



RATHBONES GROUP PLC
RESPONSIBLE BUSINESS UPDATE 2022

RESPONSIBLE PROGRESS

RESPONSIBLE BUSINESS UPDATE 2022

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RATHBONES AT A GLANCE

Rathbones provides individual investment and wealth management services for private clients, charities, trustees and professional partners. We have been trusted for generations to manage and preserve our clients' wealth. Our tradition of thinking, acting and investing for everyone's tomorrow continues to drive us forward.

This means keeping the future in mind when we make decisions today. Enabling us to build enduring value for our clients, make a wider contribution to society and create a lasting legacy.

➤ Find out more about how we are reporting this year in our further information section on [page 20](#).

GROUP CHIEF EXECUTIVE OFFICER'S WELCOME



Paul Stockton
Group Chief Executive Officer

As a business with responsibility embedded at our core, the uncertainty driven by the markets in 2022, offered both challenges and opportunities for our people and the societies in which we operate. The strong foundations on which our programme is based were therefore as important as ever, if not more so. We maintained our commitments across the four pillars of our programme. Supported by clear accountability, we continued to review our targets and track and monitor our progress.

This approach supports our continued commitment to the United Nations Global Compact (UNGC), with our responsible business committee overseeing our alignment to the UNGC ten principles and the Sustainable Development Goals. We report on our commitments in a transparent and timely manner. The progress this highlights feeds into our executives' non-financial strategic remuneration (to read more see our [annual report](#) pages 133 to 135).

We saw progress across all four of our pillars in 2022. A programme led by our stewardship team won a PRI award (see page 7). Our people team launched our diversity, equality and inclusion plan and presented our people plan to the board; we will share more on this in 2023. We engaged with more of our supplier partners than ever, on topics ranging from modern slavery to their net zero commitments. I was proud, if not surprised, at the scale of support our employees showed for the Ukraine appeal we ran at the start of the year, which contributed to us giving over 1% of pre-tax profit to community projects in 2022. The next step in our environmental ambition was confirmed when our near-term environmental targets were validated by the Science Based Targets initiative as 1.5°C aligned.

We know that 2023 will offer both challenges and opportunities. Our commitment to operating responsibly does not waiver, in fact we are looking to further strengthen our approach by undertaking a materiality review. This will both help us refine our focus areas and highlight future improvements.

2022 HIGHLIGHTS

4.5/5

PRI score: investment and stewardship

>650

direct engagements

39

employee net promoter score (sector benchmark of 22)

69%

of our key suppliers completed our ESG supplier review

>80

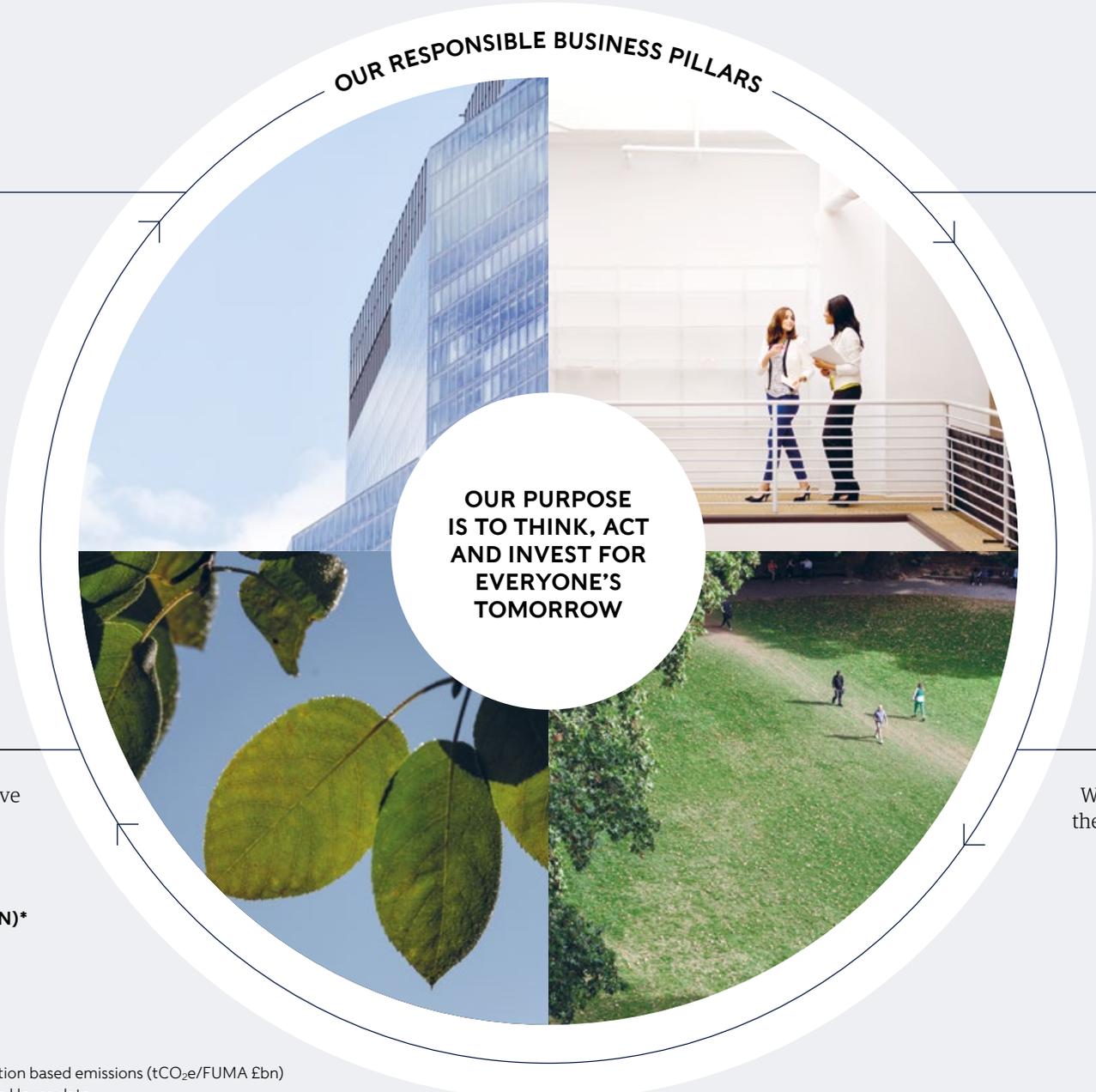
charities supported through our community investment programmes

