



Access – The Foundation for Social Investment

Impact Report – June 2019 - Appendices

Rathbones
Look forward

Appendices

Contents

Appendix A

- Measuring impact – methodology
- The impact of underlying investments – data tables
- Engagement activity
- Impact by theme:

Health and wellbeing	Inclusive economies	Innovation and infrastructure	Energy and climate
Decent work	Resource efficiency	Resilient institutions	

Appendix B

- Impact report cards for holdings in Tiers 1-3
- Ethical profiles for holdings in Tier 4
- Glossary of acronyms and abbreviations



Appendix A – portfolio impact and impact methodology detail

Measuring impact – methodology

Introduction

Rathbone Greenbank Investments, which provides the impact analysis and reporting for the fund, has been an active participant in the Impact Management Project (<https://impactmanagementproject.com/>) since its inception.

In the context of these appendices, the use of “we” refers to Rathbone Greenbank Investments in all instances.

The IMP is a global forum aiming to build consensus on how to measure, manage and report impact as it relates to investments.

The IMP framework that has been followed breaks impact down into two primary categories:

1. The positive impact generated by investee organisations (investee impact);
2. The actions of the investor in supporting investee companies, and the market as a whole, to deliver positive impact (investor impact).

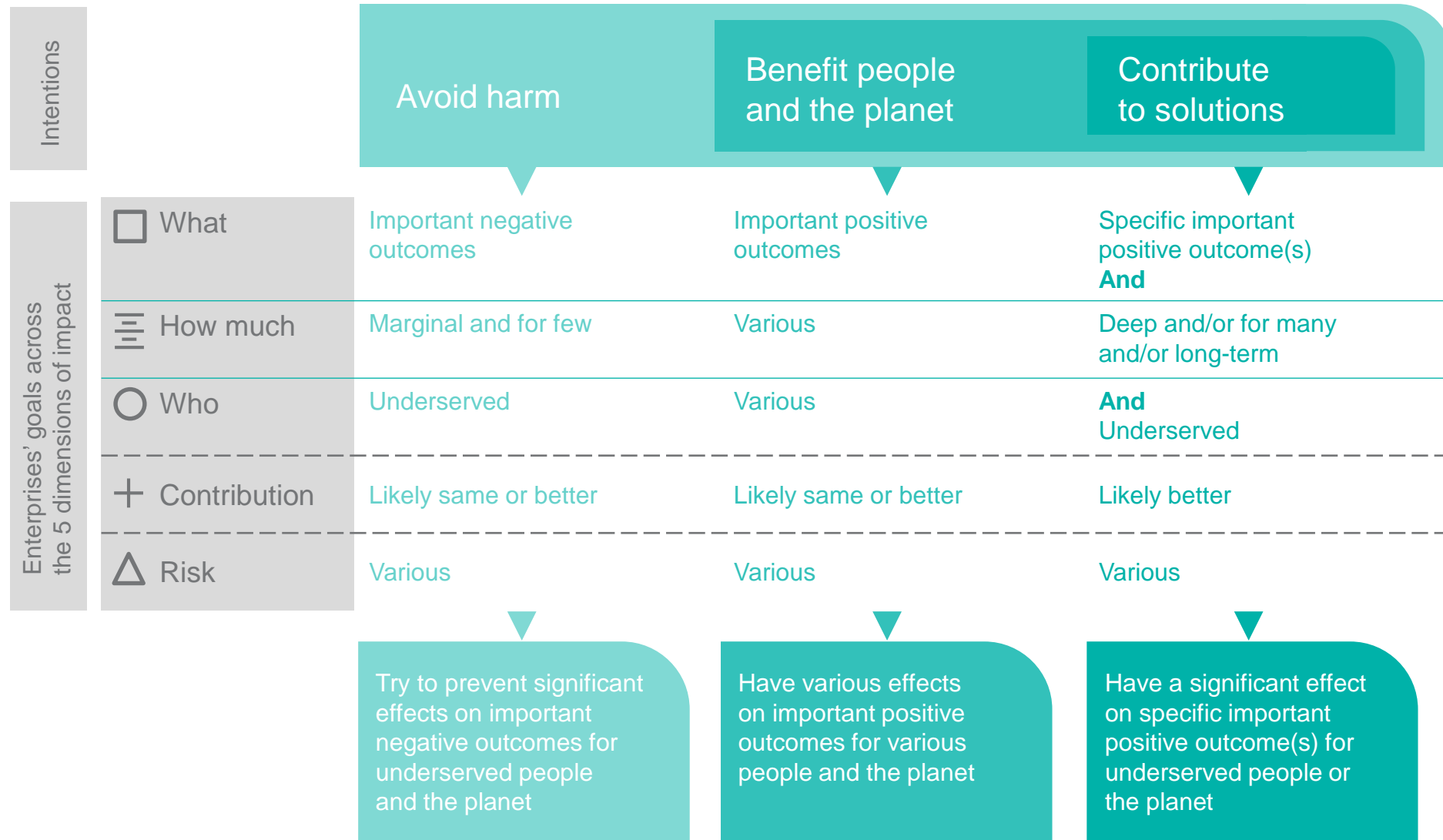
The following pages set out how we have adapted the IMP framework to guide our decision-making and to enable us to measure and report on impact in a consistent way across a portfolio of investments that exhibits significant diversity of impact theme, depth of impact, structure of investee organisation and quality of investee impact reporting.

