



Climate Report 2025

# Responding with purpose



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## Climate Report 2025

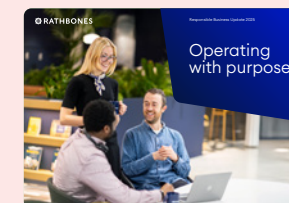
This report is for the financial year ending 31 December 2025. It sets out our approach and response to the climate-related risks and opportunities we face as a business.

## Our reporting suite

This report forms part of our wider reporting suite where you can find out more about our full activities.



→ Annual Report and Accounts 2025



→ Responsible Business Update 2025

### Further information

Throughout this report we use these icons to indicate where you can find out more.

Read more page 00 →

→ Visit website



## Compliance summary

### Current disclosure and reporting requirements

As indicated in the table on the right, our Climate Report is fully aligned with the UK Government's mandatory climate-related financial disclosure requirements for public quoted companies. In developing the report, we have considered the 11 recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). While the TCFD was formally disbanded in 2023, its recommendations remain embedded in the UK Listing Rules and the FCA's ESG Sourcebook (notably ESG 2.2). As such, TCFD continues to provide foundations for climate-related reporting.

### Future disclosure and reporting requirements

The Financial Stability Board has tasked the International Financial Reporting Standards (IFRS) with overseeing future development through its International Sustainability Standards Board (ISSB) standards, whose IFRS S2 Climate-related Disclosures standard incorporates and builds on the TCFD framework. Rathbones has undertaken a gap analysis against these standards to strengthen alignment with IFRS criteria in future disclosures.

Looking ahead, we are also preparing for the UK Sustainability Reporting Standards (UK SRS), which will be based on ISSB requirements and expected to become mandatory for UK-listed companies for the next reporting cycle. Our work to align with IFRS S2 positions us well for these upcoming requirements, and we are actively reviewing processes, governance structures and data capabilities to ensure readiness for UK SRS implementation.

### Alignment with reporting requirements

Theme	TCFD recommended disclosure	Strength of response*	UK mandatory disclosure requirements	Alignment
Change	Describe the Board's oversight of climate-related risks and opportunities.	High	A description of the governance arrangements of the company in relation to assessing and managing climate-related risks and opportunities.	Full
	Describe management's role in assessing and managing climate-related risks and opportunities.	High		Full
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	High	A description of the principal climate-related risks and opportunities arising in connection with the operations of the company and the time periods by reference to which those risks and opportunities are assessed.	Full
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Medium	A description of the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the company.	Full
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Medium	An analysis of the resilience of the business model and strategy of the company, taking into consideration different climate-related scenarios.	Full
Risk management	Describe the organisation's processes for identifying and assessing climate-related risks.	High	A description of how the company identifies, assesses, and manages climate-related risks and opportunities.	Full
	Describe the organisation's processes for managing climate-related risks.	High		Full
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	High	A description of how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management process in the company.	Full
Metrics and targets	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	High	Description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets.	Full
	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	High	The key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based.	Full
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risk.	High		Full

\* TCFD Disclosure: Strength of Response: Rathbones Group meet and align with the requirements of the TCFD. For 2025 we have included an assessment of our strength of response to each requirement, recognising that improvements can be made



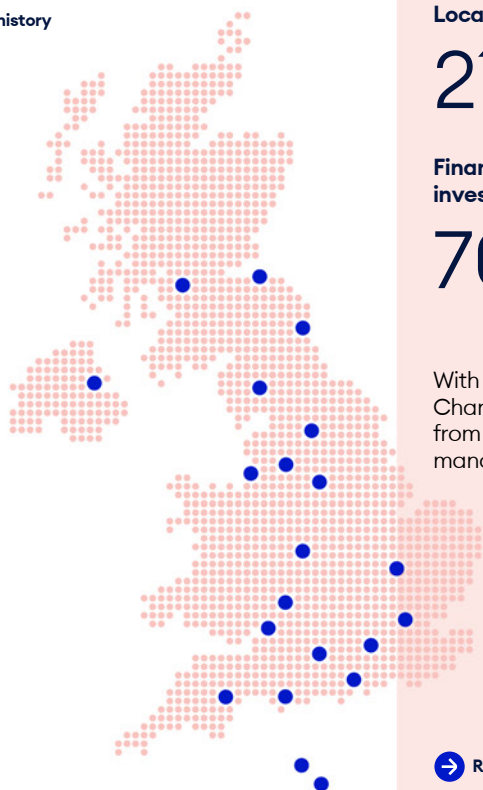
## About Rathbones

Rathbones, through its Wealth Management and Asset Management segments, is one of the UK's leading providers of investment and wealth management services for private clients (individuals and families), charities, trustees, and professional partners.

Our purpose is simple: to help more people invest their money well, so they can live well.

With roots dating back to 1742, we have been trusted for generations to manage, preserve and grow our clients' wealth. Our focus is on long-term value, delivered with care and consistency.

[→ About our history](#)



### Wealth Management

Our wealth management service helps clients plan and invest for the future. Every client is different, our service reflects that.

#### Funds under management

£106.2bn

#### Locations in the UK and Channel Islands

21

#### Financial planners and investment managers

700+

With offices throughout the UK and the Channel Islands, clients are never far away from high-quality, personalised wealth management services.

[→ Read more on our website](#)

#### Investment management services

We offer multiple levels of service to suit different needs:

##### Bespoke

A tailored investment strategy and portfolio, built and managed by a dedicated Rathbones investment manager.

##### Managed

Discretionary portfolios powered by asset management funds, providing personal investment manager access.

##### Select

Execution-only portfolios powered by asset management funds, delivered through a central service team designed for simplicity and cost-efficiency.

##### MPS

Cost-efficient, centrally managed portfolios powered by asset management funds, giving advisors streamlined access to the Rathbones investment process.

#### Financial planning and advice

Provided through Rathbones Financial Planning, either as a standalone service or alongside investment management services.

#### Complementary services

The Group also provides UK trust, tax and legal services, together with fixed interest term deposits and loans available to existing clients.

#### Our specialist capabilities

Services for charities and not-for-profit, specialist responsible investment, personal injury and Court of Protection and international clients through Rathbones Investment Management International (RIMI).

### Asset Management

Rathbones Asset Management (RAM) offers actively managed equity, fixed income and multi-asset capabilities for retail and institutional investors.

#### Funds under management

£16.6bn<sup>1</sup>

#### Number of funds

23

#### SDR labels

6 funds

As at 31 December 2025

1. Includes £7.2bn of Wealth Management FUMA invested in the Asset Management segment

[→ Read more on our website](#)



## Chair's statement



Clive C R Bannister Chair

2025 marks ten years since the Paris Agreement, where the nations of the world came together to agree to limit global warming to 1.5°C from pre-industrial levels. While the world's ability to meet that goal looks – at best – uncertain, at Rathbones we have continued to make progress on our journey to net zero and towards the near-term targets we have set for 2030. As stewards of our clients' capital, we recognise that climate change is not only a global environmental challenge, but also that it presents significant financial risks to the securities in which we invest on behalf of our clients, as well as presenting opportunities.

In 2025, we are building on the strong foundations already in place to further strengthen the integration of climate considerations across our investment decisions. In 2025, the investment teams at Rathbones have investigated the management of physical climate risk: the direct impacts of climate change on assets, supply chains, and economic systems. We have continued to integrate climate risk considerations within the investment process, ensuring these considerations inform how we set objectives with our clients and our active engagement with the companies we invest in, encouraging and prompting them to take deeper and more meaningful action on climate change.

Our involvement in the Investment Leaders Group has been important in helping us to shape industry best practice. We were closely involved in the development of the report from the Cambridge Institute of Sustainability Leadership (CISL), *Investing in Tomorrow: A guide to Building Climate-Resilient Investment Portfolios*.

The report<sup>1</sup>, to which Rathbones' investment, research and compliance functions contributed, underscores the importance of assessing and managing physical climate risk throughout the full lifecycle of the investment process, from setting objectives and asset allocation to due diligence, portfolio construction, and active engagement. Through this and future projects, we demonstrate our commitment to supporting clients in navigating the financial impacts of climate change, while building investment portfolios that are resilient and future-fit.

As we move into 2026, Rathbones will continue to integrate climate issues, guided by our near-term Science Based Targets initiative (SBTI)-aligned commitments. Progress requires collaboration, and we will work closely with our clients and other stakeholders to manage risks and capture opportunities, delivering value whilst promoting resilience. This report reflects the progress we have made over the past year and the responsibility we share to act decisively on climate challenges and mitigate our exposure to climate risk.

## Global climate risk landscape

Extreme weather events are projected to be the most severe global risk over the next decade<sup>2</sup>, posing significant threats to infrastructure, supply chains, and societal stability. Without a major shift in global climate action, the world is increasingly unlikely to limit the average temperature rise to below 1.5°C<sup>3</sup>. This trajectory signals a future characterised by more frequent and intense climate-related disruptions, reshaping how we assess and manage risk.

Environmental challenges are impossible to ignore. The top four long-term global risks are environmental: extreme weather events, biodiversity loss and ecosystem collapse, critical changes to Earth systems, and natural resource shortages. These risks are deeply interconnected and can amplify one another, triggering cascading impacts across economies, societies, and ecosystems.

Considering this outlook and the complex interdependencies involved, this report details how we integrated climate risk mitigation into our 2025 strategic agenda, strengthening resilience and delivering long-term value for stakeholders.

1. Investing in Tomorrow: A Guide to Building Climate-Resilient Investment Portfolios, Cambridge Institute for Sustainability Leadership  
 2. According to the World Economic Forum: Global Risks Report 2025  
 3. As reported in the World Meteorological Organisation State of Climate update for COP30, the world is not on track to meet the goals of the Paris Agreement

## Our journey to net zero and transition plan

Investments  
Corporate

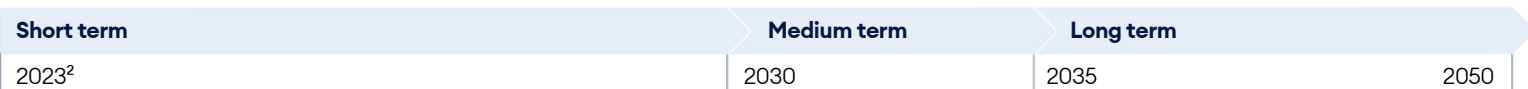
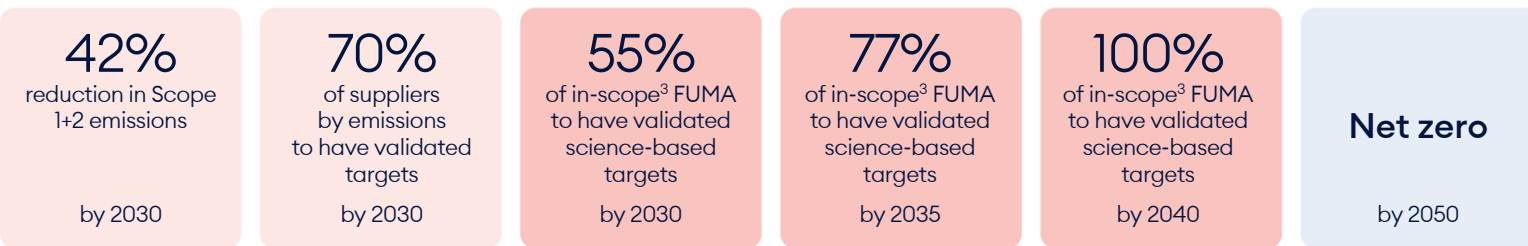
We are committed to reaching net zero<sup>1</sup> emissions by 2050 or sooner, in line with the goal of the Paris Agreement. In 2024, we restated our emissions targets to ensure they reflected the change that occurred due to the combination with Investec Wealth and Investment (UK) in 2023. Building on this, our focus in 2025 was to develop a Climate Transition Plan that sets out how we will meet our targets and align with a low-carbon, climate-resilient economy.

Our plan, which will be finalised and published in 2026, will be developed in line with the UK Transition Plan Taskforce guidance and delivered through Rathbones Responsible Business Framework.

The infographic opposite summarises our near-term targets and implementation priorities, which centre on three pillars: Engagement and Voting, Integration and Transparency. These pillars guide our actions across the short term (to 2030), medium term (to 2035) and long term (to 2040), supporting our goal to reach net zero by 2050 while safeguarding the long-term value of our clients' portfolios.

1. Rathbones Group Plc define net zero as balancing the release of greenhouse gases into the atmosphere by absorbing or avoiding an equal amount. As defined in our glossary  
 2. Targets are set against a 2023 base year  
 3. In scope: equity, bonds, fixed income, structured products, collectives, and passive funds.

### Our targets



### Our pillars

**Engagement and voting**

Activities:

- Engage investee companies, third-party funds, clients, industry and government
- Use proxy voting rights with investees
- Engage suppliers and facilities managers

**Integration**

Integrate net zero ambition into:

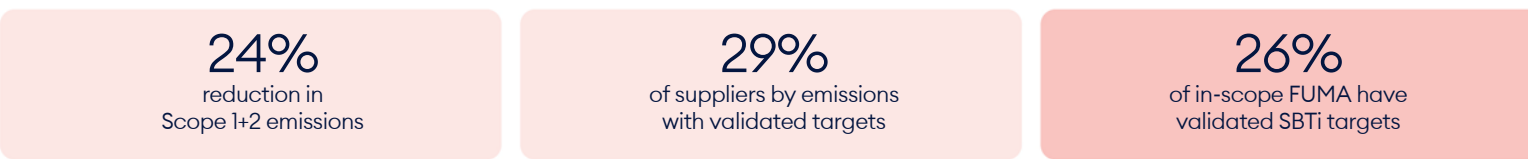
- Investment processes
- Clients suitability assessments
- Product offerings
- Training and education
- Buildings and operations

**Transparency**

Increase transparency through:

- Increasing visibility within third-party funds
- Sharing personalised climate reports with clients
- Statements following inaction
- Annual corporate footprint reporting

### Our progress





# Governance

We believe that everyone in the Group has a role to play in managing risks and opportunities, from the Board and Executive team to all other employees. If an entire workforce can operate with accountability, this in turn enhances the effectiveness of risk management and decision-making.

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## Risk governance, process and infrastructure

**Our approach to risk governance, processes, and infrastructure ensures that we are constantly evaluating both existing and emerging risks and opportunities to our purpose, values, and strategic and climate-related objectives. Our risk governance and risk processes are designed to enable the company to manage risk effectively in accordance with our risk appetite and to support the long-term future of the company.**

→ [Annual Report and Accounts page 58](#)

### Board oversight overview

Oversight of the Rathbones risk management framework, which includes climate change, starts with our Board of Directors.

The Board is responsible for setting the right tone for the business, supporting our risk management culture and, through our senior leadership team, encouraging appropriate behaviour and collaboration across the business. It establishes the company's purpose and strategic objectives and on an ongoing basis, monitors management's performance against those objectives.

As part of this, the Board provides oversight on the company's responsible business agenda, including our net zero commitment. Additionally, the Board provides oversight and approval of remuneration arrangements for Executive Directors and the wider executive team.

→ [Annual Report and Accounts page 98](#)

The Board regularly assesses the most significant risks and emerging threats to the Group's strategy and receives strategic risk updates at least twice a year.

Board members bring experience from a variety of sectors such as finance, capital markets, and audit, which provides them with the necessary skills required to consider any future implications of climate change on Rathbones.

### Risk governance

#### Board

Sets strategy and risk appetite across the Group, and is ultimately accountable for risk management.

#### Audit Committee

Monitors and reviews the effectiveness of internal controls with oversight of the internal audit function in line with the Group's risk profile on behalf of the Board. It also oversees the appointment and relationship with the external auditor.

#### Group Risk Committee

Oversees effectiveness of the risk management framework and activity across the Group. Advises the Board on risk appetite, risk assessment, risk profile, and risk culture.

#### Executive Committee, Executive Risk Committee, Banking Committee

First line committees with responsibility for management of risk and internal control across the Group.



