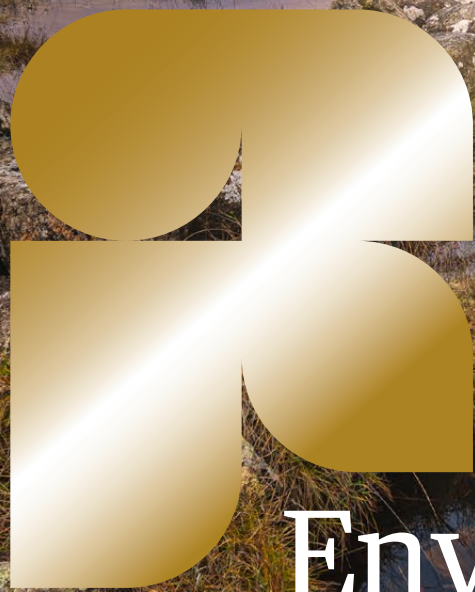


Rathbones  
Look forward



# Environmental impact report 2019

Rathbone Brothers Plc

## About this report

This environmental impact report has been prepared by Rathbones in association with Carbon Smart. It provides a detailed account of our carbon footprint arising from all operations. It was compiled following interviews with key Rathbones personnel, a review of internal and external documentation and analysis of source data, including a comparison against previous years' data.

We provide a comprehensive breakdown of our total carbon emissions arising from all activities 'in scope' in 2019 (see pages 1 and 10) as well as comparative analysis of our performance in relation to previous years, dating back to our baseline year of 2013.

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.

We hope that you find this report useful.



# Environmental impact

Total emissions

2,043  
tCO<sub>2</sub>e

Vs 2018

-2%

Vs baseline

-22%

“

In 2019 we reduced our carbon footprint by 2% with total emissions down to 2,043 tCO<sub>2</sub>e.

### Taking responsibility for our impact

Climate change commanded the news in 2019. With the UK declaring a climate emergency there is growing pressure for companies to act. As a responsible investor, our approach to internal environmental matters, striving to understand the environmental impacts of our business activities and, wherever possible, reduce them. Since 2007 we have been publicly reporting our environmental impacts and since 2017 we have increased the frequency of our assessments, producing quarterly internal reporting on our greenhouse gas emissions. This has improved our ability to monitor and manage year-on-year performance.

In 2019 we reduced our carbon footprint by 2% with total emissions down to 2,043 tCO<sub>2</sub>e (from 2,077 tCO<sub>2</sub>e in 2018). With our total funds under management increasing by 14% to £50.4 bn, our emissions intensity (tCO<sub>2</sub>e/£bn FUM) has correspondingly decreased by 14%. This reflects that whilst we are growing, we are doing so in a sustainable way.

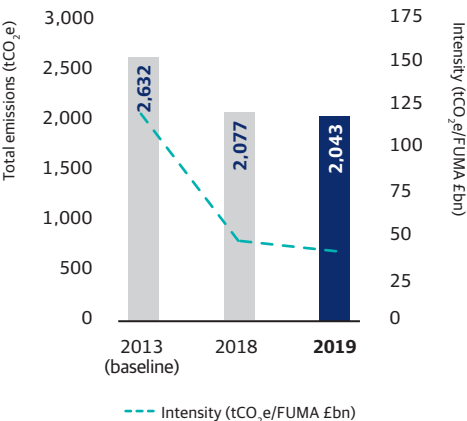
With energy from our built estate accounting for nearly half of our annual emissions. The emissions reduction is linked to the occupancy of more energy efficient buildings, with energy efficient refits and the continued decarbonisation of UK electricity supplies. With business travel continuing to increase in line with headcount growth accounting for 40% of our emissions. Other building activities (such as paper, waste and energy used by data centres) account for the remainder of our emissions.

### Emissions Source Breakdown

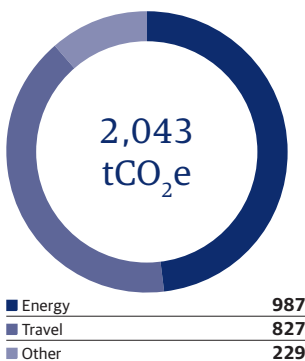
The majority of our emissions (48%) are from energy used in our buildings. With business travel (flights, rail and car usage) accounting for 40% of our emissions and paper, waste and data centres accounting for the remaining “other buildings” emissions.

