

Rathbone Brothers Plc

Environmental impact report 2017



Rathbones
Look forward

About this report

This report provides the Rathbone Brothers plc its stakeholders with a detailed account of the group's carbon footprint arising from all operations. It has been prepared following interviews with key EIB Group personnel, a review of internal and external documentation, interrogation of source data and data collection systems including a comparison against previous years' data.

This report provides a comprehensive breakdown of total carbon emissions arising from all activities in scope in 2017, as well as a comparative analysis of performance in relation to previous years dating back to Rathbones' baseline year of 2012. All data collected and analysed within this report has followed the World Resources Institute (WRI) GHG Protocol principles of relevance, completeness, consistency, transparency and accuracy.

Environmental impacts

As a responsible investor, Rathbones leads by example in our approach to environmental matters. We strive to understand the environmental impacts of our business activities and, where possible, act to reduce them. This is the tenth year in which we have calculated the environment impact of our operations and this report provides a full breakdown of our carbon footprint. We have rebaselined this year, adjusting our reporting period to match our financial year.

Our 2017 carbon footprint

2,553 tCO₂e
total emissions

-9%
Vs. 2016

-10%
Vs. Baseline

In 2017, we are pleased to report a 9% reduction in total emissions, primarily due to:

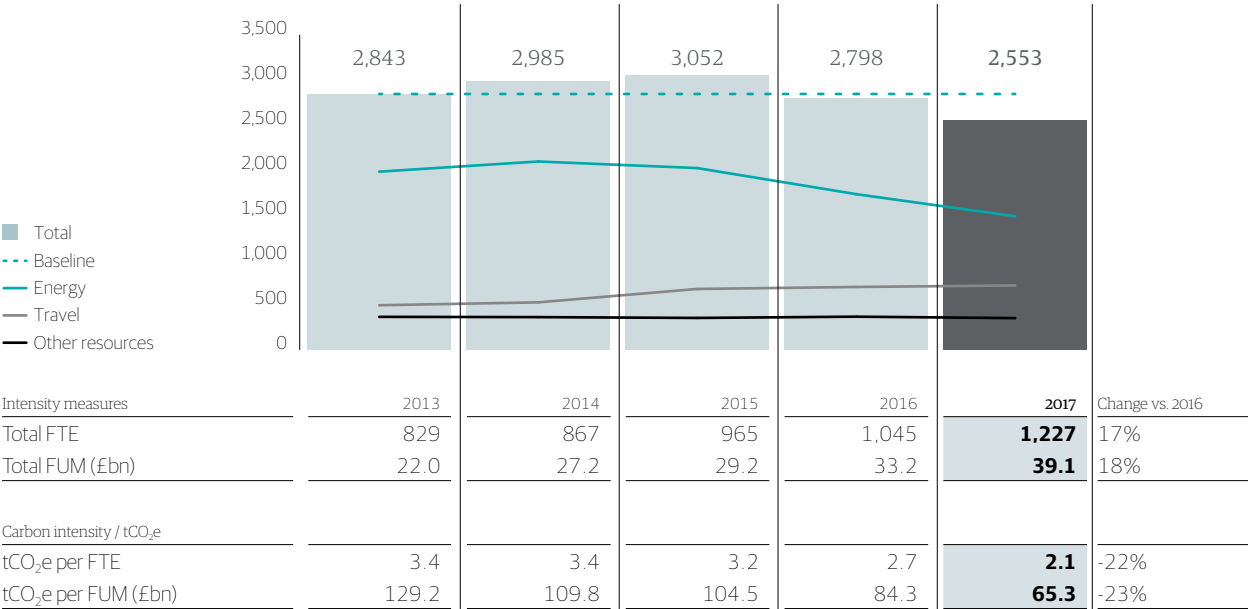
- Completing our head office move to an award-winning BREEAM 'Excellent' rated building
- Significant reductions in our electricity and natural gas consumption
- A 15% reduction in the electricity emissions factor for 2017.