1.33

carbon intensity of our operational footprint* (tCO₂e/FTE)

* Operational footprint includes scope 1, 2 and scope 3 categories 3-8

OVERVIEW / OUR RESPONSIBLE BUSINESS PILLARS



RESPONSIBLE INVESTMENT

We will apply an active and thoughtful approach to responsible investment.

671

2021: 705

Number of engagements carried out

OUR PEOPLE

We will work to become the employer of choice for the wealth management sector.

8.0/10

2021: 8.1/10

Employee engagement score

OUR PURPOSE IS TO THINK, ACT AND INVEST FOR EVERYONE'S TOMORROW

ENVIRONMENTAL IMPACT

We will play our part in the move to a net zero economy.

12.99

2021: 11.86 (TCO₂e/FUMA £bn)*

SOCIETY AND COMMUNITIES

We aim to be a trusted partner in the societies in which we operate.

1.24%

2021: 0.45%

Community investment as a percentage of pre-tax profit

* Carbon intensity, Scope 1 and 2 location based emissions (tCO₂e/FUMA £bn)

* 2021 restated to include Saunderson House data

HOW WE MANAGE AND REPORT ON RESPONSIBLE BUSINESS

GOVERNANCE APPROACH

We believe that everyone in the group has a role to play in reducing risks, from the board and executive team, to all employees. If the entire workforce can operate with this accountability, this enhances the effectiveness of risk management across the group. Our approach to governance means that we frequently evaluate our process and response.

BOARD AND EXECUTIVE OVERSIGHT

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

COMMITTEE STRUCTURE

To support board and GEC oversight of the responsible business programme, in 2020 Rathbones set up the responsible business committee. Chaired by the chief executive and with representatives from across the group, this committee meets quarterly to discuss current and emerging responsible business matters, including the firm's approach to net zero and future reporting requirements.

RISK MANAGEMENT

We have a well-established approach to risk management, which has continued to evolve as the group responds to external developments. Our risk governance, process and infrastructure are designed to ensure that appropriate risk management is applied to existing and emerging challenges, to our day-to-day activities and strategic objectives. Sustainability is one of our level 2 risks and in 2022 we continued to manage our risk in line with our risk appetite, to support the long-term future of the group. In 2022, we reviewed our risk appetite. For more information see page 54 of our [annual report and accounts](#).

OUR GOVERNANCE

BOARD OF DIRECTORS

➤ [View more information on our website.](#)

GROUP EXECUTIVE COMMITTEE

➤ [View more information on our website.](#)

RESPONSIBLE BUSINESS COMMITTEE

The key activities of the committee are as follows:

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

Committee members:

- Group chief executive
- Managing director of our investment business
- Chief risk officer
- Company secretary
- Business unit representatives
- Workstream leads.

➤ [View more information on our website.](#)

REMUNERATION

From 2022, environmental, social and governance (ESG) measures have been included in the variable pay component for our group executive committee members, including our chief executive and chief financial officer. The measures include targets relating to our net zero commitment, ongoing training of our client-facing teams and maintaining an engaged workforce. More information can be found on page 133 of our [annual report](#).

REPORTING

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

EXTERNAL FRAMEWORKS AND PARTNERSHIPS

We know that we cannot deliver the level of change needed to impact the world's most pressing issues on our own. We have therefore joined forces and operate in alignment with selected recognised frameworks. Throughout the report you will see reference to the Sustainable Development Goals (SDGs); we review our alignment to and progress against these SDGs in more detail on pages 18 to 19. A selection of our affiliations and partnerships can be seen below and on our [website](#).