The following sections include a breakdown by each resource type to further explore the impact of our business activities and our continued efforts to reduce the impact of our operations.

### Total emissions (tCO<sub>2</sub>e) since baseline year



### Emissions breakdown by resource type




# Key achievements in 2019

Rathbones completed several important initiatives in 2019 reflecting our continued focus on reducing our environmental impact.

## Action on energy efficiency

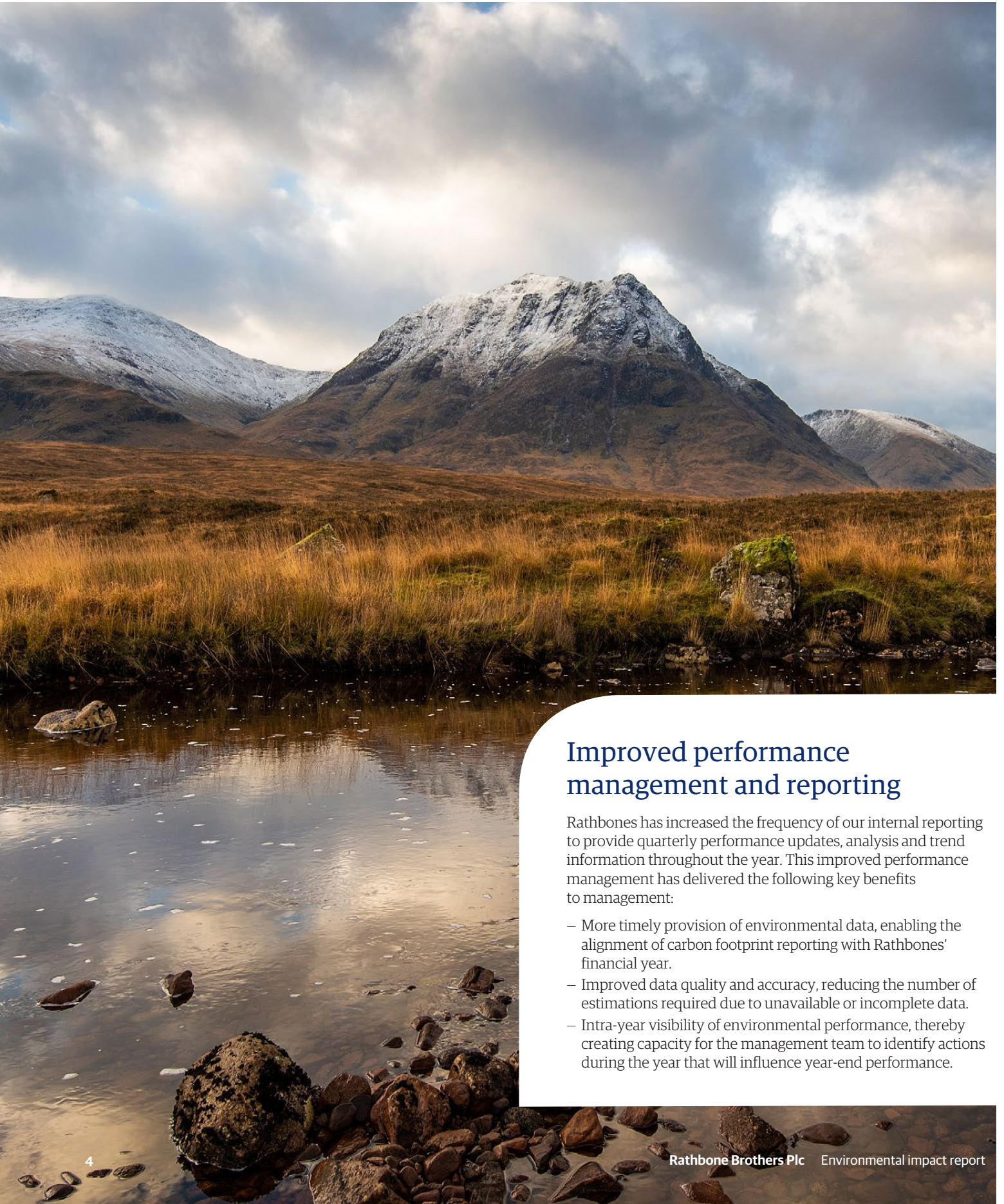
- Energy Savings Opportunities Scheme (ESOS) Compliance
  - we met the legal requirements of ESOS phase 2 in 2019, having assessed the total energy consumption of our whole operational estate, company-owned and employee-owned vehicles. We conducted site audits and more detailed energy profiling of our Liverpool and Bristol sites, which has helped us to understand the current energy performance of these two sites in greater depth and develop a list of energy saving opportunities for investment
- Rolling replacement of LED lighting - where older lighting systems require repair or upgrade, we are converting to LED, this will reduce the carbon emissions associated with electricity usage
- Review and upgrade of desktop IT - we are rolling out more energy efficient hardware, this programme will continue throughout 2020