In addition, we are aware of the dual role of impact assessment:

- firstly, to provide a snapshot of portfolio impact at a given time, and show changes over time;
- secondly, to guide engagement and investment decisions and priorities to help shift the investment market towards more impactful ways of operating.

The impact of underlying investments – impact methodology

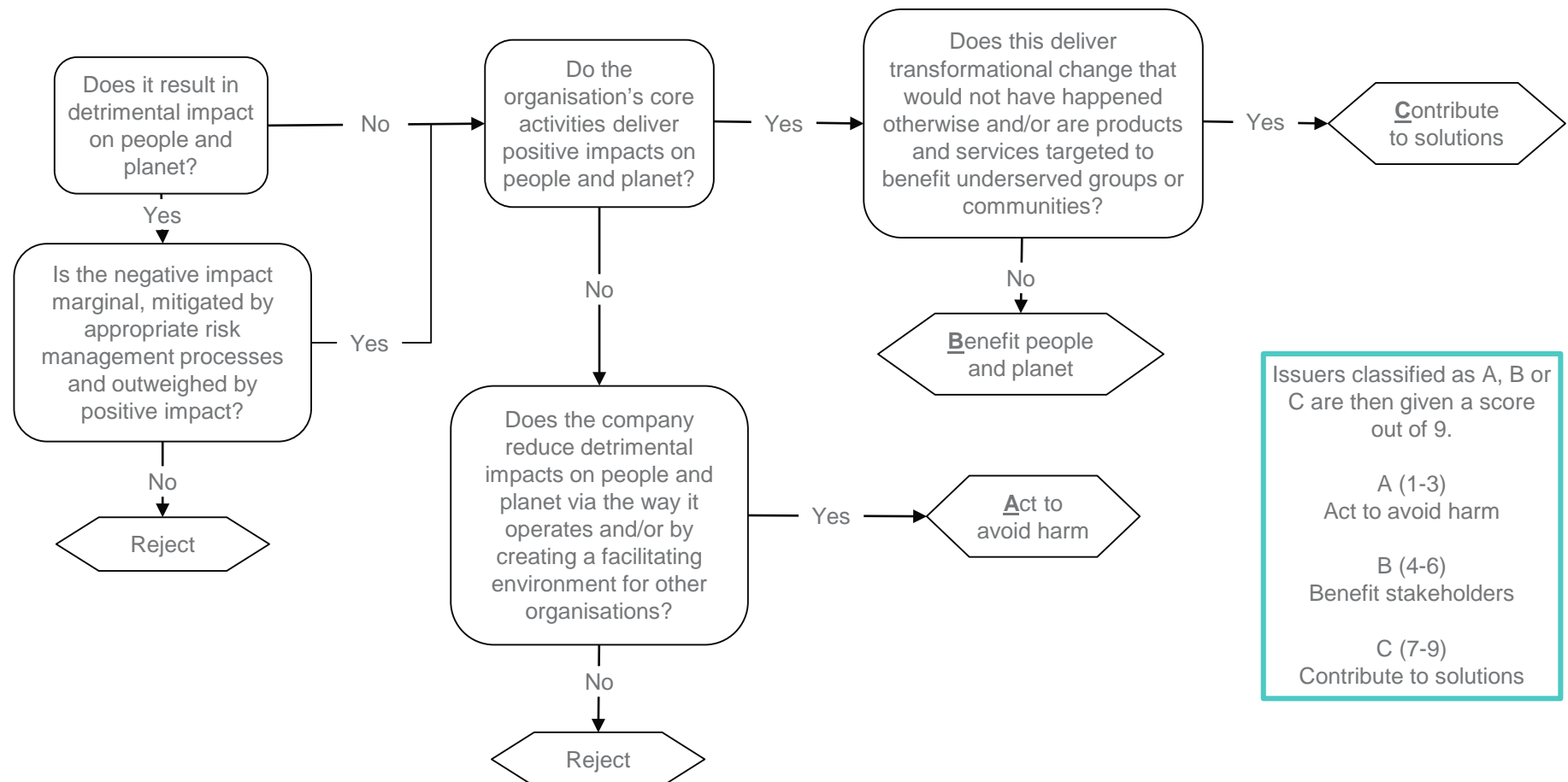
Developing a common language for impact



The impact of underlying investments – impact methodology

Issuer impact assessment decision tree

Classifies the impact of *investee enterprises*



The impact of underlying investments – impact methodology

Investor contribution

Classifies the impact of *the investor*

Flexible

Provide flexible capital: recognise that certain types of enterprises will require acceptance of lower risk-adjusted return in order to generate certain kinds of impact.

Grow

Grow new/undersupplied capital markets: anchor or participate in new or previously overlooked opportunities that offer an attractive impact and financial opportunity

Engage

Engage actively: use expertise and networks to improve the environmental/societal performance of businesses.

Signal

Signal that impact matters: choose not to invest in or to favour certain investments

Measuring impact – methodology

Introduction

The tables on the following pages show details of the full range of investments made by Rathbones on behalf of Access as at 30 September 2016 and 30 June 2019, respectively.

For each date, we show the composition of the portfolio along two axes:

1. X axis shows the impact of the underlying investments, categorised into the A, B, C classification, as explained on page 5.
 - This is further broken down using a numerical 0-9 scale to enable greater granularity in impact classification.
2. Y axis shows the impact of Rathbones, on behalf of Access, as an investor in each organisation, using the classification set out on page 7.

The charts are then followed by a data table showing details of individual investments.

Over time, we have seen the portfolio gradually shift towards more impactful investments as we have sought out suitable, high impact investment opportunities.