For more information on our inclusion in the FTSE4Good index, please see the methodology and assurance section on page 17.

RESPONSIBLE INVESTMENT



OVERVIEW

We see it as our responsibility to be good, long-term stewards of our clients' wealth and believe it is in the best interests of our clients that the companies and securities we invest in adopt best practice in managing ESG risks. This provides each company with a framework for managing its operations in the long-term interests of its shareholders. As members of the UN-supported Principles for Responsible Investment (PRI) for over 13 years, we use the PRI's six principles to inform our approach. In 2022, we continued to be a signatory to the UK Stewardship Code.

The responsible investment committee oversees our responsible investment policy and progress towards the investment aspects of our Science Based Targets initiative aligned target and commitment to net zero by 2050. Our near-term target commits 35% of our listed equity and bonds portfolio, by invested value, committing to or setting SBTi-validated targets by 2025 from a 2020 base year. Progress towards our target is supported by the application of four principles outlined in the group's responsible investment policy and in the following table.



EXTERNAL FRAMEWORKS AND PARTNERSHIPS



OUR PILLARS OF RESPONSIBLE INVESTMENT

PILLARS AND APPROACH



ESG INTEGRATION

We consider environmental, social and governance (ESG) factors in the evaluation of investments, to help identify ESG opportunities and risks.



VOTING WITH PURPOSE

We actively vote in line with our responsible investment policy**.



ENGAGEMENT WITH CONSEQUENCES

We prioritise engagement where we believe we can make a real difference in addressing the world's environmental and societal challenges*. We are prepared to reduce our holdings in companies that continue to present an ESG risk over time.



TRANSPARENCY

As a participant in financial markets, we are committed to being transparent about our approach to responsible investment. We actively report on the progress of our responsible investment activities to our clients, shareholders and other stakeholders.

2022 PROGRESS

- 100% of recommended securities research notes now include ESG considerations
 - Delivered further training of our investment and research teams to support client conversations on ESG opportunities and risks
-
- Updated our [voting policy](#) to reflect our changing expectations of management
 - Voted on 13,071 resolutions, up from 11,929 in 2021
 - Voted against management 485 times, up from 340 in the previous year
 - Voted on an increased number of ESG shareholder proposals, 310 up from 222 in 2021
 - Supported a much greater number of shareholder resolutions on ESG issues, reflecting the growth in this shareholder tactic in the US
-
- Focused engagement on fewer, more complex conversations. Engagements decreased from 705 in 2021 to 671
 - Higher response rate from companies, now at 80% up from 65% in 2021
 - Engaged on a broad range of ESG matters, including modern slavery, net zero and board diversity.
 - Net zero engagement focused on companies with a large carbon footprint, setting out our expectations as investors for credible net zero strategies
 - Frequently collaborated on engagement, more can be found on page 7.
-
- Achieved a PRI score of 72% for the group's investment and stewardship policy
 - Continued to use clear criteria for assessing corporate [Say on Climate](#) plans, which are published on our [website](#)
 - Voted to approve the climate plans of seven companies, with one vote against management
 - Maintained a policy of publishing voting statistics by company on the [website](#).

* We also prioritise engagement to address non-systemic issues that may be material to investors holding specific investments

** This may involve voting against management to help drive positive change.

RESPONSIBLE INVESTMENT / CASE STUDIES

➤ Find out more in our: [RI, TCFD, CDP](#) and [engagement reports](#).

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

INTEGRATION OF ESG

Our investment professionals are responsible for integrating ESG considerations into investment decisions. In 2022 we made considerable progress in developing data and processes to support the consideration of material ESG factors and sustainability, combined with insights from company engagement and financial analysis.

Our integration approach is informed by data that can be flawed, so we have taken a thoughtful approach to data and model management to mitigate gaps or inconsistencies.

This emphasises the vital importance of qualitative input from our responsible investment specialists and financial analysts. We continue to evolve our integration approach and to embed enhancements into our investment process.

CHARTERED INSTITUTE FOR SECURITIES & INVESTMENT (CISI) STANDARD TRAINING ACROSS CLIENT FACING TEAMS

ENGAGEMENT WITH CONSEQUENCES

The Rathbones-led Votes Against Slavery project won the Stewardship Initiative of the Year at the 2022 PRI Awards. This was supported by 122 investors with £9.6 trillion in AUM. By year-end the Votes Against Slavery investor collaboration, secured compliance from 41 of 44 FTSE 350 companies. The remaining three had committed to complying with the reporting requirements of Section 54 of the UK Modern Slavery Act 2015, before their financial year-end.

Along with other investors, we also pressed UK corporate boards on gender and racial diversity. By year-end, almost all FTSE 100 companies were compliant with the Parker Review target for ethnic diversity, with the vast majority of FTSE 350 boards compliant with the FTSE Women Leaders Review target for gender diversity.