## Carbon Disclosure Project submission

In 2019, we continued our policy of voluntary disclosure to CDP. CDP has raised the standard of global climate disclosure, encouraging companies to demonstrate transparency, accountability, measurement and management of their environmental impacts.

We are pleased to have received a 'B-' rating, reflecting our continued efforts to address climate-related issues across our business. This is higher than both the financial services sector and European regional averages. We have improved our scores for our risk management processes, governance of climate related issues and reporting of our emissions according to our CDP scorecard. We understand the importance of this increased transparency to our investors, employees and wider stakeholders and will continue to improve both our action and disclosure surrounding climate related issues.



## Improved performance management and reporting

Rathbones has increased the frequency of our internal reporting to provide quarterly performance updates, analysis and trend information throughout the year. This improved performance management has delivered the following key benefits to management:

- More timely provision of environmental data, enabling the alignment of carbon footprint reporting with Rathbones' financial year.
- Improved data quality and accuracy, reducing the number of estimations required due to unavailable or incomplete data.
- Intra-year visibility of environmental performance, thereby creating capacity for the management team to identify actions during the year that will influence year-end performance.

## Carbon offsetting programme

While continuing to pursue efforts to reduce our carbon footprint, we recognise that there is more that can be done to take action on our residual emissions.

Since 2011, we have partnered with ClimateCare to compensate for our unavoidable emissions, through a process known as carbon offsetting. This is an environmental best-practice mechanism which enables Rathbones to invest in projects around the world which ensure that for each tonne of carbon we emit, there is one less tonne in the atmosphere than there otherwise would have been. Offsetting by no means solves the problem of carbon emissions - but it is a tool which can be used effectively to act on emissions alongside effective carbon management and reduction strategies.

We chose to partner with ClimateCare because, with over 20 years' experience, ClimateCare have cut 34.8m tonnes of carbon worldwide and improved the lives of 36m people through working alongside projects that deliver value not only for the environment, but also for communities.

Throughout Rathbones' eight-year partnership with ClimateCare, we have offset over 21,600 tonnes of carbon emissions, by supporting 14 projects that have reduced global carbon emissions and improved lives. These projects range from large-scale renewables projects, to the LifeStraw Water Filtration and Gyapa Cookstoves projects that support health and development objectives around the World.

To offset our 2019 carbon footprint, we have chosen to support two high-impact projects which provide clean energy and improve lives in India. Each of these exciting projects has been selected in line with our support of the UN's Sustainable Development Goals and are certified by internationally accredited bodies, including The Gold Standard.



### Orb Solar Energy

In rural areas of India, households traditionally use kerosene as a fuel in the home, as grid supply can be unreliable. Orb Energy manufactures, installs, and services a range of high-quality solar energy systems for commercial and residential customers in India. The project has distributed over 160,000 reliable solar power and water heating systems to India across the past nine years.

When solar energy is used to heat water, typical household electricity bills are halved. Saving money on electricity enables individuals to invest in a better quality of life, through schooling, medicine and nutrition. Additionally, improved lighting allows businesses to operate for longer and more consistently, and lighting at home supports children in their studies.