## Committee roles and responsibilities

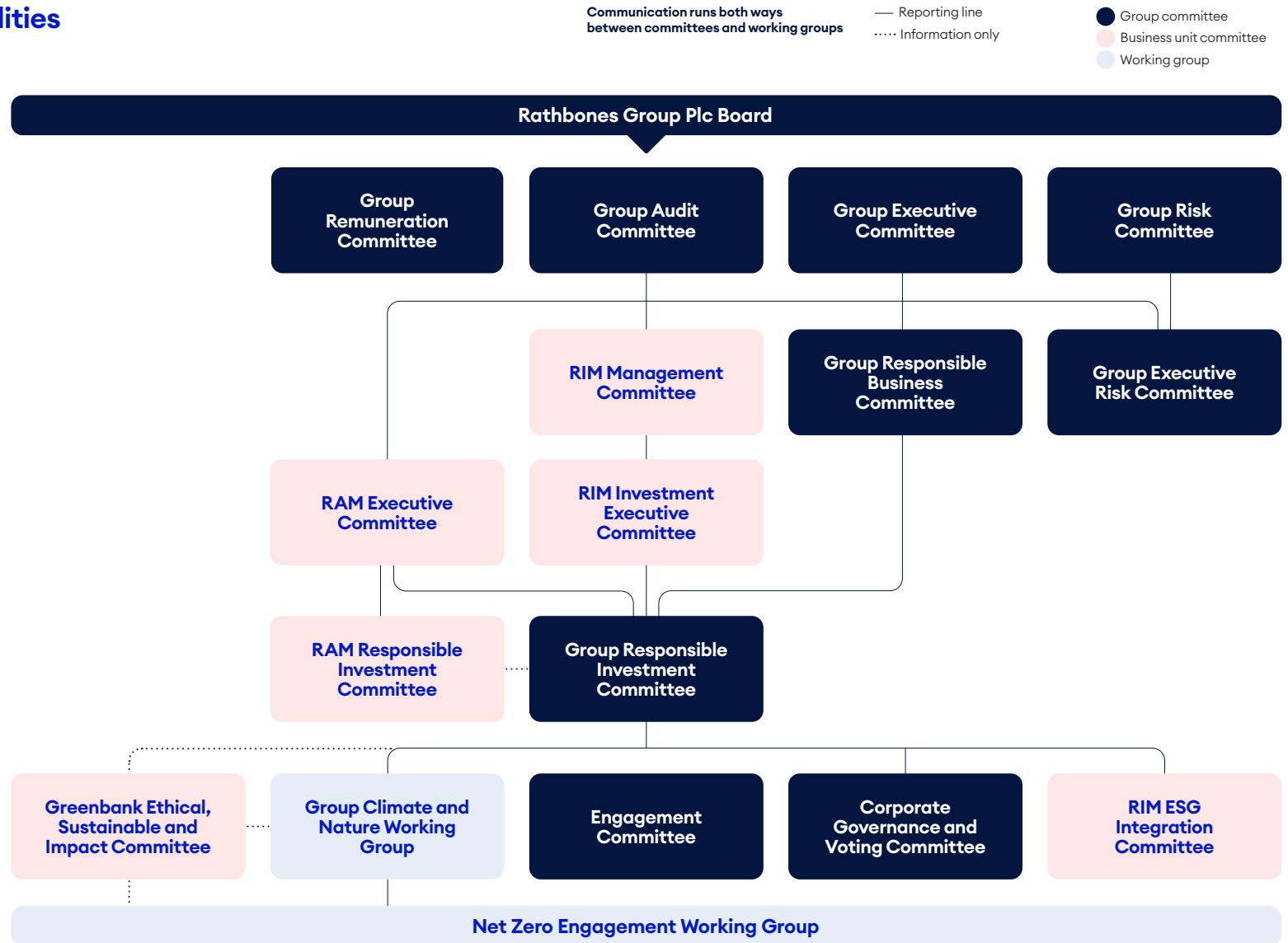
In addition to Board monitoring, oversight of climate-related risk and opportunity management is also undertaken by a number of committees, including the group risk and audit committees.

The transfer of information between committees and ultimately to the Board is demonstrated by the figure on the right. These committees offer support to the Board, setting a constructive tone in support of a strong risk culture, which is integrated into our company culture and which our people embrace as part of their day-to-day responsibilities.

Details of specific committee roles, responsibilities, meeting frequency, and key activities within the reporting year is provided in the next section below. These committees are supported by working groups and forums where specific topics have been delegated.

Terms of reference (TOR) for some of the committees are publicly available, which provide additional detail on stakeholder expectations and contributions.

Following the integration of IW&I (UK) with Rathbones, the IW&I committee structure was combined with Rathbones and responsibilities updated. The Group strategy update in February 2026, will trigger a further review and update of our governance structure where appropriate.





## Committees

Committee and lead	Roles and responsibilities	Frequency of meetings	2025 activities and outcomes
<b>Group Audit Committee</b>  Iain Cummings Chair of the Audit Committee	The Group Audit Committee monitors and reviews the Group's financial statements and related announcements. It also monitors the effectiveness of our internal controls. The committee reviews other statements, including our climate reporting, to ensure they are consistent with any reporting requirements.	At least quarterly and otherwise as required.	Reviewed the process for the Group's climate reporting, including the climate section in the Annual Report and Accounts.
<b>Group Risk Committee</b>  Terri Duhon Chair of the Risk Committee	The Group Risk Committee provides oversight on the firm's risk appetite and framework. The committee's activities include reviewing reports from the risk team, discussing significant risk topics, advising the Board on the risk aspects of proposed major strategic change, and receiving reports from first line risk owners on risk management and improvements to controls and processes.	At least five times a year and otherwise as required.	Provided oversight and approval of the ICAAP 2025 operational risk scenarios. Conducted the annual review of risk appetite which determined that the risk appetite remained appropriate.
<b>Group Remuneration Committee</b>  Dharmash Mistry Chair of the Remuneration Committee	The role of the Remuneration Committee is to set the overarching principles and parameters of the Remuneration Policy across the company. The committee liaises with the risk committee and CRO to ensure remuneration policies are in line with sound and effective risk management.	At least three times a year and otherwise as required.	Considered ESG credentials in executive remuneration, including but not limited to the rebasing of the Group's net zero targets and progress against them where appropriate.
<b>Group Executive Committee<sup>1</sup></b>  Paul Stockton/Jonathan Sorrell Group CEO	Our Group Executive Committee (GEC) is chaired by the Group CEO, who is supported by the senior management team. The key role of the committee is the day-to-day management of Rathbones. The committee actively reviews and assesses business performance supported by a range of committees that operate across the Group.	Our GEC receives a minimum of two updates a year on our responsible business programme, which includes the approach to managing our environmental impact.	Oversaw the approval of the Group's updated strategy, published in February 2026.
<b>Group Executive Risk Committee</b>  Sarah Owen Jones Chief Risk Officer	The Executive Risk Committee (ERC) is a standing committee of the group executive committee. It has responsibility for ensuring the effective assessment and management of risk throughout the Group, in support of the business strategy and in line with the risk appetite approved by the Board.	At least twice a year.	Oversaw the annual review of the Group's risk appetite. Considered climate change as part of the suite of stress tests and potential stress tests feeding into our ICAAP process.
<b>Group Responsible Business Committee<sup>1</sup></b>  Paul Stockton/Ivo Darnley Group CEO/RIM Managing Director	Our Responsible Business Committee is co-chaired by our Group CEO and the Managing Director of RIM. The committee oversees our responsible business programme. This committee oversees our approach to net zero, receiving progress updates at each meeting. The key activities of this committee are to: identify emerging risks and opportunities related to the social and environmental impacts of the Group, provide oversight of the Group's responsible business strategy and reporting, and oversee the Group's policies and progress across our framework. This includes understanding the impact of and reporting on climate risk, whilst supporting the business as we deliver on our overarching climate responsibility.	At least four times a year and reports to the Group Executive Committee and the Board at least twice a year.	Received progress reports on the Group's near-term net zero targets. Received feedback on the activities of the RIC. Discussed the firms' approach to exclusions and net zero engagement. Oversaw carbon reporting. Ratified the alignment of our RI policy across the Group.

1. Paul Stockton stood down as co-chair after the September meeting



## Committees

Committee and lead	Roles and responsibilities	Frequency of meetings	2025 activities and outcomes
<b>Group Responsible Investment Committee</b>  Elizabeth Savage/David Cox Co-chief Investment Officer/ Head of Greenbank	The Responsible Investment Committee (RIC) includes senior practitioners from across the Group. The RIC is responsible for the formation and implementation of the Responsible Investment Policy. Their work overlaps with our stance as a responsible business more generally and how we act as a responsible steward of our clients' assets.	Monthly	Discussed the effectiveness of our thermal coal phase-out policy. Oversaw the investment aspects of our climate reporting. Reviewed and supported the integration of transition risk in investment research.
<b>RIM Investment Executive Committee</b>  Peter Thompson Investment Director	Our Investment Executive Committee (IEC) establishes, leads, and communicates the RIM Investment Policy to all investment managers, delivering a clear and consistent message. Members review investment risk across the business and promote the investment process and internal research by reviewing the effectiveness of research and other outputs. The committee has oversight of the responsible investment committee and our investment governance framework and processes.	Monthly	Reviewed stewardship activities, including engagement. Agreed communication and training for client facing colleagues.
<b>RAM Responsible Investment Committee</b>  David Harrison Fund Manager	The RAM Responsible Investment Committee (RAM RIC) for our Asset Management business, reports into the Group Executive Committee and supports the work of the Group Responsible Investment Committee. The RAM RIC identifies the requirements to implement RAM's RI strategy and associated training, communication, and reporting.	Monthly	Oversaw the application of the RI Policy. Engaged with the regulator on the application for Sustainability Disclosure Requirements label for six funds.
<b>Corporate Governance and Voting Committee</b>  Matt Crossman Stewardship Director	The Corporate Governance and Voting Committee is focused on proxy voting at investee companies across the Group and on the development and maintenance of our bespoke Group voting policy. It oversees proxy voting according to a well-defined process. The committee seeks to ensure that the voting we undertake on behalf of our clients contributes to drive positive climate change within our investee companies.	At least three times a year	Reviewed the company's voting policy including voting on net zero and transition plans. Agreed expansion of responsibilities to include governance matters.
<b>Engagement Committee</b>  Archie Pearson ESG & Stewardship Analyst Voting Lead	The Engagement Committee seeks to implement the Group Engagement Policy. Reporting to the RIC, the committee decides on our multi-year engagement priorities, debates options for escalation, promotes new potential direct and collaborative engagements, and provides a coordination point for the various parts of the business. Climate is a standing agenda item. The engagement committee reports to the responsible investment committee.	Monthly	Agreed the Group level engagement action Plan, which covered our approach to engaging on net zero with companies that we hold on behalf of our clients.
<b>RIM ESG Integration Committee</b>  Francesca Cherubini Stoughton Head of Investment Process Implementation	The ESG Integration Committee is responsible for facilitating the integration of ESG in our research and investment processes and for monitoring the ESG risk, and sustainability characteristics of investments. The committee oversees the development of relevant methodologies for assessing investments, reviews ESG data coverage, provides education and training to support investment managers, and offers guidance to investment committees where appropriate. The committee reports to the Responsible Investment Committee.	Monthly	Oversaw the continued refinement of our investment process, including the expansion of sector-specific standards, and their application to our investment analysis procedures.



## Climate risk oversight and engagement

**Risk management is an integral part of all Rathbones’ employees’ day-to-day responsibilities and activities. It is linked to performance and development, as well as to the Group’s remuneration and reward schemes.**

### The role of management

Our Group Chief Executive Officer has responsibility for bringing climate-related matters to the Board. Through his position as co-chair of our Responsible Business Committee, he oversees our responsible business programme, including our approach to achieving net zero emissions by 2050 and delivery of our near-term targets.

Meanwhile, our Chief Risk Officer (CRO) is the senior management function responsible for climate-related financial risks, as designated in accordance with the Prudential Regulation Authority’s supervisory statement on managing financial risks relating to climate change (SS3/19). The CRO reports to the Non-executive Director who chairs the Board’s Group Risk Committee. The CRO plays an important role in identifying and understanding the risks to which Rathbones is exposed.

There are several teams involved in assessing, managing, and reporting on our climate risk. Operationally, our finance, risk and compliance, research and investment teams, alongside our supplier management function and properties and facilities departments, all contribute to supporting our approach. At an organisational level, responsibility for climate change-related matters lies with the Company Secretary and is led by our Responsible Business Manager.

Our responsible investment specialists support the work of our investment committees, periodically attending meetings to ensure that ESG factors and risks are adequately represented in discussions, a process supported by ongoing climate training for all professional employees.

### Employee engagement

Risk culture embedded across the Group enhances the effectiveness of risk management and decision-making. The Board supports a strong risk culture, reinforced by our executive and senior management team, which encourages appropriate behaviours and collaboration on managing risk across the Group. 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.

### Remuneration

For 2025, ESG measures were incorporated into the variable pay component for our Group Executive Committee members, including our Group CEO and Group CFO. Our ESG measures are considered as modifiers to our executive remuneration. In our 2025 Annual Report and Accounts (page 103) we share the outcomes of the non-financial strategic measures included in 2025 executive remuneration.

### Training

In 2025, investment managers in RIM continued to receive support, focused on the consideration of ESG risk and opportunities and how to engage with clients on the matter. Investment managers continued to have structured responsible investment conversations with their clients, actively seeking their views and needs within the context of their broader financial goals. In 2025, the proportion of colleagues who participated in anti-greenwashing training was 96.7%.

Several colleagues also completed the Chartered Financial Analyst (CFA) Institute certificate in ESG Investing (rebranded to the Sustainable Investing Certificate in April 2025).

Rathbones has relationships with both the University of Cambridge Institute for Sustainability Leadership (CISL) and CFA UK. Both institutions have provided climate-related training and study opportunities to Rathbones colleagues. In 2025, colleagues had access to training courses through CISL, with focus on the integration of climate risk into the strategic asset allocation process, engagement with oil and gas companies on the setting of emissions reduction targets, evolution of corporate governance regimes, and the delivery of a just energy transition. We will maintain these relationships across Rathbones Group to increase the uptake of and enhance our focus on sustainable finance learning.

### Policies

Policies play a key role in supporting the oversight of sustainability-related risks and opportunities. The following table summarises the key elements of the policies we have in place that support our sustainability-related commitments. Our Wealth and Asset Management businesses have their own policies, which align with our Group policies.

Policy	Overview
<b>Voting policy</b> <a href="#">Read more →</a>	A framework for how we achieve our governance goals. Voting is informed by our Responsible Investment Policy, and through voting activities Rathbones will: be long-term stewards for a more sustainable world, protect returns, and ensure ESG integration across investments.
<b>Group responsible investment policy</b> <a href="#">Read more →</a>	Provides the basis for how Rathbones will manage its funds and portfolios in a manner consistent with our responsible business objectives, relevant laws, and governance standards. Please see page 27 of this report for a detailed overview of our four pillars of responsible investment.
<b>Group engagement policy</b> <a href="#">Read more →</a>	Sets out Rathbones engagement principles in respect of the companies in which we invest. Engagement is codified in one of our four responsible investment principles – engagement with consequences – in which Rathbones aims to prioritise engagement where a difference can be made in addressing systemic ESG challenges.



# Strategy

Together with a long-term focus, we seek to deliver good financial outcomes, create value for our clients and make a positive contribution to society, while responding to our climate commitments.

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## Strategy overview

**How we identify, manage and respond to the climate-related risks and opportunities that we face as a business is a core part of our commitment to net zero and the broader transition to a low-carbon economy. This in turn guides our strategic priorities through our operations and propositions.**

### Strategic focus

The Board believes that climate-related risks have the potential to negatively impact the investment performance of our clients' portfolios. This may affect our organisation and stakeholders in the short, medium and long term.

Our goal is to continue to integrate climate-related issues in our investment approach, improve the quantity and quality of our climate-related disclosure to clients and the wider public, and scale up voting and engagement efforts

in line with our ambition. As we work to enrich the client and adviser experience, we continue to provide our clients with products that not only meet their financial needs but can also adapt to the continually evolving environment.

Whilst the most material aspect of our impact is through the investments we make on behalf of our clients, we continue to work to operate more efficiently, reducing our direct footprint. Whether through the move to more efficient buildings, understanding the impact of our suppliers and partners or continued investment in digital transformation, we are committed to working across our footprint to deliver long-term reductions. More details about our net zero commitment can be found in the metrics and targets section of this report.

## Rathbones' climate-related risks and opportunities

Rathbones recognises the potential impacts on our business, including those associated with the physical effects of climate change and the transition to a low carbon economy.

The transition to a low carbon economy also generates opportunities for efficiency improvements, new products or services, and access to new markets focused on climate solutions.

We have identified a variety of risks and opportunities that fall across the short, medium and long term, which are defined across the tables in the pages that follow.

### Physical risks

Arise from the physical effects of climate change on businesses' operations, workforce, markets, infrastructure, raw materials, and assets.

### Transition risks

Result from policy, legal, technology, and market changes occurring in the shift to a lower carbon global economy.



## Time horizons

Transition and physical risks materialise across different timelines. We have defined the timelines as follows:

**Short term**  
<1  
year

**Medium term**  
1–5  
years

**Long term**  
>5  
years

Our risk timelines align with those we use for going concern and viability statements. Our short-term risk aligns with going concern, for which we use a period of at least 12 months from the financials. Our viability statement aligns with our medium-term risk (three years) which mirrors the risk assessment approach. This was reduced from five years, to manage the fact that the longer we look out, the more uncertainty there is.

## Climate-related risks

As a business, we consider several transitional and physical risks and opportunities. In the table below, we have provided a description of each climate-related risk and opportunity, an assessment of the potential impact on the business and our mitigation actions.

