RATHBONES

Climate statement

Rathbones Charity Growth
& Income Fund

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Our approach to climate change

At Rathbones, we recognise the urgent need to address climate change and the critical role investors play in driving the transition to a low-carbon economy. As a signatory to the Net Zero Asset Managers Initiative, we are committed to achieving net zero emissions across our investments by 2050 or sooner, supported by clear and measurable interim targets.

Our approach begins with a robust framework for assessing climate-related risks and opportunities. Climate change is integrated from the top down into our long-term capital market assumptions, ensuring it informs strategic asset allocation decisions. At the company level, our analysts conduct detailed assessments of current climate performance, projected trajectories, and the financial implications of the transition – including both the costs and the opportunities presented by a low-carbon future.

But analysis alone is not enough. We believe in engaging for change. Our focused engagement strategy is designed to drive real-world emissions reductions. We engage directly with companies to encourage meaningful progress, and we collaborate with other investors to amplify our voice on key issues. This is complemented by active participation in policy and regulatory dialogues, where we call for the systemic changes needed to support a just and effective transition.

Through this integrated approach - combining rigorous analysis, strategic engagement, and public policy advocacy - we aim to deliver long-term value for our clients while advocating for a more sustainable future.

Integrating climate change into investment analysis

We recognise that no single metric can capture the full complexity of climate-related risks and opportunities. That's why we take a multi-faceted approach, combining financial analysis with ethical, sustainable, and impact research to understand how investments are both influenced by, and contribute to, climate change.

This integrated view helps us position portfolios to be resilient to climate risks, and also to benefit from the opportunities presented by the transition to a low-carbon economy.

Our analysis is structured around four core categories, each offering a distinct lens through which we evaluate companies:

1. Net zero alignment: We assess how closely a company's strategy aligns with a credible net zero pathway. We consider factors such as ambition, targets, emissions performance, disclosure, decarbonisation strategy and capital allocation.

2. Transition costs: We use scenario analysis and climate value-at-risk data to understand the financial implications of transitioning to net zero. This also helps us understand the feasibility of company transition plans.

3. Climate opportunities: We consider a company's potential to capture growth in low-carbon markets.

4. Impact potential: Beyond financial metrics, we assess a company's real-world contribution to decarbonisation, climate solutions and climate adaptation.

Putting people at the heart of the net zero transition

The term 'just transition' reflects the recognition that climate action must go hand-in-hand with social justice. As economies shift away from greenhouse gas-intensive activities, it is essential that people and communities are placed at the centre of a more sustainable economy.

A just transition seeks to ensure that the move to a low-carbon economy respects human rights, supports livelihoods, and promotes inclusive growth. It can also be a critical enabler of climate progress as it counters the view that climate action must always comes at a social cost.

That's why we adopt an integrated approach to responsible investment: one that does not treat environmental, social, and governance issues as separate silos, but as interconnected dimensions of sustainability.

Investors have a vital role to play in shaping a fair and inclusive transition. This includes:

- **Setting clear expectations** for companies to embed just transition principles into their business models and governance systems.
- **Engaging with companies** on their social impact alongside climate dialogue. For example, by discussion how they support workers through reskilling, retraining, and redeployment as business strategies shift to lower carbon operations.
- **Assessing corporate performance** on social metrics such as decent work, supply chain management, and community engagement.

Stewardship for a Net Zero future

Achieving net zero emissions by 2050, and limiting global warming in line with the ambitions of the Paris Agreement, requires a dramatic shift in corporate and investor behaviour. Scientific consensus indicates that global greenhouse gas (GHG) emissions must halve by 2030, demanding the rapid adoption of ambitious short-term targets by companies across all sectors.

This unprecedented challenge calls for a transformation in stewardship practices. While private dialogue with companies will remain a valuable tool, it is increasingly important for investors to set out clear, time-bound objectives for their engagement and be prepared to escalate activity where progress stalls. Stewardship must evolve from passive oversight to active influence, with accountability, transparency, and measurable impact at its core.

