



Our sustainable investment approach

Rathbone Greenbank Global Sustainability Fund

Rathbone Greenbank Global Sustainable Bond Fund

Rathbone Greenbank Multi-Asset Portfolios

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Introduction

Our aim with the Rathbones sustainable funds is to be as transparent as possible about the assets we hold and why we invest in them. We do this by clearly defining what we mean by sustainable investing and the criteria assets must meet for inclusion in the funds.

Our sustainable fund range aims to invest in companies and other organisations that support a more sustainable world by contributing to one or more sustainable development themes.

These themes cover major social and environmental challenges facing the world and align closely with the UN-backed Sustainable Development Goals (SDGs) which aim to ‘end poverty, protect the planet and ensure prosperity for all’.

We developed our sustainability framework, methodology and screening criteria in collaboration with Rathbones’ Responsible Investment Centre of Excellence. This includes the Greenbank sustainability specialists, whose expertise informs the assessment of investments against the Funds’ ethical, sustainable and impact (ESI) investment criteria. The assessment process is conducted independently from the portfolio management function.

We are proud that all of our sustainable funds have the Sustainability Focus label under the UK’s Sustainability Disclosure Requirements, reflecting our commitment to ambition, rigour and transparency in our approach to sustainable investment.

The Sustainability Focus label is for funds that invest mainly in assets that are sustainable today, as defined by a clear, evidence-based standard of sustainability.



This document outlines our sustainability philosophy and process; it also expands upon the principles and framework involved and provides a comprehensive insight into the credentials of the Rathbones sustainable funds range.

Rathbones Asset Management

Rathbones Asset Management is a well established UK asset manager. We are an active management house, offering a number of equity, bond funds and multi-asset portfolio ranges.

In the sustainable space we manage an equity, a fixed income and multi-asset funds that offer different levels of risk and return targets. All are managed in line with the same sustainable investment framework.

Our long-term performance track record as an active, high conviction manager is built on a culture of empowerment, independent thinking, and institutional discipline.

Sustainable fund range

Investment team

Equity Rathbone Greenbank Global Sustainability Fund



David Harrison
Head of Sustainability
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Siyuan Lin
Senior Investment
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Neil Smith
Sustainable
Investment Analyst

Multi-Asset Rathbone Greenbank Multi-Asset Portfolios



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Multi-Asset
Investment Specialist

Fixed Income Rathbone Greenbank Global Sustainable Bond Fund



Bryn Jones
Head of Fixed Income



Stuart Chilvers
Fund Manager



Christie Goncalves
Assistant Fund
Manager



Elisa Bellantonio
Senior Credit Analyst



**Emmanouil
Makrygiannakis**
Credit Analyst



Lewis Elliot
Credit Analyst

Responsible Investment Centre of Excellence

Overview

The Responsible Investment Centre of Excellence supports fund managers to embed responsible and sustainable investment throughout the investment process through three core disciplines:

- Environmental, Social & Governance (ESG) integration specialists provide investment teams with clear, decision-relevant data and insights, enabling more robust identification of material risks and opportunities.
- Stewardship and engagement activity is coordinated centrally, strengthening the consistency and impact of our interactions with investee companies on issues including climate change, governance standards, and social factors.
- Ethical and sustainable research supports alignment of investments with client objectives through in-depth thematic analysis that contributes to idea generation, enhances conviction, and supports risk mitigation.

The Responsible Investment Centre of Excellence formalises and strengthens Rathbones' approach to responsible investment by bringing together long-established expertise into a coordinated and centralised function. It reflects our continued commitment to responsible and sustainable investing as a core component of delivering long-term value for clients, and provides a scalable platform for ongoing development in response to an evolving regulatory and market environment.

The Responsible Investment Centre of Excellence delivers a consistent application of responsible investment across all portfolios and client segments, with no disruption to existing relationships, portfolio management approaches, or investment standards. By reducing duplication and enabling more effective use of specialist resource, the structure provides a more efficient, institutional-grade capability.

Meet the team



Kate Elliot
Head of Responsible
Investment Centre of
Excellence



Agnes McAfee



Jenny Twigg



Sonia Amrat-Nath



Archie Pearson



Lauren O'Leary



Sophie Angel



Caitlin Westlake



Liberty Godfrey



Sophie Lawrence



Charlie Young



Matt Crossman



Tilia Astell



Ioana Subasu



Philippa Bliss



James Leaton

Sustainable investing

We believe it is possible to achieve long-term returns by investing in entities that conduct their business, and thereby apply capital, in a responsible way. This is achieved by considering a range of environmental and social issues, and how they might affect individuals and wider society.

Our commitment to sustainable investment goes beyond just careful selection of assets. We also have active dialogue with companies, industry bodies and policy makers on a wide range of social, environmental and governance topics – something we refer to as stewardship and engagement. Through both voting and engagement, we are able to hold companies

to account and monitor whether they continue to meet our sustainability criteria but also push to drive wider positive change on a range of sustainable topics including net-zero carbon emissions and better health and nutrition.

Our sustainable investment approach has three key pillars. Together, they help us understand the risks and opportunities associated with each investment, identify assets that we believe support a more sustainable world, and encourage positive change over time. These three pillars work together throughout the investment process, from selecting and assessing assets to monitoring them once they are held in the funds.

Our sustainable investment approach

1

ESG integration

We consider material environmental, social and governance factors alongside financial information when assessing the long-term strengths, risks and opportunities of an investment. Companies must display leading or well-developed business practices and policies, and/or allocate capital in a way that supports sustainable development.

2

Stewardship and engagement

Only investing in companies that have good corporate governance. We use our influence as investors through dialogue, voting and, where necessary, escalation to encourage good practice, manage risks and protect long-term value.

3

Sustainability analysis and screening

Every company considered for the funds undergoes a rigorous sustainability assessment. We apply strict screening criteria to exclude businesses whose activities or practices may impede sustainable development, while identifying those that we assess as making a positive contribution to people or the planet.