“WE BELIEVE THAT THE SUSTAINED INVESTOR PRESSURE, ALONGSIDE THE UK GOVERNMENT’S REGISTRY, HAS IMPROVED THE FTSE 350’S UNDERSTANDING OF THE RISK OF MODERN SLAVERY IN THEIR COMPANIES AND SUPPLY CHAINS.”

VOTING WITH PURPOSE

Companies are facing increased public scrutiny for excessive use of plastic, including in packaging. General Mills has committed to make all of its packaging recyclable and reusable by 2030. However, with 23% of its packaging by weight derived from plastic, we would like to see goals for reducing absolute plastic use. Our concern is that companies that fail to address plastics use could lose customers and face an increasing risk of litigation, impacting share price.

We supported the shareholder proposal ([see our RI report](#)) calling for General Mills to report on how it can speed up an absolute reduction in its use of plastic packaging. The resolution passed, with 56.4% support. Whilst an advisory vote, if the company fails to do what the proposal asks by the time of the next AGM, there is risk of considerable damage to its reputation.

PERCENTAGE THAT SUPPORTED THE RESOLUTION

56%

OUR PEOPLE



OVERVIEW

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

Rathbones is committed to becoming a more diverse business which, in turn, will support us in delivering value to our clients. Our management team and the board continued to engage with our people through a variety of channels, ensuring open discussion across our workforce. In 2022, we updated our people plan and will be sharing more information in 2023.



EXTERNAL FRAMEWORKS AND PARTNERSHIPS



INVESTING IN OUR PEOPLE

PILLARS AND APPROACH

DIVERSITY, EQUALITY AND INCLUSION

At Rathbones, we know that everyone walks a different path in life. By embracing our different experiences and perspectives we are working to create and protect an environment that is inclusive and equal for everyone. With over 2,000 people across 15 offices, we recognise that embracing our differences helps us make better decisions and bring innovation into everything we do. Embedding DE&I across the group is critical to achieving our strategic ambitions and our purpose.

CULTURE AND VALUES

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

EMPLOYEE WELLBEING

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

LEARNING AND DEVELOPMENT

We are committed to investing in the learning and development of all employees and will support participation in appropriate programmes, whether internal or external. We seek to give all our people the opportunity to develop the skills, knowledge and behaviours they require to fulfil their current roles effectively, supporting them in realising their potential and enjoying a varied and engaging career.

2022 PROGRESS

- shared our DE&I plan which was crafted collaboratively, weaving in colleague feedback from our engagement surveys and focus groups
- 64.9% of our colleagues have shared their diversity data and we now include DE&I questions in our engagement surveys to inform our inclusion index. Together this provides a deeper understanding of our colleagues and our DE&I priorities
- launched four inclusion networks, enabling colleagues from across the group to connect and create positive change towards greater balance at Rathbones.
- used our annual review of the culture dashboard to support an update to more closely align the dashboard with our purpose
- maintained an employee net promoter score above industry benchmark (39 compared to 22)
- scored 8.5 out of 10 for the engagement question 'my manager cares about me as a person'
- held our first senior leadership conference to support the cascade of communications.
- made a one off payment to 60% of our employees to support them during the cost-of-living crisis
- ran regular webinars on a number of topics, including mental wellbeing, with our partner AXA, neurodiversity at work and our employee pension scheme
- ran a programme of awareness-raising sessions as part of menopause awareness week.
- broadened CISI ESG training beyond our investment teams to the broader business, over 380 employees have passed the module since it was introduced in 2021
- introduced bite-sized cyber training modules, supporting employee awareness as the business continues to invest in technology
- invested £456 per employee in training (£484 in 2021)
- increased the number of mentoring pairs 10% to 55.

OUR PEOPLE / CASE STUDIES

➤ Find out more in our [Annual Report and Accounts, Gender pay gap report and website – Our people.](#)

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

SUPPORTING OUR EMPLOYEES

2022 has, in many ways, been an unprecedented year for our employees. Following management discussions, the board approved a one-off discretionary payment to approximately 60% of our least well-paid colleagues. The aim was to provide some financial relief for those who were facing the most immediate challenges. We remain committed to recognising the skills and talent of our people at all times, responding to market conditions as best we can.

Alongside the payment, employees were reminded of the wider benefits that Rathbones offers, such as childcare vouchers, the Reward Board, ride to work scheme and season ticket loans. Employees are also offered discounted independent financial advice.

PERCENTAGE OF EMPLOYEES COVERED
BY OUR COST-OF-LIVING PAYMENT

60%

CULTURE SURVEY

Despite the continuing pressures of environmental factors, our engagement scores have remained both high and stable across 2021 and 2022. As with all surveys, there are areas we need to focus on and pockets of less satisfied individuals, both of which are being addressed by the people team and relevant line-managers/leadership teams. Key results show that:

- DE&I efforts are getting traction across the business, but more needs to be done to embed and accelerate their impact
- we have a benefits suite well aligned to health and wellbeing
- our approach to returning to the office and working in a hybrid way has generally landed well with the business
- colleague sentiment has remained consistently high.