## ACME Solar Project

Energy demand in India is rapidly increasing due to population growth and rural communities seeking electricity supply. Currently, this demand is being met with coal power generation. However, the declining price of PV places solar power in prime position to become a leading technology in the transition from fossil fuels to clean energy sources.

Rathbones' carbon offset is helping to ensure that the demand for energy is met with a zero-carbon energy source, that will provide clean power into the future. Delivering renewable energy at scale, the project supports

11 grid-connected solar projects across India that feed renewable electricity into the national grid. This innovative programme is launching India's first battery swap station for electric vehicle owners and is delivering 380MW of solar electricity generation to the Indian Grid. As well as delivering significant carbon emission reductions each year, it is supporting sustainable development for local communities. Nearby residents are employed to construct, maintain and run the large-scale grid solar farms. Additionally, the resulting infrastructural development in the region is promoting business and entrepreneurship through encouraging other suppliers to initiate solar projects.

# Location-based and market-based emissions

Location-based emissions

2,043 tCO<sub>2</sub>e

Market-based emissions

2,505 tCO<sub>2</sub>e

Difference in emissions totals

18%

“

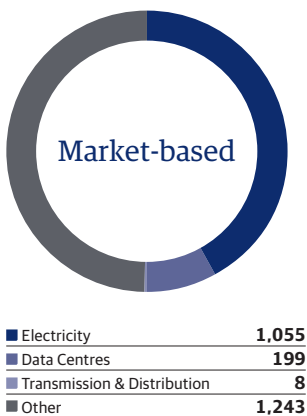
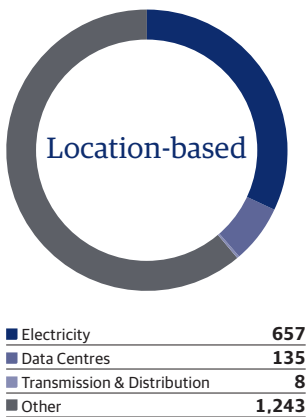
For sites where Rathbones have direct contracts with our electricity suppliers, we are pleased to report a 38% reduction in our market-based electricity emissions when compared to the location-based UK grid average.

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
- an alternative, ‘market-based’ figure that reflects the emissions intensities of Rathbones’ electricity suppliers and tariffs.

For sites where Rathbones have direct contracts with our electricity suppliers (Aberdeen, Chichester, Falmouth, Glasgow, Kendal, Newcastle and Winchester), we are pleased to report a 38% 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 18% 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.

Location and market-based emissions (tCO<sub>2</sub>e)



# Buildings energy

Electricity  
and gas  
consumption

4.32  
MWh

Vs. 2018

+5%

Location-based  
emissions  
due to buildings

979  
tCO<sub>2</sub>e

Vs. 2018

-3%

“

Our energy consumption per FTE has decreased by 9% vs 2018 with Liverpool, London and our Glasgow office accounting for over 75% of energy consumption across Rathbones portfolio.

Energy usage including electricity and gas consumed in our offices accounts for the majority of our carbon footprint and is a driving factor behind our continued focus to reduce our energy consumption where possible. Despite a 5% increase in energy consumption our energy consumption per FTE has decreased by 9% vs 2018 with Liverpool, London and our Glasgow office accounting for over 75% of energy consumption across Rathbones portfolio. In 2019 we completed ESOS phase 2 in 2019, having assessed the total energy consumption of our whole operational estate, company-owned and employee-owned vehicles we have a list of energy saving opportunities for investment which will help us to further reduce our consumption.

