TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

INTRODUCTION AND COMPLIANCE

As wealth managers, we have a fiduciary duty on behalf of our clients to consider all long-term risks that may impact their investments. We are committed to helping our clients safeguard their portfolios against physical and transitional risk as the world moves to a low-carbon economy. At Rathbones, we recognise that this is a collaborative exercise that spans industries and as such we are continuously engaging with our stakeholders, including our clients, investors, regulators and industry organisations, to improve our collective climate reporting and help smooth the transition to a net zero economy.

During the financial year ended 31 December 2022, the board has complied with the requirements of the listing rule 9.8.6. Our report is consistent with the 11 recommendations of the TCFD. In developing the report, we have considered and addressed all recommendations within the all-sector guidance as well as the supplemental guidance for asset managers in full. We continue to engage with our stakeholders pages 27 to 35 to gather input into our understanding of material issues. The responsible business committee, amongst others in our governance structure consider which ESG issues are material to our business and should be publicly reported. In 2023, we will undertake a materiality assessment to further develop our understanding and strengthen future disclosures. We have chosen to publish our full 2022 TCFD disclosure as a standalone statement, allowing us to report in more detail and link from that report to applicable content across our reporting suite. Our standalone statement will be available as a PDF on the reports and disclosure page of our website.

The following pages include a summary update of our approach and also sign-post to where more information can be found.

TCFD PILLAR: GOVERNANCE

Disclose the organisation's governance around climate-related issues and opportunities

TCFD RECOMMENDED DISCLOSURE	OUR DISCLOSURE	FURTHER INFORMATION
Describe the board's oversight of climate-related risks and opportunities	Responsibility for managing climate risks and opportunities sits with the Rathbones board. The board is supported by several committees which maintain responsibility for the consideration and integration of climate risks and opportunities in their area of specialism as appropriate. The board is responsible for setting the right tone for the business, supporting a strong risk management culture and, through our senior leadership team, encouraging appropriate behaviour and collaboration across the business. The board regularly assesses the most significant risks and emerging threats to the group's strategy and receives updates at least twice a year via risk and responsible business papers. Oversight of risk management activities is also undertaken through the group risk and audit committees. They offer support to the board, setting a constructive tone in support of a strong risk culture, which is integrated into our company culture and which our people embrace as part of their day-to-day responsibilities.	Audit committee report page 114 TCFD report pages 8 to 9
Describe management's role in assessing and managing climate-related risks and opportunities	We have assigned climate-related responsibilities to several individuals and committees across the business. As chair of the responsible business committee, our group chief executive has responsibility for bringing climate-related matters to the board. And our chief risk officer (CRO) is the senior management function responsible for climate-related financial risks, as designated in accordance with the Prudential Regulation Authority's Supervisory Statement on managing financial risks relating to climate change (SS3/19). Additionally, there are a number of teams involved in assessing, managing and reporting on our climate risk, including our finance, risk and compliance, research and investment teams, alongside our supplier management function and properties and facilities departments. At an organisational level responsibility for climate change-related matters lies with the company secretary and is led by our responsible business manager.	Risk management page 110 TCFD report pages 10 to 12

TCFD PILLAR: STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material

TCFD RECOMMENDED DISCLOSURE	OUR DISCLOSURE	FURTHER INFORMATION
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term	Rathbones' climate-related risks include both physical risks (arising from the physical effects of climate change on businesses' operations, workforce, markets, infrastructure, raw materials and assets) and transition risks (resulting from policy, legal, technology and market changes occurring from the shift to a lower-carbon global economy). Importantly, the transition to a low-carbon future also provides Rathbones with opportunities which, if acted on, stand to benefit the business. An overview, timeframe and a description of our strategy to realise each opportunity is provided in the full report. Climate-related risks have been integrated into our risk management framework to support our transition to net zero.	Responsible investment report pages 16 to 17, and 30 to 32 TCFD report pages 15 to 20
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	The climate-related risks and opportunities that we face as a business occur across both our direct operations and our investments. 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 derived from the investments we hold on behalf of our clients. We continue to integrate climate considerations into our investment approach and provide our clients with products that not only meet their financial needs but can also adapt to the continually evolving environment. In addition to integrating consideration of climate risk into our general investment process, we offer investment management offerings from Rathbone Greenbank Investments, as well as the Rathbone Greenbank Global Sustainability Fund, Rathbone Ethical Bond Fund and Rathbone Greenbank Multi-Asset Portfolios (GMAPs). We continue to pursue an absolute reduction in our operational carbon footprint and offset residual emissions, and in doing so respond to the operational climate-related risks and opportunities that we face as a business. The focus of our operational carbon reduction efforts is primarily directed on the following areas: resource consumption, energy efficiency, digitising our business and business travel.	Responsible investment report pages 10, 12, and 30 TCFD report pages 21 to 22
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	By using climate scenario analysis across physical and transitional risks, we assess the potential impact of climate change on our portfolio, therefore helping to determine the resilience of our strategy as an organisation. Considering the implications of different scenarios on assets and operations helps us better understand and quantify the risks and uncertainties our investee companies may face under different hypothetical futures, and how current or potential trajectories could drive business value.	Responsible investment report pages 25 to 26 TCFD report pages 23 to 28

