Rathbones

Rathbones Group Plc

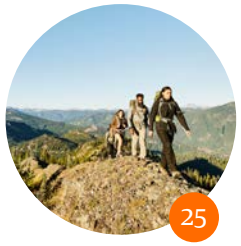
Responsible Business Report 2021

Welcome to our first responsible business report

Our commitment to be a leader in responsible business stems from our purpose in society – thinking, acting and investing responsibly.

Our purpose not only shapes what we do but how we do it. It is core to our business. It is woven throughout our business strategy. It is central to our day-to-day decision-making. Together with a long-term focus, it enables us to create value for our clients and make a wider contribution to society.

This report, structured around our responsible business programme, shares our commitments, progress and next steps as we work to deliver on our ambition to be the UK's most responsible wealth manager.



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 investing and acting responsibly continues to drive us forward. Our ambition is to be recognised as the UK's most responsible wealth manager.

Find out more in our 2021 annual report

1,967
full time employees

£68.2bn
managed by us for our clients

FTSE250
company listed on the London Stock Exchange

15
UK locations[1] and Jersey

Relevant investment solutions

Growing ESG capability with over
20
years of experience through Rathbone Greenbank Investments

4th
largest charity fund manager in the UK

A single strategy and multi-asset Fund business managing
£13.0bn

Deep expertise

Access to over
500
investment managers and financial planners

Robust investment skills with a research team of over
30
individuals

Client retention rate
93%

1. Includes Vision Independent Financial Planning.

Group chief executive's welcome

Paul Stockton

Having worked at Rathbones now for over thirteen years I have seen first-hand how deeply embedded responsibility is in our culture. We are very aware of the trust our clients place in us, and we strive to earn it from all stakeholders by putting values at the heart of our daily work. Working from such a strong foundation was even more important in 2021 which was another year of change and uncertainty for many.

Our commitment to a responsible business programme in 2021 was as strong as ever. Our four key pillars of operating responsibly, responsible investment, our people, society and communities, and our environmental impact, enables us to focus our work, but also helps govern the programme across the Rathbones Group. In 2021 we built on the initiatives we already had in place and identified other activities that supported us in delivering value to our stakeholders.

Our commitment as a signatory of the United Nations Global Compact, not only supports an objective that aligns with our own fiduciary duty as a business to help build a better world for future generations, but also recognises our position as stewards and allocators of capital. Chaired by me, our responsible business committee not only oversees our alignment to the ten principles and our impact against the Sustainable Development Goals, but also governs how we deliver on our responsibilities to our employees, our own environmental impact, and our societal impact.

In 2021 we saw progress across all four pillars. Our approach to responsible investment was strengthened considerably by integrating an expanded environmental, social and governance (ESG) research data set into the investment approach across the group. This also improved ESG reporting to clients and provided more support to our investment research and award-winning stewardship teams, the latter of whom completed 705 company engagements in 2021.

Working with the team at Included, our people function, continue to strengthen our approach to promoting diversity, equality and inclusion. As more colleagues have begun returning to the office we also continue to support employee wellbeing and offering employees the flexibility to work with their managers and teams to return to the office in the most efficient way.

We have been working closely with our suppliers, integrating ESG factors into a framework that ensures we understand the full impact of our activities and the steps we can take to help drive the move to a net zero economy.

This last year has seen an increasing number of pressures being placed on society. We have continued to support causes both local to our offices through the Rathbones Group Foundation, and, in particular, have also worked with Social Shifters to help young entrepreneurs as they build businesses solving societies' environmental and social challenges.

The creation of a net zero working group has supported the calculation and delivery of our net zero emissions targets. Having continued to deliver absolute emissions reductions operationally, we broadened our data collection in 2021 to include our supply chain and investment exposure. Important steps forward in this critical area.

We already know that 2022 will provide many more economic and political challenges, so we remain committed to building on progress to date, placing responsible business at our core, and delivering real change across each area of our programme.

2021 highlights

WE SUPPORT UN GLOBAL COMPACT

showed our support by becoming a signatory of the United Nations Global Compact

>700

companies engaged directly

8.1 / 10

employee engagement score (sector baseline 7.7)

66%

of our critical, strategic, and preferred suppliers completed our ESG supplier review

>55

charities supported through our community investment programmes

7.7%

reduction in our operational carbon footprint (tCO_2e)

Our purpose

It is our responsibility to invest and advise for everyone's tomorrow. This means keeping the future in mind when we make decisions today. Through our purpose of thinking, acting and investing responsibly, we look beyond the short term for the most sustainable outcome.

Our focus on the long term enables us to build enduring value for our clients, make a wider contribution to society and create a lasting legacy.

We have a clear understanding of who we are as a business and are committed to thinking, acting and investing responsibly. This means understanding the environmental, social and governance (ESG) issues that matter to all stakeholders and to our business.

We are committed to operating in a way that creates long-term value for our stakeholders, benefits society and actively addresses adverse impacts our activities have on society, people and the environment. This includes putting in place strong governance foundations to hold us to account. Alongside clear accountability we set targets, track and monitor our progress and report on our commitments in a transparent and timely manner.

Our responsible business programme enables us to deliver on our purpose through our various initiatives, including our responsible investment approach, diversity, equality and inclusion, community investment and reducing our environmental impact.

This report will provide an overview of our progress in those areas which we believe will enable us to deliver real change, which will impact our various stakeholders.

The world in which we operate

Our responsible business programme sits within a wider business and market context that is rapidly changing. Whilst we recognise that we cannot directly impact every trend and risk, we work across those where we can have a meaningful influence.

Global trends

The complexities of the world we operate in are continuously evolving. The table on the right shows the top ten global and top five UK risks, identified in the World Economic Forum 2022 Risk Report. Businesses have a responsibility to address those and build resilient strategies to ensure that they remain a force for good, supporting sustainable societies. Overall, these risks can also provide opportunities for Rathbones.

Our emerging risks

Emerging risks, including legislative and regulatory change, which have the potential to impact the group and the delivery of strategic objectives, are closely monitored via our watch list. During the year, our executive committee continued to recognise and respond to a number of emerging risks and threats both to the financial services sector and to our business. In addition, throughout 2021 we continued to develop and maintain our approach to monitoring strategic risks and horizon threats.

In 2021, key emerging risks and threats have been identified as:

Near-term

- Cyber threats and supply chain resilience
- Climate change transition risk
- ESG acceleration
- Post pandemic UK and global economic challenges

Medium-term

- UK specific and global political tensions
- Sector consolidation
- Changing regulatory expectations
- Digital currencies
- Open finance

Longer-term

- Generational wealth change
- Social care financing
- More extreme pandemics

Our view for 2022 is that we can reasonably expect current market conditions and uncertainties to persist, given the threat of COVID-19 variants and the wide range of global economic and political scenarios which could emerge.

For more detailed information on our approach to risk management see our annual report page 46.

"Our executive committee continued to recognise and respond to a number of emerging risks and threats to the financial services sector as a whole and to our business."

Top ten global risks

The 2022 World Economic Forum Global Risk Report identified the most severe risks on a global scale over the next ten years.

1st	Climate action failure
2nd	Extreme weather
3rd	Biodiversity loss
4th	Social cohesion erosion
5th	Livelihood crises
6th	Infectious diseases
7th	Human environmental damage
8th	Natural resource crises
9th	Debt crises
10th	Geoeconomic confrontation

Economic · Environmental · Geopolitical · Societal · Technological

Source: WEF, The Global Risks Report 2022

For the UK the top five risks are reported as:

- Failure of cybersecurity measures
- Debt crises in large economies
- Prolonged economic stagnation
- Infectious diseases
- Extreme weather events

How we are responding to the global trends and emerging risks

Whilst we do not directly respond to all of the global or UK risks, we do have initiatives in place that help us to manage and impact those we can directly influence. To read more about this please see:

- Climate action failure
- Biodiversity loss
- Human environmental damage
- Natural resource crises
- Extreme weather

Responsible business report:

Responsible investment page 13

Our environmental impact page 30

Other disclosures

Responsible investment report

Task Force on climate-related financial disclosures report

Climate statement

- Infectious diseases
- Livelihood crises
- Debt crisis
- Prolonged economic stagnation
- Social cohesion erosion
- Geoeconomic confrontation
- Cybersecurity failure

Responsible business report:

Our people page 19

Society and communities page 25

Other disclosures

Annual Report and Accounts:

Enabling our proposition page 22

Risk management and control page 46

Cyber training for the board page 80

Our responsible business programme

We manage our responsible business programme through our four pillars of responsible investment, our people, society and communities, and our environmental impact.

Understanding the issues that impact our stakeholders allows us to respond to the most material risks and opportunities across the pillars. In 2020, we engaged our employees to help define our pillars and the initiatives that would support our ambition. 2021 saw us build on the programmes we had put in place and identify a few key initiatives that would support us in delivering value to our stakeholders. These included further integrating environmental, social and governance (ESG) data into our investment approach, working with the team at Included, a diversity and inclusion consultancy, to support development of a diversity, equality and inclusion approach, embedding ESG factors into our supplier management framework, and establishing a working group to support calculation and delivery of our net zero emissions targets.

For generations, Rathbones has been entrusted to manage and preserve our clients' wealth. Our tradition of investing and acting responsibly will continue to lead us forward. As we look to the future, we will further engage with our stakeholders to ensure our approach continues to support our ambition, whilst delivering positive impacts.

Our programme is delivered through

4 pillars

We work with a number of partners, recognising that collaboration will help drive the change we want to see.

Responsible investment

Our ambition

Our aim is to be a leader in responsible investment.

It is in our clients' best interests for the companies in which we invest to adopt best practice in managing environmental, social and governance risks.

We act as good long-term stewards of the investments which we manage on their behalf and are increasingly holding companies to account on their ESG performance.