EMPLOYEE NET PROMOTER SCORE

39

BENCHMARK: 22

SUPPORTING A DIVERSE WORKFORCE

In summer 2022, we supported the #10,000 Black Interns Programme for the second time, helping to address the under-representation of Black talent in our sector. We were lucky to welcome four interns into Rathbones for six-week paid internships in our investment management and marketing teams.

The programme offers interns an insight into our industry and we provide training and development opportunities to support them in their future careers. Following the summer internship one of our interns accepted a role in our Greenbank team for a further six months. We look forward to continuing our support for this initiative in summer 2023.

“I HAVE ENJOYED MY TIME AT RATHBONES. I HAVE BEEN EXPOSED TO MANY BUSINESS AREAS AND THE BREADTH OF KNOWLEDGE AND EXPERIENCE THE INTERNSHIP HAS PROVIDED ME WITH IS ONE I WILL NEVER FORGET!”

Lois Disanka,
Investment Management Intern

SOCIETY AND COMMUNITIES



OVERVIEW

Through our business we aim to add value not only to our clients but also to the societies and communities in which we operate. As recovery from the pandemic continues, many of our stakeholders, from small businesses to the charities we support, have experienced considerable disruption and challenges. We continued to uphold our responsibility to these stakeholders which, in many cases, has evolved.

With over 2,000 people across 15 offices and with over £60 billion of funds under management, we recognise the role we can play in being a positive influence on society - whether through our decisions as a business or through giving our clients peace of mind, knowing we consider more than just financial returns when we invest on their behalf.

Thinking, acting and investing for everyone's tomorrow applies just as strongly to our role in society as it does to our approach to investment. We work with regulators, partners, suppliers and communities to understand their aims and ambitions, working to align our approach to best practice across our programmes.



EXTERNAL FRAMEWORKS AND PARTNERSHIPS



AREA OF FOCUS AND APPROACH

HUMAN RIGHTS

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

SUPPLIER ENGAGEMENT

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

COMMUNITY INVESTMENT

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

FINANCIAL AWARENESS AND EDUCATION

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

2022 PROGRESS

- Submitted our UNGC communication on progress
 - 99% of in-scope employees completed anti-bribery and corruption training
 - Logged no whistleblowing cases in 2022
 - Maintained our commitment to paying the [Living Wage](#)
 - Published our [Modern Slavery Statement](#)
 - Engaged with our investee companies on modern slavery and other human rights issues (see our [RI report](#))
-
- Expanded coverage of our supplier management framework to include over 50% of total spend
 - 69% of in-scope suppliers responded (66% in 2021) to engagement through our ESG supplier questionnaire
 - Integrated engagement into our contract review process
 - Engaged with some suppliers and partners on how to develop a net zero plan or evolve their current approach to operating responsibly
-
- Invested over £795,110 or 1.24% of pre-tax profit in over 80 projects (2021: £418,000, 0.45% and almost 60 projects)
 - Supported the Disasters Emergency Committee's Ukraine and Pakistan appeals
 - Maintained our support for [Social Shifters](#) and the Global Innovation Challenge climate prize for a second year
-
- Initiated a group-wide partnership with [Young Enterprise](#) to further support the work of the [Rathbones financial awareness programme](#)
 - Continued to run [Rathbones financial awareness](#) sessions, for clients, and separate sessions focused on youngsters' awareness and have now reached a total of 11,830 people across the last nine years

SOCIETY AND COMMUNITIES / CASE STUDIES

➤ Find out more in our [Annual Report and Accounts](#), and [Website – society and communities](#).

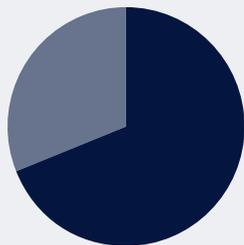
We recognise our responsibility to the societies and communities in which we operate. The policies and commitments we have in place ensure we’re supporting those who need it and are engaging in conversations with our suppliers on key ESG issues. Our work in this area is demonstrated through the examples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

ENGAGING OUR PARTNERS

Working with our suppliers and partners is a great way for us to support those tackling the same challenges and opportunities as us, whilst delivering against our commitments. In 2022, we engaged with clients, suppliers and peers to share our approach to topics including net zero and impactful community investment. These conversations support the regular due diligence that we do on our supplier partners, to better understand their approach to managing environmental, social and governance issues.

PERCENTAGE OF SUPPLIERS RESPONDING TO OUR ESG QUESTIONNAIRE

69%



SUPPORTING OUR COMMUNITIES

The group continued our support for the communities in which we operate through the Rathbones Group Foundation, our employee matching scheme and our Give As You Earn programme. In 2022, 81 community partners were supported, 44 of which were funded through the Foundation. Causes that received support varied from national charities such as Young Enterprise, Social Shifters or Children in Need, alongside our more localised support for regional charities such as FareShare South West, Romsey Mill or Brathay Aspiring Leaders. We also responded to the Disasters Emergency Committees’ appeals for both Ukraine and Pakistan.

