WACI)	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
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	Assets held on behalf of our IW&I clients	Clarity AI

Further definitions may be found in the Glossary which is on our website.

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