Due to these changes in 2017 we improved our performance both in absolute terms and in the emissions intensity of our business by FTE, m², operating income and funds under management.

Scope

Our reporting period covers the 12 months to 31st December 2017, with our baseline year set as 2013. We report on all relevant and material emissions sources across the group, primarily relating to buildings energy and resource consumption, as well as group business travel.

Total emissions (tCO₂e) since baseline year



Location-based and market-based emissions

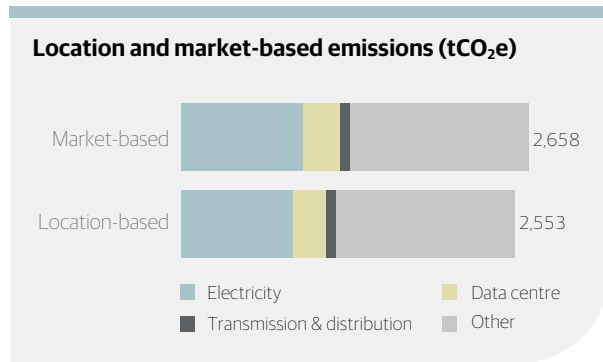
In line with established best practice, since 2015 we have reported two emissions totals:

- a **'location-based'** figure that reflects the average emissions intensity of the UK national grid and,
- an alternative, **'market-based'** figure that reflects the emissions intensities of Rathbones' electricity suppliers and tariffs.

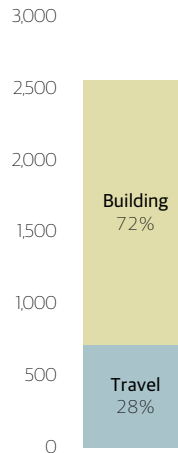
2,553 tCO₂e
location-based emissions

2,658 tCO₂e
market-based emissions

+3%
difference



Emissions source breakdown Breakdown of location based emissions



For sites where Rathbones have direct contract with our electricity suppliers (Aberdeen, Chichester, Kendal, Newcastle and Winchester) we are pleased to report a 64% reduction in our market-based electricity emissions when compared to the location-based UK grid average.

At other sites, we are constrained in our ability to influence landlord electricity procurement choices, including in our largest offices in London and Liverpool. Consequently, market-based emissions for these sites have been calculated using the "residual mix" factor. This is more carbon intensive than the national grid average since it excludes renewables supply that has been accounted for by other organisations. Our total market-based emissions are therefore 3% higher than our reported location-based emissions.

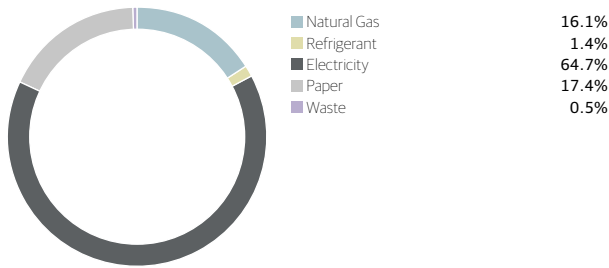
We are continuing to engage with our landlords to encourage a move to tariffs that contain a greater proportion of renewable energy. We therefore hope to benefit from a reduction in our market-based carbon footprint in future years.

The majority (72%) of Rathbones' emissions are building emissions from electricity, paper, natural gas, refrigerant and waste.

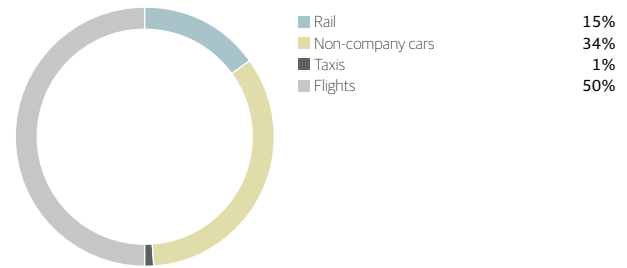
Electricity (including electricity from data centres and electricity transmission and distribution) is the largest single emissions source, which makes up 47% of Rathbones' total carbon footprint.

