

Portfolio ethical & sustainability characteristics

University of Bristol

30 June 2021

There are many different terms used to describe responsible, sustainable and impact investment approaches, with no universally accepted definition or terminology for each.

We have adapted our definitions of different types of investment from the taxonomy outlined in Bridges Spectrum of Capital.



Fundamental to our approach to investment is our belief that companies demonstrating strong social and environmental management and good corporate governance, whilst also providing products and services that meet the needs of a changing world are likely to be good long term investments.

We are active across the four categories above of Responsible, ESG/Sustainability Leadership, Thematic, and to a lesser extent Impact First. We primarily manage portfolios which are a blend of different approaches, encompassing elements of these four categories.

In practice, we consider the boundaries between the different approaches to be gradual rather than clearly delineated.

Rathbone Greenbank Investments

Dedicated to ethical and sustainable investment

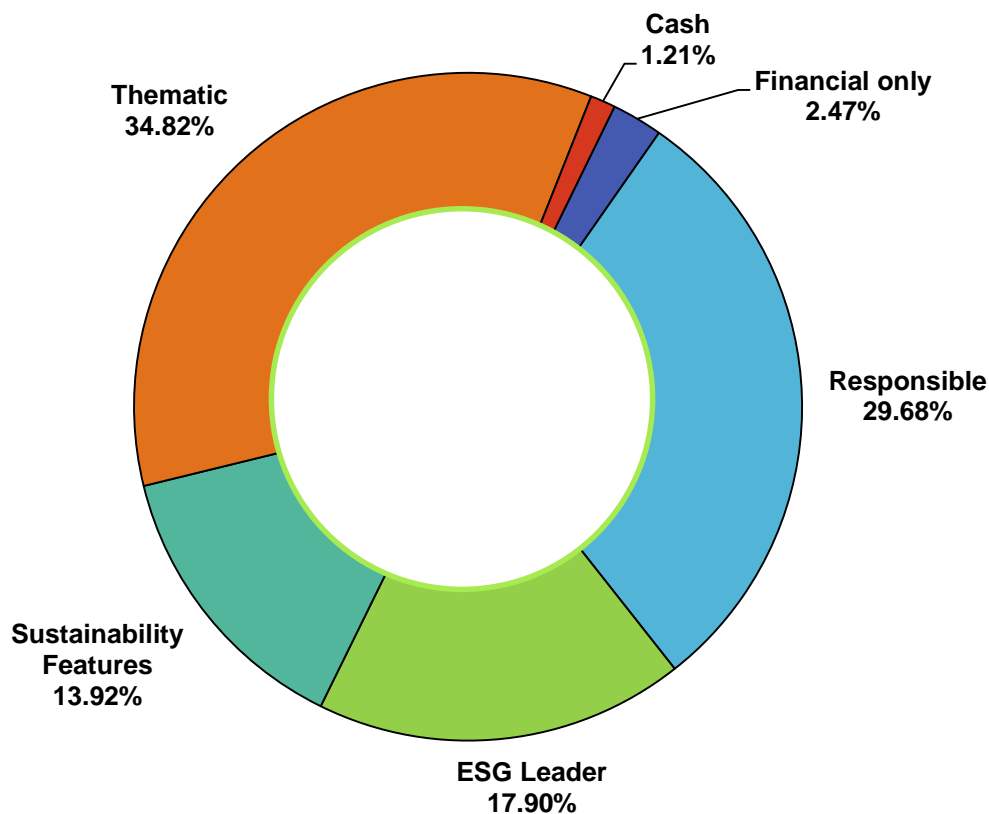
Portfolio by investment type

Using the above framework, we have categorised the portfolio holdings based on whether their positives are primarily ethical (Responsible, ESG Leader) or linked to sustainability (Sustainability Features, Thematic).

Holdings classified as 'Financial only' have no clear positive ethical or sustainability attributes, and may or may not have negative attributes. We also classify government bonds within this category.

Note: Across all categories, we expect investments to deliver market rate financial returns. Those holdings classified as Responsible, ESG Leader, Sustainability Features or Thematic deliver social, environmental or sustainability returns *in addition to* financial returns.

It is only within the category of 'Impact First' investing that some trade-off between financial and social/environmental returns is accepted.