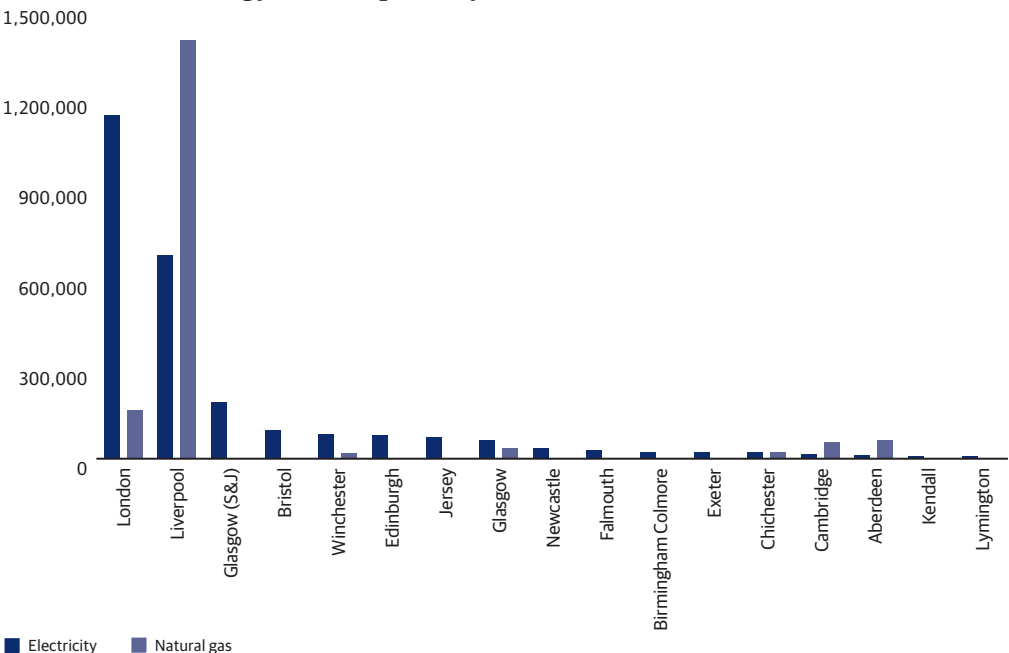
## Electricity

Reported electricity consumption in 2019, excluding data centres, increased by 10%. Despite continued growth in headcount and business activities electricity consumption per FTE has decreased by 4% vs 2018.

## Gas

Gas consumption has decreased by 2% vs 2018 despite increased consumption at Liverpool, our site consuming the most gas relative to the rest of the portfolio due to increased performance monitoring and management practices. The move of our London office from 1 Curzon Street to 8 Finsbury Circus has resulted in a reduction in our gas consumption.

Breakdown of energy consumption by site (kWh)



# Travel

Total distance

**5.4m**  
km

Vs. 2018

**+11%**

Location-based  
emissions  
due to travel

**827**  
tCO<sub>2</sub>e

Vs. 2018

**+12%**

“

Business travel accounts for 40% of our total emissions and although we try to minimise emissions from travel wherever possible, the nature of our business will always mean that some travel is unavoidable.

Business travel accounts for 40% of our total emissions and although we try to minimise emissions from travel wherever possible, the nature of our business will always mean that some travel is unavoidable. In 2019, our total business travel emissions increased by 12% primarily due to a 23% increase in emissions from flights offset by reduced emissions from journeys by car and rail. This rise in overall business travel emissions is to be expected following the 15% increase in headcount in 2019. Although total travel emissions have increased by almost 70% since our baseline year in 2013, linked to an 85% increase in headcount over the same period, our travel emissions per FTE have decreased by around 10% to 0.54 tCO<sub>2</sub>e/FTE.

## Flights

Emissions from flights rose by 23% with total distance flown increasing by 30% to 1.8 million km. Flights accounts for 60% of travel emissions despite not being largest type of business travel they are the most emissions intensive.

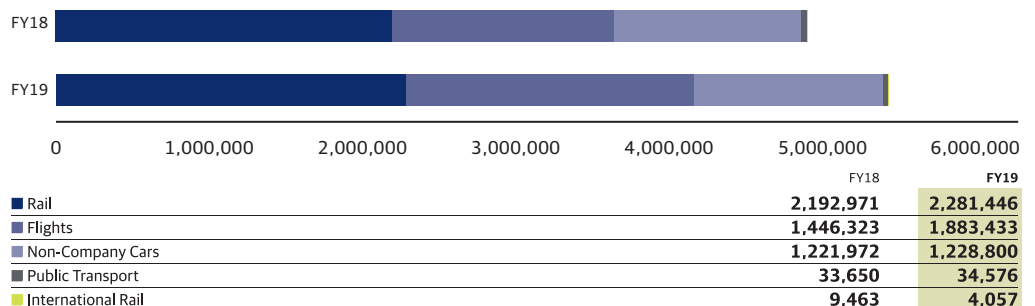
## Rail

Our employees travel by greatest distance by rail with business travel by rail increasing by 18% vs 2018. However despite this increase in distance, emissions from rail dropped by 3% and travel by rail is significantly less emissions intensive than flights. Rail emissions account for 11% of emissions from travel and flights accounting for nearly 60% despite rail distance being greater the business travel by flights.