Our people

Our ambition

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

Our people are a key asset in delivering our strategy, excellent client experience and meeting our stakeholder commitments.

As an equal opportunities employer, we must continue to promote diversity, transparency and equality within our workforce.

Society and communities

Our ambition

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

Rathbones has a long-standing tradition of supporting our local communities.

The success of our business and the investments we manage are intrinsically linked to promoting the development of a sustainable and prosperous society.

Environmental impact

Our ambition

Our aim is to play our part in the move to a net zero economy.

Economic prosperity depends on the sustainable use of natural resources. By understanding the impact we have on the environment, through our operations and the investments we make, we actively encourage approaches that mitigate and minimise our impact on the natural world.

Responsible business governance

The board

Group executive committee

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

Rathbones' responsible business framework

Responsible investment

Led by our stewardship director

A number of committees support the underlying principles of our responsible investment pillar. This includes our group responsible investment committee as well as our engagement and voting committees.

To read more about how responsible investment is governed, see our responsible investment report and the responsible investment pages on our website.

Our people

Led by our head of organisational effectiveness

Our people pillar is supported by a number of groups. Rathbones Included, for example, provides input into our diversity, equality and inclusion (DE&I) objectives. Acting as the employee voice, it works with our people team to integrate DE&I across the group.

Society and communities

Led by our responsible business manager

Our community investment network consists of representatives from across our offices. Meeting at least quarterly the working group reviews our approach and recommends actions to support meaningful societal impact.

Our supplier management framework is supported by a project team working to integrate environmental, social and governance information into our existing supplier review process.

Our environmental impact

Led by our head of property and facilities

As we return to the office, our environmental pillar will be supported by a champions network, comprising of people passionate about reducing the impact of our operations.

The impact of climate risk both from and on our investments is managed through our responsible investment programme.

Rathbones is committed to upholding high standards of corporate governance and business ethics.

Having taken our first step by defining our responsible business framework in 2019, we have undertaken further engagement, assessing and updating our underlying plans, reviewing our operating environment and ensuring the business has suitable governance in place to oversee the programme. To this end, we formed the responsible business committee, co-chaired by our group chief executive and the managing director of our investment business, with representatives from risk, our underlying business units and subject matter experts who act as workstream leads.

Risk management

We have a well-established approach to risk management, which has continued to evolve in response to the group'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 our day-to-day activities and strategic objectives (see pages 24-25 in our annual report). In 2020, we included sustainability as a level 2 risk - defined as the risk that the business model does not respond in an optimal manner to changing market conditions, including environmental and social factors, such that sustainable growth, market share or profitability are adversely affected. In 2022, we will continue to manage risk effectively in accordance with our risk appetite, to support the long-term future of the group. We define risk appetite as the amount and type of risk the board is prepared to take or accept in pursuit of our long-term strategic objectives (for more information on our risk appetite see page 46 of our annual report and accounts).

The culture embedded across the group continues to enhance the effectiveness of risk management and decision-making. The board sets a constructive tone in support of a strong risk management culture and, supported by our executive and senior management team, encourages appropriate behaviours and collaboration across the group. Risk management is therefore an integral part of everyone's day-to-day responsibilities and activities; it is linked to performance and development, as well as to the group's remuneration and reward schemes. We aim to create an open and transparent working environment, encouraging employees to engage positively in risk management in support of the achievement of our strategic objectives.

To read more about our approach to risk management and control please see our annual report pages 46-53.

Remuneration

From 2022, environmental, social and governance (ESG) measures will be incorporated into the variable pay component for our group executive committee members, including our group CEO and group CFO. Our ESG measures include targets relating to progressing our near-term net zero targets and strengthening our community engagement.

Committee activity in 2021

Below is a summary of the key issues that the committee considered at each of its meetings during the year.

March

- Agreement to set targets in alignment with limiting warming to 1.5°C
- Approved the introduction of thermal coal., anti-personnel mine and cluster munition exclusions

June

- Identified strategic community investment themes and initial partners
- Agreed investment in operational initiatives, including energy contracts and infrastructure

September

- Net zero emission near-term targets (2025 and 2030) approved

December

- Approved project to investigate our long-term carbon removal pathway
- Agreed market review of our responsible business policy

Support for external frameworks and industry bodies

We know that we cannot deliver the level of change needed to impact the world's most pressing environmental, social and governance issues on our own. We have therefore, joined forces with and operate in alignment to selected recognised frameworks.

A selection of our affiliations and partnerships can be seen opposite.

Our businesses may have additional relationships, specific to their investment priorities, which you can find out about on our website.

To read more on our alignment to the Sustainable Development Goals see page 12.

UN Global Compact	The UN Global Compact aims to mobilize a global movement of sustainable companies and stakeholders to create the world we want. They provide a principle-based framework, best practices, resources and networking events that have revolutionized how companies do business responsibly and keep commitments to society.
Sustainable Development Goals	The Sustainable Development Goals (SDGs) or Global Goals are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The SDGs were set up in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030.
TCFD Task Force on Climate-Related Financial Disclosures	The Financial Stability Board established the TCFD to develop recommendations for more effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions and, in turn, enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks.
PRI Principles for Responsible Investment	The PRI is the world's leading proponent of responsible investment. It works to understand the investment implications of environmental, social and governance (ESG) factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.
CDP Driving Sustainable Economies	CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.
FTSE4Good	The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.
Inclusive Companies	Inclusive Companies is a nationally recognised networking body working in the Diversity and Inclusion sector. They exist to challenge the lack of diverse representation within UK based organisations.
Living Wage Employer	The real Living Wage is the only UK wage rate that is voluntarily paid by over 7,000 UK businesses who believe their staff deserve a wage which meets everyday needs.
#10000 Black Interns	#10,000BlackInterns will help transform the horizons and prospects of young Black people in the UK by offering paid work experience across a wide range of industries, as well as world-class training and development.
	The Women in Finance Charter is a commitment by HM Treasury and signatory firms to work together to build a more balanced and fair financial services industry.
IIGCC The Institutional Investors Group on Climate Change	The Institutional Investors Group on Climate Change (IIGCC) is the European membership body for investor collaboration on climate change and the voice of investors taking action for a prosperous, low carbon future.
Climate Action 100+	Climate Action 100+ is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.
The Net Zero Asset Managers initiative	The Net Zero Asset Managers initiative launched in December 2020 and aims to galvanise the asset management industry to commit to a goal of net zero emissions.
Science Based Targets / Business Ambition for 1.5°C	Business Ambition for 1.5°C is an urgent call to action from a global coalition of UN agencies, business and industry leaders, in partnership with the Race to Zero. They are calling on companies - across all sectors and geographies - to set science-based net-zero aligned emissions reductions targets.

Aligning to the UN Sustainable Development Goals

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 Investment, 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.

		2021	2020	2019
– Developing our people	Average investment per person (training) £	**484**	468	727
	Number of employees completing CISI ESG module	**366**	–	–
	Mentoring pairs	**50**	40	–
– Responsible investment	% of ESG topics engaged on which relate to DE&I	**14%**	–	–
– Creating an inclusive business	% women on our board	**33.0%**	37.5%	37.5%
	% group executive managers female/male	**30/70**	30/70	22/78
	% women in senior management	**38.5/61.5**	25/75	20/80
– Responsible investment	Living wage signatory	**Y**	Y	Y
– Creating an inclusive business	Our mean gender pay gap	**37.1%**	40.1%	38.6%
– Our supply chain	% of suppliers paid on time	**70%**	63%	65%
– Managing our modern slavery risk	% of critical, strategic and preferred suppliers reviewed for alignment to the Modern Slavery Act	**66%**	–	–
– Creating an inclusive business	% employees female/male	**47/53**	48/52	48/52
	% employee sharing their diversity data	**65%**	50%	–
– Responsible investment	Transparency – PRI scores	**A+**	A+	A+
– Our environmental impact	Waste produced (tonnes)	**166**	189	342
	Paper purchased (tonnes)	**67**	57	92
	Supply chain emissions (category 1 and 2) tCO_2e	**22,653**	18,158	–
– Responsible investment	Climate related voting action taken	**14**	5	–
	Climate resilient FUM (Greenbank) £bn	**2.3**	1.9	1.6
	% of our underlying securities that have set or committed to set targets in alignment with the SBTi	**17%**	13%	–
	Weighted average carbon intensity equity (tCO_2e/£m revenue)	**145.73**	169.83	–
– Our environmental impact	Emissions intensity (tCO_2e/FUMA £bn)	**18.51**	23.16	41.50
	Emission intensity (tCO_2e/ £m of operating income)	**2.72**	3.46	6.01
	Emissions intensity (tCO_2e/FTE)	**0.65**	0.80	1.38
– Responsible investment	Number of companies directly engaged with	**705**	226	70
– Community investment	Group donations £	**418,000**	467,000	360,000
	Group donations – % of pre-tax adjusted operating profit	**0.45%**	1.07%	0.90%
	Total number of charities supported by Rathbones Group	**57**	52	–
	Number of charities supported by Rathbones Group Foundation (total)	**36**	36	17
	Give as you earn – employee donations £	**214,396**	201,697	195,000
	Give as you earn – corporate donations £	**178,021**	166,047	158,000
	Rathbones Financial Awareness – people reached	**545**	250	–
	Rathbones Financial Awareness – people reached (since 2013)	**11,045**	10,500	–

Responsible Investment

As a leading responsible investor, we take our role as a responsible steward of our clients' assets seriously. Understanding the material issues and risks facing our underlying holdings is an essential part of our investment approach.

We are proud of the achievements we have made to date, and by setting ourselves ambitious targets we recognise the work that needs to be done, not only within our organisation but across the industry and in the private client wealth management space in particular. We will work with our industry partners to promote responsible investment not only within financial services but across all the sectors and within all the asset classes within which we invest in our bespoke products, and will continue to integrate these issues throughout our research and investment decision making to ensure the best outcomes for our clients.