All risks and opportunities outlined below are deemed material to the business and correspond to Rathbones Group principal risk categories.

Full definitions of Rathbones Group principal risk categories can be found in the [Annual Report](#) from page 62. For details on how we identify, manage, and respond to these risks, please advance to the risk management section of the report.

<b>Magnitude</b>	<b>Risk trend</b>	<b>Time horizon</b>
<ul style="list-style-type: none"> <li> High</li> <li> Medium-high</li> <li> Medium</li> <li> Low</li> </ul>	<ul style="list-style-type: none"> <li> Increasing</li> <li> Stable</li> <li> Decreasing</li> </ul>	<ul style="list-style-type: none"> <li> Long term</li> <li> Medium term</li> <li> Short term</li> </ul>

### Transitional

Risk type and description	Actual and potential impact	Mitigation actions
<ul style="list-style-type: none"> <li></li> <li></li> <li></li> </ul> <p><b>Reputational: customer perception</b></p> <p>Failure to manage climate transition risk within existing propositions</p>	<p>Claims for financial compensation, loss of business, and loss of market share.</p> <p>An increase in the likelihood of compensation and loss of business if we do not deliver on our fiduciary duty to clients by managing climate transition in our portfolio construction. This could also include a potential loss in market share if we fail to accurately communicate the climate-related credentials of our funds and client portfolios that consider ESG criteria.</p>	<p><b>Corporate policy:</b> We review our investment risk approach at least annually. This supports our IMs in giving our clients a clear understanding of how responsible or sustainable criteria are factored into the investment process.</p> <p><b>Engagement programmes:</b> Our engagement programmes include a focus on climate and delivery of net zero plans by our investee companies, supporting our response to the changing landscape and increasing regulatory requirements.</p> <p><b>Training:</b> We offer training to investment and fund management teams to support climate-related conversations and inform portfolio construction, promoting transparent communication with clients on climate risk considerations.</p> <p><b>Data availability:</b> We continue to support investment managers and analysts to advise our clients on ESG integration. Internal dashboards provide analysts, investment managers, and investment committees with insights into key ESG considerations, with an aim to empower teams to incorporate factors into investment research and portfolio construction activities.</p>
<ul style="list-style-type: none"> <li></li> <li></li> <li></li> </ul> <p><b>Reputational: employee satisfaction and retention</b></p> <p>Inability to attract and retain employees due to climate inaction</p>	<p>Employees are increasingly conscious of climate issues and expect us to take meaningful action on sustainability. If climate concerns are not addressed, Rathbones risks not attracting and retaining employees.</p> <p>Weakened sustainability efforts across the business could lead to disruption of business as usual, slowing of processes and financial losses. For example, due to inadequate risk assessments and poor decision-making.</p>	<p><b>Target setting:</b> We have committed to reaching net zero emissions by 2050 or sooner and have set near-term targets to help achieve this. As part of our net zero commitments, we will disclose our Climate Transition Plan in 2026 (see <a href="#">pages 5 and 31</a> for more details) to outline the plans we have set to achieve our targets.</p> <p><b>ESG-linked remuneration:</b> We continue to incorporate ESG measures into the variable pay component for our Group Executive Committee members; embedding ESG and climate considerations are a strategic priority by aligning leadership incentives with long-term sustainability.</p> <p><b>Training and development:</b> We continue to offer our employees access to ESG integration training; supporting employees with the skills and knowledge to help manage ESG risk and opportunities and incorporate ESG factors into investment research.</p>



## Climate-related risks

### Magnitude

- High
- Medium-high
- Medium
- Low

### Risk trend

- Increasing
- Stable
- Decreasing

### Time horizon

- Long term
- Medium term
- Short term

### Transitional continued

Risk type and description	Actual and potential impact	Mitigation actions
<ul style="list-style-type: none"> <li></li> <li></li> <li></li> </ul> <p><b>Reputational: shareholder concern</b> Failure to manage shareholder climate expectations</p>	<p>Failure to manage shareholder expectations, for example, failing to align investment strategies with ESG criteria and our responsible investment principles, could lead to loss of business and competitive advantage; through potential shareholder withdrawals and an inability to attract new shareholders.</p>	<p><b>Transparency and compliance:</b> We report on how we embed responsible investment principles in investment strategies and how investment managers review and assess risk. Our climate report meets UK government mandatory reporting requirements.</p> <p><b>Target setting:</b> Our SBTi-aligned targets demonstrate our commitments to emissions reductions across our operations and investments. In 2026, we will disclose a Climate Transition Plan which will outline the specific plans we have set to achieve our targets.</p> <p><b>Risk management:</b> Our risk management process is used to identify, assess, and respond to risks that could affect the delivery of our strategic objectives and annual business plans. See <a href="#">page 26</a> for details.</p>
<ul style="list-style-type: none"> <li></li> <li></li> <li></li> </ul> <p><b>Regulatory, compliance and legal: carbon pricing</b> Increased regulations on carbon-intensive goods and services (investments)</p>	<p>Indirect devaluation of investments through increased operational costs for investee companies.</p> <p>As regulations evolve and potential carbon pricing mechanisms are introduced (such as levies for emissions-intensive materials), high emitting sectors may face increased costs. This may decrease returns for investors, or might be passed on to consumers, affecting the demand for their products.</p>	<p><b>Engagement with investee companies:</b> We continue to actively engage with companies to encourage sustainable practices, emissions reductions, and commitments to SBTi-aligned reduction targets.</p> <p><b>Consideration of ESG criteria in investment decisions:</b> We consider ESG factors within our investment research to support the identification of companies with stronger sustainability practices and to inform client-facing teams' understanding of exposures, including to companies with higher carbon-related liabilities. We aim to use these processes to leverage direct investments in low-carbon industries, understanding the importance of providing stimulus for the transition to a low-carbon economy.</p>
<ul style="list-style-type: none"> <li></li> <li></li> <li></li> </ul> <p><b>Regulatory, compliance and legal: carbon pricing</b> Increased regulations on carbon-intensive goods and services (operations)</p>	<p>Direct regulatory costs imposed on operations through potential energy and fuel price increases and increasing supply chain costs, particularly from suppliers impacted by carbon pricing. Increased regulations on carbon pricing directly impact operations by raising costs associated with energy consumption, as governments implement carbon taxes, mechanisms, and duties to curb the use of emissions-intensive fuel.</p>	<p><b>Energy efficiency programmes:</b> We continue to identify ways to invest in energy efficient operations through the Energy Savings Opportunity Scheme (ESOS). In 2025, two measures were implemented at our Liverpool office to reduce energy consumption: installing reflective insulation behind radiators and switching to LED bulbs. These actions are expected to deliver an estimated annual energy consumption reduction of approximately 200,000 kWh.</p> <p><b>ESG review of suppliers:</b> We undertake an ESG review on our suppliers to measure their sustainability performance; including whether they have set SBTi-aligned reduction targets. With 85% of suppliers having completed the review, one main area identified for further action included net zero approaches supported by near-term targets and data disclosure in our larger partners.</p>

## Climate-related risks

<b>Magnitude</b>	<b>Risk trend</b>	<b>Time horizon</b>
⬆️ High	⬆️ Increasing	Ⓛ Long term
➡️ Medium-high	➡️ Stable	Ⓜ Medium term
➡️ Medium	⬇️ Decreasing	Ⓢ Short term
⬇️ Low		

### Transitional continued

Risk type and description	Actual and potential impact	Mitigation actions
<ul style="list-style-type: none"> <li>➡️ <b>Regulatory, compliance and legal: emissions reporting obligations</b></li> <li>⬆️</li> <li>Ⓢ Failure to maintain compliance with emissions reporting obligations and readiness for emerging regulations</li> </ul>	<p>Fines as a result of regulatory action, reputational damage, and increased operational costs due to unplanned remedial action. Increased climate-related reporting obligations incur additional costs to ensure compliance. We expect that current reporting frameworks (e.g., IFRS) may also incur costs for compliance.</p>	<p><b>Monitoring of legislative landscape:</b> We use internal and external resources to enable the ongoing monitoring of legislative landscape. In 2025, this included a gap analysis to ensure reporting readiness for future disclosure requirements (e.g., IFRS sustainability disclosure standards).</p> <p><b>Resource allocation:</b> We continue to ensure that our operating model supports our policy and reporting obligations by increasing the resources allocated to the responsible business function: the dedicated team at Rathbones that oversee emissions reporting and climate-related financial disclosure.</p>
<ul style="list-style-type: none"> <li>⬆️ <b>Sustainability: uncertainty in market signals</b></li> <li>⬆️</li> <li>Ⓢ Inability to attract and retain clients due to uncertain risks related to climate change</li> </ul>	<p>Adverse effects on market share and profitability. If 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 is adversely affected, this could result in a loss of clients that could have a significant revenue impact.</p>	<p><b>Access to funds with sustainability characteristics:</b> We are aware of the long-term shift in customer expectations and preferences towards funds that achieve positive environmental and social outcomes and must adapt accordingly to this market change. In 2025, Rathbones Asset Management had six funds apply the Sustainability Focus label under the FCA Sustainability Disclosure Requirements. See full details on <a href="#">page 28</a>.</p> <p><b>Resource allocation:</b> To support the growth in funds with sustainability characteristics, we focus on having the right resources and reliable data to assess investment risks and opportunities for our clients. Product TCFD reports are available upon request of the client, which include information on the portfolios' impact on climate change and exposure to risk. See full details <a href="#">here</a>.</p>
<ul style="list-style-type: none"> <li>⬆️ <b>Sustainability: products and services</b></li> <li>⬇️</li> <li>Ⓜ Technology: Substitution of existing products and services with lower emissions options</li> </ul>	<p>Failure to substitute existing products and services with lower emission options pose a risk to our operations and value chain through increased costs and stranded assets.</p>	<p><b>Management and monitoring of our carbon footprint aligned with SBTi targets:</b> We continue to manage and monitor our carbon footprint carefully, which informs our carbon reduction efforts in line with our SBTi targets. Our technology-related reduction efforts in 2025 focused on digitising access to client information, continuing the electrification project of the heating system at our London office and implementing energy efficiency measures as part of our ESOS action plan.</p>



## Climate-related risks

### Magnitude

- High
- Medium-high
- Medium
- Low

### Risk trend

- Increasing
- Stable
- Decreasing

### Time horizon

- Long term
- Medium term
- Short term

### Physical

Risk type and description	Actual and potential impact	Mitigation actions
<ul style="list-style-type: none"> <li>→ <b>Business continuity: acute – extreme weather events</b></li> <li>↑</li> <li>M</li> </ul> <p>The impact of climate-change related extreme weather events on business operation</p>	<p>Extreme weather could cause disruption to our business operations and continuity. Whether directly or through the impact on our supply chain. This may result in increased operational expenses to rectify the damage.</p>	<p><b>Maintaining business continuity plans:</b> We continue to enhance our business resilience framework and maintain business continuity plans (BCP) to facilitate our ability to continue operating in the event of a disruption. We aim to have effective, proportionate, and resilient business continuity arrangements in place, to prevent, respond, recover, and learn from disruption. We ran a cycle of contingency testing in 2025.</p> <p><b>ESG review of suppliers:</b> Outside of our direct operations, we maintain oversight of our critical and significant supply chain and undertake an ESG review on all of our critical, strategic, and preferred suppliers. This includes whether they have set environmental targets aligned with a net zero commitment. At year end, we had reviewed 85% of in scope suppliers, and undertook a spend-based carbon footprint calculation of our full supplier base to understand our Scope 3 value chain footprint.</p>
<ul style="list-style-type: none"> <li>↗ <b>Suitability: chronic – changes in weather patterns</b></li> <li>→</li> <li>L</li> </ul> <p>The impact of long-term changes in weather patterns, such as air temperature and precipitation (operations of companies invested in)</p>	<p>Chronic changes in weather patterns may impact the operations of the global companies we invest in and consequently the financial value of their company assets, which may result in increased operational expenses and lower returns for our clients.</p>	<p><b>Responsible investment approach:</b> We use our responsible investment framework and data to focus on issues such as materiality, sustainability alignment, climate, and other ESG metrics. In 2025, we enhanced these frameworks with more granular detail and expanded the coverage of sector specific standards informed by industry focused indicators, our own research expertise, and engagement activities.</p> <p><b>Application of integration approaches to fit investment services and mandates:</b> The application of the integration approach is tailored to fit the relevant investment service or mandate. This means that the investment or fund manager is accountable for interpreting ESG and stewardship information to inform investment decisions in the context of the suitability of the mandate or client objective. See <a href="#">pages 27–28</a> of this report for an overview of our 2025 Responsible Investment principles and progress.</p>

## Climate-related opportunities

Importantly, the transition to a low-carbon economy also provides Rathbones with opportunities which, if acted on, stand to benefit the business. An overview, timeframe, and a description of our strategy to realise each opportunity is provided in the table below:

<b>Magnitude</b>	<b>Risk trend</b>	<b>Time horizon</b>
<ul style="list-style-type: none"> <li> High</li> <li> Medium-high</li> <li> Medium</li> <li> Low</li> </ul>	<ul style="list-style-type: none"> <li> Increasing</li> <li> Stable</li> <li> Decreasing</li> </ul>	<ul style="list-style-type: none"> <li> Long term</li> <li> Medium term</li> <li> Short term</li> </ul>

Opportunity type and description	Actual and potential impact	Strategic actions to realise opportunities
<ul style="list-style-type: none"> <li></li> <li></li> <li></li> </ul> <p><b>Resource efficiency: efficient buildings</b></p> <p>Increased energy efficiency at our offices</p>	<p>Scope 1 and 2 emissions reductions, decrease in costs associated with carbon credit purchases, and reduced operational costs achieved by efficiency measures.</p>	<p><b>ESOS:</b> In 2025, we implemented recommendations from the Energy Savings Opportunity Scheme (ESOS) to enhance energy efficiency across our direct operations. In 2025, two measures were implemented at our Liverpool office: installing reflective insulation behind radiators and switching to LED bulbs. We will continue to identify ways to invest in energy efficient operations across our office sites through this scheme.</p> <p><b>SECR compliance:</b> We continue to use the Streamlined Energy and Carbon Reporting (SECR) framework to track and disclose energy usage and associated carbon emissions. Under SECR regulation we are required to split our global and UK emissions, and within this process, we are able to identify any areas for improvement.</p> <p><b>BREEAM buildings:</b> We aim to prioritise the leasing of office spaces that meet BREEAM (Building Research Establishment Environmental Assessment Method) sustainable building standards. Certification is considered when exploring new sites: London is rated excellent and Bristol is rated outstanding.</p>
<ul style="list-style-type: none"> <li></li> <li></li> <li></li> </ul> <p><b>Energy source: renewable energy</b></p> <p>Energy sources in our direct operations</p>	<p>Scope 1 and 2 emissions reductions, decrease in costs associated with carbon credit purchases, and prevention of stranded assets (e.g., heating equipment).</p>	<p><b>Renewable energy procurement (tariffs):</b> We aim to transition all our offices to 100% renewable electricity (through renewable electricity tariffs) to lower our Scope 2 emissions from purchased energy. In 2025, 89% of our purchased energy was renewable.</p> <p><b>Installation of lower-emissions energy sources:</b> We have identified replacing conventional boilers with electric alternatives as a way to reduce our Scope 1 emissions from fuel combustion. We aim to electrify the heating system at our London office by 2027.</p>
<ul style="list-style-type: none"> <li></li> <li></li> <li></li> </ul> <p><b>Sustainability: R&amp;D and innovation of new products and services to provide access to new markets</b></p> <p>Launch products that provide clients with access to financing low-carbon opportunities</p>	<p>Reduction in Scope 3 Category 15 emissions, stimulus for low-carbon industries, acceleration of net-zero targets and an increased market share and revenue from increased demand in products. Developing and launching products that support low-carbon opportunities enables clients to invest in sustainable industries. These products open new revenue streams and expand market reach.</p>	<p><b>Alignment with responsible investment framework:</b> Our aim is to provide access to new markets by better integrating ESG criteria into our existing propositions. By leveraging ESG data, engaging with companies, and exercising judgement, we can identify businesses with strong performance and potential for improvement. By considering ESG factors within our investment research process, we provide information to support investment managers and fund managers in considering the alignment of propositions with relevant sustainability frameworks and taxonomies, where appropriate.</p> <p><b>Direct propositions in climate solutions and leveraging existing solutions:</b> By embedding climate risk into the investment research process, we aim to identify opportunities created by the transition to a low-carbon economy. Future client offerings will leverage existing solutions across our business, from our ethical, sustainable, and impact investment specialists at Greenbank, through funds that consider ESG criteria (see <a href="#">page 28</a>).</p>



## Climate and nature strategy

### Impact of climate-related risks and opportunities on our business

The climate-related risks and opportunities that we face as a business impact both our direct operations and our investments, and are considered in both our business strategy and financial planning. Climate-related risks are recognised as potential drivers of market failure and influence resourcing decisions. As reporting requirements and data availability increase, we continue to enhance monitoring and disclosure, which may require the allocation of additional resources.