This is followed by business flights, paper and natural gas emissions, which together account for 38% of our total emissions.

Breakdown of building emissions by source



Breakdown of travel emissions by source



Focus on buildings

4,696 MWh
Total energy consumption

-8.8%
Vs. 2016

1,837 tCO₂e
Total emissions

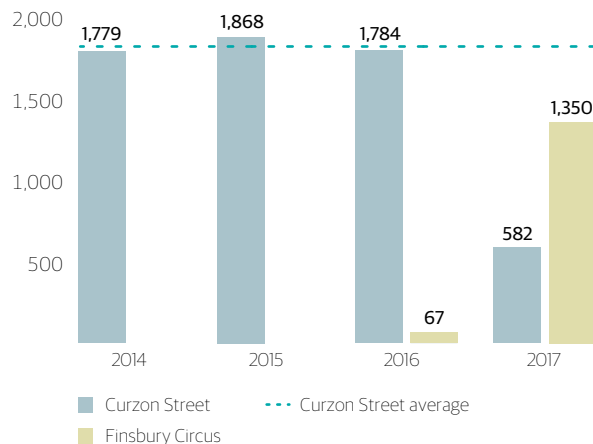
-13%
Vs. 2016

The energy used in our offices accounts for the majority of our carbon footprint and is a driving factor behind our continued focus on reducing our energy consumption.

London Head Office

In February 2017, Rathbones completed its London Office move from Curzon Street to a BREEAM¹ "Excellent" rated building at 8 Finsbury Circus and our new head office has proven to be significantly less energy intensive. This year is the first reporting year in which we have been able to see the comparative emissions performance of the new head office, and we expect this will lead to further reductions in our 2018 carbon footprint, following full year occupancy at Finsbury Circus. Based on this year's emissions, Finsbury Circus is approximately 34% more energy intensive than Curzon Street, based on an average of the last three years at Curzon Street.

Head office energy consumption (MWh): Finsbury Circus and Curzon Street compared



Electricity

Reported electricity emissions in 2017, excluding data centres, decreased by 10%, primarily due to:

- The improved energy efficiency of the new head office in Finsbury Circus
- A 15% reduction in the electricity emissions factor

Gas

Gas consumption decreased by 27% primarily due to a significant reduction at the Liverpool office, which was overstated in 2016. We have now identified and resolved a number of meter reading issues to ensure increased reporting accuracy from 2017 onwards.

Refrigerants

This is the fifth year we have collated our refrigerant figures, which have increased this year to 25tCO₂e having reported zero fugitive emissions from refrigerants in 2016. This is due to the need for refrigerant replacement at our Liverpool office, following regular inspection and maintenance.

1. BREEAM (BRE Environmental Assessment Method) is the leading and most widely used environmental assessment method for buildings and communities. It sets the standard for best practice in sustainable design and has become the de facto measure used to describe a building's environmental performance. "Excellent" is the 2nd highest certification rating.

Focus on travel

4.83 million km

Total distance

-19%

Vs. 2016

716 tCO₂e

Location based emissions

+2%

Vs. 2016

Business travel accounts for over a quarter of our total emissions and although we try to minimise our emissions from travel wherever possible, the nature of our business makes a certain degree of travel unavoidable. In 2017, our total business travel emissions increased by 2%, despite a 7% reduction in emissions from flights. This rise in business travel emissions is to be expected following a 17% increase in overall FTE numbers this year and we are therefore pleased to report that travel emissions per FTE decreased 6% to 0.58 tCO₂e/FTE.