Environmental, Social & Governance integration

As part of our investment research, fund managers and analysts within Rathbones Asset Management incorporate material ESG factors into their fundamental analysis. This ensures we only invest in companies that are effectively managing their ESG risks and are well-positioned to capitalise on ESG related opportunities. ESG integration is not a standalone exercise – it is embedded within our broader investment approach, aligning with our commitment to long-term value creation and responsible stewardship.

ESG analysis is conducted alongside traditional financial metrics to build a holistic view of a company's risk profile and growth potential. For example, environmental considerations such as carbon intensity, resource efficiency, and climate resilience are assessed to understand how companies are adapting to the transition to a low-carbon economy. Social factors, including labour practices, community engagement, and product safety, help us evaluate a company's social impact. Governance analysis focuses on board composition, executive remuneration, and shareholder rights, which are critical indicators of corporate accountability and strategic alignment.

Our ESG integration is supported by third-party research and data, and active engagement with companies. We believe that dialogue with management teams is a powerful tool to influence positive change and gain deeper insights into ESG practices. Where material ESG risks are identified, we seek to understand how companies are mitigating these risks and whether they can demonstrate a credible path toward improvement. Conversely, we also look for companies that are innovating and leading in ESG domains, as these can present compelling investment opportunities.

By integrating ESG factors into our investment decisions we aim to build resilient portfolios that support the transition to a more sustainable economy.

Stewardship and engagement

At Rathbones Asset Management, stewardship is central to our role as responsible investors. We believe that active ownership – through engagement, voting, and escalation – enables us to influence positive change, protect long-term value, and uphold our clients' interests. Our stewardship approach is designed to address material environmental, social, and governance risks and opportunities, ensuring that the companies we invest in are aligned with sustainable practices and resilient business models.

Engagement

As an active fund manager, we believe it's important to engage with companies so that we can advocate for better practices, mitigate material risks and, hopefully, deliver better returns for our investors.

We recognise that we have a responsibility and a fiduciary duty to our clients to help address and minimise the ESG risks which may affect the financial returns of our clients' assets. We maintain strong access to the companies in which we invest and their senior management teams. This engagement enables us to develop a deeper understanding of the ESG risks these companies encounter and to assess the measures they have implemented to mitigate such risks.

It's key to have engagement priorities so we can focus our efforts on the most material and important issues to our holdings, our portfolios and ultimately our clients. Each year we review our progress against our priorities from the previous year alongside running our quantitative analysis to understand which areas are the most material to our holdings in the upcoming year. Many of our engagements take place over multiple years, especially if they remain a high priority.

Our thematic engagements may address areas such as Net Zero, Nature and Biodiversity, Human Rights, and Health and Nutrition. These can take place at a systemic level, working with policymakers and governments to promote long-term, structural change that benefits our holdings. In some cases, we engage directly and leverage our knowledge of the companies we hold. At other times, we participate in collaborative engagements, combining our influence with other investors to amplify our collective voice. We aim to engage in the most effective way so we can deliver the best outcome for our clients.

We also reserve some of our resources to give us the flexibility to engage with issues that invariably arise unexpectedly. These tend to be driven by news events and it's important for us to spend time engaging with the company to understand the nature and scale of the issue and the effectiveness of the company's response.

Voting

When it comes to voting we approach each company meeting on a case-by-case basis, using a combination of established best practice for each market and knowledge of the particularities of each company to reach a decision.

AGM season is a core part of our annual engagement priorities. Our voting activity primarily focuses on governance matters such as board independence, board diversity, and remuneration policies. Environmental and social issues are also considered, often through shareholder resolutions – for example, requests for civil rights audits or reports on efforts to reduce plastic use.

To assist us with our voting activity, we use Institutional Shareholder Services (ISS), an independent proxy adviser that provides investors with governance research. We automatically follow. We automatically follow ISS's Sustainability Voting Policy unless a vote against management is suggested, wherein this is flagged to the fund managers by our engagement team. In these cases, the fund managers and engagement team discuss the best voting decision to make. Fund managers are given discretion to vote for their respective mandates.

The voting history for each of our portfolios can be viewed on [our voting disclosure tool](#).

Our engagement team seeks to communicate with companies throughout the year, with a company's AGM being a key moment to raise any ongoing ESG concern with the board. Ahead of voting at a company's AGM, we will consider ISS's analysis, or the company's annual/sustainability report, how we have voted on the topic previously (if applicable) and if we have engaged on that topic previously (if applicable) to make an informed voting decision.

For the Rathbone Greenbank Global Sustainable Bond Fund we have limited voting rights.