To read more about our engagement strategy see page 17.

Our approach

We see it as our responsibility to be good, long-term stewards of our clients' wealth. We believe it is in the best interests of our clients that the companies and securities we invest in adopt best practice in managing environmental, social and governance (ESG) risks. This provides each company with a framework for managing its operations in the long-term interests of its shareholders.

Our investment belief

With £68.2 billion funds under management (FUM) spread across thousands of companies, we have a responsibility to effect positive change across society that goes beyond ensuring our buildings and supply chains adhere to the highest standards. We recognise that the environment, society and financial stability are connected and that we have a fiduciary responsibility to our clients: investing for their long-term goals. This focus on the long term enables us, as stewards of our clients' wealth, to deliver good financial outcomes and create value for our clients whilst also making a positive contribution to society.

It is our responsible investment policy that guides the development and enhancement of our investment process and stewardship approach in line with our four responsible investment principles:

- ESG integration
- Voting with purpose
- Engagement with consequences
- Transparency.

Investing responsibly

Responsible investment is, and will continue to be, a priority for us. The concept of responsible investment is fully aligned with our heritage, purpose and values. Our first formal commitment as a firm dates back to 2009, when we signed up to the UN-backed Principles for Responsible Investment (PRI). However, our commitment is more longstanding, as we have operated a dedicated ethical, sustainable and impact business unit (Rathbone Greenbank) since 2004 and offered ethically screened portfolios since the 1990s.

Responsible investment may have been in our DNA for years but that does not mean we can stand still. We have continued to invest in our responsible investment proposition across all business areas. In tandem with this, we have expanded our stewardship approach so that ESG integration more fully covers the investments we hold on behalf of our clients - be they direct equities, direct fixed income or fund holdings. Furthermore, we are continually enhancing our approach and are currently integrating ESG analysis more deeply into our investment process. After all, research shows that contributing to a more sustainable world and generating financial returns go hand-in-hand.

Our overarching responsible investment principles are consistent and resources complementary across business areas. For example, we can leverage information and data and collaborate in our engagement activity to benefit the entire group. However, the application of our integration approach is tailored to fit the relevant investment service or mandate. This means that the investment manager or fund manager is accountable for interpreting ESG and stewardship information to inform investment decisions in the context of the mandate or client objective.

To read more on our approach and commitment to investing responsibly see our latest responsible investment report.

PRI strategy and governance score

A+

Direct engagement with companies

705

Votes against management

538

ESG integration

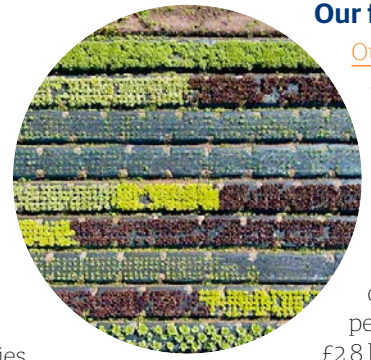
At Rathbones we seek to deliver high returns for our clients without compromising their values. At the same time, we are determined to create a better world for future generations. We understand that ESG factors are becoming integral to how investments influence the world. We therefore have a duty to consider the impact these have on client portfolio returns. By integrating the analysis of ESG factors into our investment process, we can understand ESG risks and identify high-quality investments with attractive financial characteristics that also make a positive contribution to society.

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

Our research and investment process

We use a range of information sources, which aid the identification and assessment of ESG risks and opportunities and assists with our assessment of the suitability of management strategies applied by investee companies. This year we enhanced our research and investment processes for all asset classes to provide relevant information that facilitates the integration of ESG considerations at all levels. With the support of our research analysts and various data providers, we monitor ESG factors as below:

- environmental: we examine the challenges and opportunities faced by companies because of climate change, resource management, new regulations and other environmental challenges
- social: we monitor the legal and reputational risks faced by companies to ensure they have strong policies and procedures to deal with issues such as employee relations, community impacts and human rights risks
- governance: we review factors that highlight the quality and robustness of a company's internal structure and practices for issues such as executive pay, board composition and audit, as well as business ethics.



Our fund business

Our Funds business also supports the responsible investment approach by delivering fund-based solutions for clients and advisers. Our highly successful Ethical Bond Fund continues to deliver strong investment performance, growing to reach £2.8 billion at 31 December 2021 (2020: £2.1 billion) while the Rathbone Greenbank Global Sustainability Fund now manages £116 million (2020: £44 million). In March we added to our sustainability fund offering by launching the Rathbone Greenbank Multi-Asset Portfolios (RGMAPs) fund range. The RGMAPs funds are managed by Rathbones' acclaimed multi-asset team and supported by Rathbone Greenbank Investments now manage £105 million. Total ethical and sustainable funds managed by Rathbones Group now equate to £5.3 billion and continue to grow.

We use a range of information sources, which aid the identification and assessment of ESG risks and opportunities

SASB

FitchRatings

S&P Global Ratings

SUSTAINALYTICS

ISS

MORNINGSTAR

MSCI

Voting with purpose

The cornerstone of all responsible investment is an active and considered approach to proxy voting. Shareholders are part owners of underlying companies, and therefore usually get a say in how a company is run in proportion to their shares. When aggregated, investors' voices can be very powerful. Proxy voting is where the voting power conferred by the shares is delegated to a representative, the investment manager, to vote on investors' behalf.

We actively vote across over 95% of the value of our holdings in line with our responsible investment commitments. This may involve voting against management to help drive positive change

Reasons for votes against management (RIM)

Anti-takeover related	1%
Audit related	2%
Capitalization	15%
Directors related	44%
Environmental & social	15%
Executive pay	17%
Mergers, acquisitions and takeovers	2%
Routine/business	1%

Reasons for votes against management (RUTM)

Audit related	2%
Capitalization	13%
Directors related	37%
Environmental & social	15%
Executive pay	27%
Mergers, acquisitions and takeovers	1%
Routine/business	5%

Voting to encourage change

Diversity and inclusion

We notified the Microsoft Corp board of our intention to vote against management by supporting the following shareholder resolution item 8, 'Report on Implementation of the Fair Chance Business Pledge'. Although we acknowledge that the company has set various workforce diversity goals and is reporting detailed statistics to show progress toward those goals in its Global Diversity & Inclusion Report, it does not report statistics on the race and ethnicity of people with criminal backgrounds that it has hired. The requested report would allow the company to identify and address any risks that criminal background checks may pose in regard to racial discrimination in hiring and employment decisions. The adoption of this proposal should further strengthen Microsoft's existing diversity and inclusion initiatives, and provide further reassurance to shareholders.

Our pledge to vote across over 95% of our holdings reflects our intention to focus our resources on areas where we can make the most difference in addressing the world's systemic ESG challenges. As a private client asset manager, we often hold securities for clients on a non-discretionary basis where we cannot exercise voting rights on their behalf. As a result, we are not able to state that we vote on 100% of our holdings. However, we are aware of our responsibilities in this area, and it is our ambition to progressively increase this proportion where possible.

As proponents of responsible investing, we aim to lead by example, act with integrity and promote the desired culture within our investee companies. We believe it is in the best interests of our clients that the companies in which we invest adopt best practice in ESG risk management and, through our voting activities, we will:

- be long-term stewards for a more sustainable world
- protect returns
- ensure ESG integration across investments.

To read more on our approach to voting and our 2021 activity see our responsible investment report. Current information on our voting activity for Rathbone Investment Management can be found on the Vote Disclosure section of our website.

Engagement with consequences

Engagement on ESG issues has formed an important part of our stewardship activities for many years. We believe that purpose-driven engagement with underlying companies on a wide range of ESG issues forms part of our wider responsibility as a business and generates better investment and societal outcomes. It is also our responsibility to address and minimise any systemic risks that may affect the assets in our portfolios. This way, corporate performance can be improved and further value for clients generated. We achieve this through long-term engagement on a variety of topics. When coupled with active voting and set within a clear escalation framework, engagement can be a powerful force for change.

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

Collaborating for policy influence

We have a clear policy enabling us to participate in collective actions calling for regulatory or policy changes on ESG best practice and responsible investment. Alongside our work leading the £9.4trn Votes Against Slavery coalition, we engaged on a number of other issues.

However, climate change was a particular focus in 2021. Rathbones Group was one of 457 investors, representing $41trn in assets, who signed the 2021 Global Investor Statement to Governments on the Climate Crisis. To read more on this see our responsible investment report.

2021 activity

We endeavour to make full use of our platform to promote best practice in the companies we invest in and in 2021 our stewardship team directly engaged with 705 companies. Our engagement covers the whole ESG spectrum. 2021 highlights include:

Environment:

- led an investor collaboration to introduce the concept of investors in European companies heavily affected by the transition to a low-carbon economy having a 'say on climate'
- secured annual shareholder vote on a FTSE 100 energy provider's climate transition plans
- gained commitment from a global bank to phase out fossil fuel investment exposure.

Social:

- continued to support the Find it, Fix it Prevent it coalition, seeking to bring about a steep change in company responses to modern slavery
- engaged with companies over board and employee diversity.

Governance:

- engaged with 52 US companies on combined chair/CEO role
- raised concerns over length of audit tenure
- highlighted reporting errors to 62 companies - 57 pre-AGM corrections delivered.

2022 focus areas

As we continue prioritising engagement where we can make a real difference, our focus for 2022 includes:

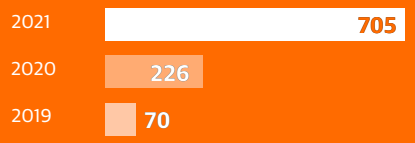
- net zero transition plans
- linking ESG and executive pay
- continued support for Votes against Slavery
- the gender and racial diversity of FTSE 350 boards
- assessing biodiversity risk to identify companies and sectors for future engagement.