At Rathbones, we embrace this responsibility. Our stewardship approach is designed to drive real-world emissions reductions, support credible transition plans, and advocate for the policy and regulatory changes needed to enable systemic transformation. We believe that meaningful engagement, backed by clear expectations and a willingness to escalate, is essential to delivering climate-aligned outcomes for our clients and for society.

Initial dialogue:
Engagement meetings formal correspondence.

Collaborative Action:
Working with other investors and stakeholders to amplify our message.

Ongoing Discussion:
Regular meetings and escalation to senior management.

Strategic Voting:
Using AGM Votes to hold boards to account.

Divestment:
Where insufficient progress is made, companies may become candidates for divestment.

Engagement case study
National Grid

Collaborating with the investor-led Climate Action 100+ initiative, our engagement with National Grid focused on a range of topics including the company's long-term capital expenditure required to support the net zero transition, its efforts to accelerate connections to the UK grid, approaches to responsible lobbying, the future plans for its US business, and the alignment of management incentives with its net zero strategy. National Grid's response highlighted its progress to enhance transparency across its lobbying activities, its development of a long-term climate transition plan, and its work with the government's Climate Transition Taskforce to establish a 2050 net zero target. The company also published a review of its trade association memberships to assess how well these organisations aligned with National Grid's decarbonisation strategy. Using metrics related to support for the energy transition, commitment to the Paris Agreement, carbon pricing, transport decarbonisation and energy efficiency, the review found that 31 trade associations were aligned with National Grid, four were partially aligned, and none were misaligned. National Grid committed to future engagement with partially aligned organisations to bring them fully in line with the company's net zero position.

Engagement case study

Encouraging net zero alignment

We prioritised companies for engagement based on several factors including:

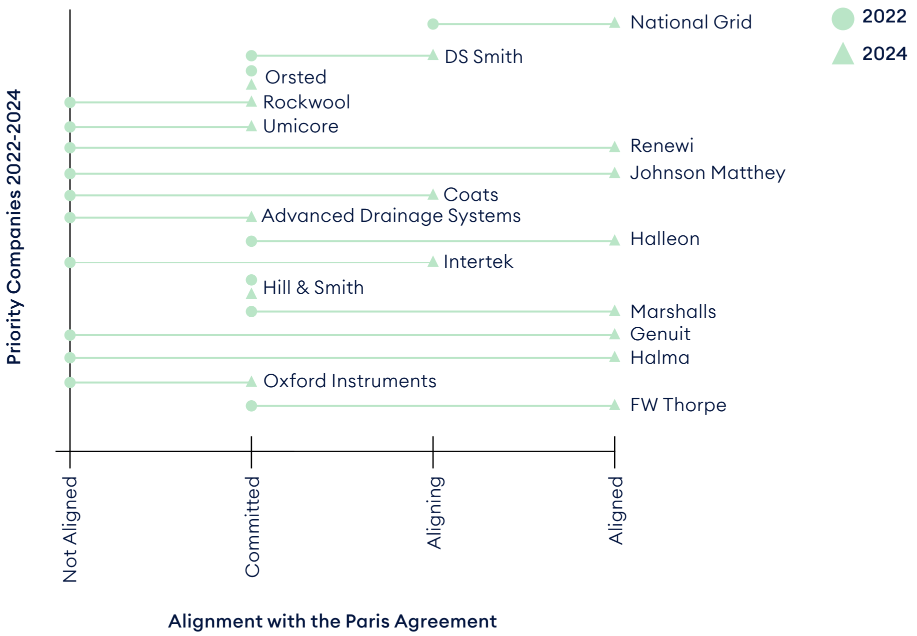
- the contribution of each holding to our overall financed emissions
- the size of holding
- degree of alignment with the NZIF, absolute Scope 1, 2 and 3 emissions – past engagement success.

Each priority company received an engagement letter outlining investor expectations, sharing details of our assessment of their current alignment with NZIF, and highlighting any identifiable gaps in their alignment strategies. In some cases, we requested further dialogue to discuss our concerns over the company's pace of change.