Escalation process

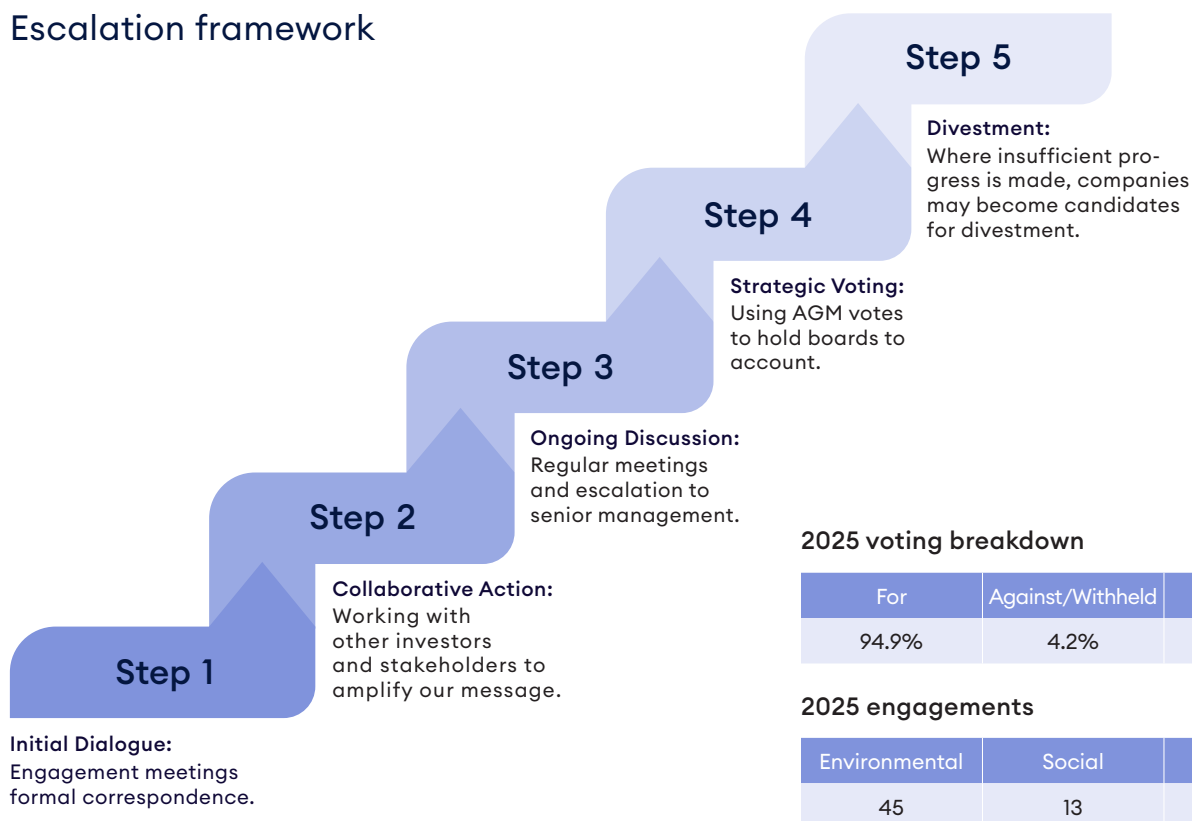
When material concerns remain unresolved, we follow a clear escalation framework to strengthen our influence and drive meaningful change.

We have an escalation framework for when we have material concerns that are not being addressed by a company. The framework allows us to move through more formal and potentially public ways of engaging with the company, based on what is most likely to be effective on a case-by-case basis. We understand that we may need to escalate our engagement differently depending on factors such as the nature of the engagement, the type of business and the communication received from the company.

The framework includes a toolkit of approaches that we can apply depending on the outcome we are looking for. This includes but is not limited to formal correspondence such as letter writing, engagement meetings with the relevant contacts at the business, escalating the engagement to senior positions within the business, collaborative engagements through letters or meetings, strategically voting against management in the AGM season and, ultimately, reducing exposure over time.

When there is a recommendation to consider divestment, our fund manager will scrutinise the ESG risk, our engagement priorities and engagement communications alongside their investment analysis.

Escalation framework



Source: Rathbones, as at end of December 2025

What we can own in the funds

Some of our sustainable funds invest only in one type of asset, for example equities, others invest across multiple asset classes.

Whatever the nature of the underlying assets, we believe it is important to apply a common sustainable investment philosophy across them all, albeit tailored to reflect the different ways in which they may support or hinder sustainable development.

The sustainable fund range have all adopted the Sustainability Focus label. The label applies to products that aim to invest at least 70%

in assets that are environmentally and/or socially sustainable.

Our funds' sustainability objective is to promote positive environmental or social outcomes by investing in assets that benefit stakeholders by contributing to one or more of our themes for a more sustainable world.

To assess this alignment, the Greenbank sustainability team has developed a proprietary scoring model ('Standard of Sustainability') to evaluate whether an asset meets the fund's sustainability objective.

We have outlined below the specific approach for all asset types.

Portfolios			Asset
Equity	Multi Asset	Fixed income	
✓	✓		Equities
	✓	✓	Corporate bonds
	✓	✓	Government bonds
	✓	✓	Sustainability bonds
	✓		Commodities
	✓		Property
	✓		Structured products

Greenbank sustainability analysis

Criteria outline

Must meet our criteria for negative screening and positive alignment analysis (outlined later in this document)

Must meet our criteria for negative screening and positive alignment analysis (outlined later in this document)

Must meet three of:

- The country must demonstrate a commitment to protect and respect human rights
- The country must meet high standards regarding bribery, corruption and the rule of law
- The country must be formally bound by key international treaties that limit the use of controversial weapons
- The country must be committed to reducing its contribution to climate change

Approval granted in the context of the specific use of bond's proceeds, rather than the issuer's principal activity, and only if intended for a specific social or environmental purpose

Does not invest directly in fossil fuels. Wider commodities in general not explicitly excluded. Supply chain will be subject to sustainability analysis

Open-ended funds are not eligible for these funds. Real estate investment trusts (REITs) are subject to the same criteria as equities and corporate bonds

Underlying long credit or equity exposure must meet the same criteria as equities and corporate bonds. Rates, volatility and foreign exchange (FX) are permissible, as are products that provide short exposure to equity and credit (for hedging). Where a structured product involves the provision of financing to the counterparty, we also require the counterparty to meet the same criteria as any other equity or corporate bond in the funds

Sustainability analysis and screening

To invest in line with these principles, we follow a rigorous sustainability framework covering ESG integration, negative screening, positive alignment analysis and stewardship. Once an asset has been identified for potential inclusion in the funds, our Greenbank ESI research team undertakes detailed due diligence. The research team maintains a proprietary database of in-depth profiles on companies and countries which it uses to carry out this analysis, and has a right of veto over any asset that does not meet the funds' screening criteria.

The sustainability criteria are explained in greater detail later in this document.

Our Greenbank sustainability assessments are primarily driven by the team's own independent research. This includes a thorough review of publicly available company disclosures – such as reports, website content, and policies – as well as materials provided directly for evaluation. The team also draws on insights from investor calls, direct engagement with senior management, insights from NGOs and newsflow monitoring, and its deep understanding of the company's sector and broader market dynamics.

Where appropriate, this internal analysis may be complemented by third-party ESG data sources to ensure a comprehensive view of the asset's sustainability characteristics. The research team is also responsible for monitoring news on environmental and social matters that may affect the fund's investments, both positive and negative.

As new governments are elected, or companies change their activities, merge with others, or develop new policies and practices, their suitability and risks will alter.