Engaging together

All engagement activity is covered by our responsible Investment policy, which calls for 'engagement with consequences' as a core Principle. This is supported by our engagement policy, which shares more information on selection, execution, escalation and the monitoring of effectiveness.

Direct engagement with investee companies

705



Transparency

We believe that clear and ongoing communication to clients on the ESG characteristics of our investments is important. Integrating ESG factors into our research, engagement and investment process has limited value if we are not transparent about our progress. We plan to adopt responsible investment in a gradual and structured way, ensuring that commitments or promises we make can be substantiated with clear evidence of action. We aim to be authentic in our responsible investment approach and will continue to communicate regularly with our stakeholders about how we are making our business more responsible. In addition, we aim to develop and publish various policies and statements around our key engagement topics (such as climate change), as part of our commitment to being transparent about our progress.

In 2022, we will share our second response to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, including our initial feedback from undertaking scenario analysis. This report will share information on the four TCFD pillars: governance; risk management; strategy; and targets and metrics. The disclosure dovetails our work as an investor with that of our corporate approach, including our risk appetite.

Our 2021 reports continue to reference our 2020 PRI scores, due to a change in scoring timing. PRI is undertaking a review of its questionnaire and process, which means that not only are 2021 scores delayed until Q2, but that the 2022 submission process is not being run.

Each year Rathbone Greenbank Investments discloses the carbon footprint associated with the direct equity holdings of the investment portfolios it manages. Thereby confirming its commitment to the Montreal Pledge.

To read more about our responsible investment activities please see our responsible investment report, our climate statement, our TCFD report and our website.

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

Greenbank food policy case study

Investor statement to the UK Government calling for mandatory reporting by food sector companies – this is a Rathbone Greenbank-led initiative that Group are a supporting investor on:

Greenbank have sent out an investor letter supporting the National Food Strategy's recommendation to introduce mandatory reporting of nutrition and sustainability metrics for food sector companies above a certain size, to the Prime Minister, as well as the Secretary of States for DEFRA and Health and Social Care. The letter has 19 investor signatories, representing over £5tn in AUM, and is also supported by the Food Foundation and ShareAction. The publication of the National Food Strategy in the summer and the need for the UK Government to formally respond creates an opportunity for investors to encourage improved disclosure on nutrition metrics from companies, thereby improving our ability to assess related risks and opportunities and encouraging improved outcomes for national health.

Outcome: We are now entering a second phase of this engagement where we seek to build momentum, gather wider support from investors, and make the clear case that mandatory reporting should be included in the Government's white paper response to the National Food Strategy. The white paper is due to be released during Q1 2022. The Rathbone Greenbank investor briefing 2022 will cover the broader context and give an update on the growing investor coalition.

Looking forward

We are proud of the achievements we have made to date. By setting ourselves ambitious targets we recognise the work that needs to be done, not only within our organisation but across the industry and in the private client wealth management space in particular. We will work with our industry partners to promote responsible investment not only within financial services but across all the sectors and within all the asset classes within which we invest in our bespoke products. This alongside our continued work to integrate ESG factors throughout our research and investment decision-making will support the best outcomes for our clients .

Our people

The working environment is resetting as a result of COVID and lockdowns. We recognise this represents an opportunity to develop a new working model for our people and this is what we have done. Our response has been the development of our hybrid working principles based on responsibility, professionalism and shared agreements - 'working with balance'.

Face-to-face working remains an important part of our culture, and we continue to see the opportunities it offers our people, but rather than define a one-size-fits-all approach, each of our employees has the responsibility to agree how they will work. This means adopting a different way of considering 'when, where and how' we work whilst maintaining the high level of service and results we deliver for our clients.

To support our new approach, we are planning and piloting changes to our offices, including how they are laid out, to accommodate and support our new ways of working. This is our starting point; we will iterate our approach, ensuring that at each stage we continue to deliver value to each other and our clients.

For more on our approach to hybrid working see page 22.

Our approach

Rathbones strives to invest 'for everyone's tomorrow'. 'Everyone' includes our people. Investing in support, equipment and a positive working environment enhances wellbeing, career development and service standards. Having faced a second COVID-disrupted year, our priority has continued to be ensuring our employees' safety and wellbeing.

Why our people are important

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, we are focused on leveraging the talent in our business, as we develop more career paths, build leadership skills and manage succession.

Our priorities

Rathbones employees faced another challenging year. Over the past 18 months our colleagues have shown great resilience and adaptability. Like many businesses, having learnt from our remote working experience, we are now adopting a hybrid working approach as we return to our office spaces.

Our management team and the board continued to engage with our people through a variety of channels, ensuring open discussion across our workforce. A key highlight of the year was our employee engagement survey, which was completed by 83% of our people; we achieved an engagement score of 8.1/10, which was above the financial services benchmark of 7.7.

Creating a diverse, equal and inclusive work environment remained a key area of focus and with 64.7% of our employees sharing their diversity data, we can tailor our programmes to impact the areas where the most opportunities exist. In addition to the Saunderson House acquisition, we continued to grow organically. Together with the roll-out of our diversity, equality and inclusion initiatives, Rathbones is becoming a more diverse business which, in turn, will support us in delivering value to our clients.

The work undertaken in 2021 aligns with our strategy and furthers our growth, proposition and efficiency ambitions. In 2022, we will finalise our people plan. This is focused around the four areas of: asking, listening and doing, investing in our people, being an employer of choice and using data to drive decisions. Our people plan will be underpinned by our systems and an infrastructure that has been designed to support hybrid working.

Total number of employees

1,967*

Overall engagement score out of 10

8.1

Percentage of female employees

47%

Employee turnover

8.2%

* Full time employees including Saunderson House

Our values

At Rathbones we operate in line with our values:

- Being responsible
- Showing courage
- Working together
- Always professional

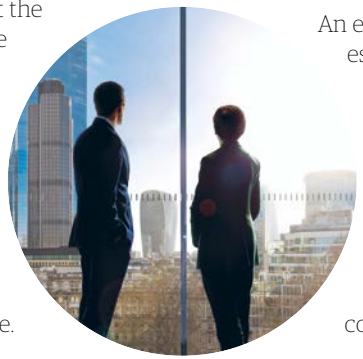
Colleague wellbeing

2021, like 2020, was an extraordinary year for our employees. Ensuring the wellbeing of our people remained our utmost priority.

The introduction of a new employee engagement platform enabled us to capture snapshots of employee feedback at key points throughout the year. This allowed us to respond to any specific needs raised, fed into reviews of our physical and mental wellness offerings, and ensured levels of support for our employees were both maintained and enhanced.

We continued to offer support through our employee assistance programme. This offers 24-hour advice, online support and confidential counselling sessions. We have provided webinars throughout the year and shared information on managing stress and uncertainty, supporting families as children return to school. Our sports and social committee continues to organise group-wide events, such as yoga, running club and virtual cookery lessons - important ways of reconnecting - so we support the complete person not only the work-related aspects.

Support was also offered through our network of mental health first aiders. This allows us to offer a number of channels for employees to discuss any emotional challenges and raise concerns they may have.



Contactable either in-person as we return to the office or remotely, mental health first aiders are trained to recognise, support and guide colleagues who feel they are struggling.

Read about other support we offer in the employee benefits section on page 23.

Our 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.

To read more about this see our Annual Report page 83.

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.

Engagement

An engaged workforce is essential to delivery of our purpose and strategy. Our 2021 employee survey received an 83% response rate and our overall engagement score is notably higher than our industry benchmark. We are committed to continually improving our employees and the experience they have at work and will continue to run and respond to surveys throughout the year.

8.1 /10
Overall engagement

8.4 / 10
I am able to work effectively

7.8 / 10
I feel well communicated with

8.4 / 10
My manager cares about me as a person

In 2021, we adopted a new, more responsive engagement tool, Peakon. As a result, direct comparisons to previous years are not possible. However, we can see that in 2021, as in the previous two years, our overall levels of engagement have been above the financial services benchmark. Our employee survey also identified areas in which we have improved and others where we can build engagement.

Peakon not only allows the business to listen to our employees' views and drive changes, but also supports our people, who can access our summary reports, enabling our employees to celebrate what we are good at and see our commitment to taking action in the areas where they have said we need to improve. Our 2021 scores and comments have already contributed to:

- the launching of 'Colleague Career Toolkits' - to help our people understand how they can progress - with related training provided for managers and employees
- enrolling of two cohorts of key female colleagues onto specialist professional development programmes
- further support for managers on making and communicating consistent reward decisions for their team
- the roll-out of the principles of 'hybrid working', giving our people more autonomy in how and where they work.

Hybrid working

Our people's response to the challenges posed by COVID-19 in 2020 demonstrated that digitisation and remote working can positively impact client service and group performance. Hybrid working, which will continue to evolve in 2022, will enable employees to have greater autonomy over how they use their time and the ways in which they work. Rathbones will facilitate this hybrid approach via the reconfiguration of office space to ensure that we can drive productivity, support flexibility, compete for talent and at the same time benefit the wellbeing of our people.

We think of successful hybrid working as 'Working with Balance'. We know that how, where and even when we work best will be different for each of us. Taking responsibility for finding balance means that we can continue to deliver outstanding value for our clients, wherever we are working; and also enjoy personal flexibility and choice, without unnecessary constraints.

Investing in our people

We are committed to investing in the learning and development of all employees and will support participation in appropriate programmes, whether internal or external.