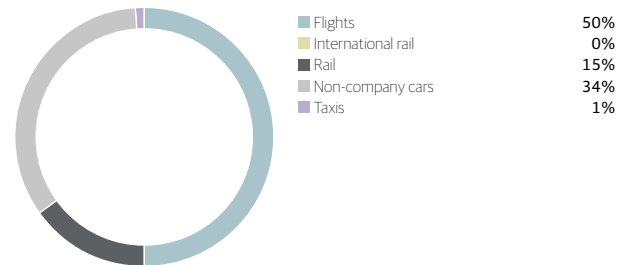
Flights

Emissions from flights decreased by 7% on last year. Although the total number of flights saw a slight increase from 2,065 to 2,220, the percentage of domestic flights also increased from 86% to 89%. Consequently, the proportion of short haul flights fell to 9%, whilst the proportion of long haul flights remained at 1%. As a result, the overall distance travelled by air decreased by 11%.

Non-company cars

The reduction in flights emissions for 2017 is partially offset by a 28% increase in emissions from non-company cars, where the distance travelled increased by 37%. This is attributable to the 17% increase in overall headcount and primarily an increased number of client facing staff.

Emissions from business travel



Focus on paper

39,733
Reams of A4 paper used

-0.03%
Vs. 2016

319 tCO₂e
Location based emissions

-7%
Vs. 2016

In 2017, our paper related emissions decreased by 7% to 319 tCO₂e from 342 tCO₂e in 2016. This decrease was attributable to:

- The rebranding work in previous years contributed towards increased paper consumption and emissions during 2015 and 2016.
- The ongoing debate concerning the UK's post-Brexit relationship with the EU continues to contribute towards a higher volume of publications for Rathbones clients.
- The increased volume in client facing publications has been a significant driver in the reduction of recycled content of paper and printed materials when compared to previous years.

Focus on waste

408,694kg
Kg of waste generated

+1%
Vs. 2016

9 tCO₂e
Location based emissions

-66%
Vs. 2016

Although the absolute volume of waste increased marginally by 1%, we are pleased to report a reduction in the amount of waste generated per FTE which fell to 333 kg, a reduction of 14% compared the 387 kg per FTE reported in 2016.

Our waste protocol implemented in 2015 has continued to improve the granularity of the data available from our London and Liverpool offices, which produce the majority of our waste. We are pleased to report that 84% of our waste is recycled, with the remaining waste sent for incineration.

The change in reported waste disposal method accounts for the 66% reduction in emissions despite the increase in total volume, as a portion of our waste was previously being sent to landfill, which has a higher emissions factor.

Carbon offsetting

Since forming a partnership with Climate care in 2011, Rathbones has purchased nearly 40,000 tonnes of carbon offsets, supporting multiple projects globally across Bolivia, Brazil, Cambodia, Ghana, Kenya, India, Indonesia and Uganda. Our carbon offsets have enabled projects to deliver a range of benefits to local communities around the world such as fuel efficiency and the provision of fuel efficient stoves, rainforest protection, renewable energy via wind power and hydroelectric technologies, and safe water initiatives.

To offset our residual emissions in 2017, Rathbones purchased 2,553 tonnes of carbon through ClimateCare to support the following projects:

- The **ArBolivia** project promotes reforestation and Fair Trade by working with local farming families to reforest 5,000 hectares in the Amazon basin in Bolivia. ArBolivia offers a profitable alternative to the clearing of primary forests, combining livelihood improvement for participating farmers with environmental preservation.
- The provision of fuel efficient **Gyapa stoves** to Ghanaian families reduces fuel consumption by 50% when compared with traditional stoves, thereby reducing exposure to hazardous air pollutants - a leading cause of respiratory disease. The project has recently surpassed 1.2 million stoves distributed, each one leading to savings of up to \$100 per annum for Ghanaian families.
- The 80MW **Panama Wind** project in India provides local communities with a clean, stable energy source, saving approximately 135,000 tonnes of CO₂ each year and removing NO_x and SO₂ pollution through the displacement of fossil fuel generation.