PERCENTAGE OF PRE-TAX PROFIT DONATED TO COMMUNITY INVESTMENT PROJECTS

1.24%



EXPANDING OUR COMMITMENT TO FINANCIAL AWARENESS

Rathbones like many financial service providers, recognises the need and our responsibility to support increasing financial awareness with our clients, partners and community partners. The Rathbones programme is designed to help young people take control of their finances, providing them with the knowledge and skills to build a secure financial future. We were pleased that in the last year almost 800 individuals accessed our content. In 2022, to broaden our reach, we initiated a partnership with Young Enterprise. In their anniversary year, we are pleased to be able to work with them to proactively increase access to meaningful opportunities and support for young people and communities with the greatest barriers to social mobility. Our ambition as part of the Transforming Future’s Group activity is to reach around 1,500 students a year. We look forward to working with YE to deliver impact on the ground where it is needed most.

“WE ARE THRILLED TO BE PARTNERING WITH RATHBONES TO SUPPORT YOUNG PEOPLE”

ENVIRONMENTAL IMPACT



OVERVIEW

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

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

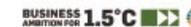
Our SBTi validated target is to reduce our scope 1 and 2 emissions by 42% by 2030, from a 2020 base. We believe that the investment in digitising our business and completing the transition of our offices to renewable energy sources by the end of 2025 will help us to meet our 2025 internal target of a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



ENVIRONMENTAL IMPACT / OUR PROGRESS

➤ Find out more in our [Annual Report and Accounts](#), [TCFD Report](#) and [CDP Report](#).

EXTERNAL FRAMEWORKS AND PARTNERSHIPS



AREA OF FOCUS AND APPROACH

RESOURCE CONSUMPTION

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

ENERGY EFFICIENCY

Our 15 offices range from historic buildings with single glazing to modern developments with high [BREEAM](#) ratings. Our aim is to work with landlords and fellow tenants to improve the efficiency of our workplaces. If we are considering relocating an office, we will consider environmental factors as part of our decision-making process.

DIGITISING OPERATIONS

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

TRAVEL

COVID-19 saw a decrease in Scope 3 emissions due to a reduction in business travel, with this trend continuing into 2021 as the option for flying was limited and dependent on international government regulations. We continue to review the impact of a return to pre-pandemic travel and keep our policy under review to help minimise unnecessary travel.

CARBON REMOVAL

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

2022 PROGRESS

- We currently have seven sites using renewable electricity, which covers 90% of our total consumption.
 - We have continued to transition our London and Manchester data centres to renewable energy, as part of our renewable energy procurement strategy
 - The focus of our waste management efforts remained on our London and Liverpool offices which, due to the nature of our business, contribute the most to our waste profile
 - Waste produced increased by 27.14%, up from 5 to 7 (tCO₂e)
-
- Moved into a new office in Edinburgh which has been certified with a BREEAM rating of 'very good' and an energy performance certification (EPC) of B
 - Planned a portfolio assessment of the efficiency of our buildings in Cambridge and Newcastle which will take place in 2023
 - Our decommissioning and consolidation practices have resulted in a 15.75% reduction in data centre emissions, from 116 to 98 (tCO₂e)
-
- 50% of clients now use MyRathbones
 - Reduced paper use by 15%
 - Through moving our network to the cloud in 2022, we reduced our data centre emissions by 15%
-
- Business travel emissions increased 162.77%, from 202 to 532 (tCO₂e) as colleagues returned to face-to-face meetings and moved between our offices
 - Reviewed the travel policy to ensure any booked travel is necessary
-
- Purchased 2,600 credits, and retired over 3,200, offsetting our Scope 1 and 2 emissions and scope 3 category 3-8 emissions
 - Supported three projects, covering improved rice cultivation, REDD and Afforestation of grasslands
 - Reviewed our approach to offsetting, considering the source of credits, our future needs and carbon market forecasting

ENVIRONMENTAL IMPACT / OPERATIONAL FOOTPRINT

OUR CARBON FOOTPRINT (INC. STREAMLINED ENERGY AND CARBON REPORTING) DATALocation-based emissions (tCO₂e)¹