The following sections outline how these considerations shape our operational and investment decisions, and how we are expanding our focus to include nature-related risks. We begin with our operational approach, then move to investment stewardship, before detailing our nature commitments.

### Operations

We pursue an absolute reduction in our carbon footprint and invest in carbon credits to help remove and store greenhouse gases (GHGs) from the atmosphere (see [page 32](#) for more details). Our operational carbon reduction efforts focus on resource consumption, energy efficiency, digitising our business, and business travel. Climate considerations are embedded into decision-making, for example when reviewing new office locations and assessing facilities upgrades, and progress is tracked against targets and reported transparently to stakeholders (see [page 31](#)).

### Investments

Our commitment to becoming a net zero business by 2050 or sooner covers both operations and investments. However, as most emissions and risks arise from the investments we hold on behalf of our clients, we focus on influencing positive change through stewardship. As members of the UN-supported Principles for Responsible Investment (PRI), we apply their principles to guide ESG risk management across portfolios. Our responsible investment committee oversees the implementation of these principles and our own Responsible Investment Framework, reviewing progress against targets (see [page 27](#) for details on RI principles). We are now extending this lens to nature-related risks, an important next step in building resilience.

### Integrating nature into our approach

We recognise that climate change and nature are deeply interconnected and can influence the financial performance of companies. Effectively managing environmental, social and governance risks linked to both climate and nature is essential for protecting the interests of our clients and our business. The choices we make as a company, as stewards, and allocators of capital, have the potential to exacerbate as well as alleviate the climate change and nature crises.

In March 2025, we published our first Climate change and nature statement, outlining our approach to nature-related risks and opportunities. As part of this statement, we have committed to:

- deepening our understanding of nature impacts
- engaging with companies through shareholder votes and ownership rights
- improving the quality of our climate and nature-related financial disclosures
- ensuring that an adequate governance framework is in place to oversee our approach.

These actions will enable us to manage climate and nature-related risks prudently, helping investee companies strengthen their own risk management, driving resilience, protecting nature, and supporting long-term value creation.

[→ Read our Climate change and nature statement](#)

Greenbank, our specialist ethical, sustainable, and impact investment team, established three nature targets in early 2025 to enhance understanding of the impact of its investments on nature and how it can support global efforts to halt and reverse biodiversity loss. Among these, a key target focused on assessment: conducting and publicly disclosing an evaluation of nature-related dependencies, impacts, risks, and opportunities across in-scope investments. To fulfil this commitment, Greenbank undertook assessments to identify high-risk areas within its investment portfolio, and shared the findings and insights through the *Integrating Nature – Pathways for Investors* paper series during 2025.

Looking ahead, we are committed to reporting on our approach to nature within the next three years. We will align with appropriate frameworks and draw on the expertise of our specialists to develop a Group-wide strategy.

**Read Greenbank's *Integrating Nature – Pathway for Investors* paper series which includes:**

- [→ The Business Case for Nature: What Investors Need to Know](#)
- [→ Assessing Nature-related Risk and Opportunity: A Practical Framework for Investors](#)
- [→ The Assessment Journey: Key Findings and Lessons Learned](#)



## Climate scenario analysis

### Overview

We use climate scenario analysis to better understand the implications of possible climate pathways (scenarios) on the investments we make on behalf of our clients. Doing so allows us to quantify the risks, opportunities, and uncertainties our investee companies face and the potential financial outcomes, therefore indicating the resilience of our investment strategies in different possible future scenarios.

At a granular level, it allows us to identify companies which are particularly exposed to transition or physical risks, and which ones are likely to benefit from low-carbon technology opportunities. We use these results, combined with other climate metrics, to identify priority companies for engagement and monitoring, and to explore the role we can play alongside policy and corporate action to mitigate climate risk and promote climate-related opportunities.

### Methodology

Our approach to scenario analysis involves assessing the exposure of our equity and corporate bonds holdings by applying MSCI's Climate Value at Risk (Climate VaR) methodology. This methodology provides a forward-looking and return-based valuation assessment to measure climate-related risks and opportunities of publicly listed companies and their issued securities, offering insights into how climate change could affect financial outcomes in different scenarios. As both risks and opportunities are covered, the Climate VaR can be either negative or positive depending on the balance of future anticipated carbon-related costs and revenues for individual companies.

We use the Network for Greening the Financial System (NGFS) methodology to analyse a number of pathways out to 2100. This methodology is generally preferred by most banks and prudential supervisory authorities. It undergoes regular review and updates.

Following a review of our approach and approval from the responsible investment committee we continued to use the NGFS REMIND model. We access the NGFS scenarios through MSCI.

We calculated the potential impact of transition and physical risk on the value of our equity holdings through four scenarios, reflecting the different emission projections and associated temperature pathways. The four scenarios we have chosen to assess against our investment holdings are the following:

- 1.5°C / NGFS / Orderly
- 1.5°C / NGFS / Disorderly
- 2°C / NGFS / Orderly
- 3°C / Hot House World / Nationally Determined Contributions (NDCs).

Orderly scenarios assume that global climate action occurs steadily and efficiently, while disorderly ones assume significant climate action but with delays or regional tensions. The Hot-House World scenario assumes limited additional climate action is taken. In the more optimistic Hot-House World narrative, countries fulfil their NDCs but nothing more, leading to warming of over 2.5°C in 2100. MSCI's physical risk data measures the potential economic impacts of 10 different climate-related hazards on company assets and operations, including both acute and chronic physical risks.

### Limitations

When assessing the Climate VaR results for different scenarios, it is important to exercise caution. Notably, the methodologies associated with scenario analysis are still evolving. Therefore, in some cases, it is useful to complement the data acquired from third-party providers with in-house data and qualitative assessments that better reflect the nature of climate risks and opportunities. Additionally, the model considers physical risks directly posed to company facilities only and does not capture the potential effects of climatic events on global supply routes.

### Improvements

We have analysed transition and physical Climate VaR in the following section, as well as the aggregated Climate VaR, which accounts for their combined effects, offering a more accurate reflection of the overall value at risk. We will continue to monitor and explore scenario analysis methodologies, particularly with the aim to improve the representation of physical risks. We expect methodologies to continue to evolve so that future assessments will more accurately reflect the benefits of aiming for a 1.5°C scenario, namely higher transition VaRs compensated by lower physical VaRs.

## Climate scenario analysis

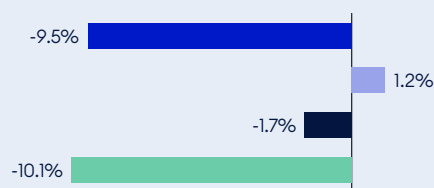
### Results

As part of our net zero commitment, we use MSCI Climate Value-at-Risk (CVaR) to understand how different climate futures could affect the market value of our portfolio. CVaR estimates how much a company's valuation could go up or down under various climate scenarios, considering the financial impact of carbon pricing, regulatory changes, shifts in technology, and physical climate events such as floods or heatwaves.

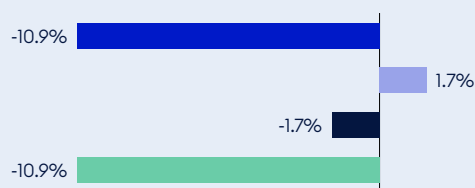
Our analysis covers 70% of our FUMA based on holdings at the end of June 2025 (half-year<sup>1</sup>). While the results give a meaningful directional view, they should not be read as precise forecasts due to data limitations, including coverage and the under-representation of physical climate risk. We continue to work with data suppliers and our investee companies to support more complete reporting.

### Scenario outcomes

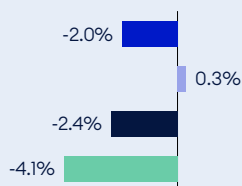
#### 1.5° remind NGFS orderly



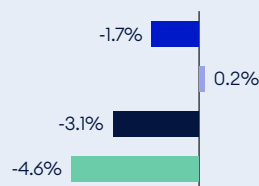
#### 1.5° remind NGFS disorderly



#### 2° remind NGFS orderly



#### 3° remind NGFS NDC



● Policy CVaR (Scope 1,2,3)      ● Physical CVaR Aggressive  
 ● Technology Opportunities CVaR      ● Aggregated CVaR

1. The availability of mid-year data allows time for the data and insights to be built into the following year's engagement plans and priority engagement identification work, which took place in Q4

### Key findings

#### 1 Transition risks create significant potential impact, but earlier and more orderly action helps limit market value losses

The results show that transition risks impose significant valuation pressures, even when policy implementation is orderly. Under a 1.5°C orderly pathway, Policy CVaR is -9.5%, reflecting the expected decline in market value associated with decarbonisation measures such as higher carbon prices and regulatory tightening. Under a 1.5°C disorderly pathway, this declines further to -10.9% due to the more abrupt, higher cost adjustments that follow delayed action. These larger negative CVaR outcomes in the disorderly scenario indicate increased exposure to sudden shifts in policy and technology. While climate-related opportunities contribute positively, particularly in rapid transitions (+1.2% to +1.7%), the potential gains do not offset the broader negative impacts associated with transition risks at a portfolio level.

#### 2 Physical climate risks escalate with higher levels of warming, and current modelling likely understates their valuation impact

Physical CVaR becomes increasingly negative as global temperatures rise, with the greatest impact of -3.1% in the 3°C scenario. This reflects the greater expected costs arising from extreme weather events and economic disruption. However, given the limitations in current data availability (see previous page on methodology), these physical CVaR values should be considered conservative. In reality, under higher warming outcomes the physical valuation impacts are likely significantly larger than captured here, meaning these scenarios do not represent lower risk pathways for us.

#### 3 Climate-related opportunities provide some upside, but they are modest compared with the financial risks that could affect portfolio value

The transition to a low carbon economy creates opportunities for some companies, especially those offering clean technologies, energy efficiency solutions, electrification and other enabling products and services. These show up as positive CVaR contributions and help us pinpoint the companies and sectors best positioned to benefit from structural shifts in demand. The gains are strongest in the faster transition scenarios, where demand for new solutions increases more quickly. While the opportunity-driven uplifts are small compared to transition and physical risk impacts, they guide us toward potential outperformers and inform the investment research process.

#### 4 Summary

Overall, the scenario analysis indicates that climate change affects company valuations under all credible climate futures. Orderly transitions reduce uncertainty and help limit the scale of transition-related valuation pressures. Whilst the Aggregated CVaR for 2°C and 3°C scenarios might appear preferable to lower temperature scenarios, we believe the actual value at risk in warmer scenarios to be higher (as outlined on the following page). Opportunity data and results provide insights into where growth is likely to develop and where capital deployment could be most effective. As we expand data coverage and enhance physical risk modelling, we will to refine our assessments and integrate them more deeply into our investment decision-making.



## Climate scenario analysis

### Sector level climate risk exposure

Climate-related risks vary materially across industries, and a single, aggregated CVaR figure cannot fully capture these differences. While detailed sector level CVaR metrics and charts cannot be displayed due to data use restrictions, scenario analysis using MSCI climate risk data continues to provide important insights into where climate-related financial risks are concentrated across the portfolio.

Our analysis assesses sector exposure under three temperature pathways: a 1.5°C orderly transition, a 2°C orderly transition, and a 3°C scenario. Across all pathways, a consistent set of sectors emerges as more exposed to climate-related risks, reflecting differences in transition sensitivity, emissions intensity, regulatory exposure, and vulnerability to physical climate impacts. This consistency allows us to identify the top 10 sectors most exposed to climate-related risk.

Sectors such as Energy, Materials, and Transportation are consistently identified among the most exposed across all pathways, in line with our findings from the previous reporting period. These sectors tend to face higher transition pressures driven by policy, technology shifts, and changing demand, alongside, in some cases, elevated physical risk exposure.

The analysis also indicates that the 1.5°C orderly scenario is associated with more pronounced near-term transition pressures compared with the 2°C and 3°C scenarios. While this pathway implies greater short-term adjustment, it would significantly reduce longer-term physical climate risks. As outlined in the limitations section (page 20), physical risks are likely underestimated in this analysis, meaning that higher temperature pathways may appear less risky than they are in reality.

Understanding sector level variation is important for identifying where valuation pressures and financial risks may be most significant. The analysis also highlights potential opportunity signals in certain sectors, particularly where growth in low carbon technologies, efficiency improvements, or enabling solutions is expected.

### Top 10 sectors most exposed to climate-related risk

*Ordered under the 1.5°C orderly transition pathway (no CVaR values disclosed)*

- 1 Energy
- 2 Materials
- 3 Transportation
- 4 Automobiles & Components
- 5 Consumer Staples Distribution & Retail
- 6 Utilities
- 7 Household & Personal Products
- 8 Consumer Services
- 9 Food, Beverage & Tobacco
- 10 Funds

### Application of scenario analysis findings

The insights from our internal analysis inform how we prioritise engagement and stewardship activities with investee companies. Although sector level CVaR metrics are not displayed, companies with higher relative climate risk exposure remain identifiable within MSCI datasets and reports and are incorporated into engagement planning and escalation processes.

We will continue to engage with data providers and explore options to enhance transparency and presentation of sector level results in future reporting, with the intention of returning to more detailed disclosures where permissible. Overall, these findings guide our focus toward the sectors and companies where engagement can have the greatest impact, supporting the integration of climate considerations into our investment approach.

All CVaR results displayed have been assessed under MSCI's aggressive scenario, which provides the worst-case scenario (compared to the average scenario), meaning that the physical impacts of climate change could be more severe. Data shows marginal difference in CVaR between the average and aggressive scenario. This analysis is undertaken on pathways to 2100.

1. Due to data use restrictions, sector level CVaR values are not shown. Sectors are presented in relative order based on results under the 1.5°C pathway.



## Climate scenario analysis

### Strategy and business model resilience – overview

We perform an Internal Capital Adequacy Assessment Process (ICAAP) annually, which includes performing a range of stress tests to determine the appropriate level of regulatory capital that the Group needs to hold in the event that principal risks should crystallise. The ICAAP accounts for a number of financial risks from climate change; using the findings from our scenario analysis and identified risks (see [pages 14–18](#) of this report) in the consideration process. As with other companies in our sector, our exposure sits mainly in the investments we make on behalf of our clients.

To date, we have relied on the stress test work undertaken as part of our ICAAP process to recognise the potential impact of climate or similar risk on investment valuations, particularly for securities where ESG risk is high or unmanaged, thereby connecting these risks to our financial stability. Our financial stress testing and scenario analysis shows that the Group would remain profitable in excess of our risk appetite tolerances for capital and liquidity and would be able to withstand the impact of such scenarios. The ICAAP is complemented with the evaluation of relevant data sources to identify climate-related risks and opportunities and training to support our client teams with client conversations on the impact of ESG investments.

### Climate change outlook and forecast

In July 2025, we published our Climate Change and Long-term Forecast, which reinforces that climate-related factors (physical impacts and policy developments) will materially influence global economic conditions and investment returns over the next decade. While forecasting these involves uncertainty, disregarding them would imply assuming no impact on growth, or asset valuations. Our approach explicitly acknowledges these limitations and embeds climate considerations into in our long-term economic projections.

The forecast draws on scenario analysis aligned with the NGFS framework, enabling us to understand potential outcomes under varying assumptions.

#### Key findings include:

##### Physical risks

Greater volatility in commodity prices and heightened frequency of extreme weather events, already evident in recent global trends.

##### Economic implications

Increased likelihood of higher and more unpredictable inflation, alongside slower GDP growth relative to a base-line without climate considerations.

##### Policy uncertainty

The pace and ambition of climate policy is unclear. Our analysis assigns the highest probability to a continuation of current policy, with less likelihood of an immediate and rapid transition to net zero.

These insights are integral to our resilience strategy. They inform asset allocation decisions, risk management frameworks, and portfolio construction, ensuring we remain adaptive to emerging risks and opportunities as climate dynamics and the regulatory landscape evolves.

[→ For further details, see the full 2025 Climate Change and Long-term Forecast](#)

### Systems investing and resilience<sup>1</sup>

Our approach to resilience is informed by the recognition that climate change and related risks cannot be managed in isolation or through traditional frameworks alone. As highlighted in a report we published in 2025, *From Risk to Resilience: How Long-term investors can protect value and promote resilience in an interconnected world*, these challenges span environmental, social, and economic domains and require incorporating systems-based strategies alongside conventional, asset-level risk management.

<sup>1</sup> This information does not constitute investment research or a research recommendation

Systems investing moves beyond targeting isolated problems and instead addresses the interconnected factors that address these challenges. It leverages collaboration among asset managers, owners, policymakers, and NGOs to create change, identifying leverage points where small interventions can generate cascading impacts across systems.

Embedding resilience as a strategic goal means supporting projects and companies that reduce systemic risks: such as through strong labour management, climate adaptation, infrastructure, and nature-positive development.