## Non-company cars

Distance travelled in employee owned cars increased slightly by 1%, where the distance travelled amounted to 1.23 million km. Emissions from taxi use also followed this increase in travel and increased by 3%.

## Distance travelled by travel type (km)



# Other building emissions

Total paper  
purchased

**92**  
tonnes

Total waste

**342**  
tonnes

Energy  
consumed by  
data centres

**522**  
kWh

Location-based  
emissions  
from other  
building  
activities

**229**  
tCO<sub>2</sub>e

Vs. 2018

**+15%**

“

Emissions from energy consumed by our data centres continues to decrease with decarbonisation of the UK grid falling by 26% vs 2018.

## Paper

In 2019, our emissions from the purchase of paper increased by 7% to 87 tCO<sub>2</sub>e from 81 tCO<sub>2</sub>e in 2018<sup>1</sup>. We continue to evaluate and prioritise methods to reduce our paper consumption by improving employee and evaluating investment into more efficient printers.

## Waste

Waste consumption has increased in line with headcount growth and increased paper consumption.

Despite the 15% increase in headcount, the amount of waste generated per FTE fell to 224kg, a reduction of 4% compared to the 233 kg per FTE reported in 2018. 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.

## Data centres

Emissions from energy consumed by our data centres continues to decrease with decarbonisation of the UK grid falling by 26% vs 2018 to 135tCO<sub>2</sub>e.

## Refrigerants

This is the seventh year of reporting on refrigerants and we are pleased to report zero fugitive emissions from refrigerants in 2019 with no reported system top-ups required following our regular maintenance activities.

<sup>1</sup> In 2019 paper emissions were rebaselined due to change in methodology using the DEFRA emissions factors.

# Compliance with regulations

We continue to work with Carbon Smart to meet and exceed the greenhouse gas (GHG) emissions reporting requirements of The Companies Act 2006 (Strategic and Directors' Reports) Regulations 2013. We are also aware of our forthcoming obligations under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. In line with our policy of going beyond compliance, we have prepared this report in accordance with the requirements for quoted companies under these new regulations by including our specific energy usage, 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 WRI GHG Protocol Corporate Standard. Rathbones uses an operational control approach and has included GHG emissions arising from business activities in the reporting year 1st January 2019 to 31st December 2019.

In August 2018, we completed our acquisition of Spiers & Jeffrey and in adding an additional office to our portfolio have rebaselined all years to reflect this accordingly. 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.

## Location-based emissions (tCO<sub>2</sub>e)<sup>1</sup>

	2013 (baseline)	2018	2019	% change (vs. 2018)
<b>Scope 1</b>	306	328	<b>322</b>	↓ 2
Natural gas	276	328	<b>322</b>	↓ 2
Refrigerant	30	0	-	↔ 0
Company cars	0	0	-	↔ 0
<b>Scope 2</b>	1,424	680	<b>657</b>	↓ 3
Purchased electricity	1,424	680	<b>657</b>	↓ 3
<b>Scope 3</b>	902	1,069	<b>1,064</b>	↓ 1
Business travel	496	741	<b>827</b>	↑ 12
Data centres <sup>2</sup>	150	182	<b>135</b>	↓ 26
Paper <sup>3</sup>	117	81	<b>87</b>	↑ 7
Waste	9	7	<b>7</b>	↔ 0
Electricity T&D <sup>4</sup>	130	58	<b>8</b>	↓ 87
<b>Total location-based</b>	2,632	2,077	<b>2,043</b>	↓ 2
UK emissions <sup>5</sup>	2,609	2,055	<b>2,024</b>	↓ 2
Global emissions (excl. UK) <sup>5</sup>	23	22	<b>19</b>	↓ 14
Total energy consumption (kWh) <sup>6</sup>	4,748,931	4,117,966	<b>4,320,690</b>	↑ 5
UK consumption (kWh)	4,678,559	4,045,881	<b>4,247,556</b>	↑ 5
Global consumption (excl. UK) (kWh)	70,372	72,085	<b>73,134</b>	↑ 1
<b>Intensity ratio</b>				
FUMA (£bn)	22.0	44.1	<b>50</b>	↑ 14
Emissions intensity (tCO <sub>2</sub> e/FUMA £bn)	120	47	<b>41</b>	↓ 14