The impact of underlying investments – Access Endowment Fund

Portfolio impact mapping – September 2016

%	Company Name	Name	ABC	Impact score (0-9)	Investor contribution total	Theme	Sub-theme
5.38	Aberdeen Standard Ethical Corp	ABERDEEN STANDARD FUND MGRS Ethical	A	1	1	Collective - multiple themes	Responsible
2.26	A2Dominion	A2D FUNDING PLC 4.75% Bonds 18/10/2022	B	4	3	Inclusive economies	Basic needs
0.30	A2Dominion	A2D FUNDING II PLC 4.5% Bonds 30/09/2026	B	4	3	Inclusive economies	Basic needs
2.39	African Development Bank	AFRICAN DEVELOPMENT BANK 0.875% Snr 1	B	6	1	Innovation and infrastructure	Supporting human wellbeing
1.59	African Development Bank	AFRICAN DEVELOPMENT BANK 1.125% Snr 1	B	6	1	Innovation and infrastructure	Supporting human wellbeing
1.87	Aggregated Micro Power Infras	AGGREGATE MICRO POWER 8% Notes 17/10	B	4	3	Energy and climate	Energy security
2.26	AXA	AXA GROUP 7.125% Sub Notes 15/12/2020	A	2	1	Energy and climate	Operational alignment (Climate)
2.65	BlueOrchard Microfinance	BLUE ORCHARD INVESTMENT MGRS Microfi	B	6	1	Inclusive economies	Inclusive economies
4.11	Bupa	BUPA FINANCE PLC 5% Bonds 25/04/2023	A	3	2	Health and wellbeing	Healthcare access
3.40	EdenTree Amity Sterling Bond	EDENTREE INV MGMT Amity Sterling Bd Instl	A	1	1	Collective - multiple themes	Responsible
3.25	Aviva	FRIENDS LIFE GROUP PLC 8.25% MTN 21/04	A	2	1	Energy and climate	Operational alignment (Climate)
0.46	Hightown Housing Association	HIGHTOWN PRAETORIAN & CHURCHES 4.4%	B	5	2	Inclusive economies	Basic needs
2.09	3i Group	3I GROUP PLC 6.875% Bonds 9/03/2023	A	1	1	Decent work	Operational alignment (Employment)
0.67	International Finance Facility f	INTL FIN FAC FOR IMMUNISATION 3.1% Snr 2	C	8	1	Health and wellbeing	Healthcare access
8.07	Kames Ethical Corporate Bond	KAMES CAPITAL Ethical Corp Bond B Instl Inc	A	1	1	Collective - multiple themes	Responsible
1.11	KfW	KREDITANST FUR WIE 5.5% MTN 18/6/2025	B	6	1	Innovation and infrastructure	Supporting human wellbeing
3.23	Landsec	LAND SECURITIES CAP MARKETS 1.974% M	A	1	1	Energy and climate	Operational alignment (Climate)
3.39	Lloyds Bank ESG Bond	LLOYDS BANK PLC 2.5% MTN 1/06/2022 (ES	B	5	2	Inclusive economies	Basic needs