This approach not only strengthens the foundations of a resilient economy but also enhances long-term stability and value creation. By leveraging insights from systems investing, we can anticipate future risks and opportunities and position ourselves to respond effectively in an increasingly complex and interconnected world.

[→ Visit our website to read the report](#)



# Risk management

Our approach to risk management is fundamental to supporting our strategic objectives. Our risk governance and risk processes are designed to enable the firm to manage risks effectively in accordance with our risk appetite and to support the long-term future of the company.



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## Risk management framework

**Our risk management framework (RMF) provides the foundation and organisational arrangements for identifying, monitoring, reviewing, and continually improving risk management throughout the company. Climate-related risks such as changes to existing regulation are identified and assessed as part of our hierarchical approach to risk management.**

### Risk appetite

The Board approves the company's risk appetite statement and framework at least annually to ensure it remains consistent with our strategic objectives.

The Group's risk appetite aligns with our prudential responsibilities for business and strategic, financial and non-financial (conduct and operational) risk. Specific appetite statements are set and measures are established for each principal risk. The risk appetite framework supports strategic decision-making, as well as providing a mechanism to monitor our risk exposures.

The position against our risk appetite statements and measures is assessed and reported on a regular basis to the Group Executive Committee, Group Risk Committee, and the Board, so that risk mitigation can be reviewed and strengthened if needed.

In line with our strategy, the current economic outlook and the evolving regulatory landscape within the sector, the Board remains committed to having a relatively low overall appetite for risk and ensuring that our internal controls mitigate risk to appropriate levels. The Board recognises our performance is susceptible to fluctuations in investment markets and has the potential to bear losses from financial and non-financial risks from time to time, either as reductions in income or increases in operating costs.

When assessing climate risks and opportunities, we recognise the reliance on data in our efforts to assess climate risks and opportunities. We recognise that climate data availability may be patchy, lagging, or biased towards larger companies and certain jurisdictions, therefore, we take a thoughtful approach to data and model management to mitigate gaps or inconsistencies. In particular, our integration approach, while informed by data, emphasises the vital importance of qualitative verification and input from our financial analysts and responsible investment specialists.

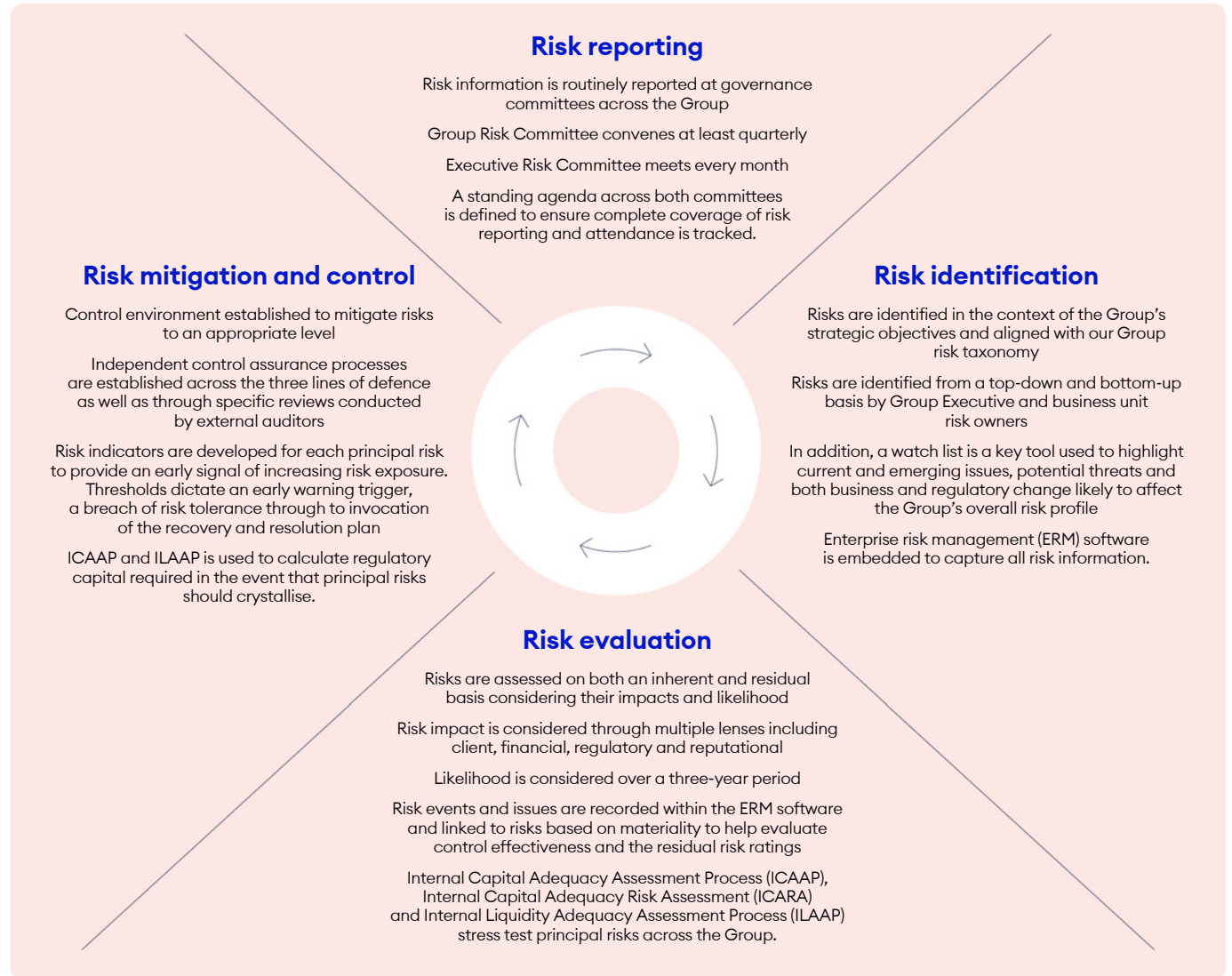


## Four step risk management process

**Our risk management framework is a defined approach to identify, assess and respond to risks that could affect delivery of strategic objectives and annual business plans. The Board, executive and senior management are actively involved in this process.**

Risks are identified within a three-tier hierarchy, with the highest level containing business and strategic, financial, conduct and operational risks. Risks are assessed on an inherent and residual basis across a three-year period according to several impact criteria, which include consideration of the internal control environment and other mitigants.

To reflect the enlarged scale of the business following the integration of IW&I, the impact assessment thresholds were expanded to give a better perspective of materiality.





## Our responsible investment principles

We know it's important to adopt an active and thoughtful approach to responsible investment. By doing this, we seek to protect the value of our clients' investments over the long term, basing our approach to responsible investment on four core principles.

Principle	Overview	Approach
<b>ESG integration</b>	We consider ESG factors in the evaluation of investments to help identify ESG opportunities and risks. By addressing ESG issues, our responsible investment approach seeks to generate returns through better risk management and the identification of promising investment opportunities.	ESG integration across Rathbones Group is based on common foundations and overseen by the Responsible Investment Committee. But the practical integration of ESG factors within investment decision-making is tailored to fit the relevant investment service or mandate. Rathbones has developed models to analyse third-party data, alongside insights from our specialist financial, ESG integration and stewardship analysts: to enable us to compare investments across sectors and determine how effectively a company is governed and the degree of a company's effect on the environment and society. We regularly review our recommended holdings.
<b>Voting with purpose</b>	We actively vote in a manner that allows us to focus our resources where we believe we can make the most difference. This may involve voting against management to help drive positive change.	It is in our clients' interests that portfolio companies adopt good practice ESG risk management and corporate governance. We deliver this through the votes we make on behalf of our clients. Voting is undertaken on our most widely held holdings and on any company if requested by a client. For all climate-related resolutions, our vote is followed by a letter to the company explaining why we consider climate risks to be material to the performance and value of our investments (detailing reasons behind the vote).
<b>Engagement with consequences</b>	We prioritise engagement where we can help make a difference in addressing systemic ESG challenges. We are prepared to escalate our engagement activity or reduce our holdings in companies that continue to present an ongoing ESG risk over time.	Our engagement work is guided by our public commitments under SBTi. We aim to encourage an increasing proportion of our holdings, by value, to set SBTi-approved targets. We cover a list of target companies to ensure that the engagement is carried out and is consistent with objectives. We also engage with companies collaboratively as members of Climate Action 100+ and the Net Zero Engagement Initiative (IIGCC), primarily to improve the quality of companies' net zero commitments.
<b>Transparency</b>	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.	As a prominent participant in 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. Our commitment to transparency is demonstrated through our disclosure of voting and engagement activities, our submissions to the market initiatives to which we are signatories, in addition to our reporting obligations under UK and EU regulation, and the publication of position statements in which we aim to set out our approach to key ESG issues.
<b>Responsible investment and stewardship activities</b>	Attended the AGM of two high impact companies calling for revised 'say on climate' resolutions	
Our approach to responsible investment and stewardship focuses on the four pillars of ESG integration, engagement, voting, and transparency	Escalated our vote in several instances to oppose the reelection of directors of boards failing to adequately manage climate risk	
	Undertook 857 engagements (2024: 743)	
	Rathbones voted on 10,615 items at 801 company meetings in 2025 (2024: 11,615 items at 870 company meetings)	

### → Responsible Business Update



## 2025 responsible investment progress

**It is in the interests of our clients that the companies and securities we invest in adopt good practice in managing risks that jeopardise the long-term interests of our shareholders.**

By addressing ESG issues, a responsible investment approach not only tries to protect the environment and society, but it also seeks to preserve wealth and generate better returns through better risk management and the identification of promising investment

opportunities. While each of our four Responsible Investment principles form the cornerstones of our approach, as we did last year, we have focused on spotlighting our ESG Integration activities in 2025:

1. Includes: Rathbone Greenbank Global Sustainability Fund; Rathbone Greenbank Global Sustainable Bond Fund; Rathbone Greenbank Total Return Portfolio; Rathbone Greenbank Defensive Growth Portfolio; Rathbone Greenbank Strategic Growth Portfolio; Rathbone Greenbank Dynamic Growth Portfolio
2. Source: <https://www.fca.org.uk/publications/policy-statements/ps23-16-sustainability-disclosure-requirements-investment-labels>

### Spotlight on ESG integration

#### 1 Sector standards

Last year, we set an ambition to expand coverage of sector-specific standards. These standards were designed to integrate climate and ESG considerations into the investment research process. They enable analysts to evaluate portfolio alignment with sector standards and make informed judgements on material topics including emissions performance, high-risk ESG activities, nature and biodiversity and people-related considerations. The data aims to support the stewardship team in prioritising engagement, as use of these standards continues to develop.

In 2025, we delivered on that ambition by expanding standard coverage beyond Oil & Gas to include our top five sectors. Key milestones include drafting of the expanded standards for additional sectors in 2025, planned launch in 2026 (initially applying to RIM, with expansion to other entities expected shortly thereafter), and the adoption of an iterative approach to ensure standards evolve in line with best practice. This expansion strengthens our ability to embed ESG and climate considerations into research and stewardship, reinforcing our commitment to align investment processes with our principles of responsible investment.

#### 2 Thermal coal

In 2025, we continued to implement our phased approach to reduce investment exposure to thermal coal. Since 2024, internal thresholds for thermal coal mining and power generation companies remain in place and are expected to tighten over time. We screen our investments to assess thermal coal exposure, and investments breaching these thresholds may be subject to additional analysis or engagement. If necessary, future purchases of such investments may be limited.

Recognising that achieving net zero emissions requires system-wide change, our engagement efforts in 2025 included dialogue with financial institutions that invest in or insure thermal coal projects. We aim to encourage clearer disclosure of their financial involvement in such activities, enabling our analysts to better understand exposures and transition risks. We continue to monitor progress against our net zero commitments and refine our approach to phasing out thermal coal, with the ultimate goal of eliminating financial support for thermal coal companies by 2030.

[→ Read more about our phase-out plan here](#)

#### 3 ESG data availability

Our investment managers have access to ESG information to inform their analysis where it is relevant and material. In 2024, we improved how this information is presented and accessed across the business. This included enhancing internal dashboards and research notes, and expanding the availability of key inputs, such as external ratings and other key metrics, to support more consistent use of ESG data in the research process.

In 2025, this information continued to support research and decision-making across the business. The dashboards and data views introduced in 2024 remained in active use, providing analysts, investment managers, and investment committees with proposition level insights into key ESG considerations. By maintaining accessible and consistent ESG information, we aim to empower teams to incorporate material ESG factors into research and portfolio construction activities.

#### 4 Sustainable fund range

In 2025, Rathbones Asset Management had six funds<sup>1</sup> apply the *Sustainability Focus* label under the UK FCA Sustainability Disclosure Requirements (SDR)<sup>2</sup>. This label reflects our aim for these funds to invest at least 70% in assets that are environmentally and/or socially sustainable, assessed using SDR-aligned evidence-based standards and absolute measures of sustainability.

Each fund was supported by Greenbank, whose Ethical, Sustainable, and Impact Research Team applied a structured screening process. Using a proprietary database, they reviewed companies against positive and negative criteria. Positive criteria align with the United Nations Sustainable Development Goals and prioritise companies supporting decarbonisation consistent with the Paris Agreement.

Through this range, we channelled capital towards companies and projects delivering environmental and social outcomes. As these funds grow, they are expected to drive progress toward our target of 55% of AUM with validated targets by 2030.



## Our net zero alignment framework

Core criteria	To assess baseline alignment
<b>Ambition</b>	A long-term emissions goal based on Scope 1, 2 and material Scope 3 consistent with achieving global net zero.
<b>Targets</b>	Short- and medium-term emissions targets (for Scope 1, 2 and material Scope 3).
<b>Emissions performance</b>	Current emissions intensity performance (for Scope 1, 2 and material Scope 3) on a metric consistent with targets.
<b>Disclosure</b>	Scope 1, 2 and material Scope 3 emissions disclosure.
<b>Decarbonisation strategy</b>	A quantified plan setting out the measures that will be deployed to deliver GHG targets, proportions of green revenues, and the use of neutralising actions such as CCUS (Carbon Capture, Utilisation and Storage) and offsets.
<b>Capital allocation alignment</b>	Clear demonstration that future capital expenditures are consistent with the goal to achieve net zero emissions by 2050.

Additional criteria	To assess baseline alignment
<b>Ambition</b>	The company has a Paris-aligned climate lobbying position and demonstrates alignment of its direct and indirect lobbying activities.
<b>Targets</b>	Board capabilities and competencies to manage climate change. Board member nominated responsible for climate and net zero oversight. Executive remuneration should be linked to delivering targets.
<b>Emissions performance</b>	The company considers the impacts from transitioning to a lower carbon business model on its workers and communities.
<b>Disclosure</b>	The company provides disclosures on risks associated with the transition through TCFD reporting and financial accounts state the climate scenario under which they were generated as well as any material, climate sensitive, assumptions (e.g., fossil fuel prices, carbon taxes) and outcomes (e.g., write-downs on coal assets, useful life impact on gas assets). Where assumptions are not consistent with a net zero scenario, the impact of a net zero scenario on financial statements should be indicated.

### Assessing net zero commitments

We have a responsibility to assess the quality of investee companies’ net zero commitments. In addition to tracking the adoption of SBTi targets as a means of assessing investee companies’ net zero commitments, we have established our own framework to determine whether companies’ emission reduction plans are aligned to what is needed to limit global warming to no more than 1.5°C above pre industrial levels.

The net zero alignment framework, to the left, is inspired by the IIGCC’s Net Zero Stewardship Toolkit, and broadly requires compliance with established industry guidelines such as the NZIF criteria and CA100+ company benchmark indicators. The framework is used to engage investee companies by identifying areas where companies are meeting requirements and where there may be need for more urgent action. While the framework is applicable to all companies at a high-level, we recognise that specific criteria is necessary (as discussed in the sector standards section on the previous page), particularly with regards to high-emitting sectors. As mentioned, sector coverage will be expanded in 2025, through our commitment to embrace further sectoral recommendations as they become available.

### 2025 PRI Transparency Report

Rathbones Group has been a committed signatory to the UN Principles for Responsible Investment (PRI) since 2009, using the PRI collaboration platform to engage with other members on a broad range of ESG topics. In 2025, we published our Public Transparency Report in line with PRI reporting requirements, providing accountability for our RI practices, and supporting internal evaluation of our progress.

In an effort to reduce reporting burden, PRI signatories are able to reference other disclosures in the reporting. In our full suite of reports in 2025, which includes the detailed UK Stewardship Code Compliance report, we outline our long-standing stewardship ethos, anchored in our four RI principles (see [page 27](#)). Across 2025, we advanced our commitments through our climate and nature statement, updated human rights disclosures, strengthened sector standards, and expanded specialist stewardship teams. We also improved ESG data, engagement tracking, and proxy voting processes, alongside establishing an enhanced RI governance structure for RAM.