The research team monitors corporate news flow on a daily basis, allowing us to respond to emerging risks and controversies through engagement or divestment. The companies we hold are unlikely to change their 'spots' overnight (become coalminers, for instance) so it will be uncommon for us to sell on sustainability grounds. If the activities of a company do change, such that it is no longer suitable for the fund, the manager would seek to sell the holding within six months.

As part of our commitment to a rigorous and evidence-based approach to sustainability, we recognise that a company with strong positive alignment to one of the fund's sustainability themes may, in some cases, have less positive characteristics elsewhere in its operations. For example, an offshore wind farm developer may carry a higher risk of safety incidents due to the nature of its activities, or a bank with a strong financial inclusion strategy may have some exposure to lending in high carbon industries.

We do not expect every holding to be without fault, but we do expect that where such considerations arise, they are identified, monitored, and appropriately managed as part of our ongoing sustainability assessment. In this way, we aim to avoid investments that have a serious negative impact on society or the environment and/or those which have material unmanaged ESG risks.

Corporate equity and bonds: exclusions and negative screening

We apply negative screening to potential investments so that we avoid investing in companies that create significant negative impacts that are considered to be incompatible with sustainable development. Therefore, the funds will exclude companies that are in breach of one or more of the following criteria:

Ethical issues	Criteria for exclusion
Alcohol	The fund shall exclude companies: - Deriving over 10% of revenue from the manufacture of alcoholic beverages. - Deriving over 25% of revenue from the retail of alcoholic beverages. - Involved in serious or repeated breaches of guidelines to prevent irresponsible marketing of alcohol or harmful drinking.
Animal welfare violations: animal testing	The fund shall exclude companies: Conducting animal testing without an appropriate animal welfare violations policy, referencing the '3Rs' principles of refinement, reduction and replacement.
Animal welfare violations: fur	The fund shall exclude companies: - Deriving any revenue from the production of fur or exotic animal skins. - Deriving any revenue from the production or sale of products containing fur or exotic animal skins (either wild or farmed).
Animal welfare violations: intensive livestock farming	The fund shall exclude companies: Rearing or processing animals for food and operating without evidence of policies, management and reporting on farm animal welfare violations.
Armaments	The fund shall exclude companies: Deriving any revenue from the manufacture or sale of strategic weapons systems, munitions or combat platforms.
Gambling	The fund shall exclude companies: Deriving over 5% of revenue from the operation of betting or gambling services (including casinos, betting shops, websites or mobile apps).
Pornography	The fund shall exclude companies: - Deriving any revenue from the production of sexually explicit material. - Deriving over 5% of revenue from the distribution or sale of sexually explicit material. - Failing to implement safeguards to prevent minors from accessing adult content.
Tobacco	The fund shall exclude companies: - Deriving any revenue from the manufacture of tobacco products. - Deriving over 5% of revenue from the sale of tobacco products or the provision of specialist machinery or packaging to the tobacco industry.

Corporate equity and bonds: exclusions and negative screening (continued)

Environmental issues	Criteria for exclusion
Climate change	The fund shall exclude companies: • Operating oil and gas fields or thermal coal mines. • Operating in high-impact industries without evidence of a credible strategy to align their activities with a low-carbon transition.
Environment	The fund shall exclude companies: • Within the mining sector that are operating without appropriate management of the heightened social and environmental risks associated with the industry and without evidence of a credible strategy to align their activities with a low-carbon transition. • Involved in serious or repeated pollution incidents and/or demonstrating a material failure to manage their environmental impacts. • Linked to widespread habitat destruction or serious and unabated impacts on biodiversity.
Nuclear power	The fund shall exclude companies: • Deriving over 10% revenue from the construction of nuclear power plants. • Generating over 10% of their total electricity output from nuclear power.

Social issues	Criteria for exclusion
Employment	The fund shall exclude companies: • Showing serious or repeated failings related to health and safety, labour relations or diversity and equal opportunities.
Human rights	The fund shall exclude companies: • Involved in serious or repeated breaches of international human rights standards, including direct use of child, forced or bonded labour. • Operating in high-risk locations without implementing appropriate controls for the management of potential human rights risks.

Positive alignment analysis

To qualify for inclusion, companies and other entities that pass the negative screen must also display leading or well-developed policies and practices (operational alignment), and/or allocate capital towards the provision of products or services aligned with sustainable development (activity alignment).

Operational alignment

Our focus on operational alignment is on three principal areas:

- Employment
- Environment
- Human Rights

Entities under consideration are expected to exhibit positive action in at least one of these areas. We view this as a minimum threshold with regard to how the company operates. For more information on the types of good practice we expect from a company to achieve operational alignment please see Operational alignment detail on page 19.

Activity alignment

To qualify for activity alignment, we require companies to have significant involvement through the products or services they sell to at least one of our in-house sustainable development themes. These themes have been developed by Rathbones' Responsible Investment Centre of Excellence, including the Greenbank sustainability specialists, through the mapping of the United Nations Sustainable Development Goals (SDGs) to eight sustainable development themes and associated sub-themes. We seek to invest in alignment with these, in the process aligning investment returns with positive social and environmental commitments.

For more information and examples of activities aligned with these sustainable development themes please see Activity alignment detail on page 20.

Sustainable development themes



Habitats and ecosystems

Ambition for Action

Preserve and enhance natural systems by encouraging companies to have a net positive impact on biodiversity.



Resource efficiency

Promote a circular economy that supports sustainable levels of consumption.



Decent work

Ensure proper emphasis on the quality of jobs being created and maintained alongside their quantity.



Inclusive economies

Promote an equitable economy in which there is expanded opportunity for shared prosperity.



Energy and climate

Ambition for Action

Support decarbonisation aligned to the goals of the Paris Agreement on climate change.



Health and wellbeing

Ensure companies do not undermine the health of their beneficiaries and encourage improved health outcomes.



Innovation and infrastructure

Support infrastructure that is fit to achieve broader planetary and societal goals.



Resilient institutions

Strengthen well-functioning institutions that protect the rule of law and fundamental rights.