TCFD PILLAR: RISK MANAGEMENT

Disclose how the organisation identifies, assesses and manages climate-related risks

TCFD RECOMMENDED DISCLOSURE	OUR DISCLOSURE	FURTHER INFORMATION
Describe the organisation's processes for identifying and assessing climate-related risks	Risks are identified within a 3-tier hierarchy, with the highest level containing business and strategic, financial, conduct and operational risks. Risks are assessed on an inherent and residual basis across a three-year period according to several impact criteria and includes consideration of the internal control environment and/or insurance mitigation. Climate-related risks such as changes to existing regulation are identified and assessed as part of our hierarchical approach to risk management. A watch list is maintained to record any current, emerging or future issues, threats, business developments and regulatory or legislative change. The group's risk profile, risk register and watch list are regularly reviewed by the executive committee, senior management, board and group risk committee. We rely on the stress test work undertaken as part of our ICAAP process to recognise the potential impact of climate or ESG risk on investment valuations, particularly for securities where ESG risk is high or unmanaged, thereby connecting these risks to our financial stability.	Risk management page 54 TCFD report page 30 to 31
Describe the organisation's processes for managing climate-related risks	We have a well-established approach to risk management, which has continued to evolve in response to the firm's growth and external developments. Our risk governance, processes and infrastructure are designed to ensure that appropriate risk management is applied to existing and emerging challenges to the firm's day-to-day activities and strategic objectives. The board, executive committee and group risk committee regularly review and at least annually formally approve the group's risk appetite statement, ensuring it remains consistent with our strategy and objectives. Our appetite framework is aligned with the group's overall prudential requirements for strategic, financial and non-financial risk (conduct and operational), and specific appetite measures are set for each principal risk. Risks which have triggered key risk indicators or risk appetite measures are reported and escalated in accordance with our framework to the executive committee, the group risk committee and the board as appropriate, so that risk mitigation can be reviewed and strengthened if needed.	Risk management page 58 TCFD report page 32
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Our exposure to climate-related risks is most material through the investments we make on behalf of our clients. The management of these risks is integrated into four of Rathbones' core responsible investment principles and pillars: ESG integration, voting with purpose, engagement with consequences and transparency. We are in the process of developing our ESG client reporting framework to support clients in the comprehension and monitoring of the climate and ESG characteristics of their portfolio.	Risk management page 59 Responsible investment report page 8 TCFD report pages 33 to 36

TCFD PILLAR: METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

TCFD RECOMMENDED DISCLOSURE	OUR DISCLOSURE	FURTHER INFORMATION
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	We use several metrics to measure the progress of our net zero journey, including carbon emissions and GHG intensity indicators, to ensure that we are responding to climate-related risks and opportunities appropriately. In addition to our operational metrics we use a selection of other metrics to inform our climate risk and engagement strategy. We have used a number of data sources to calculate the carbon emissions associated with our clients' investments (scope 3, category 15). We worked with independent consultants, EcoAct, to determine our absolute carbon emissions, weighted carbon emissions and average weighted carbon intensity. We also consider the coverage of our portfolio that have set or committed to SBTi aligned targets.	Our environmental impact page 75 to 76 Responsible business update page 14 to 17 TCFD report pages 37 to 43
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risk	We share our scope 1, 2 and material scope 3 GHG emissions and related risks on page 76, and for more information on the metrics and targets used, see our standalone TCFD report.	Our environmental impact page 75 to 76 Responsible business report page 15 to 16 TCFD report pages 39, and 41 to 42
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Using 2020 as a baseline year, we will work to achieve a 42% reduction in operational and supply chain emissions by 2030, with 35% of the investments held on behalf of our clients having committed to or having set their own targets by 2025 (57% by 2030). This is in line with our objective of achieving 100% investment coverage by 2040. Our targets include listed equity and bonds (common/preferred stock, corporate bonds, ETFs, investments in REITs, real estate). These were validated in October 2022 by the SBTi, confirming that our scope 1 and 2 target ambition has been determined in line with a 1.5°C trajectory. Our target for lending and investment portfolios meets the SBTi's criteria for ambitious climate goals, meaning they are in line with current best practice.	Our environmental impact page 75 to 76 Responsible business update page 14 TCFD report pages 37 to 38