	2020	2021 ²	2022
Scope 1 (tCO₂e)	344	420	359
UK ³ emissions	344	420	359
Global ³ emissions (excl UK)	-	-	-
Scope 2 (tCO₂e)	461	389	423
UK ³ emissions	444	377	409
Global ³ emissions (excl UK)	17	12	14
Scope 3 (tCO₂e)^{4, 5, 6, 8, 9}	19,671	26,026	32,391
UK ³ emissions	9,324	25,600	31,930
Global ³ emissions (excl UK)	347	424	461
Scope 3 - purchased goods and services	17,730	24,136	29,084
Scope 3 - capital goods	428	81	836
Scope 3 - fuel and energy related activities	151	211	217
Scope 3 - upstream transportation & distribution	46	49	50
Scope 3 - waste generated in operations	4	5	7
Scope 3 - business travel	259	202	532
Scope 3 - employee commuting	945	1,225	1,567
Scope 3 - upstream leased assets	108	116	98
Total location-based emissions (tCO₂e)²	20,475	26,835	33,173
UK emissions	20,112	26,397	32,698
Global emissions (excl UK)	364	436	475
Market-based scope 2 emissions	46	65	75
Total energy consumption (kWh)⁷	4,387,781	4,236,567	4,954,261
UK consumption	4,316,661	4,182,011	4,880,088
Global consumption (excl UK)	77,820	54,556	74,173
Intensity ratios			
Scope 1 and 2 - location-based emissions (tCO ₂ e/FUMA£bn)	14.72	11.86	12.99
Total location-based emissions (tCO ₂ e/FUMA£bn)	374.33	393.47	551.05
Total location-based emissions (tCO ₂ e/FTE)	12.54	13.66	15.66

- 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 2022 are 75 tCO₂e (2021: 65 tCO₂e)
- For the first time, we have incorporated emissions from Saunderson House into our greenhouse gas emissions inventory. As a result, our total location-based emissions for 2021 have been restated from 25,072 tCO₂e to 26,835 tCO₂e. Emissions for 2020 have not been recalculated to include Saunderson House at this stage.
- Under SECR regulation we are required to split our global and UK emissions. Our global emissions (excl. UK) and global consumption (excl. UK) reflect electricity emissions and consumption (respectively) from our Jersey office. It is not possible to split out travel and allocate to our Jersey office at this stage
- Data centre emissions are reported under Scope 3, as per the WRI GHG Protocol
- Electricity transmission and distribution (T&D) reflects emissions from line losses associated with electricity transmission and distribution
- Emissions from water supply and treatment are included in our disclosure for the first time this year; 2021 emissions have been restated to include these emissions
- Total energy consumption (kWh) of our Scope 1 and Scope 2 emissions (electricity), and scope 3 (employee cars)
- Emissions associated with hotel stays and employee cars were reported in business travel in 2022
- Our Scope 3 emissions include calculations through spend-based activity data and average emission factors. These calculations utilise the Comprehensive Environmental Data Archive (CEDA), an environmentally extended input-output (EEIO) database published by VitalMetrics. In 2023, we updated our emission factors from CEDA version 5 to CEDA version 6 to ensure the most up-to-date data is reflected in our calculation. Prior years have not been recalculated using CEDA 6; as such, comparisons of current and previous year data should be cautionary.

METHODOLOGY AND ASSURANCE

We continue to meet the greenhouse gas (GHG) emissions reporting requirements of the Companies Act 2006 (Strategic and Directors' Reports) Regulations 2013 and our obligations under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. We have prepared this report in accordance with the requirements for quoted companies under these regulations by including our specific energy usage and energy-efficiency initiatives and have split out our global and UK emissions. Rathbones continues to report all material GHG emissions across our direct operations. The methodology used to compile this disclosure is in accordance with Defra's Environmental reporting guidelines: Including Streamlined Energy and Carbon Reporting guidance (March 2019), and the World Resources Institute Greenhouse Gas (WRI GHG) Protocol Corporate Standard. Rathbones uses an operational control approach and has included GHG emissions arising from business activities in the reporting year 1 January 2022 to 31 December 2022.

ACCENTURE OPINION STATEMENT

This statement provides Rathbones and its stakeholders with a third-party assessment of the quality and reliability of Rathbones' carbon footprint data for the reporting period 1 January 2022 to 31 December 2022. It does not represent an independent third-party assurance of Rathbones' management approach to sustainability. Accenture, formerly Avieco, has been commissioned by Rathbones for the thirteenth consecutive year to calculate Rathbones' carbon footprint for all offices in its 2021 annual report. Through this engagement, Accenture has assured Rathbones that the reported carbon footprint is representative of the business and that the data presented is credible and compliant with the appropriate standards

and industry practices. Data has been collected and calculated following Defra's 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019)' and the WRI GHG Protocol Corporate Standard principles of relevance, completeness, consistency, transparency and accuracy. Accenture's work has included interviews with key Rathbones personnel, a review of internal and external documentation and interrogation of source data and data collection systems, including comparison with the previous years' data. Accenture has concluded the following:

RELEVANCE

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

COMPLETENESS

Rathbones continues to use the operational control approach to define its organisational boundary. Rathbones calculates total direct Scope 1, 2 and major Scope 3 emissions. Reported environmental data covers all employees and all entities that meet the criteria of being subject to control or significant influence of the reporting organisation.

CONSISTENCY

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

TRANSPARENCY

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

ACCURACY

To our knowledge, data is considered accurate within the limits of the quality and completeness of the data provided.