Operational alignment detail

Below is a more comprehensive list of examples of how companies can demonstrate operational alignment to employment, environment and human rights.

Operational alignment with sustainable development		
Issue	Attributes	Sustainable development theme
Employment	- Investment in staff training and development. - Good relationships with unions and other employee representative bodies. - Commitment to workplace communication and employee engagement; evidence of responsiveness to staff concerns. - Strong safety performance (both over time and relative to peers) and commitment to staff wellbeing. - Payment of wage rates above statutory minimums. - Good performance with regard to workplace diversity at all levels of the business. - Provision of flexible working arrangements.	Decent work
Environment	- Detailed environmental policy covering all operations, with clear guidance on its application. - Board-level oversight of environmental policy and integration of environmental considerations into business decisions. - Strong performance with respect to impact areas such as greenhouse gas emissions, and energy and resource consumption (both over time and relative to peers). - Commitment to working with suppliers and other partners to improve their environmental performance. - Innovation in products and business processes to reduce 'cradle-to-grave' impacts.	Resource efficiency Energy and climate
Human Rights	- Detailed human rights policy covering all operations, with clear guidance on its application. - Board-level oversight of human rights policy and its implementation. - Recognition of international human rights guidelines and principles. - Commitment to community engagement and consultation, and operation of appropriate grievance mechanisms. - Awareness of specific risks associated with different business activities, geographies or operating environments.	Resilient institutions

Activity alignment detail

Below are examples of activities aligned with sustainable development.

Activity alignment with sustainable development	Sustainable development theme
Major environmental sustainability challenges include climate change, resource scarcity, water security, biodiversity and ecosystem loss. Activities, products and services include (but are not limited to): • Manufacture, installation or operation of renewable or low-carbon energy infrastructure. • Industrial or domestic products or services enabling cleaner or more efficient use of energy and resources. • Promotion of the circular economy through sustainable waste recovery and recycling services, or the manufacture of products with lower lifecycle impacts. • Services or technologies to control emissions or the discharge of pollutants to land, water, or air.	Energy and climate Resource efficiency Innovation and infrastructure Habitats and ecosystems Health and wellbeing Inclusive economies
Major social development challenges include inequality, demographic change, urbanisation, access to nutrition, healthcare and other basic needs. Activities, products and services include (but are not limited to): • Provision of basic needs, such as educational products and services, water and sanitation, sustainable and public transport, or affordable housing. • Products and services that help to prevent avoidable deaths and support the ability of individuals and communities to lead healthy lives. • Products and services meeting the needs of underserved or conventionally excluded groups. • Technology and innovation that supports economic development and human well-being.	Decent work Inclusive economies Innovation and infrastructure Resilient institutions

Other asset classes

Government bonds

Governments, like companies, can have a positive or negative influence on sustainable development.

For us to invest in their bonds, issuing governments must meet at least three of the following four criteria:

- **Human rights:** The country must demonstrate a commitment to protect and respect human rights, taking into account factors such as peace and stability, respect for fundamental human rights and civil liberties.
- **Rule of law:** the country should demonstrate that rules and regulations are clear, consistent and open. No individual or institution should be above the law and fair access to justice should be protected.
- **Defence:** the country must be formally bound by four key international treaties that aim to limit the use of controversial weapons: Chemical Weapons Convention, Biological Weapons Convention, Convention on Cluster Munitions and Ottawa Treaty (land mines).
- **Climate change:** The country must be committed to reducing its contribution to climate change.

Sustainability bonds

Green bonds, social bonds, sustainability bonds, or similar bonds where the proceeds are used to achieve a positive environmental or social objective, may be eligible for inclusion in the fund.

Each is subject to the usual sustainability criteria applied to the issuer as described previously.

If the issuer itself does not pass our positive and negative screens, a bond may still be approved for inclusion in the fund on the merits of how the bond's proceeds will be used, rather than the issuer's principal activity. In these cases, we will only invest if the proceeds are clearly ring-fenced and used solely for a specific social or environmental purpose that materially reduces or offsets the issuer's exposure to whatever concern resulted in its original exclusion.

As an example, a green bond issued by an electricity company, which would ordinarily be rejected due to the company's significant involvement in the nuclear power sector, could be considered for inclusion if the proceeds of the bond are used to reduce or offset the company's exposure to nuclear energy through funding a renewable energy project.

Labelled government bonds will follow the government bond screening process outlined on page 21.

When analysing a ring-fenced bond against our criteria, we will look at:

- The issuer's green/social financing framework and whether an independent second party opinion on this has been sought (what the proceeds of the bond can be used for).
- The processes in place to govern ongoing management of proceeds from the bond (how certain can we be that the money will be used as intended).
- Full transparency on the use of proceeds through regular reporting, ideally with third party verification and reporting on impact in addition to allocation of funds (what was the money used for and what benefit did it create).
- Whether the funding is transformational for the issuer or part of 'business as usual' with a green/social label (would the activity have occurred anyway?).

The Greenbank sustainability team will also take into consideration whether the financing framework is aligned to an external standard, which can include, but is not limited to, the International Capital Market Association's Green Bond Principles and the Climate Bonds Initiative's Climate Bonds Standard and Certification Scheme.

Commodities

Investors have indirect exposure to commodities through the activities of investee companies.

For example, battery manufacturers require lithium, many food producers have exposure to palm oil, and aluminium is used in everything from trains to power transmission networks to buildings. Such exposure is assessed as part of our analysis of an organisation's sustainability performance.

Investors can also take more direct exposure to commodities to help generate returns and provide diversification to portfolios. This is done typically through investment vehicles (usually ETFs/ETCs) that either employ derivatives or buy the underlying asset (physically backed) to gain the necessary exposure. This section outlines the funds' sustainability criteria with respect to this form of investment in commodities.

The funds:

- Will not invest in fossil fuel commodities due to their impact on climate change.
- May invest in other commodities, subject to specified sustainability criteria.