Rathbone Greenbank Investments

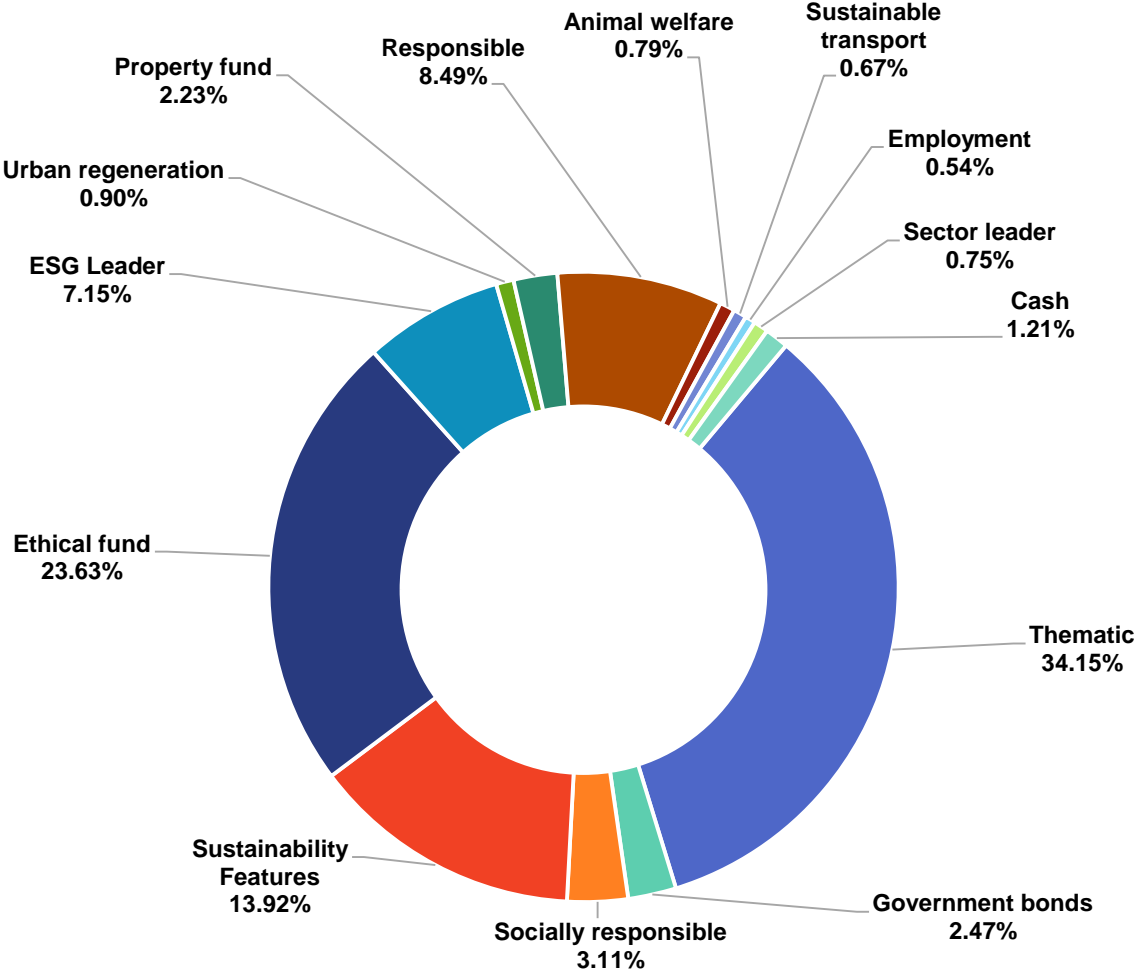
Dedicated to ethical and sustainable investment

Portfolio ethical characteristics

51.25% of the portfolio is classified as ESG Leader, Responsible, Financial Only and Cash.

These holdings are not directly linked to sustainability solutions via the products and services they provide. However, many have significant positive attributes associated with the way in which they operate, for example employment practices, environmental management or supply chain oversight.

Below, we set out the primary ethical attributes for this section of the portfolio.