ECOACT SCOPE 3 SUPPORT

To measure Rathbones' value chain footprint, EcoAct has followed the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Our Scope 3 emissions include calculations through spend-based activity data and average emission factors. These calculations utilise the Comprehensive Environmental Data Archive (CEDA), an environmentally extended input-output (EEIO) database published by VitalMetrics. In 2023, we updated our emission factors from CEDA version 5 to CEDA version 6 to ensure the most up-to-date data is reflected in our calculation. Prior years have not been recalculated using CEDA 6; as such, comparisons of current and previous year data should be cautionary.

THE FTSE4GOOD INDEX

We are pleased to have been included in the FTSE4Good Index for over 10 years. As a business we will continually develop our approaches to maintain our listing. FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Rathbones Group Plc has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong environmental, social and governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

SUSTAINABLE DEVELOPMENT GOALS

OUR SUSTAINABLE DEVELOPMENT GOAL ALIGNMENT

As we work to understand and manage the environmental, social and governance risks and opportunities that face our business, we are looking to align our reporting to recognised frameworks. Alongside showing our support for the United Nations Global Compact in 2021, we also mapped our responsible business programme to the 17 United Nations Sustainable Development Goals (SDGs) and their underlying 169 targets. As a result of this process, we have identified seven goals which we believe we materially align with.

Through our various fund or investment approaches, we impact many more SDGs. At this time rather than show alignment to all 17 SDGs, we have chosen to show those which, we see, have a direct impact. Rathbone Greenbank Investments, our ethical, sustainable and impact business' approach to responsible investment, has long recognised many of the challenges encompassed in the SDGs and the ways in which companies can meet them.

➤ To read more about how the SDGs map to the Greenbank investment themes, visit their [website](#).

			2022	2021	2020
	Developing our people	Average investment per person (training) £	456	484	468
		Number of employees completing CISI ESG module	19	366	-
		Mentoring pairs	55	50	40
	Responsible investment Creating an inclusive business	% of ESG topics engaged on which relate to DE&I	7.5	22	-
		% women on our board	43	33	37.5
		% group executive managers female/male	30/70	30/70	30/70
		% women in senior management	30/70	28/72	25/75
	Responsible investment Creating an inclusive business Our supply chain Managing our modern slavery risk	Living wage signatory	Yes	Yes	Yes
		Our mean gender pay gap	36	37	40
		% of suppliers paid on time	92	70	63
		% of key suppliers supporting Rathbones Group Plc reviewed for alignment to the Modern Slavery Act	69	66	-
	Creating an inclusive business	% employees female/male	46/54	47/53	48/52
		% employee sharing their diversity data	64.9	64.7	50
	Responsible investment Creating an inclusive business	Transparency – PRI score - investment and stewardship policy (previously strategy and governance)	72%	A+	A+
		Waste produced (tonnes)*	262	176	189
		Paper purchased (tonnes)*	62	67	57
		Supply chain emissions* (category 1 and 2) tCO ₂ e	29,920	24,217	18,158

FURTHER INFORMATION / SUSTAINABLE DEVELOPMENT GOALS

		2022	2021	2020
	Responsible investment			
	Climate related voting action taken	61	14	5
	% of our underlying securities that have set or committed to set targets in alignment with the SBTi	22	17	13
Our environmental impact	Weighted average carbon intensity (scope 1 and 2) equity (tCO ₂ e/£m revenue)	97.3	145.7	170.6
	Emissions intensity* (tCO ₂ e/FUMA £bn)	12.99	11.86	14.72
	Emissions intensity* (tCO ₂ e/ £m of operating income)	551.05	393.47	374.33
	Emissions intensity* (tCO ₂ e/FTE)	15.66	13.66	12.54
	Responsible investment			
	Number of engagements carried out	671	705	226
	Community investment			
	Group donations £	795,110	418,000	467,000
	Group donations – % of pre-tax adjusted operating profit	1.24	0.45	1.07
	Total number of charities supported by Rathbones Group	81	57	52
	Number of charities supported by Rathbones Group Foundation	44	36	36
	Give as you earn – employee donations £	221,467	214,396	201,697
	Give as you earn – corporate donations £	204,511	178,021	166,047
	Rathbones Financial Awareness – people reached	794	545	250
Rathbones Financial Awareness – people reached (since 2013)	11,839	11,045	10,500	

* 2021 environmental data has been restated to incorporate emissions from Saunderson House into our greenhouse gas inventory

FURTHER INFORMATION

Our approach to reporting this year means that we have produced several reports in which readers may find relevant content. All are digitally available and where possible we have provided links between the relevant reports.

This report is structured around the four pillars of our responsible business programme. For more information on our approach to responsible investment or management of climate risk see the [reports and disclosures hub](#) on our website.

TO FIND OUT MORE



[Annual report 2022](#)



[Group Climate Statement](#)



[Responsible investment report](#)



[CDP submission](#)



[TCFD report](#)



[Rathbones website](#)

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