Direct exposure to non-fossil fuel commodities will only be permitted if the following conditions are met:

- Transparency around the commodity's supply chain, with third party audit or other form of verification.
- Strong processes to ensure high social and environmental standards across the supply chain.
- No evidence of significant issues regarding labour rights, human rights or environmental degradation across the supply chain.
- Evidence of positive alignment with sustainability, for example local co-operatives involved in production, thereby helping to create sustainable and equitable economic growth.
- In the case of soft commodities, there is no link to food price speculation.

In practice, these requirements may result in all direct commodity investments being excluded from the funds. However, we do believe that an investment that meets the requirements set out above could have a place in a sustainable portfolio and therefore we have not excluded the asset class outright.

Property

Open ended funds are not eligible for these funds under UCITS rules. REITs are eligible and will be subject to the same sustainability criteria as equities and corporate bonds.

Collectives

We will not compromise our sustainability criteria for any holding in the funds. When we invest in collectives, the underlying long credit or equity exposure must meet the same criteria as any other holding in our funds. Therefore, we will only access collectives if we can view all of the underlying holdings to ensure that they meet our sustainability criteria.

In practice this means we are unlikely to have significant exposure to collectives.

Structured products

The following criteria apply to the fund's use of structured products:

- With regard to the underlying exposure of the products, any underlying long credit or equity exposure must meet the same criteria as any other equity or corporate bond in the funds.
- Exposure to rates, volatility and foreign exchange are deemed acceptable.
- Exposure to structured products that provide short exposure to equity and credit (used for hedging purposes) are deemed acceptable.

In addition, where a structured product involves the provision of financing to the counterparty, we also require the counterparty to meet the same criteria as any other equity or corporate bond in the funds.

The exception to this will be where, like ring-fenced green or social bonds, approval may be granted in the context of the specific use of proceeds rather than the issuer's principal activity. This would only be where proceeds are intended for a specific social or environmental purpose and where the following conditions are met:

- Identifiable use of proceeds.
- Third party validation.
- Ongoing monitoring.
- Full transparency through regular reporting.

Sustainability Disclosure Requirements and our Greenbank Standard of Sustainability

Our Greenbank proprietary scorecard, or Standard of Sustainability, allows us to methodically assess whether assets are ‘benefiting stakeholders’ and materially aligned with one of our sustainable categories. We follow the work of Impact Frontiers (more information below) and aim to identify potential investments that ‘benefit stakeholders’, as that term is understood under the Impact Frontiers’ system to classify enterprise activity and assess social and environmental impacts.

All assets in the funds must pass our negative screening and positive alignment criteria, however, those that score 10+ under the scorecard are deemed to meet our Greenbank Standard of Sustainability. Only assets that have activity alignment can achieve a score of 10+ in this model and meet our Greenbank Standard of Sustainability. These assets are eligible for investment within the 70% bucket, required under the Sustainability Focus label of SDR.

About the Impact Frontiers Classification System

Impact Frontiers, a collaborative organisation for investors, brought together over 3,000 impact practitioners and impact investors to develop a common way for investors to measure and communicate the positive and negative impact of investments on society and the environment. In 2024, Impact Frontiers facilitated a social equity audit of the Impact Management Norms through a yearlong process of expert review and public consultation.

Under the Impact Frontiers’ framework, assets that **benefit stakeholders** must operate within sustainable limits based on social norms or planetary limits backed by scientific research. This means:

- **for people**, outcomes are sustainable if they are within the acceptable range determined by societal factors or thresholds; and
- **for the environment**, outcomes are sustainable if they are within the acceptable range determined by ecological factors or thresholds.

1-9 ¹	Neutral and potential future sustainable assets Assets that do not conflict with the sustainability objective but do not yet demonstrate sufficient positive sustainability alignment to meet our Greenbank Standard of Sustainability.	Up to 30% of the fund Assets with these ratings can be held in the portfolio but only in the portion (up to 30%) used for diversification and risk management.
10+	Assets that are sustainable They meet our Greenbank Standard of Sustainability.	At least 70% of the fund Assets with these ratings can be held in the portfolio, including the portion (at least 70%) used to meet the sustainability objective.

¹ While the scorecard can theoretically return 0, an asset clearing the negative screen would be expected to receive a minimum of 1 in practice.

Appendix

Sustainability Disclosure Requirements and our Greenbank Standard of Sustainability (continued)

The detailed scorecard assessment is provided below.

Score	Sub-division	Impact Frontiers category	How we have mapped this to our sustainability objective	Profile of an example asset
1-5 ²	Not eligible for investment.	D: Does or may cause harm. Does or may cause harm to the wellbeing of a group of people or the condition of the natural environment and is not acting to reduce this harm.	These are not sustainable assets. They may breach one or more of the fund's exclusionary criteria, conflict with the sustainability objective or not demonstrate sufficient positive sustainability alignment. (In practice these assets would have been screened out before scoring.)	A company whose primary activity is the manufacture of cigarettes and other tobacco products. They have faced repeated allegations that their products are marketed to underage customers but do not have a responsible marketing and promotion policy in place that sets minimum standards at a global level. There is also no evidence of management oversight of potential human rights and environmental breaches in its supply chain, despite substantiated allegations of poor practices occurring.
	Assets that do not conflict with the sustainability objective but are unlikely to meet our Greenbank Standard of Sustainability over time.	N: Neutral.	These are not sustainable assets. They do not breach any of the fund's exclusionary criteria or conflict with the sustainability objective. They may meet responsible business standards but are unlikely to be able to meet our Greenbank Standard of Sustainability over time.	A structured product with underlying exposure to the movement of interest rates over time. There is no link to underlying assets that do or may cause harm to society or the environment and the product itself does not influence market activity to the detriment of sustainable development. A technology reseller that offers IT infrastructure, software licensing, and related services. The company complies with regulation and adopts some internal responsible business practices such as employee resource groups, but none of these policies or practices surpass baseline expectations. For example, the company has not yet introduced policies to mitigate (although minimal) its negative impacts such as reducing its carbon emissions to align with climate goals or introducing supply chain due diligence to avoid future labour violations.

² While the scorecard can theoretically return 0, an asset clearing the negative screen would be expected to receive a minimum of 1 in practice.