The PRI Transparency and Stewardship reports detail our responsibilities investment reporting obligations, which include ESG-related regulations as well as voluntary responsible investment and ESG frameworks, such as NZAM, NZIF and TCFD.

For full details on our RI principles, please see our dedicated [Responsible Investment webpage](#) on the Rathbones website.



# Metrics and targets

We use several metrics to measure the progress of our net zero journey, including carbon emissions, and greenhouse gas intensity indicators.

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## Assessing progress

Investments  
Corporate

We use several metrics to measure the progress of our net zero journey, which is the primary indicator used to determine how effectively we are responding to all of the climate-related risks and opportunities we have identified.

These include carbon emissions and GHG intensity indicators and consider the environmental impacts of our operations, supply chain, and our investments. In addition to our operational metrics, we use a selection of other metrics to inform our climate risk and engagement strategy, which are detailed below.

### Commitments

We have committed to reaching net zero emissions 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 2023 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. Due to the combination with Investec Wealth & Investment UK in 2023, this triggered the need for a recalculation of base year emissions and targets. Our restated near-term net zero emissions targets are set out in the box to the right.

In addition to the Group commitment, Greenbank Investments (Greenbank), Rathbones' specialist ethical, sustainable, and impact investment team, has detailed its plan to become a net zero emissions business by 2040. This commitment covers emissions associated with its operations, supply chain, and client investments.

[Read more about Greenbank's commitment here](#)

Target	Progress	Commentary
<p><b>Scope 1 and 2</b></p> <p>42% reduction in Scope 1 &amp; 2 emissions, by 2030, from a 2023 base year</p>	<p>24% reduction in Scope 1+2 emissions</p> <p>2024: 13%</p>	<p>This reduction has been driven primarily by a lower reliance on fossil fuels across our offices, reduced energy consumption following office consolidations in FY24/25, and the decrease in the emissions intensity of electricity generation in the UK.</p>
<p><b>Scope 3 operational target</b></p> <p>70% of Scope 3, category 1 &amp; 2 suppliers by emissions to have science aligned targets within five years of target submission date</p>	<p>29% of suppliers by emissions with validated targets</p> <p>2024: 19%</p>	<p>Up from 21% in 2023, progress has been driven by increased engagement with suppliers that have set targets, a growing number of suppliers committing to targets over time, and changes in spend, with proportionally less spend directed to suppliers without science-aligned targets.</p>
<p><b>Scope 3 asset class level targets</b></p> <p>55% of in-scope FUMA, by invested value, having set SBTi-validated targets by 2030</p>	<p>77% by 2035</p>	<p>100% by 2040 from a 2023 base year</p>
<p>26% of in-scope FUMA have validated targets</p>	<p>2024: 24%</p>	<p>Progress has been driven by a combination of existing holdings moving from commitment to validated targets, increased investment in companies with targets, and new investments in issuers with validated targets.</p>



## Our operational carbon footprint

### 2025 overview

Rathbones total location-based greenhouse gas emissions in 2025 were 22,640 tCO<sub>2</sub>e, representing a significant decrease from 36,813 tCO<sub>2</sub>e in 2024. This reduction was primarily driven by lower Scope 3 emissions following a one-off peak in capital goods emissions in 2024 (see further details below).

### Analysis

#### Purchased goods and services

Emissions from purchased goods and services decreased in 2025, although this category remains the largest source of emissions across the Group (accounting for 68% of total location-based emissions). The reduction in 2025 reflects a lower overall spend compared with 2024, particularly in relation to professional and business services. Over the long-term, emissions associated with this category have grown more slowly than spend, reflecting a shift toward spend on services with lower emissions intensities, such as technology and consultancy services.

#### Capital goods

Emissions from capital goods reduced significantly in 2025. In the prior year, emissions from this category were elevated due to substantial investment in office fit-outs and refurbishments. While capital investment continued during 2025 on fit-outs and technology upgrades, activity levels were significantly lower than in 2024, resulting in a much smaller contribution from capital goods emissions.

### Business travel

Business travel emissions remained broadly consistent with 2024. Total distance travelled by air and rail increased during 2025, reflecting an increase in in-person activity, mainly domestically. This was partly balanced by reduced car travel and a lower headcount in 2025, resulting in relatively stable overall emissions from business travel.

### Purchased electricity

Location-based emissions from purchased electricity decreased in 2025. The reduction reflects lower consumption across the estate, alongside the decarbonisation of electricity generation in the UK. Market-based emissions also reduced significantly during the year, reflecting changes to electricity supply arrangements, with a higher proportion of offices supplied through renewable energy tariffs. In 2025, 71% of sites were supplied by renewable tariffs, accounting for 89% of total electricity consumption.

### Carbon finance

Our primary focus remains on reducing greenhouse gas emissions associated with our operations and investments, in line with our climate commitments. Alongside this, we recognise the role that carbon finance can play in supporting climate action beyond our value chain.

In line with emerging best practice, including guidance from the SBTi, Rathbones uses carbon credits as a means of supporting climate mitigation beyond our value chain, rather than as a substitute for emissions reductions. These activities are additional to, and do not replace, our efforts to reduce emissions.

We will continue to review our approach to carbon finance in line with evolving best practice, ensuring transparency and a clear distinction between emissions reduction and voluntary climate contributions.

### Our contribution

In 2025, we made a voluntary contribution to climate mitigation beyond our value chain by supporting Nature-Based Solutions, with a focus on afforestation. As part of this contribution, we purchased and retired 5,600 carbon credits.

These credits were retired as a voluntary climate contribution and were not used to offset, neutralise or otherwise compensate for our Scope 1, 2 or Scope 3 emissions.

### Vichada afforestation, Colombia

The project's goal is to restore more than 30,000 hectares of land degraded by cattle raising through afforestation activities. The new timber plantations sequester carbon as trees grow and increase tree cover through the re-planting of Eucalyptus and Acacia timber. All timber is Forest Stewardship Council (FSC) certified.

Afforestation creates a forest where there was no previous tree cover, and the project targets degraded lands to promote connectivity between ecosystems. The project expects to provide more than 200 full-time employment opportunities (with equal access to women and men) in a zone historically affected by poverty.

The project supports 3 key UN Sustainable Development Goals: 8, Decent work and economic growth, 13, Climate Action, and 15, Life on Land.

### Our CDP score

We disclose our environmental performance through CDP. Our 2025 thematic score for climate was B, reflecting an improvement from our 2024 score of B-.





## Our operational carbon footprint

Location-based emissions (tCO <sub>2</sub> e) <sup>1,2</sup>	2025	2024	2023
<b>Scope 1 (tCO<sub>2</sub>e)</b>	<b>532</b>	531	584
UK <sup>3</sup> emissions	<b>532</b>	531	584
Global <sup>3</sup> emissions (excl UK)	-	-	-
<b>Scope 2 (tCO<sub>2</sub>e)</b>	<b>504</b>	643	773
UK <sup>3</sup> emissions	<b>500</b>	637	769
Global <sup>3</sup> emissions (excl UK)	<b>3</b>	5	4
<b>Scope 3 (tCO<sub>2</sub>e)<sup>4,5,6,8</sup></b>	<b>21,604</b>	35,639	22,425
UK <sup>3</sup> emissions	<b>21,255</b>	35,307	21,977
Global <sup>3</sup> emissions (excl UK)	<b>349</b>	332	448
Scope 3 – category 1: purchased goods and services	<b>15,441</b>	17,211	16,842
Scope 3 – category 2: capital goods	<b>1,615</b>	13,409	349
Scope 3 – category 3: fuel and energy-related activities	<b>273</b>	271	329
Scope 3 – category 4: upstream transportation and distribution <sup>6</sup>	<b>119</b>	268	274
Scope 3 – category 5: waste generated in operations	<b>21</b>	23	14
Scope 3 – category 6: business travel	<b>1,533</b>	1,564	1,259
Scope 3 – category 7: employee commuting	<b>2,601</b>	2,885	3,287
Scope 3 – category 8: upstream leased assets <sup>5</sup>	-	8	70
<b>Total location-based emissions (tCO<sub>2</sub>e)</b>	<b>22,640</b>	36,813	23,781
UK emissions	<b>22,288</b>	36,475	23,330
Global emissions (excl UK)	<b>352</b>	338	451
<b>Market-based Scope 2 emissions<sup>2</sup></b>	<b>168</b>	394	478
<b>Total energy consumption (MWh)<sup>7,9</sup></b>	<b>6,840</b>	6,897	8,057
UK consumption	<b>6,704</b>	6,793	7,955
Global consumption (excl UK)	<b>137</b>	104	101
<b>Intensity ratios<sup>8,10,11</sup></b>			
Scope 1 and 2 – location-based emissions (tCO <sub>2</sub> e/FUMA £bn)	<b>9.0</b>	10.7	12.9
Total location-based emissions (tCO <sub>2</sub> e/FUMA £bn)	<b>195.8</b>	337.1	225.8
Total location-based emissions (tCO <sub>2</sub> e/FTE) <sup>10,11</sup>	<b>6.9</b>	10.4	6.8

- Following agreement of the combination with IW&I we have restated our environmental figures. All figures in the table include IW&I (UK) emissions and are therefore comparable
- In accordance with best practice, we report two numbers to reflect emissions from electricity. Location-based emissions are based on average emissions intensity of the UK grid and market-based emissions reflect emissions from our specific suppliers and tariffs
- Under SECR regulation we are required to split our global and UK emissions. Our global emissions (excl. UK) and global consumption (excl. UK) reflect electricity emissions and consumption (respectively) from our Jersey and Guernsey offices. It is not possible to split out travel and allocate to our Jersey office at this stage
- Data centre emissions are reported under Scope 3, as per the WRI GHG Protocol
- Rathbones completed a switch to third-party data centres in April 2024. Meaning that all attributable emissions are now consolidated into Scope 3: Category 1
- Electricity transmission and distribution (T&D) reflect emissions from line losses associated with electricity transmission and distribution
- Total energy consumption (MWh) of our Scope 1 and Scope 2 emissions (electricity), and Scope 3 (employee business mileage)
- 2024 Scope 3: Category 6 emissions decreased by 529tCO<sub>2</sub>e relative to what was reported last year after a recalculation was triggered due to the identification of double-counting in 2024. This also impacted our intensity ratios for 2024
- 2024 Total energy consumption (MWh) has been restated due to the identification of the exclusion of mileage for the reporting year. 2023–2025 results are directly comparable
- Data relates to total Scope 1, 2 (location-based) and 3 GHG emissions
- Total location-based emissions intensity metrics are calculated using our Scope 1, 2 and 3 category 1-8 data

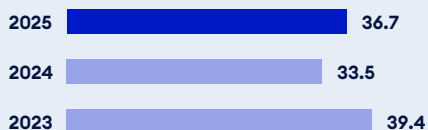
We do not report on Scope 3 categories 9 to 14 as we consider these downstream emissions not material to our footprint. This decision has been made as Rathbones Group does not participate in activities in all the categories within Scope 3.



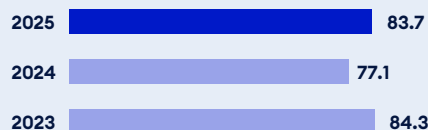
## Our investment proposition carbon footprint

### Investment metrics<sup>1,2</sup>

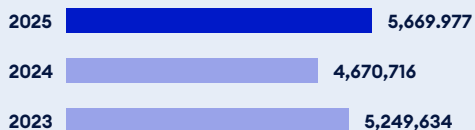
#### Financed carbon emissions<sup>3</sup> (tCO<sub>2</sub>e/\$m invested)



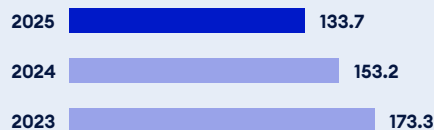
#### WACI corporate constituents<sup>5</sup> (tCO<sub>2</sub>e/\$m sales)



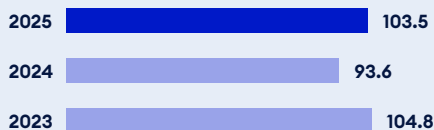
#### Total financed carbon emissions<sup>3</sup> (tCO<sub>2</sub>e)



#### WACI sovereign constituents<sup>6</sup> (tCO<sub>2</sub>e/\$m GDP nominal)



#### Weighted average carbon intensity<sup>4</sup> WACI (tCO<sub>2</sub>e/\$m sales)



1. Data has been restated for 2023 to include securities held by IW&I (UK)

2. Metrics include Scope 1 and 2 emissions

3. Financed Carbon Emissions portfolio coverage: 73.7%

4. WACI portfolio coverage: 41.5%

5. WACI Corporate Constituents portfolio coverage: 73.8%

6. WACI Sovereign Constituents portfolio coverage: 13.3%

Coverage is defined as the market value of covered assets divided by the portfolio total market value, excluding out-of-scope positions

### Investment footprint

We calculated our carbon metrics, using MSCI methodology based on our 31 December 2025 investment holdings. The results, shown in the graphs to the left, covered our equities (listed and unlisted), bonds (listed and unlisted), and sovereign bonds. At this time not all companies provide emissions data. Data coverage can be seen in the footnote to the graphs. Calculations include our holdings' Scope 1 and 2 emissions from the asset classes that are in scope. Although not linked to a direct target, these investment metrics enable us to monitor how we are responding to market risks and opportunities. More details on the MSCI methodology can be found in the appendix on [page 46](#).

### Drivers of change

Total carbon emissions relating to our investment portfolio broadly changes in alignment with our funds under management and administration (FUMA). We have observed companies placing greater emphasis on tackling the challenges involved in managing their carbon footprint. This has led to improvements in data availability and coverage as more companies sign up to, and report under recognised industry and global conventions. As is to be expected whilst companies orient their activities to align with such frameworks, many are in a transitory phase where misalignment with temperature goals is common, a trend we would expect to continue over the coming years.

### Implied temperature rise

The Implied Temperature Rise (ITR) measure offered by MSCI is an alternative forward looking metric which provides an indication of how well portfolio companies align with the ambitions of the Paris Agreement to limit the global temperature rise to well below 2°C.

The portfolio-level ITR uses an aggregated budget approach: it compares the sum of "owned" projected GHG emissions against the sum of "owned" carbon budgets for the underlying fund holdings. The portfolio's total estimated carbon budget over-/undershoot is then converted to a degree of temperature rise (°C) using science based TCRE (Transient Climate Response to Cumulative Emissions).

The allocation base used to define ownership is Enterprise Value including Cash (EVIC) in order to enable the analysis of equity and corporate bond portfolios.

Although similar to the Portfolio Warming Potential measure provided in our historical TCFD reports (prior to 2023), ITR uses a different methodology that is considered more robust and more closely aligned to the TCFD consultation recommendations. In line with industry updates, we are therefore reporting ITR (please see the following page for results).

## Our investment proposition carbon footprint

### ITR results

As was the case last year, this year we have not disclosed our Portfolio Temperature Warming potential. We have made the decision to focus efforts on monitoring the implied temperature rise of our portfolio going forward. This will help to ensure we communicate our progress towards global temperature goals with key stakeholders more consistently and effectively.

### Implied temperature rise

#### Portfolio

**2.5°C**

2024: 2.3°C

ITR categories	Companies in category (%)		
	2025	2024	2023
1.5°C aligned (<= 1.5°C)	<b>8.5</b>	8.7	18.1
2°C aligned (>1.5–2.0°C)	<b>22.0</b>	24.5	31.3
Misaligned (>2.0–3.2°C)	<b>56.0</b>	57.2	43.8
Strongly misaligned (>3.2°C)	<b>13.5</b>	9.6	6.8

ITR categories	2025	2024	2023
Fossil fuel-based revenue exposure	<b>1.8%</b>	1.7%	2.1%
Green revenue exposure	<b>4.1%</b>	3.7%	2.1%

### What does this tell us?

The model shows that our portfolio has an ITR of 2.5°C. This evaluation was completed on 73.8% of securities (79.1% of market capitalisation). This means that 30.5% of companies that we invest in, on behalf of our clients, have the targets or plans in place to meet the goals of the Paris Agreement (aligned with a 2°C future or below), and the remaining 69.5% are not aligned to the goals of the Paris agreement or did not have ITR data available for this exercise.

This reflects the broader challenge facing investors, as many companies are still at an early stage of setting credible, science-aligned climate targets. It reinforces the importance of continued engagement with investee companies to encourage the development of robust transition plans that support alignment with the goals of the Paris Agreement.

### Fossil fuel exposure metrics

Whilst we are not able to provide an exact estimate of our exposure to all climate-related risks and opportunities, we have provided a breakdown of metrics which indicate our exposure to fossil fuel and green revenue. The following metrics are provided by MSCI. The fossil-fuel based revenue exposure metric includes oil and gas revenue exposure for Integrated oil and gas and exploration and production companies. Green revenue exposure is the revenue derived from products or services related to alternative energy, energy efficiency, green building, pollution prevention, sustainable water, or sustainable agriculture.