Compliance

Rathbones complies with the regulations for reporting greenhouse gas emissions. Following an operational control approach to defining our organisational boundary, our 2017 greenhouse gas emissions from business activities amounted to:

- 321 tCO₂e resulting from the combustion of fuel and the operation of any facilities (classified as Scope 1 in this report); and
- 851 tCO₂e from the purchase of electricity by the company for its own use (classified as Scope 2 in this report).

It has not been practical to gather data on energy use at our Lymington office and we have used typical energy consumption benchmarks to calculate the energy use at this site based on floor area.

The methodology used is in accordance with the requirements of the following standards: The World Resources Institute Greenhouse Gas Protocol (revised version). This includes the new best-practice Scope 2 guidance using the market-based method; 'Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance' (Defra, October 2013) and ISO 14064-part 1. Whilst our financial reporting year is the calendar year, our reporting period for greenhouse gas emissions is 1 October to 30 September.

Carbon footprint by scope / tCO₂e

	2017	2016	2015	2014	2013 (Baseline)
Location-based emissions ¹					
Scope 1	321	404	317	310	306
Natural gas	296	404	315	272	276
Refrigerant	25	0	2	39	30
Company cars	0	0	0.02	0.01	
Scope 2	851	947	1,282	1,443	1,424
Purchased electricity	851	947	1,282	1,443	1,424
Scope 3	1,383	1,447	1,453	1,232	1,113
Data centres ²	257	294	317	252	150
Business travel	716	699	677	528	496
Paper	319	342	328	310	328
Waste	9	27	26	15	9
Electricity T&D ³	82	86	106	126	130
Total Location-based	2,553	2,798	3,052	2,985	2,843
Market-based emissions					
Purchased electricity	909	1,061	1,282		
Data centres	285	294	317		

Carbon intensity

	Operational indicators					Carbon intensity / tCO ₂ e ⁴				
	2017	2016	2015	2014	2013	2017	2016	2015	2014	2013
Staff (FTE)	1,227	1,045	965	867	829	2.1	2.7	3.2	3.4	3.4
Net internal area ⁵ of offices / m ²	22,924	15,369	14,518	14,430	14,430	0.11	0.18	0.21	0.21	0.20
Operating income / £m	291.6	243.8	230.1	209.3	176.4	8.8	11.5	13.3	14.3	16.1
Funds under management / £b	39.1	33.2	29.2	27.2	22.0	65.3	84.3	104.5	109.8	129.2

1. In accordance with best practice introduced in 2015, we report two numbers to reflect emissions from electricity. Location-based emissions based on average emissions intensity of the UK grid and market-based emissions to reflect emissions from our specific suppliers and tariffs.
2. Data centre emissions are reported as Scope 3, as per the Greenhouse Gas Protocol. However, where figures are stated in this report for overall buildings electricity consumption, we have included data centres to ensure transparency of electricity use.
3. Emissions from line losses associated with electricity transmission and distribution.
4. 'Carbon intensity' is the total all scopes tCO₂e per: FTE; m²; £m of operating income; £b funds under management.
5. Reported net internal area increased substantially in 2017 due to the inclusion of our new Finsbury Circus head office and the continued inclusion of Curzon Street. Excluding Curzon Street, total net internal area of offices in 2017 was 18,854 m².

Carbon Smart opinion statement

Carbon Smart's 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 2017 to 31 December 2017. It does not represent an independent third-party assurance of Rathbones' management approach to sustainability.

Carbon Smart has been commissioned by Rathbones for the tenth consecutive year to calculate Rathbones' carbon footprint for all offices for its 2017 corporate responsibility report. Through this engagement, Carbon Smart 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 the ISO 14064 - part 1 standard and verified against the WRI GHG Protocol principles of completeness, consistency and accuracy.

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

Carbon Smart has concluded the points listed below.

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 defining its organisational boundary. Rathbones calculate 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

In order to ensure comparability, we have used the same calculation methodologies and assumptions as for the previous year.

Transparency

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

Accuracy

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

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Rathbones
Look forward

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