Sustainability Disclosure Requirements and our Greenbank Standard of Sustainability
(continued)

Score	Sub-division	Impact Frontiers category	How we have mapped this to our sustainability objective	Profile of an example asset
6-9	Assets that have the potential to meet our Greenbank Standard of Sustainability.	A: Acting to avoid harm. Does or may cause harm to the wellbeing of a group of people or the condition of the natural environment but it is taking action to reduce or mitigate this harm.	These are assets that we believe have the capacity to become sustainable over time but are not yet sustainable. They do not breach any of the fund's exclusionary criteria or conflict with the sustainability objective, but they do not yet demonstrate sufficient positive sustainability alignment to meet our Greenbank Standard of Sustainability.	A clothing company that historically paid employees at or below minimum wage and had instances of human rights abuse in its supply chain. Its operations were inefficient and carbon intensive versus peers. Two years ago, the company made a commitment to clean up its act. Since then, the company has reported meaningful increases in workforce salary and it is on its way to becoming a living wage employer. Management have taken responsibility for eradicating human rights abuses across all business relationships. This initiative is not yet complete but there has been a marked improvement year-on-year. The company has set targets to reduce its carbon emissions and has made substantial investments in new carbon efficient technologies across its manufacturing plants.
10+	Assets that meet our Greenbank Standard of Sustainability.	B: Benefiting stakeholders. Maintaining the wellbeing of one or more groups of people and/or the condition of the natural environment within the sustainable range.	These are assets that are sustainable. They meet our Greenbank Standard of Sustainability, and do not breach any of the fund's exclusionary criteria or conflict with the sustainability objective.	A carpet manufacturer that produces carpet tiles through use of environmentally friendly materials and production methods. Through various initiatives, the company has achieved net-zero carbon emissions across its operations. It is celebrated as a leading employer in terms of workforce diversity and well-being. It is the buyer and seller of choice in its industry because of its fair practices.

Appendix

Sustainability Disclosure Requirements and our Greenbank Standard of Sustainability (continued)

Score	Sub-division	Impact Frontiers category	How we have mapped this to our sustainability objective	Profile of an example asset
10+	Sustainable assets with minimum requirements on additionality and intentionality.	C: Contributing to solutions. Addressing a social or environmental challenge, not caused by the asset, by improving the wellbeing of one or more groups of people and/or the condition of the natural environment within the sustainable range.	These are sustainable assets that have the potential to create positive impact. The fund's sustainability objective does not explicitly target the delivery of measurable, positive social or environmental impacts, but it may contain assets that meet the requirements of this level.	A soap company that manufactures a range of personal hygiene products from natural ingredients. All ingredients are naturally occurring and ethically sourced. Aside from the quality of its products and service, the company's focus is on providing quality employment and training to those who otherwise find it difficult to secure a job. Over 90% of the employees are either previously long-term unemployed or registered as disabled.

The scorecard is designed so that assets achieving a 10 (or more) will be aligned with the 'benefit stakeholders' standard (or better). Below a score of 10, whilst some issuers are making substantial efforts, there is not sufficient evidence that the issuer is operating within sustainable thresholds.

The model is verified using back testing, and this is refreshed annually. Back testing comprises both a detailed manual assessment of a sample of at least 100 issuers not held within the portfolio, and a broad data-enabled assessment of the universe of issuers using third party data. Where we identify any discrepancies, we modify or recalibrate the model as required to ensure its integrity.

Sustainability Disclosure Requirements and our Greenbank Standard of Sustainability
(continued)

The scoring process

The assessment process has several components grouped into two main sections (1) The level of involvement of an asset in providing positive solutions and (2) The contribution of an asset's sustainable activities to sustainable development. We assess and score each of the considerations below and then combine them to determine an overall score for the asset.

Considerations		Scoring	Reference frameworks that inform the scoring methodology
What: The level of involvement of the assets in delivering positive solutions.			
A score of 0-6 is possible for this section. Assets are only considered for activity alignment where they derive at least 15% of their overall revenue or \$250m in total economic exposure from qualifying sustainable activities. Eligible assets need to score a minimum of 1. An asset scoring a 0 would not be eligible. This is not sufficient on its own to demonstrate that an asset is sustainable. This will be tested by the scorecard as a whole.			
1. What proportion of revenue comes from positive solutions. This recognises the proportion of an asset’s revenue that is derived from activity that aligns to our sustainability themes.	None: <15%	0	• IFRS tests of materiality; ISA 320: • Materiality in Planning and Performing an Audit. Sustainable activities aligned with the Fund’s sustainability themes are defined with reference to frameworks such as: • the EU taxonomy for sustainable activities; • third party data provider impact methodologies; • IRIS+ System metrics; • SDG targets and indicators.
	Low: 15-35%	1	
	Medium: 35-60%	2	
	High: 60-100%	3	
2. What is the absolute dollar amount of revenue from positive solutions. We recognise the absolute monetary value of an asset’s contribution (15% of a company with £50bn in revenues could create wider social or environmental benefits than 75% of a company with £100m in revenue).	None: <\$250m	0	
	Low: \$250-500m	1	
	Medium: \$0.5-1bn	2	
	High: \$1bn+	3	
Example: we see from a pharmaceutical company’s results calls that it derives \$1.2bn, which is 17.5% of its revenue, from sustainable activities. This would score 4/6.			