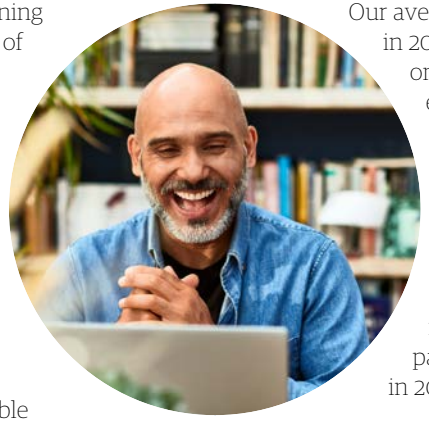
We seek to give all our people the opportunity to develop the skills, knowledge and behaviours they require to fulfil their current roles effectively, supporting them in realising their potential and enjoying a varied and engaging career.

Managerial support is essential. Our Learning & Development team works with managers to hold conversations on the needs and desires of employees as part of regular reviews and appraisals to help shape our offering, as well as working with the wider business to promote the full range of development opportunities and support available.

> "Following the move to remote working in 2020, 2021 saw us design and pilot our approach to hybrid working."

In 2021, in addition to running our regular courses, areas of focus included:

- anti-money laundering, bribery and corruption
- client asset sourcebook (CASS)
- data security.



Throughout 2021, training detailing our approach to cyber security and our responsible investment ambition was rolled out across the entire business. Our responsible investment courses covered our progress to date and plans for the future, whilst providing deeper responsible investment knowledge to front office employees so they can support clients on their environmental, social and governance (ESG) journeys.

By the end of 2021, 368 employees had completed the CISI Sustainable and Responsible Investment Professional Assessment, 221 of which are investment managers and investment directors, while members of our research team have completed advanced training in responsible investment through either the PRI Academy module or the CFA ESG Investment Certificate. The first 40 employees have signed up to the CFA ESG certificate with seven having passed to date. More thematic courses, focusing on the aspects of our responsible investment agenda, will be offered in 2022 to support investment decision making.

Our average spend per employee in 2021 was £484, up a little on the £468 of 2020. We expect this to continue to increase as we are able to return to in-person training opportunities.

We continued to expand our mentoring offering increasing our numbers to 50 mentoring pairs in 2021 from 40 in 2020.

Focusing on our female talent pipeline, which links to our commitment to creating a diverse, equal and inclusive business, we ran two courses on female leadership. These had 11 attendees through 2021.

Focus areas for our 2022 training

As we look forward we will continue to run courses on important topics like data protection, market abuse and CASS, whilst also building our offering to include:

- understanding vulnerable client needs
- a deeper dive into our responsible investment proposition
- bite-sized compliance modules on conflict of interest and gifts and hospitality.

Employee benefits

As part of our benefits package, all UK employees can participate in our employee pension arrangement. Colleagues can access private medical insurance with enhanced mental health and cancer care and income protection in case of sickness or injury. We fund an annual medical examination to facilitate early intervention and prevention of any health issues.

All employees are able to participate in our share incentive plan (SIP)., enabling them to benefit from share matching by the company on a 1:1 basis and receive free shares and dividend shares. There is also the opportunity for employees to join the save as you earn (SAYE) scheme.

Number of employees participating in share schemes

1,624
SIP (2020: 1,316)

1,127
SAYE (2020: 1,040)

Diversity, equality and inclusion

Rathbones recognises that capturing the full value and impact of our people at work can only be achieved by having an inclusive and diverse workforce. As a predominantly client-facing business, having employees who feel that they belong to the Rathbones group is critical to us being able to serve our clients and deliver on goals we have set.

In 2021, we ran a wide range of different communications, events and webinars. These have covered Pride, World Sight Day, Menopause Awareness Week, National Inclusion Week, Parenting Perspectives, Diwali and Eid, amongst others. We took part in the She Can Be programme, in which we have worked to empower girls to make informed choices about their careers. Three of our colleagues were shortlisted for a PIMFA Diversity & Inclusion Award 2021, one of whom went on to win the 'Rising Talent Award'. We hosted two interns from the 10,000 Black Interns Initiative. This was an enormous success and one of these interns has stayed with us. We will be taking four interns from this initiative in 2022.

Our diversity, equality and inclusion committee has worked hard to keep our people updated on what we are doing. We want to make everyone feel they are part of something, that we hear them and that we welcome them to Rathbones. We have continued our project to collect diversity and inclusion data from our people. We are using this information to find out where there are gaps, how we can reach out to everyone, and how we can make them feel they are a valued member of our teams.

Supported by the 64.7% of employees who have shared their diversity data to date, we have been working to deliver a plan which aligns with our corporate strategy running to 2024. This will help us to both expand and to embed diversity and inclusion throughout the business and make everyone feel that they belong. We will use this strategy to take an umbrella approach to identifying the different areas of diversity we need to tackle. Until now, we have primarily been focused on gender and ethnicity, but our plans are to expand on this in 2022. We know that there are many strands of diversity to embrace and harness for Rathbones to thrive. We are building on our work to ensure we are inclusive of neurodiversity, disability, social mobility and LGBTQ+ amongst others. We will be launching colleague network groups so that our people can work together to help shift our diversity understanding and profile.

We also know that for wider changes to stick, we need structural inclusion too. This means re-examining our structures, processes and practices to remove systemic biases. One example of how we are doing this is through using inclusive language in our job descriptions and adverts. We believe this drives a culture of belonging and inclusive hiring.

We asked the co-founder of 'The 1 Hour Project' to lead a webinar and help us understand what social mobility really is, what it means and why social mobility is relevant to Rathbones. This helped us to think more deeply and assess who we are bringing into the business, and how we can reach out to other people.

"My first meeting via The 1 Hour Project was with a lovely guy who was super smart and I hope I helped him. I put him in touch with some contacts I think could help him specifically on the data analysis side of our industry. Can't wait for the next one!"

Emma Watson,
Head of Financial Planning and Advisory Services

Our diversity

Our board has three female directors out of nine, which means we meet our commitment of 33% of female board representation for FTSE 350 companies. We also have three females on our group executive committee (GEC). From 2021, we also meet the requirements of the Parker Review, which encourages the improvement of ethnic and cultural diversity on boards. We see this as a good foundation on which to build, but not an end point. We are signatories to the Women in Finance Charter and the firm is committed to achieving 25% female senior management representation by 2023. As of end 2021, we have reached 28.0%[1] (2020: 24.6%).

Looking forward

We are committed to continually improving our employee experience.

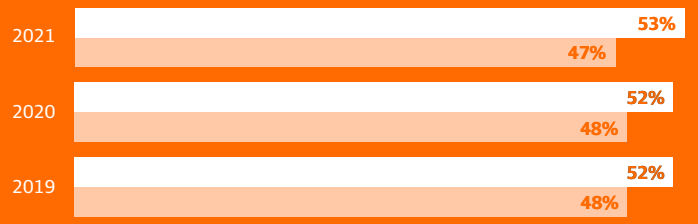
Next year, in addition to our existing processes, we will share our updated people plan, which will be focused on the four areas of:

- asking, listening and doing investing in our people
- being an employer of choice
- using data to support decisions.

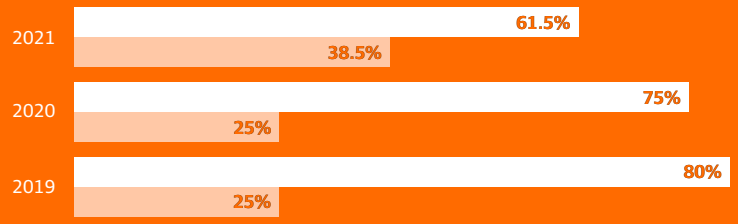
More information on our people plan will be shared on our website.

Gender diversity at 31 December 2021

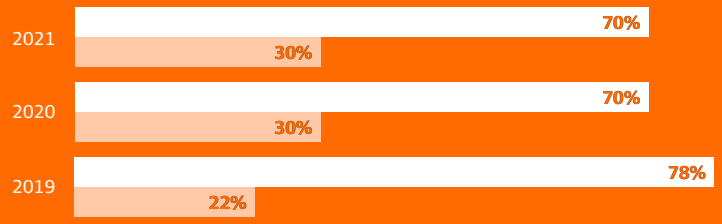
All employees



Senior managers[2]



Group executive members



Male Female

1. Those in roles that have responsibility for managing a division or region, or who are in positions with significant decision making responsibility, reporting into the Executive/Board. We classify this group as Board, Exco and the direct reports to the Board/Exco, excluding support staff.
2. Senior managers includes senior individuals who report directly into the group executive committee

Our gender pay gap

We are committed to equality and inclusion. Addressing our gender pay gap is a key component of achieving this. Although our workforce remains broadly 50:50 male to female, we do see a shift in balance as we move up the business. We remain committed to reducing our pay gap and with the increase in organic growth in 2021, we are focusing on improving female senior representation across the business. The changes we are introducing will take time to show in our numbers. This does not make us any less determined to put in place the systems, processes, and culture to support a diverse, equal and inclusive work environment. To see our 2021 numbers and read more on our approach, please see our gender pay gap report.

Society and communities

There has never been a more important time to actively encourage and support the next generation of young leaders, innovators and entrepreneurs to tackle the world's most pressing social and environmental issues.

In 2021, we initiated a partnership with Social Shifters, a non-profit organisation formed to enable evolving leaders to create positive change globally. Through access to masterclasses, networking events, start-up tools and templates, virtual mentors, and financial awards, Social Shifters equips social and environmental entrepreneurs with the skills and experience to bring to life their world-changing business ideas.

This year, Social Shifters launched The Global Innovation Challenge (GIC), an international competition to mobilise young leaders (18-30 years) and their business solutions. Bringing together a coalition of international businesses and foundations, the GIC works to accelerate youth-led business solutions for the Sustainable Development Goals (SDGs). The challenge brought together a pool of people and organisations motivated by purpose and driven by an entrepreneurial mind-set.