### SBTi portfolio coverage

Whilst ITR does not directly inform our net zero strategy and science based target (for which we are using the SBTi portfolio coverage approach), we will continue to monitor and integrate climate data in our investment approach and work to bring our ITR into alignment with our commitment of 1.5°C above pre-industrial levels. For details on our SBTi portfolio coverage, please see page 31 'Assessing progress', which outlines the progress made in our investment target (coverage of in-scope FUMA with validated SBTi aligned targets).

### Looking forward

Following work undertaken in 2025 and the publication of the Group's updated corporate strategy in February 2026 we continue to embed climate considerations across Group activities. In 2026, we will build on these foundations by:

- publishing our Climate Transition Plan
- completing the roll-out of sector standards to support investment decisions
- continuing collaboration across industry groups, including policy advocacy and incoming ESG regulation
- expanding engagement with investee companies to increase the proportion of holdings with an SBTi target to support our progress to our near-term targets.





# Appendices

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## Appendices: Entity reports

### Summary table

The TCFD outlines 11 recommendations for organisations to include in their climate reporting. The table on the right directs to the relevant section where the 11 TCFD recommendations are covered in this report for the entities in scope of PS21/24: Rathbones Investment Management, Rathbones Asset Management, and Investec Wealth & Investment UK (IW&I). We are voluntarily disclosing for Rathbones Investment Management International and Greenbank Investments. Whilst we have complied with the 11 recommendations, we continue to work towards expanding the scope of our metrics and targets, developing the methodology of our climate scenario analysis and enhancing our disclosure in this area. The subsidiaries approach to the management of climate-related risk and opportunities is consistent with the approach taken for Rathbones Group plc and therefore compliance with the TCFD recommendations and UK mandatory disclosure requirements for each of the legal entities in scope is achieved through reference to content in the 2025 Group Climate Report and is supplemented by entity-specific content in the appendix.

Target	TCFD recommendation	RIM	RAM	RIMI	Greenbank
<b>Governance</b> Disclose the organisation's governance around climate-related issues and opportunities	a. Describe the Board's oversight of climate-related risks and opportunities	<a href="#">Group – pages 7–11</a>	<a href="#">Group – pages 7–11</a>	<a href="#">Group – pages 7–11</a>	<a href="#">Group – pages 7–11</a>
	b. Describe management's role in assessing and managing climate-related risks and opportunities				
<b>Strategy</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	<a href="#">Group – pages 14–18</a>	<a href="#">Group – pages 14–18</a>	<a href="#">Group – pages 14–18</a>	<a href="#">Group – pages 14–18</a>
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	<a href="#">Group – page 19</a>	<a href="#">Group – page 19</a>	<a href="#">Group – page 19</a>	<a href="#">Group – page 19</a>
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<a href="#">Group – pages 20–23</a>	<a href="#">Group – pages 20–23</a>	<a href="#">Group – pages 20–23</a>	<a href="#">Group – pages 20–23</a>
<b>Risk management</b> Disclose how the organisation identifies, assesses and manages climate-related risks	a. Describe the organisation's processes for identifying and assessing climate-related risks	<a href="#">Group – page 25</a>	<a href="#">Group – page 25</a>	<a href="#">Group – page 25</a>	<a href="#">Group – page 25</a>
	b. Describe the organisation's processes for managing climate-related risks	<a href="#">Group – page 26</a>	<a href="#">Group – page 26</a>	<a href="#">Group – page 26</a>	<a href="#">Group – page 26</a>
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	<a href="#">Group – pages 27–29</a>	<a href="#">Group – pages 27–29</a>	<a href="#">Group – pages 27–29</a>	<a href="#">Group – pages 27–29</a>
<b>Metrics and targets</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	<a href="#">RIM metrics – page 39</a>	<a href="#">RAM metrics – page 41</a>	<a href="#">RIMI metrics – page 42</a>	<a href="#">Greenbank metrics – page 45</a>
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	<a href="#">Group – page 33</a>	<a href="#">Group – page 33</a>	<a href="#">Group – page 33</a>	<a href="#">Group – page 33</a>
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	<a href="#">Group – page 31</a>	<a href="#">Group – page 31</a>	<a href="#">Group – page 31</a>	<a href="#">Group – page 31</a>

1. Between May and September 2025, IW&I clients were migrated to Rathbones Investment Management (RIM)



## Appendices: Entity reports

# Rathbones Investment Management

### About us

Rathbones Investment Management (RIM) carries out individual investment and wealth management for private clients, charities, trustees, and professional partners.

### Governance

RIM's approach to governing climate risks aligns with the Group approach see [pages 7–11](#).

### Strategy

The climate-related risks and opportunities identified by Rathbones Group are applicable and inclusive of RIM. The materiality and time horizons over which climate-related risks and opportunities are considered for RIM aligns with the Group approach as disclosed on [pages 13–18](#). Climate scenario analysis is carried out at group level and is inclusive of the FUMA managed by RIM. Details of the Climate Value at Risk (Climate VaR) information can be found on [pages 20–23](#).

### Risk management

RIM's approach to risk management aligns with the group approach, with no material deviation, as outlined on [pages 24–29](#).

### Compliance statement

This report should be read in conjunction with the information provided in the summary table on [page 37](#) and methodology on [pages 47–48](#). The disclosures for Rathbones Investment Management, including any third-party or Group disclosures cross referenced, complies with the requirements under the FCA's Policy Statement PS 21/24.

### Metrics and targets

The metrics and targets used to assess the management of climate-related risks and opportunities are covered in the Group report and are inclusive of RIM, found here. RIM's entity level metrics are aligned to the Group's climate reporting approach. The metrics are prepared for RIM as the key metrics for monitoring and reporting against the Group's climate ambitions. A summary of these key investment metrics is provided in the figures opposite.

### Data coverage

Metrics have been prepared for £106.2 billion funds under management and administration.

Portfolio coverage<sup>1</sup> per metric:

- Financed carbon emissions: 71.9%
- WACI: 34.6%
- WACI (corporate constituents): 72%
- WACI (sovereign constituents): 13.7%
- ITR: 71.7% of securities and 78.2% of market capitalisation.

# Investec Wealth & Investment (UK)

### Important coverage note

Between May and September 2025, all IW&I clients were migrated to Rathbones Investment Management (RIM). Following this migration, IW&I entered the process of deauthorisation and winding up. Therefore, please refer to our 2024 Entity Report for processes relevant up to May 2025.

### About us

Investec Wealth & Investment (UK) (IW&I) became part of Rathbones Group Plc in 2023, forming one of the UK's leading wealth management providers for individuals and families, charities, financial advisers, and other professional partners. In 2024, our central research functions combined under common leadership, forming one of the largest and best resourced in the industry.

### Governance

IW&I's approach to governing climate risks aligned with the Group approach during the reporting period. See [pages 7–11](#).

### Strategy

At a Group-level, Rathbones has committed to becoming a net zero business by 2050 or sooner. Between May and September 2025, all IW&I clients were migrated to RIM, after which IW&I entered the process of deauthorisation and winding up. From this point onward, emissions exposure, target coverage and associated metrics are consolidated under RIM, fully aligned with the Group's near-term and long-term commitments. Please refer to [page 5](#) of the Group report for further details of our net zero ambition and transition plan, including on progress against targets and key levers for decarbonisation.

The climate-related risks and opportunities identified by Rathbones Group remain applicable and inclusive of IW&I during the reporting period. The materiality and time horizons over which climate-related risks and opportunities are considered for IW&I aligns with the Group approach as disclosed on [page 13](#). Climate scenario analysis is carried out at Group level and incorporates the assets formerly managed by IW&I within RIM portfolios. Details of the Climate Value At Risk (Climate VaR) information can be found on [pages 20–23](#).

### Risk management

IW&I's approach to risk management aligned with the Group approach during the reporting period, as outlined on [pages 24–29](#) of the Group report.

### Compliance statement

This report should be read in conjunction with the information provided in the summary table on [page 37](#) and methodology on [pages 47–48](#). The disclosures for IW&I, including any third-party or Group disclosures cross referenced, complies with the requirements under the FCA's Policy Statement PS 21/24.

### Metrics and targets

Due to the reasons outlined in the coverage note, emissions exposure, target coverage and associated metrics are now reported under RIM. Please refer to the RIM entity report for details on financed emissions and other emissions intensity metrics.

1. Coverage is defined as the market value of covered assets divided by the portfolio total market value, excluding out-of-scope positions

## Appendices: Entity reports

Rathbones Investment Management (inclusive of Investec Wealth and Investment (UK))

### Our metrics

#### Carbon footprint metrics

**Financed carbon emissions**  
(tCO<sub>2</sub>e/\$m invested)

**40.3**

2024: 32.8

**Total financed carbon emissions**  
(tCO<sub>2</sub>e)

**5,087,846**

2024: 2,204,292

**Weighted average carbon intensity (WACI)**  
(tCO<sub>2</sub>e/\$m sales)

**119.9**

2024: 103.9

**WACI corporate constituents**  
(tCO<sub>2</sub>e/\$m sales)

**85.7**

2024: 77.2

**WACI sovereign constituents**  
(tCO<sub>2</sub>e/\$m GDP nominal)

**128.8**

2024: 143.7

#### Implied temperature rise

How aligned are the companies within the portfolio to global temperature goals

**Portfolio**

**2.5°C**

2024: 2.3°C

ITR categories	Companies in category (%)		
	2025	2024	2023
1.5°C aligned (<= 1.5°C)	<b>8.2</b>	9.8	17.3
2°C aligned (>1.5–2.0°C)	<b>22.1</b>	26.2	31.4
Misaligned (>2.0–3.2°C)	<b>56.0</b>	55.5	44.4
Strongly misaligned (>3.2°C)	<b>13.7</b>	8.4	6.8
Paris aligned	<b>30.3</b>	36.1	48.8
Non-Paris aligned	<b>69.7</b>	63.9	51.2

#### Fossil fuel exposure

**Fossil fuel-based revenue exposure**

**1.9%**

2024: 1.9%

**Green revenue exposure**

**4.1%**

2024: 3.4%

#### Financed carbon emissions

The financed emissions figure for 2024 did not include IW&I's portfolio. In 2025, IW&I (UK) clients were migrated to Rathbones, and IW&I's financed emissions methodology moved from Clarity AI to the Group's MSCI based approach to ensure alignment. As a result of both the migration and the methodology change, 2024 and 2025 figures are not directly comparable.





## Appendices: Entity reports

# Rathbones Asset Management

### About us

Rathbones Asset Management (RAM) is an active management house offering a range of investment solutions to meet the capital growth and income requirements of our clients.

We believe that by focusing on our specific areas of expertise, we can deliver long-term investment returns that meet our clients' expectations. Our long-established and highly experienced investment teams have the autonomy to follow their own unique processes within an environment that is passionate about client outcomes and supportive of our people.

We use our experience to take a long-term view, resisting the temptation to panic in the face of volatility, but rather to see opportunities when others are blinded by short-termism. Our decisions are well thought out and grounded in experience, rather than swayed by what might be popular in the moment.

We think intelligently, act decisively, and make ourselves completely accountable for our decisions. Our fund managers have the freedom to invest according to their convictions and perspective, while benefiting from a solid framework that supports them to mitigate risks. We believe this autonomy empowers them to follow their convictions and focus on returns. We always seek to do the right thing.

### Governance

RAM's approach to governing climate risks aligns with the Group approach outlined on [pages 7–11](#).

As well as being part of the Rathbones Group and benefiting from the governance structure detailed earlier, RAM has its own Board which is responsible for strategic direction, approval of significant expenditure and investment, monitoring business performance, and ensuring that legal, regulatory, and compliance standards are achieved. Further, in its capacity as authorised fund manager and/or authorised corporate director (ACD) of the UK-domiciled RAM-operated funds, the RAM Board is ultimately responsible for regulatory reporting at both entity- and product-level and for the various funds it operates.

### Strategy

The climate-related risks and opportunities identified by Rathbones Group are applicable and inclusive of RAM. The materiality and time horizons over which climate-related risks and opportunities are considered for RAM aligns with the Group approach as disclosed on [pages 13–18](#). Climate scenario analysis is carried out at Group level and is inclusive of the assets managed by RAM. Details of the Climate Value at Risk (Climate VaR) information can be found on [pages 20–23](#).

### Risk management

We have continued to develop the integration of ESG factors across all strategies managed. From a risk and reporting perspective, there is independent oversight of each fund which monitors ESG risk and carbon data on a regular basis. We draw on data from external providers such as MSCI and Sustainalytics to provide this information. We also track each strategy with

regards to SBTi commitments and variance versus Group targets. Any adverse changes in ESG metrics are available to the risk function and fund managers in real time. Integration of ESG factors is also implicitly incorporated into the research process of each strategy, with fund managers aware of risks. We employ a bespoke research process, depending on each strategy's mandate.





## Appendices: Entity reports

### Rathbones Asset Management

We have a dedicated engagement analyst within RAM. The engagement analyst covers engagements and voting for all RAM funds, working in collaboration with the Rathbones Group Stewardship Team and the Greenbank Ethical Impact and Research Team.

The engagement analyst attends the weekly RAM investment risk meeting to understand if there are any high or severe ESG risks or controversies held in the fund. This is used as an opportunity to engage if relevant and material. The RAM Responsible Investment Committee, the Rathbones Group Engagement Committee, and the Rathbones Group Voting Committees are also attended by the engagement analyst and the sustainable investment analyst.

RAM has a standalone Engagement Policy to further clarify our approach to engagement and voting. Also, we develop our own engagement plan annually including our key themes and priorities for the year ahead, such as our approach to net zero engagement. RAM takes a holistic approach to engagement, using our in-house expertise whilst leveraging external resources for collaborative engagements when we think this would be a stronger approach.

#### Compliance statement

This report should be read in conjunction with the information provided in the summary table on [page 37](#) and methodology on [pages 47–48](#). The disclosures for RAM, including any third-party or Group disclosures cross referenced, complies with the requirements under the FCA's Policy Statement PS 21/24.

#### Metrics and targets

The metrics and targets used to assess the management of climate-related risks and opportunities are covered in the Group report and are inclusive of RAM. RAM's entity level metrics are aligned to the Group's climate reporting approach. The metrics are prepared for RAM as the key metrics for monitoring and reporting against the Group's climate ambitions.

A summary of these key investment metrics is provided in the figures on the right:

#### Data coverage

Metrics have been prepared for £16.6 billion funds under management.

Portfolio coverage<sup>1</sup> per metric:

- Financed carbon emissions: 84.2%
- WACI: 83.1%
- WACI (corporate constituents): 84.3%
- WACI (sovereign constituents): 11.8%
- ITR: 78.4% of securities and 83.1% of market capitalisation.

### Our metrics

#### Carbon footprint metrics

**Financed carbon emissions**  
(tCO<sub>2</sub>e/\$m invested)

**19.9**

2024: 18.1

**Total financed carbon emissions**  
(tCO<sub>2</sub>e)

**436,504**

2024: 356,701

**Weighted average carbon intensity (WACI)**  
(tCO<sub>2</sub>e/\$m sales)

**62.2**

2024: 57.0

**WACI corporate constituents**  
(tCO<sub>2</sub>e/\$m sales)

**75.7**

2024: 67.4

**WACI sovereign constituents**  
(tCO<sub>2</sub>e/\$m GDP nominal)

**156.8**

2024: 176.6

#### Implied temperature rise

How aligned are the companies within the portfolio to global temperature goals

**Portfolio**

**2.3°C**

2024: 2.1°C

ITR categories	Companies in category (%)		
	2025	2024	2023
1.5°C aligned (<= 1.5°C)	<b>32.1</b>	30.8	46.8
2°C aligned (>1.5–2.0°C)	<b>25.7</b>	27.2	26.8
Misaligned (>2.0–3.2°C)	<b>28.2</b>	30.6	19.0
Strongly misaligned (>3.2°C)	<b>14.0</b>	11.3	7.4
Paris aligned	<b>57.7</b>	58.1	73.6
Non-Paris aligned	<b>42.3</b>	41.9	26.4

#### Fossil fuel exposure

**Fossil fuel-based revenue exposure**

**1.3%**

2024: 1.1%

**Green revenue exposure**

**4.2%**

2024: 4.2%

1. Coverage is defined as the market value of covered assets divided by the portfolio total market value, excluding out-of-scope positions

## Appendices: Voluntary reports

# Rathbones Investment Management International

### About us

We cater for the investment needs of individuals and families, charities, and professional advisers who are looking for offshore investment management.

### Governance

RIMI's approach to governing climate risks aligns with the Group approach outlined on [pages 7–11](#).

### Strategy

The climate-related risks and opportunities identified by Rathbones Group are applicable and inclusive of RIMI. The materiality and time horizons over which climate-related risks and opportunities are considered for RIMI aligns with the Group approach as disclosed on [pages 13–18](#). Climate scenario analysis is carried out at Group level and is inclusive of the assets managed by RIMI. Details of the Climate Value at Risk (Climate VaR) information can be found on [pages 20–23](#).