Appendix

Sustainability Disclosure Requirements and our Greenbank Standard of Sustainability (continued)

Considerations	Scoring	Reference frameworks that inform the scoring methodology
How much: How the asset contributes to the sustainability theme. A score of 0-15 is possible for this section. Only assets scoring at least 4 on this section, and a combined score of 10 or above across the whole scorecard, meet our standard of sustainability.		
3. How directly related are the investment's activities to the positive solutions being delivered. For example, does a company install and operate renewable energy infrastructure or does it provide components used in renewable energy equipment? Both are necessary to support a transition to a low carbon economy, but the former has a more direct link to progressing this objective.	None: Facilitating activities that are only tangentially related to the provision of sustainable solutions (such as non-tailored components).	0 <i>These frameworks and guidance provide an evidence base for the inclusion of 'directness' as a component in measuring an asset's contribution to sustainable development:</i> • <i>Social Value International Principles of Social Value;</i> • <i>Impact Frontiers;</i> • <i>Global Impact Investing Network.</i>
	Low: Facilitating activities (such as provision of finance or essential components/ services within the wider value chain of a sustainable solution).	1 <i>These frameworks and guidance inform how we score assets on this issue:</i> • <i>Global Impact Investing Network;</i> • <i>IRIS+ System metrics.</i>
	Medium: Tailored components/supporting services provided directly to the final provider of sustainable solutions.	2
	High: Direct products/ services.	3
<i>Example: we review the pharmaceutical company's report and accounts and sustainability reporting, and see that they manufacture and sell pharmaceutical products directly. They score 3/3.</i>		

Sustainability Disclosure Requirements and our Greenbank Standard of Sustainability
(continued)

Considerations	Scoring		Reference frameworks that inform the scoring methodology
4. The ‘depth’ of the positive solutions delivered. By this we mean whether the solutions provided by the investment create incremental or transformational change and whether this change is short or long-term in nature. When a positive solution has an incremental effect, the change will be small and gradual. This often looks like an improvement in delivery, efficiency, or cost. When a positive solution is transformational, it is disruptive. Often this is based on new technology or a new operational model. Positive solutions that cause transformational improvement will enable new ways of working and often change existing market dynamics.	None: No positive change.	0	<i>These frameworks and guidance provide an evidence base for the inclusion of ‘depth’ as a component in measuring an asset’s contribution to sustainable development:</i> • <i>Impact Frontiers;</i> • <i>Rockefeller Foundation – Catalytic Impact Investing (2019);</i> • <i>Stanford Social Innovation Review – The Impact of Impact Investing (2020);</i> • <i>Social Value International Principles of Social Value.</i> <i>These frameworks and guidance inform how we score assets on this issue:</i> • <i>Global Impact Investing Network;</i> • <i>SDG targets and data indicators;</i> • <i>IRIS+ System metrics.</i>
	Low: Short-term and incremental positive change.	1	
	Medium: Long-term/ incremental or short-term/ transformational positive change.	2	
	High: Long-term and transformational positive change.	3	
<i>Example: we assess the therapeutic areas and potential quality of life improvements that the medicine provided by the pharmaceutical company will provide. This will provide long-term, transformational positive change, and so the company scores 3/3.</i>			
5. The ‘breadth’ of the positive solutions delivered. For example, do the solutions provided by the investment deliver benefits to a small population, a larger population across multiple geographical regions, or on a global scale?	None: Negligible scope of impact.	0	<i>These frameworks and guidance provide an evidence base for the inclusion of ‘breadth’ as a component in measuring an asset’s contribution to sustainable development:</i> • <i>Impact Frontiers;</i> • <i>Global Impact Investing Network;</i> • <i>Social Value International Principles of Social Value.</i> <i>We score assets on this issue by considering factors such as geographic scale, market share, and population served.</i>
	Low: Narrow scope of impact (geographical for environmental or number of people impacted for social).	1	
	Medium: Moderate scale of impact (geographical for environmental or number of people impacted for social).	2	
	High: Wide scope of impact (geographical or number of people impacted).	3	
<i>Example: after analysing the geographic revenue breakdown and reported operating segments of the pharmaceutical company, we determine that the medicine it provides serves patients on a global scale. The company scores 3/3.</i>			

Sustainability Disclosure Requirements and our Greenbank Standard of Sustainability
(continued)

Considerations	Scoring		Reference frameworks that inform the scoring methodology
6. The ‘intentionality’ of sustainability alignment. Is the company delivering sustainability benefits as a by-product of its core business activities or is it specifically and intentionally targeting (within a profit-driven model) given social or environmental benefits?	None: Generating positive impact as a by-product of core activities.	0	<i>These frameworks and guidance provide an evidence base for the inclusion of ‘intentionality’ as a component in measuring an asset’s contribution to sustainable development:</i> • <i>Impact Frontiers;</i> • <i>Global Impact Investing Network;</i> • <i>Social Value International Principles of Social Value.</i> <i>We score assets on this issue by considering factors such as integration of sustainability into core business strategy, linkages with executive pay, and evidence of ‘mission locks’ such as B Corp status.</i>
	Low: Commitment to intentionally targeting a positive impact has been in place for at least 18 months.	1	
	Medium: Long-term commitment to intentionally targeting a positive impact.	2	
	High: Long-term commitment to intentionally targeting a positive impact, with evidence of mission lock.	3	
<i>Example: we conduct research and engage with the pharmaceutical company. From the independent Access to Medicine Index and insights from company engagement, we find that the company is leading the approach to improve access to medicine in least developed countries. The company scores 3/3.</i>			
7. The ‘additionality’ of sustainability benefits. This is a measure of whether the benefits created are likely to have occurred anyway and the degree to which they are additional to the status quo.	None: Meets no conditions for high.	0	<i>These frameworks and guidance provide an evidence base for the inclusion of ‘additionality’ as a component in measuring an asset’s contribution to sustainable development:</i> • <i>Impact Frontiers;</i> • <i>Global Impact Investing Network;</i> • <i>Social Value International Principles of Social Value.</i> <i>These frameworks and guidance inform how we score assets on this issue:</i> • <i>Rockefeller Foundation – Catalytic Impact Investing (2019);</i> • <i>Stanford Social Innovation Review – The Impact of Impact Investing (2020).</i>
	Low: Meets one of the three conditions for high.	1	
	Medium: Meets two of the three conditions for high.	2	
	High: • <i>Targeting unmet needs;</i> • <i>Accelerating wider industry change;</i> • <i>Delivering a product or service that has a materially greater positive impact than peers and where those peers face barriers that limit their ability to rise to this standard.</i>	3	
<i>Example: we find no evidence from our research or engagement with the pharmaceutical company that it is providing additionality that would accelerate industry change more widely. The company scores 0/3.</i>			

Additional information

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