Rathbone Greenbank Investments

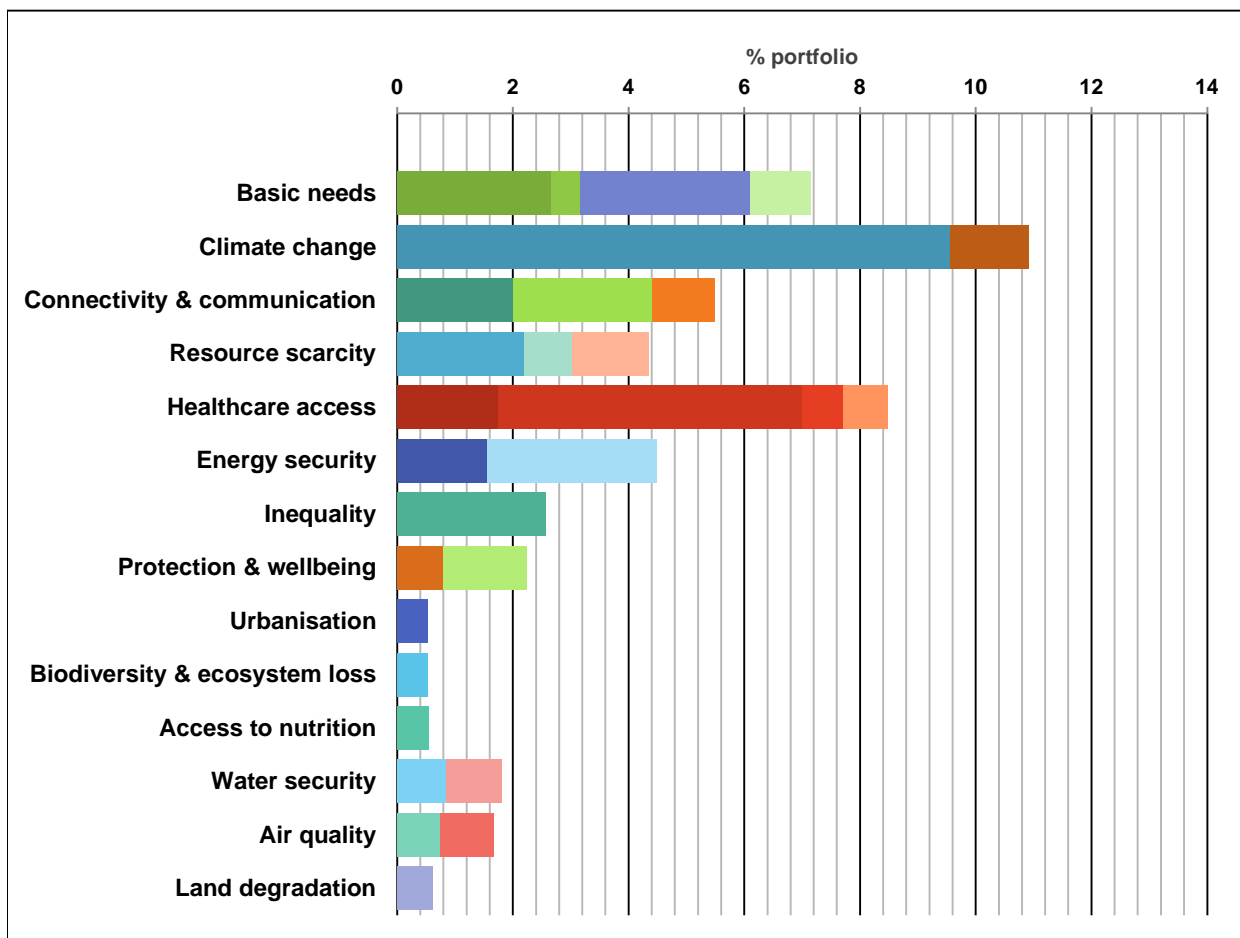
Dedicated to ethical and sustainable investment

Portfolio sustainability attributes

The positive element of Rathbone Greenbank’s ethical research process recognises key global sustainable development trends and seeks to identify investable companies with exposure to these.

Below, we show the percentage of the portfolio which is invested in holdings addressing these challenges, further broken down by the nature of the solution offered. For example: companies responding to the challenge of climate change may be involved in renewable or low-carbon energy, or the provision of other mitigation solutions; companies responding to the challenge of inequality may be providing support for minority or conventionally excluded groups, or promoting financial inclusion.

This analysis covers the 48.75% of the portfolio classified as Sustainability Features, Thematic or Impact First.



The table overleaf acts as a key to the chart.

For each bar of the chart (representing a challenge), the table shows the corresponding detail on exposure to particular solutions. The segments of each bar - left to right – appear in the same order as the table, read from top to bottom.

Many companies provide solutions to more than one challenge, but this chart shows only the primary challenge to which a company is linked in order to avoid double-counting.

Rathbone Greenbank Investments

Dedicated to ethical and sustainable investment

Challenge

	% Portfolio
Basic needs	7.33
Social & affordable housing	2.67
Sustainable transportation	0.67
Infrastructure for sustainable development	2.94
Educational products & services	1.05
Climate change	10.91
Renewable or low-carbon energy development	9.55
Mitigation technologies	1.36
Connectivity & communication	5.49
Innovation in IoT or remote services for environmental benefit	2.01
Innovation in IoT or remote services for social benefit	2.40
Digital economy	1.08
Resource scarcity	5.02
Materials or products that enhance resource efficiency in manufacture & use	2.86
Improved waste recovery & recycling	0.83
Circular economy, product stewardship & industrial ecology	1.33
Healthcare access	8.47
Improving access to pharmaceuticals or healthcare infrastructure in LDCs	1.75
Pharmaceuticals & healthcare provision	5.26
More effective & affordable treatments for major disease areas	0.69
Improved access to, or affordability of, medical technology	0.77
Energy security	4.49
Energy efficiency	1.56
More efficient energy distribution	2.93
Inequality	1.28
Financial inclusion	1.28
Protection & wellbeing	1.45
Products & services helping to prevent avoidable deaths & support ability to lead healthy lives	1.45
Biodiversity & ecosystem loss	0.53
Products, services & business models with lower biodiversity impacts	0.53
Access to nutrition	0.54
Reducing food waste through value chain	0.54
Water security	0.96
Promote demand-side efficiency and/or reduce pressure on potable water supplies	0.96
Air quality	1.66
Alternatives to high emissions processes and technologies	0.74
Screening & filtering technologies	0.92
Land degradation	0.62
Remediation of contaminated land	0.62
Grand Total	48.75