Supporting the climate challenge in 2021, we were pleased to award Marta and Biomec, the social enterprise she founded, the grant to develop her business further.

Read more in investing in our communities on page 28.

Our approach

Through our business we aim to add value not only to our clients but also to the societies and communities in which we operate. During the pandemic, many of our stakeholders, from small businesses to the charities we support, have experienced considerable disruption and challenges. As was the case in 2020, we continued to uphold our responsibility to these stakeholders which, in many cases, has evolved.

A partner in sustainable societies

With nearly 2,000 people across 15 UK locations and Jersey and with over £68 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 responsibly 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.

The tone from the top

Through our operations we are committed to upholding high standards of corporate governance and business ethics. Our board and board level committees determine our culture, ensuring that effective strategies are in place to create shareholder value. They review internal controls and our risk management system, ensuring these appropriately consider environmental, social and governance matters. This includes our policy approach. In 2021, we updated our risk appetite with regard to our level 2 sustainability risk and, following conversations with our clients, put in place plans to communicate our approach, progress and impact more frequently. This report is one step on our way to increasing communication and we will work on better understanding our impact in 2022.

Partners and regulators

We see our role as an active participant and work alongside partners and regulators to ensure we, and other businesses, operate with integrity. Operating in compliance with the Prudential Regulation Authority (PRA) and the Financial Conduct Authority's (FCA) clients' best interests rule, we maintain constructive relationships, regularly engaging to ensure our business understands and contributes to the evolving regulatory landscape. In 2021, we engaged with regulators on both climate risk requirements and diversity and inclusion matters. We understand the focus areas for 2022 and look forward to continued conversations on climate risk amongst other topics.

Employees completing anti-bribery and corruption training

93.6%

Suppliers paid on time

70%

Pre-tax profits invested in the community

0.4%

Awarded the Platinum Giving Award 2021

Ensuring client cyber safety

Our vision is to build a personalised digital experience for clients, advisers and colleagues that truly enhances the value of our services. The first part of our digital ambitions was the launch of 'MyRathbones', our client-facing portal and app, which was launched in the first half of 2021. At the end of 2021 around 41% of our clients and advisers are actively using it and, based on feedback, we will implement further improvements and add new features via digital releases every six weeks through 2022.

The continued requirement to interact virtually means the risks of fraud and cyber exploitation have increased. Our board has a duty to oversee the group's management of cyber security, including oversight of appropriate risk mitigation strategies, systems, processes, and controls. The board's objective is to provide a cyber-safe environment for our clients and for our people. In line with this, the board regularly evaluates the cyber security risk exposure against risk appetite to determine whether the existing controls framework is robust enough.

In November 2020, a board session was held on business resilience and cyber security. This provided an overview of the business continuity management framework and included discussions around how cyber incidents may unfold and the role of the board.

In March 2021, the board took part in a cyber incident scenario simulation exercise to help members understand and prepare their response to a potential cyber incident. The exercise supported the practice, evaluation and improvement of our cyber incident response plans. The simulation exercise was carried out with the involvement of the Rathbones crisis management team and the group executive committee.

To read more on the scenario see page 80 of our annual report.

Human rights

2021 saw the business join the United Nations Global Compact (UNGC), a non-binding pact set up to encourage businesses to adopt sustainable and socially responsible policies. We feel that this demonstrates our support and commitment to delivering progress across UNGC's ten principles. These cover human rights and therefore align with our support for the International Labour Organization's standards and the Universal Declaration of Human Rights. As a business we will not tolerate child or forced labour, be it through our operations or the investments we make. Aligning with our commitment to Sustainable Development Goal (SDG) 8, decent work and economic growth, we support the right to freedom of association and collective bargaining.

Code of conduct and whistleblowing

Acting responsibly is the foundation for how we do business. By maintaining the highest levels of openness, probity and accountability, our employees can feel secure, knowing that when they raise a concern, they will not suffer adverse consequences. Our approach to governance and risk management is central to living our purpose and, through training, we ensure all employees know the role they play. Each year we undertake training on our code of conduct and whistleblowing. This ensures everyone understands the expectations of the business and the processes in place through which concerns can and should be raised. There were no cases raised via our whistleblowing processes in 2021.

Anti-bribery and corruption

Rathbones has a zero-tolerance policy towards bribery and corruption and, in line with this, we ensure all our employees are adequately trained. We reviewed our whistleblowing process in 2021 and saw 99% of employees complete our anti-bribery and anti-corruption training, as part of our zero-tolerance policy programme. Other initiatives include:

- setting out our anti-bribery and corruption policies
- ensuring all new joiners receive training on anti-bribery and corruption
- encouraging our employees to report concerns, without worrying about any implications
- escalating and investigating instances of suspected bribery and assisting with any investigations.

Our compliance team rolled out video content in Q4, supporting employees in identifying suspicious activities by sharing examples and talking through actions which should be taken. This included our approach to gifts and hospitality.

Engaging our suppliers

As a UK based business working with hundreds of suppliers, we have significant scope to promote change. 2021 saw the appointment of a supplier manager and the piloting of our supplier management framework, which will include a checklist of criteria ranging from business continuity to ethical standards.

Working with an external partner, 2021 saw us model the environmental impact of our supply chain. We recognise that engagement is essential to understanding our suppliers' approach to emissions reduction. In 2021, we surveyed our critical, strategic and preferred suppliers on their approach to the management of ESG issues, including environmental impact. Two thirds of our identified suppliers had responded by the end of the year. In 2022, we will work to achieve 100% responses and expand the survey to include the supplier onboarding and renewal process. We will also engage with any supplier whose response raised concerns. In line with our approach to engaging with our investee companies, we will work with suppliers to find solutions, recognising that this is how we can effect change. Conversations will be integrated into our standard contract review process, allowing us to regularly engage with our supply chain to deliver on our common ambitions.

Modern slavery

In alignment with the work we do as a responsible investor, focusing on the eradication of modern slavery in our investee companies, we also turn the lens on ourselves.

As a UK-based financial services business, Rathbones has a relatively low risk of modern slavery within its direct supply chain. Indirect suppliers further down our supply chain, however, present a potential elevated risk. Having undertaken a supplier review in 2020, we consider our modern slavery risk to be largely unchanged. The two areas which we consider to be our biggest exposures are:

- direct risk: UK construction and India software supply and services
- indirect risk: UK soft services (cleaning and hospitality) and UK retailers (procurement of products)

These four areas continue to represent a small portion of our procurement spend. Having introduced our supplier management framework in 2021, we will focus on embedding the process in the year ahead. This will be supported by conversations to ensure relevant employees understand how to identify concerns and reiterate the escalation process should a review need to be formalised. Our modern slavery statement lays out our approach in more detail and has been approved by our board.

Investing in our communities

The need to support our communities continued to grow in 2021, particularly as society began to return to normality. Rathbones recognises its role in the communities in which we operate and was pleased to invest £418,000 (2020: £467,000) in almost 60 community projects. This represents 0.4% of our pre-tax profit and was distributed through several channels, these include:

- the Rathbones Group Foundation, which grants each office a charitable budget each year enabling support for local projects
- Give as you earn (GAYE), supported by the Charities Aid Foundation (CAF), our employees can give to charity through salary sacrifice scheme. Money can be donated directly to charity or placed in a CAF account. Rathbones is pleased to match this up to £200 per month. In 2021 our employees gave almost £215,000 which Rathbones matched up to £180,000. We were pleased to be awarded the Platinum Giving Award
- employee matching, we are pleased to support our colleagues up to £150 a year for any fundraising they participate in
- ad hoc fundraising, where employees or offices undertake additional activities or there are national campaigns we can release funding to this on an ad hoc basis
- all employees are given three days a year which they can take to volunteer.

Case study

Partnering in our community

The Bristol office has agreed a three-year partnership with the food redistribution charity FareShare South West, a local branch of the nationwide food charity who work to fight hunger through tackling food waste. The partnership with the Rathbones Foundation will support FareShare South West's various programmes and partnerships, including the development of an Employability Programme, based at their new South Bristol warehouse in Knowle West. This programme aims to provide a stepping stone for disadvantaged people to access long term employment through the provision of work experience, skills and training.

With our focus on equality and disadvantaged youth, we met with a number of charity partners to explore longer-term programmes which would support our ambition and drive positive impact. A new partnership introduced in 2021 was with Social Shifters, which supports young entrepreneurs who are creating businesses in response to environmental and social challenges faced in their local communities (see our case study for more information).

We continue to recognise the importance of financial awareness in society, and as a financial services business we are working to develop our existing offering further. In 2020, we took our financial awareness programme digital, so that we could continue to offer it during lockdown. In 2021, we ran a number of sessions focused on 16-25-year olds, so that now the total reach across the last eight years is over 11,000 people.

The Rathbones Folio Mentorship Programme, which provides support for four young writers, also ran through 2021. Together with our participation in a digital reading programme for schools, run in association with The Pigeonhole (a digital book club) and Harper Collins, this demonstrates our interest in areas beyond financial literacy.

Whilst progress was made in 2021, this was very much the start of our transition to driving impact through our community partnerships. In 2022, we will identify further partners with whom our ambitions align and craft programmes focusing on positive outcomes. As opportunities open up, we will also look to expand employee volunteering.

Case study

Supporting young entrepreneurs

Led by young people around the world who are passionate about making a difference, Social Shifters is a non-profit organisation that helps the next generation of leaders, innovators and entrepreneurs tackle the world's most pressing social and environmental issues in new ways.

The Global Innovation Challenge has brought together a coalition of international businesses and foundations to accelerate youth-led business solutions for the Sustainable Development Goals (SDGs). It is a competition that mobilises young leaders (18-30 years) and their business solutions to pressing social and environmental issues. The programme enables industry professionals and corporate partners to give back and help young leaders to flourish. Contributing as virtual judges, mentors and instructors, these volunteers take the opportunity to put their professional skills to good use. Coming away with new perspectives and business ideas, volunteers and partners channel their learnings back into their organisations.