1. 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 to reflect emissions from our specific suppliers and tariffs. Total market-based emissions from 2019 are 2,505 tCO<sub>2</sub>e

2. Data centre emissions are reported as Scope 3, as per the WRI GHG Protocol

3. Paper emissions have been recalculated and restated for all years using Defra conversion factors to ensure comparability with 2019. This is due to a revision in the underlying methodology in the conversion factors applied this year

4. Electricity transmission and distribution (T&D) reflects emissions from line losses associated with electricity transmission and distribution

5. Under the new 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

6. Total energy consumption (kWh) of our Scope 1 and Scope 2 emissions (electricity and natural gas)

# Carbon Smart 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 2019 to 31 December 2019. It does not represent an independent third-party assurance of Rathbones' management approach to sustainability.

Carbon Smart has been commissioned by Rathbones for the eleventh consecutive year to calculate Rathbones' carbon footprint for all offices in its 2019 annual 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 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.

Carbon Smart'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. Carbon Smart 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. In 2019, emissions were rebaselined to include Speirs and Jeffrey.

## 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.



carbon smart

# Our offices

## Head office

8 Finsbury Circus  
London  
EC2M 7AZ  
+44 (0)20 7399 0000

## Investment Management

8 Finsbury Circus  
London  
EC2M 7AZ  
+44 (0)20 7399 0000

1 Albert Street  
Aberdeen  
AB25 1XX  
+44 (0)1224 218 180

The Colmore Building  
20 Colmore Circus  
Queensway  
Birmingham  
B4 6AT  
+44 (0)121 233 2626

10 Queen Square  
Bristol  
BS1 4NT  
+44 (0)117 929 1919

North Wing, City House  
126-130 Hills Road  
Cambridge  
CB2 1RE  
+44 (0)1223 229 229

1 Northgate  
Chichester  
West Sussex  
PO19 1AT  
+44 (0)1243 775 373

28 St Andrew Square  
Edinburgh  
EH2 1AF  
+44 (0)131 550 1350

The Senate  
Southernhay Gardens  
Exeter  
EX1 1UG  
+44 (0)1392 201 000

Vision House  
Unit 6A Falmouth  
Business Park  
Bickland Water Road  
Falmouth  
Cornwall  
TR11 4SZ  
+44 (0)1326 210904

George House  
50 George Square  
Glasgow  
G2 1EH  
+44 (0)141 397 9900

26 Esplanade  
St Helier  
Jersey  
JE1 2RB  
Channel Islands  
+44 (0)1534 740500

The Stables  
Levens Hall  
Kendal  
Cumbria  
LA8 0PB  
+44 (0)1539 561 457

Port of Liverpool Building  
Pier Head  
Liverpool  
L3 1NW  
+44 (0)151 236 6666

48 High Street  
Lymington  
SO41 9AG  
+44 (0)1590 647 657

Earl Grey House  
75-85 Grey Street  
Newcastle upon Tyne  
NE1 6EF  
+44 (0)191 255 1440

Fiennes House  
32 Southgate Street  
Winchester  
SO23 9EH  
+44 (0)1962 857 000

## Unit Trusts

8 Finsbury Circus  
London  
EC2M 7AZ  
+44 (0)20 7399 0000



**Rathbone Brothers Plc**  
8 Finsbury Circus, London, EC2M 7AZ  
+44 (0)20 7399 0000  
[rathbones.com](http://rathbones.com)