In 2024, we sent letters to 65 companies outlining our assessment of their alignment to net zero, investor expectations, and our core and supplementary engagement criteria. We also asked companies for written responses detailing how they were addressing identifiable gaps in their progress to net zero. The letters were tailored depending on the company's current level of net zero alignment. Through the year, we received 43 responses and recorded a 20% increase in the number of companies in our engagement universe registered as 'aligned' or 'aligning' to net zero.

Net zero engagement outcomes 2022-24

The following graph illustrates how the net zero alignment status has improved over time. It shows results for all companies that have consistently been an engagement priority for Greenbank since 2022.



Climate dashboard

Total carbon footprint

The total carbon emissions of the fund (Scope 1+ Scope 2) divided by the total value of the fund.

This is calculated in tonnes CO2e divided per £M invested.

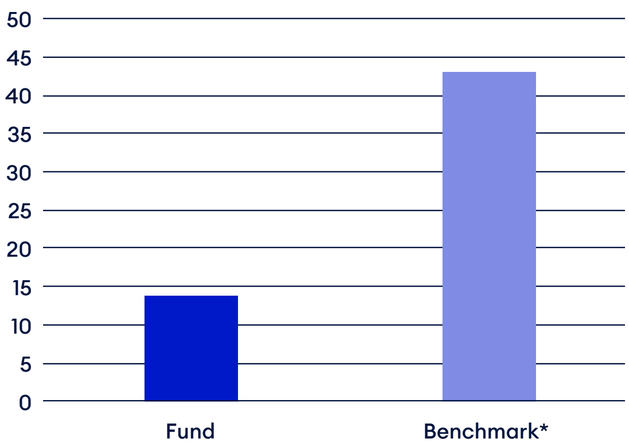
September 2025	
Fund	**Benchmark***
13.9 Tonnes $CO^{2}e$/£M Invested	**43.0** Tonnes $CO^{2}e$/£M Invested
Data coverage: **84.6%**	Data coverage: **99.6%**

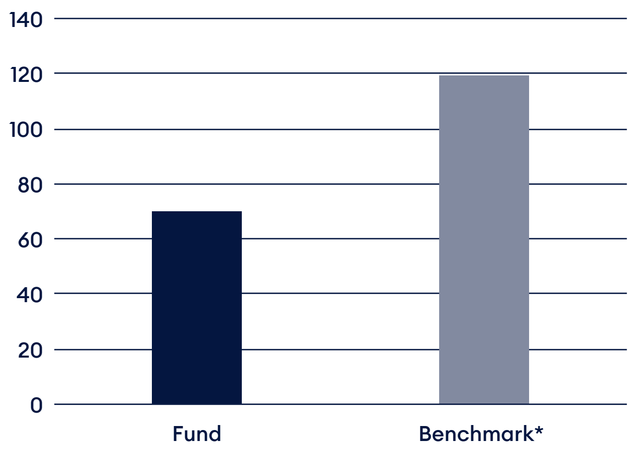
Weighted average carbon intensity (WACI)

The carbon intensity of the fund weighted by the amount invested in each company, which serve as a measurement of emissions performance of the fund (for Scope 1+ Scope 2).

This is calculated in tonnes CO2e divided by £m sales.

September 2025	
Fund	**Benchmark***
70.3 Tonnes $CO^{2}e$/£M Sales	**119.5** Tonnes $CO^{2}e$/£M Sales
Data coverage: **84.6%**	Data coverage: **99.6%**





Implied temperature rise

The implied temperature rise (ITR) is a forward-looking metric which provides an indication of how well the fund aligns with the ambitions of the Paris Agreement.

2.5°C

Rathbones Charity Growth & Income Fund

Paris Agreement target: 1.5 – 2°C

Benchmark*: 3.1°C

Source: Rathbones, MSCI, September 2025

* FTSE World

Get in touch

Contact us today for a confidential, no obligation review of your charity's investments.

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Unless otherwise stated, the information in this document was valid at September 2025.

Rathbones Group Plc is independently owned, is the sole shareholder in each of its subsidiary businesses and is listed on the London Stock Exchange.

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