In 2021, over 6,000 young leaders participated with almost 2,000 business solutions submitted. From improving access to critical health services in impoverished communities to protecting marine ecosystems, this challenge uncovered the critical work undertaken by a global community of Social Shifters.

Supporting the climate prize, Rathbones was pleased to select Marta Uetela, founder of Biomec, as our category winner. Based in Mozambique, Marta is building a social enterprise that collects abandoned fishing nets and transforms these harmful plastic residuals into high-performing prosthetics. It was clear that Marta saw the challenges facing developing countries as they struggle to protect themselves against climate change. She has, therefore, set up this business to play a key role in climate justice, equity, and to deliver opportunities for the most vulnerable people and communities.

Marta, said: "I want Biomec to become the world's reference point for practical, high quality and ecological prosthetics, enabling people to experience life without limitations."

Looking forward

Continuing our tradition of operating responsibly and building on our 2021 progress, next year will see us focus on:

- engagement with the United Nations Global Compact and communication of our associated impact
- embedding ESG reviews into our supplier management framework
- alignment of our modern slavery response with our investee engagement
- communication of our societal impact and associated partnerships.

Marta Uetela, founder of Biomec

Environmental impact

The 2022 World Economic Forum's Global Risks Report lists climate action failure as the most severe risk on a global scale over the next 10 years. The two main climate risks that companies and investors face are physical and transitional. Physical risks may have financial implications for organisations, such as direct damage to assets and indirect impacts from supply chain disruption. Organisations' financial performance may also be affected by changes in water availability, sourcing, and quality; food security; and extreme temperature changes affecting operations, supply chain and transportation.

Transitioning to a net zero economy will entail policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature and speed of these changes, transition risks will pose varying levels of financial and reputational risk to organisations. Such transitions could mean that some sectors of the economy face big shifts in asset values or higher costs of doing business.

Our research team gathers information to support decision making, working to understand the possible impacts on our clients' investments. We share our thoughts through insight papers and our 'what investors need to know' webinar series. Visit our latest episode.

Our approach

In 2021, the world was still trying to recover from COVID-19 and navigate the impacts it has had in the way companies conduct business. However, the importance of climate change and the significance of focusing our efforts on tackling this crisis were not diminished. COP26 took place in Glasgow and resulted in a series of commitments and conservation efforts to help combat the global climate crisis.

Our responsibility

Following UN climate talks in Glasgow last year, the urgency of greater action to tackle climate change could not be clearer. Despite a pandemic-related economic slowdown, greenhouse gas (GHG) concentrations reached new highs in 2020, with globally averaged mole fractions of CO_2 exceeding 410 parts per million[3].

The latest evidence from the Intergovernmental Panel on Climate Change (IPCC) is clear[4]: unless action is taken, the world is not going to meet the Paris Agreement target of limiting global warming to 1.5°C above pre-industrial levels. To achieve this, global carbon dioxide emissions need to be reduced by 45% by 2030 from 2010 levels and reach net zero by 2050[5].

At Rathbones, we recognise our responsibility to contribute to the transition and we are focused on measuring and reducing our operational footprint as well as that of our investment portfolios. It is our responsibility to understand how every cog in the Rathbones wheel is affecting the planet. For our clients, we have a responsibility to understand how climate change may impact our portfolios and what we can do to minimise the risks, be they physical or transitional. We believe that to deliver our best for our stakeholders we must, think, act and invest responsibly. One aspect of this is our 2021 commitment to achieve net zero emissions across the group by 2050 or sooner.

3. https://public.wmo.int/en/media/press-release/carbon-dioxide-levels-continue-record-levels-despite-covid-19-lockdown
4. https://news.un.org/en/story/2021/08/1097362
5. https://www.ipcc.ch/sr15/download/

Communicating our impact

We have been reporting to CDP (formerly the Carbon Disclosure Project) for more than ten years and are committed to increasing our disclosure efforts going forward. Our score decreased compared to last year, resulting in a C. However, in 2021 we strengthened our commitment to reduce our climate change impact by setting net zero targets which were disclosed in October. We will be looking to improve our CDP score in the following year through continuous disclosure of our efforts and commitments to combat climate change.

This year we produced our second Task Force on Climate-related Financial Disclosures (TCFD) response in alignment with its recommendations. For more information about our implementation of TCFD recommendations please refer to (our standalone TCFD report). Moving forward, we will continue to build on our strong foundation of climate-related activity and disclosure.

Operational carbon intensity (tCO_2e/FUM)

18.51

Carbon footprint (tCO_2e)

1,170

Climate resilient FUM (£bn)

2.3

We will work to achieve a

42%

reduction in operational and supply chain emissions by 2030.

We want to see at least

57%

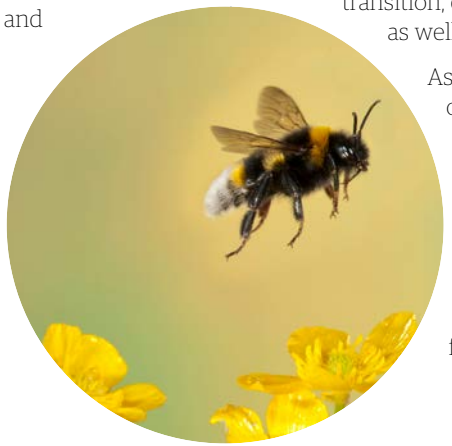
of our underlying holdings having committed to, or set, their own SBTi aligned target by 2030.

Our journey to net zero

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. Operationally, we will work to achieve a 42% reduction in operational and supply chain emissions by 2030. With regard to our investments, we want to see at least 57% of our underlying holdings having committed to, or set, their own SBTi aligned target by 2030.

Delivering on this will see us build on the 81% reduction in operational carbon intensity per full-time employee since 2013 and complete the transition of our offices to renewable energy sources by the end of 2025. Together, these will help us meet our internal target of a 21% reduction across our scope 1 and 2 and operational scope 3 emissions by 2025.

In addition to these group targets, Rathbone Greenbank Investments (Greenbank), Rathbones' specialist ethical, sustainable and impact investment arm, announced its plan to reach net zero emissions by 2040 (including operations, supply chain and investments). Greenbank followed the Net Zero Investment Framework (NZIF) to set targets covering the investments it manages. Steps have already been taken to make quantifiable achievements in each of the three scopes that the Greenhouse Gas Protocol has identified.



Managing our investment impact

Decarbonising the world economy will require a complete transformation of the way the world produces and consumes energy, as well as radical measures to cut emissions from other key sources such as transport and land use, including agriculture. This will involve a rapid increase in carbon-free sources of electricity, and related shifts in production methods and consumption patterns. These shifts require a redeployment of capital in support of the transition, creating opportunities as well as risks.

As a wealth manager with over £68.2bn in funds under management, we recognise that climate risks can materially affect the performance and valuation of our investments. We therefore have a fiduciary duty, as stewards and allocators of capital, to understand how climate change can impact our portfolios and to allocate assets to minimise climate risks, be they physical or transitional. Companies that set ambitious targets and credible implementation plans in line with achieving net zero emissions will become increasingly attractive investment propositions. Those that fail to do so will find themselves at a competitive disadvantage, exposed to regulatory risks and prone to finding their assets stranded.

Given the scale of the problem, and the necessity for solutions to be global in scope, we believe in the power of collaborative engagements and are members of the IIGCC and the CA100+ coalition.

In 2021, we published our climate change statement and strengthened our voting policy to align with new regulation and deepen the integration of climate-related factors into the voting process . Our policy now includes clear expectations - in line with the Task Force on Climate Related Financial Disclosures (TCFD) and the CA100+ Net Zero Alignment Indicators - on how companies will be assessed against different criteria in order to determine the robustness and credibility of net zero decarbonisation strategies.

To read more about our approach to managing climate risk through our business see the responsible investment section of this report, and our TCFD, responsible investment reports.

Managing our operational impact

At Rathbones, we are committed to reducing the environmental footprint of our facilities and strengthening our sustainability culture by integrating further sustainable practices throughout the Company. Across our business operations, we have committed to improving our performance in key areas, such as energy efficiency, emissions reduction, and waste.

Our fixed infrastructure

Given our objective is to achieve a 42% reduction in operational and supply chain emissions by 2030, we need to consider our fixed infrastructure, particularly the buildings from which we operate. Our 15 offices range from historic buildings with single glazing to modern developments with high BREEAM ratings (a leading sustainability assessment). Our aim is to move our offices up the BREEAM scale by taking possession of energy and space efficient buildings, as we have in Edinburgh in 2021, and by working with our landlords and fellow tenants to improve existing workplaces where possible. Progress is being made. Thanks to our 'Path to Green' programme, 82.9% of our energy consumption is from renewable sources.

In terms of space, workplace reconfiguration is central to our hybrid home/office working model. As we manage change, it is important our clients continue to receive the high level of service they expect. Notably, in November 2021 more clients visited our London office than pre-pandemic November 2019.

Digitising our business

Rathbones continues to invest in IT Technology, People and Process. Our target is to reduce manual and paper-based processes and enhance our digital offerings to both our employees and clients. 2022 will see a significant reduction in utilised data centre capacity due to consolidation and decommissioning exercises. Further utilisation of cloud computing features mean we can now scale up and down the services needed thereby saving energy, cost and effort when not in use. In terms of energy consumption and waste generation, moving our network to the cloud in 2022 will reduce our annual energy requirements by 10-20%.