### Risk management

RIMI's approach to risk management aligns with the Group approach, with no material deviation, as outlined on [pages 24–29](#).

### Alignment statement

This Rathbones Investment Management International report should be read in conjunction with the information provided on [pages 37 and 47–48](#).

### Metrics and targets

The metrics and targets used to assess the management of climate-related risks and opportunities are covered in the Group report and are inclusive of RIMI. RIMI's entity level metrics are aligned to the Group's climate reporting approach. The metrics are prepared for RIMI as the key metrics for monitoring and reporting against the Group's climate ambitions.

A summary of these key investment metrics is provided in the figures opposite.

### Data coverage

Metrics have been prepared for £0.26 billion funds under management and administration.

Portfolio coverage<sup>1</sup> per metric:

- Financed carbon emissions: 74.1%
- WACI: 35.0%
- WACI (corporate constituents): 74.3%
- WACI (sovereign constituents): 8.9%
- ITR: 78.6% of securities and 81.9% of market capitalisation.

## Our metrics

### Carbon footprint metrics

**Financed carbon emissions**  
(tCO<sub>2</sub>e/\$m invested)

**32.7**

2024: 29.0

**Total financed carbon emissions**  
(tCO<sub>2</sub>e)

**204,825**

2024: 93,463

**Weighted average carbon intensity (WACI)**  
(tCO<sub>2</sub>e/\$m sales)

**94.6**

2024: 78.9

**WACI corporate constituents**  
(tCO<sub>2</sub>e/\$m sales)

**76.3**

2024: 71.4

**WACI sovereign constituents**  
(tCO<sub>2</sub>e/\$m GDP nominal)

**178.6**

2024: 189.6

### Implied temperature rise

How aligned are the companies within the portfolio to global temperature goals

#### Portfolio

**2.5°C**

2024: 2.3°C

ITR categories	Companies in category (%)		
	2025	2024	2023
1.5°C aligned (<= 1.5°C)	<b>10.1</b>	11.4	22.0
2°C aligned (>1.5–2.0°C)	<b>22.9</b>	25.6	29.4
Misaligned (>2.0–3.2°C)	<b>53.9</b>	54.6	41.7
Strongly misaligned (>3.2°C)	<b>13.1</b>	8.4	7.0
Paris aligned	<b>33.0</b>	37.0	51.3
Non-Paris aligned	<b>67.0</b>	63.0	48.7

### Fossil fuel exposure

**Fossil fuel-based revenue exposure**

**1.8%**

2024: 1.9%

**Green revenue exposure**

**4.1%**

2024: 3.7%

1. Coverage is defined as the market value of covered assets divided by the portfolio total market value, excluding out-of-scope positions



## Appendices: Voluntary reports

# Greenbank Investments

### About us

Greenbank was established in 2004 as Rathbone Greenbank Investments, to be the Ethical, Sustainable, and Impact Investment Team of Rathbones Group. It offered one of the UK's first tailored ethical portfolio services. Greenbank's legacy of investing responsibly has served us well. This long-term commitment is especially important given how the ethical and sustainable investment landscape has evolved. And as more people have sought investment options that align with their own values, our client numbers have grown too. Since 2004, Greenbank has remained committed to generating long-term value for our clients. Today, Greenbank is established as a widely trusted expert team of investment managers, research and engagement specialists, that care deeply about environmental, social, and ethical issues.

### Strategic focus

Greenbank consider climate and environmental factors within our investment process. Our approach continues to evolve as we seek to support the transition to a more sustainable economy and avert the most serious impacts of climate change.

#### **Greenbank's net zero plan includes:**

The ambition to reach net zero carbon emissions from our investments by 2040.

A clear pathway to net zero carbon emissions: a cut of 60% in the carbon intensity of our investments by 2030 (from a 2020 baseline).

A continuation of our long-standing strategic engagement programme to encourage corporate action on climate change.

A commitment to reach net zero carbon emissions from our own operations and supply chain by 2030, in line with the wider Rathbones Group, using the Science Based Targets initiative (SBTi) framework.

### Climate-related risks and opportunities

#### Exposure

The climate-related risks and opportunities identified by Rathbones Group are applicable and inclusive of Greenbank. The materiality and time horizons over which climate-related risks and opportunities are considered for Greenbank aligns with the Group approach as disclosed on [pages 13–18](#). Climate scenario analysis is carried out at Group level and is inclusive of the FUMA managed by Greenbank. Details of the Climate Value at Risk (Climate VaR) information can be found on [pages 20–23](#).

#### Impact

The most material aspect of our impact is through the investments we make on behalf of our clients. Greenbank has continued its extensive net zero engagement programme with investees during 2025, engaging both directly and collaboratively via Climate Action 100+ and the IIGCC's Net Zero Engagement initiative. Greenbank's approach to monitoring and reducing our operational footprint is consistent with Rathbones Group and can be found in the Group report on [pages 32–33](#).

### Risk management

Greenbank's risk management framework to identify, assess, manage, and report on climate-related risks is consistent with that of the Group. Full details of which can be found in the Group report on [pages 24–29](#).

However, there are some important differences to how climate risk management is integrated into the broader risk management process within Greenbank, which is outlined below.

Energy and climate is one of the eight sustainable development themes that guide how Greenbank invest and is a core part of our assessment of potential investment opportunities. Each company is assessed against a range of positive and negative environmental criteria in order to determine suitability for investment. Several automatic exclusion areas and red flags linked to materially adverse climate impacts form part of our sustainable investment framework, with further qualitative analysis providing insight into climate-related risks and opportunities. Our research integrates asset-specific and systemic climate considerations, examining how companies both influence and are exposed to the low-carbon transition, physical climate impacts, and evolving policy landscapes. We draw on in-house expertise rather than relying solely on external ESG data.





## Appendices: Voluntary reports

### Greenbank Investments

#### Implementation of enhanced stewardship strategy for Greenbank

To achieve net zero by 2050 and limit warming to below 1.5°C, GHG emissions must halve by 2030. This requires rapid adoption of ambitious short-term GHG targets by companies. This unprecedented challenge will demand a rapid shift in stewardship practices. While private dialogue will likely remain a key tool for investors, more specific, time bound objective setting paired with escalation will likely need to become the norm.

Frameworks such as the Net Zero Investment Framework (NZIF) emphasise the strong role that stewardship needs to play in encouraging real world emissions reductions, and this is reflected in Greenbank's approach to active engagement on climate change.

#### Portfolio analysis to identify priority companies for engagement

We prioritise our company engagement on several factors including the contribution of each holding to overall financed emissions, absolute Scope 1-3 emissions, current net zero alignment, and previous engagement outcomes.

#### Establish net zero alignment criteria and develop alignment staircase to inform objective setting

We assess our companies using the Net Zero Investment Framework (NZIF) to determine how aligned each holding is to a net zero emissions pathway.

NZIF comprises five categories of alignment, representing progressive steps towards alignment with a net zero pathway. The five categories are:

- Not aligning – refers to assets without a commitment to decarbonise in a manner consistent with achieving global net zero.
- Committed to aligning – refers to assets with a long-term decarbonisation goal consistent with achieving global net zero by 2050.
- Aligning to a net zero pathway – refers to assets that are developing and implementing elements of a credible transition plan. They may have interim emissions targets, partial alignment with sector pathways, or evidence of beginning to align operations and strategy with net-zero, but are not yet fully consistent with a Paris-aligned trajectory.
- Aligned to a net zero pathway – refers to assets which have science-based targets, a decarbonisation plan, and current absolute or emissions intensity at least equal to a relevant net zero pathway.
- Achieving net zero – this refers to when assets meet all relevant criteria and have an emissions performance at net zero which can be expected to continue.

NZIF uses a combination of backward, current, and forward-looking criteria:

1. Ambition
2. Targets
3. Emissions performance
4. Disclosure
5. Decarbonisation plan
6. Capital allocation alignment
7. Climate policy engagement
8. Climate governance
9. Just transition
10. Climate risk and accounts

NZIF considers some sectors as material, based on their contribution to GHG emissions. Material sectors have to satisfy a wider set of criteria in order to fulfil alignment to the different categories. Some of the criteria are also core to the assessment (1–6 outlined above) and some are additional and not included in the assessment (7–10).

Completing a baseline assessment to identify where companies in scope of our net zero strategy are on the alignment staircase enables us to set goals for increasing the alignment status of companies in our portfolio over time.

#### Engagement with priority companies

A core focus of Greenbank's direct engagement with companies is encouraging them to develop a robust climate strategy, aligned to the core and additional criteria laid out in the Net Zero Investment Framework.

In 2025, Greenbank continued to participate in the Institutional Investors Group on Climate Change's (IIGCC) Net Zero Engagement initiative, a collaborative engagement which focuses on major emitters that fall beyond the Climate Action 100+ focus list. Greenbank also continued to support engagement via the Climate Action 100+ initiative and is also a member of the UK Wealth Managers on Climate Group, which aims to engage collaboratively with asset managers on climate to support greater ambition within the industry.

In 2025, Greenbank engaged with over 50 companies outlining our assessment of their alignment to net zero. We asked companies to explain how they were addressing identifiable gaps in their progress to net zero. Engagement was tailored depending on the company's current level of net zero alignment. Engagement activity also noted recent political shifts and rollbacks on climate action and broader ESG issues, emphasising that systemic risks such as climate change should remain a priority to be managed. We reiterated that as a long-term investor we have always examined the longer-term risks such as climate change, facing our investment portfolios. To date, we have received over 32 company responses to our letters and held several meetings with companies, many which have led to an improved assessment against the NZIF.

## Appendices: Voluntary reports

### Greenbank Investments

#### Metrics and targets

##### Overview

Consistent with Rathbones Group, Greenbank use several metrics to measure the progress of our net zero journey, which is the primary indicator used to assess how well Greenbank is responding to the climate-related risks and opportunities we face as a business. In recent years, the quality and coverage of company level, climate-related data has increased substantially. As such, Greenbank has expanded its access and use of such datasets including economic scenario analysis, climate value at risk data and implied temperature rise metrics.

Greenbank’s target is based on the International Energy Association’s (IEA) pathway to net zero by 2050, published in May 2021. The target goes beyond our fair share of global emissions reductions. The target is for 60% reduction by 2030, surpassing the 50% threshold identified as a requirement in the IPCC special report on global warming of 1.5°C. In addition, Greenbank’s in scope holdings are less emissions intensive than the ‘universal’ benchmark MSCI World, so Greenbank’s targeted reductions are from a lower starting point. Hence, this goes above and beyond our fair share of global emissions reduction.

#### Data coverage

Metrics have been prepared for £2.3 billion funds under management and administration.

Portfolio coverage<sup>1</sup> per metric:

- Financed carbon emissions: 69.5%
- WACI: 48.6%
- WACI (corporate constituents): 69.6%
- WACI (sovereign constituents): 19.6%
- ITR: 75.2% of securities and 73.1% of market capitalisation.

### Our metrics

#### Carbon footprint metrics

**Financed carbon emissions**  
(tCO<sub>2</sub>e/\$m invested)

**17.7**

2024: 22.3

**Total financed carbon emissions**  
(tCO<sub>2</sub>e)

**44,651**

2024: 61,552

**Weighted average carbon intensity (WACI)**  
(tCO<sub>2</sub>e/\$m sales)

**66.6**

2024: 79.3

**WACI corporate constituents**  
(tCO<sub>2</sub>e/\$m sales)

**60.6**

2024: 60.2

**WACI sovereign constituents**  
(tCO<sub>2</sub>e/\$m GDP nominal)

**115.2**

2024: 135.9

#### Implied temperature rise

How aligned are the companies within the portfolio to global temperature goals

**Portfolio**

**1.9°C**

2024: 2.3°C

ITR categories	Companies in category (%)		
	2025	2024	2023
1.5°C aligned (<= 1.5°C)	<b>16.7</b>	15.2	24.8
2°C aligned (>1.5–2.0°C)	<b>31.0</b>	36.7	35.5
Misaligned (>2.0–3.2°C)	<b>43.6</b>	42.0	36.4
Strongly misaligned (>3.2°C)	<b>8.6</b>	6.1	3.3
Paris aligned	<b>47.8</b>	51.9	60.3
Non-Paris aligned	<b>52.2</b>	48.1	39.7

#### Fossil fuel exposure

**Fossil fuel-based revenue exposure**

**0.2%**

2024: 0.2%

**Green revenue exposure**

**6.6%**

2024: 6.3%

1. Coverage is defined as the market value of covered assets divided by the portfolio total market value, excluding out-of-scope positions



## Appendices

# Methodology and approach

### Use of MSCI data to calculate investment metrics

This disclosure was developed using information from MSCI ESG Research LLC or its affiliates or information providers.

Although Rathbones Group Plc's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the 'ESG Parties'), obtain information (the 'Information') from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

### Good Business statement of accuracy

Good Business Independent Statement: Relating to Rathbones Group Plc 2025 Carbon Footprint.

Good Business, an external sustainability agency, was commissioned to calculate the full value chain carbon footprint of Rathbones Group Plc for the period 1 January 2025 to 31 December 2025.

The objective of this work was to calculate Scope 1, 2, and 3 emissions for use in public reporting and for internal analysis and emissions-reduction tracking.

The scope of this work was to identify the boundary of the carbon footprint, collect and analyse activity data, and apply relevant emissions factors. This did not involve verifying the data supplied by Rathbones Group Plc. All stages were conducted in accordance with the principles laid out in the reporting standard: World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) (2015) (GHG Protocol).



## Appendices

### Defining our metrics

Metric	Description	Asset class/boundaries	Risk physical/transition	Scope	Data provider
<b>1.5°C aligned target</b>	The targets we have set using the methodologies laid out by the Science Based Targets initiative. Covering our Scope 1, 2 and Scope 3 category 1-8 and 15 emissions	Scope 1, 2 and 3 (category 1-8) emissions and Scope 3 category 15 emissions including our client holdings through common stock, corporate bonds, exchange traded funds, corporate loan, investments in real estate, preferred stock, REIT, private equity and debt	Physical and transition	Assets held on behalf of our clients	SBTi
<b>Carbon footprint (i.e. financed carbon emissions)</b>	This metric calculates the total carbon emissions for a portfolio normalised by the market value of the portfolio (for Scope 1+ Scope 2). Expressed in tons CO <sub>2</sub> e / M USD invested	Equities, bonds and collectives	Transition	Assets held on behalf of our clients	MSCI
<b>Carbon intensity metrics</b>	Our operational carbon emissions, normalised by an associated denominator e.g. FUMA, FTE or operating income	Operational carbon emissions	Transition	Rathbones' operations	DEFRA Good Business Internal
<b>CDP</b>	Score for our climate change submission	From 2023, we rebased our data to include IW&I	Physical and transition	Group-level disclosure	Internal Good Business
<b>Emissions</b>	Our operational carbon emissions in tCO <sub>2</sub> e Operational carbon emissions	N/A	Transition	Rathbones' operations	DEFRA Good Business
<b>Fossil fuel based revenue exposure</b>	The weighted average of revenue exposure to thermal coal extraction, unconventional and conventional oil and gas extraction, oil and gas refining as well as revenue from thermal coal power generation	Equity and bond holdings	Transition	Assets held on behalf of our clients	MSCI
<b>Green revenue exposure</b>	The weighted average of revenue exposure to alternative energy, energy efficiency, green building, pollution prevention, sustainable water and sustainable agriculture	Equity and bond holdings	Transition	Assets held on behalf of our clients	MSCI
<b>Implied temperature rise</b>	Provides a portfolio level number in degrees of Celsius demonstrating how aligned the companies in the portfolio are to global temperature goals	Equity and bond holdings	Transition	Assets held on behalf of our clients	MSCI



## Appendices

### Defining our metrics

Metric	Description	Asset class/boundaries	Risk physical/transition	Scope	Data provider
<b>Portfolio coverage</b>	The percentage of securities that have set or have committed to setting Science Based Targets initiative aligned targets	Group funds under management	Physical and transition	Assets held on behalf of our clients	Good Business SBTi
<b>PRI</b>	Score for the strategy and governance section of PRI report	Group funds under management	Physical and transition	Group-level disclosure	Internal
<b>Total carbon emissions</b>	This metric measures the absolute GHG emissions associated with a portfolio and is expressed in CO <sub>2</sub> equivalent tonnes (for Scope 1 + Scope 2)	Equities, bonds and collectives	Transition	Assets held on behalf of our clients	MSCI
<b>Weighted average carbon intensity (WACI)</b>	Measured in (tCO <sub>2</sub> e/\$m sales), this assesses the sensitivity of our held securities to an increase in carbon prices and our progress towards the Paris Agreement target	Equity, Sovereign bond and corporate bond	Transition	Assets held on behalf of our clients	MSCI

Further definitions may be found in the Glossary which is on our [website](#).





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