The pandemic resulted in a reduction in printing. Work is underway to lock in this print reduction gain via the introduction of a centralised print management system including a reporting facility and improved digital tooling. In 2021, we also worked to simplify our print infrastructure. Having historically relied on end of desk printers, a project was delivered to reduce the total number of devices. Having almost completely removed end of desk printers we also reduced our multi-functional devices by 30%. Any new equipment supported our move to digital and hybrid working. This included ensuring security of print and increasing the role of our central print hubs.

Expanding our Scope 3 emissions[6]

2021 is the first year we are sharing additional Scope 3 emissions data. The new categories include the impact of our employees working from home (category 7) and our supply chain (categories 1 and 2). Working with an external partner, we are using a model to estimate the impact of home working and will continue to develop this process as our move to hybrid working finds its feet. Attendance data at our offices is used as a basis for our calculation. We feel this approach allows us to find the balance between the impact of home energy use and the impact of employee commuting.

When it comes to our supply chain, our data show that 90% of our operational footprint originates from our supply chain. We know that engagement is essential to understanding our suppliers' ambitions with regards to emissions reduction (read more about this on page 28). We know that we have more work to do to understand our broader impact and that from a materiality perspective our scope 3 emissions are the most material. Working with partners and our investment teams, in 2022 we will operationalise our plan to deliver reductions across our footprint.

6. https://ghgprotocol.org/scope-3-technical-calculation-guidance

"2022 will see a significant reduction in utilised data centre capacity due to consolidation and decommissioning exercises."

Our operational footprint

Full-year (FY) 2021 emissions decreased by 8% compared to FY20. This was largely driven by a drop in energy emissions. While overall emissions remained lower than pre-COVID 19 levels, Scope 1 emissions are at their highest in five years, which is primarily attributed to the increase in natural gas consumption caused by the reopening of the Liverpool office. Scope 3 emissions decreased, building on last year's trend, mainly due to a reduction in business travel. Despite UK COVID-19 restrictions easing in early 2021, flying was still very much limited and dependent on international government regulations. Similarly, Scope 2 emissions were reduced due to electricity consumption reduction from COVID-19 restrictions and employees working from home. To support us keeping our levels of travel low, in March 2021, we introduced a new employee benefit of an e-vehicle scheme.

"We are committed to reduce the environmental footprint of our facilities and strengthen our sustainability culture by integrating further sustainable practices across the company."

Waste

Rathbones has been engaging with paper suppliers and waste providers around climate-related issues. By procuring paper and waste contracts from suppliers which disclose their emissions, we are able to have greater visibility of our supply chain impacts. 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. The focus remains on our London and Liverpool offices which, due to the nature of our business, contribute the most to our waste profile.

Energy efficiency

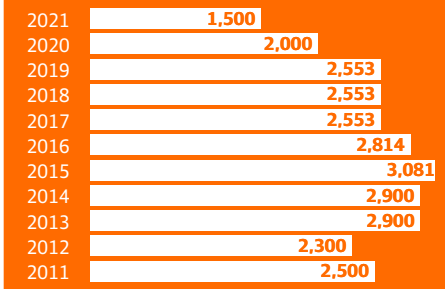
This year we continued to focus on our renewable energy procurement strategy and build on the move of our London and Manchester data centres to renewable energy in 2020. We now have seven sites using renewable electricity, covering 82.9% of our total consumption. Our building and facilities team have aligned our remaining contracts to transition at the end of their respective terms. In 2022, we will move 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.

Our approach to carbon removal

We are committed to reducing our operational footprint on an annual basis. To compensate for our residual emissions (GHG emissions left after all technically and economically feasible solutions have been implemented), we continue to offset part of our emissions in partnership with ClimateCare to identify high impact projects which reduce carbon emissions and enable community development. Each of these exciting projects was selected in line with our support of the UN's Sustainable Development Goals and is certified by internationally accredited bodies. Going forward, as part of our longer-term planning around delivery on our net zero targets, we will assess the role of offsetting, including the source of our credits, to ensure we hold ourselves to the same level of accountability as we do our investee companies. To find out about our 2021 offsetting projects please visit our website.

As we operationalise our net zero commitments, we are considering our long-term approach to carbon removal. We have already shifted our annual offsetting to nature-based solutions and will work with partners to put projects in place that will allow us to expand our removal capability, initially covering our operational footprint and then expanding to cover our supply chain from 2030. We will also be discussing the approach, expectations and most appropriate methodologies for removal of our residual emissions from our investment portfolios.

Rathbones carbon credit purchase history



Total purchases (tonnes)

27,654

Total retired (tonnes)

26,000

Our expanded environmental data disclosure

In 2021, we expanded the boundaries of our data collection to include all our material Scope 3 categories. The table below shows our carbon footprint including additional emission sources. We have worked with EcoAct, an independent consultant, to support our calculations. We continue to work with Avieco to collate and report our Streamlined Energy and Carbon Reporting (SECR) data requirements. To see our complete SECR disclosure please see page 60 of our annual report and accounts.

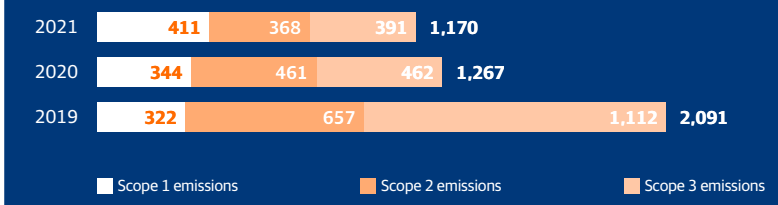
Categorisation	Breakdown	**2021 emissions (tCO_2e)[7]**	2020 emissions (tCO_2e)[8]	% change
Scope 1	Natural gas and refrigerants	411	344	19.48
Scope 2	Purchased electricity	368	461	-20.17
Scope 3 – cat 1	Purchased goods and services[9]	22,623	17,730	27.6
Scope 3 – cat 2	Capital goods	30	428	-92.99
Scope 3 – cat 3	Fuel and energy-related activities[10]	203	151	34.44
Scope 3 – cat 4	Upstream transportation and distribution	49	46	6.25
Scope 3 – cat 5	Waste generated in operations	4	4	0
Scope 3 – cat 6	Business travel	194	259	-25.1
Scope 3 – cat 7	Employee commuting[11]	1091	945	15.45
Scope 3 – cat 8	Upstream leased assets[12]	99	108	-8.33
TOTAL all scopes[13]		**25,072**	**20,475**	**22.45**

7. Our 2021 figures do not include Saunderson House data. We will work through 2022 to integrate their data into our footprint going forward
8. Total emissions reported in 2020 have been restated from 1,123 to 1,267 tCO2e due to increased availability of actual data for the reporting year. This has increased our accuracy of reporting. In most cases the change is small, but for natural gas it is substantial. This is related to natural gas usage at our London office where the ventilation system was used continually throughout 2020 with heating used to compensate. As a result the figures are significantly higher than estimates used.
9. Includes paper purchased
10. Electricity transmission and distribution (T&D) reflects upstream emissions associated with energy loss that occurs in getting the electricity from the power plant to the organisations that purchase it
11. This emission category includes the impact of our employees working from home
12. Data centre emissions are reported as Scope 3, as per the WRI GHG Protocol
13. Emissions within our SECR disclosure are calculated by Avieco see page 37 for their statement

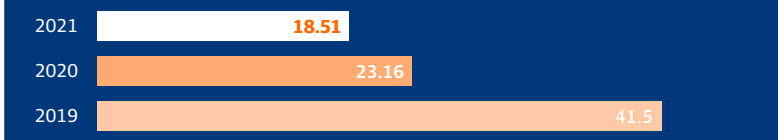
	Denominator	**2021**	2020	% change
Carbon intensity	tCO_2e/FUMA £bn	**396.71**	374.31	5.98
Carbon intensity	tCO_2e/£m operating income	**58.33**	55.93	4.30
Carbon intensity	tCO_2e/FTE	**14.01**	12.89	8.69

Our carbon intensities based on our streamlined energy and carbon reporting (SECR[13]) boundaries

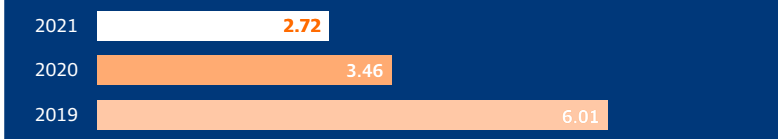
Carbon footprint by scope (tCO_2e)



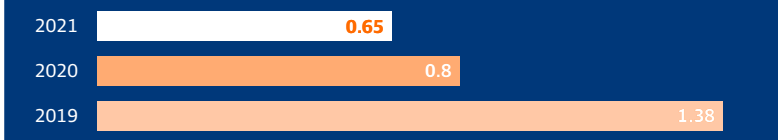
Carbon intensity (tCO_2e/FUMA £bn)



Carbon intensity (tCO_2e/£m operating income)



Carbon intensity (tCO_2e/FTE)



Looking forward

Following the outcomes of the climate talks in Glasgow, and the continued strengthening of commitments from governments and regulators supporting the transition to a net zero emissions economy, the need for business to understand and act with regard to our climate impact will continue to grow.

The focus of our environmental programme in 2022 will be:

- operationalisation of our net zero emissions plan, including the engagement of our suppliers
- integration of Saunderson House in to our data processes
- expansion of our reporting on the financial implications of climate change to include a broader client population.

Supplementary information

Avieco 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 2021 to 31 December 2021. It does not represent an independent third-party assurance of Rathbones' management approach to sustainability.

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, Avieco 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. Avieco'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. Avieco 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.

Further information

Contact us

Rathbones Group Plc
8 Finsbury Circus
London
EC2M 7AZ

responsiblebusiness@rathbones.com

To find out more

Annual Report and Accounts

Responsible investment report

Task force on climate-related financial disclosures (TCFD) report

Group climate statement

CDP submission

Rathbones website

Rathbones