2.90	London & Quadrant Housing	LONDON & QUADRANT HOUSING TST 2.62	B	5	2	Inclusive economies	Basic needs
1.25	Marks & Spencer	MARKS & SPENCER PLC 4.75% Bonds 12/06	A	2	2	Energy and climate	Operational alignment (Environmental management)
3.31	Motability Operations	MOTABILITY OPERATIONS GROUP 5.375% B	B	5	2	Inclusive economies	Inclusive economies
6.33	Motability Operations	MOTABILITY OPERATIONS GROUP 6.625% M	B	5	2	Inclusive economies	Inclusive economies
1.72	Motability Operations	MOTABILITY OPERATIONS GROUP 3.75% MT	B	5	2	Inclusive economies	Inclusive economies
1.04	Places for People	PLACES FOR PEOPLE 5% MTN 27/12/2016	B	6	2	Inclusive economies	Basic needs
5.10	Places for People	PLACES FOR PEOPLE 5.09% Sec Bonds 31/0	B	6	2	Inclusive economies	Sports & leisure
2.67	Places for People	PLACES FOR PEOPLE 2.875% Snr 17/08/202	B	6	1	Inclusive economies	Basic needs
9.28	Rathbone Ethical Bond	RATHBONE UNIT TRUST MGMT Ethical Bond	A	1	1	Collective - multiple themes	Responsible
4.34	Severn Trent	SEVERN TRENT UTILITIES FINANCE 6.125%	A	3	1	Resource efficiency	Water security
1.76	Svenska Handelsbanken	SVENSKA HANDELSBANKEN 2.75% Snr EMT	A	1	1	Decent work	Operational alignment (Employment)
1.13	Transport for London Green Bond	TRANSPORT FOR LONDON 2.125% Bonds 2	B	4	1	Innovation and infrastructure	Supporting environmental sustainability
3.17	Wellcome Trust	WELLCOME TRUST FINANCE 4.75% Bond 28	C	7	1	Health and wellbeing	Healthcare access
7.54	Cash	Cash	0	0	0	Cash	Cash

The impact of underlying investments – Access Endowment Fund

Portfolio impact mapping – June 2019

%	Company Name	Name	Bull's eye Tier	ABC	Impact score (0-9)	Investor contribution total	Theme	Sub-theme
1.86	Aberdeen Standard Ethical Corp B	ABERDEEN STANDARD FUND MGRS Ethical Corp Bond Instl Inc	4	A	1	1	Collective - multiple themes	Responsible
5.21	A2Dominion	A2D FUNDING PLC 4.75% Bonds 18/10/2022	1	B	4	4	Inclusive economies	Basic needs
1.59	A2Dominion	A2D FUNDING II PLC 4.5% Bonds 30/09/2026	1	B	4	4	Inclusive economies	Basic needs
0.59	Anglian Water Green Bond	ANGLIAN WATER SERVICES 1.625 Gtd Snr Sec MTN 10/08/25	3	B	4	1	Resource efficiency	Water security
1.17	Asian Development Bank	ASIAN DEVELOPMENT BANK 0.75 MTN 24/03/2022	3	B	6	1	Innovation and infrastructure	Supporting human wellbeing
1.76	AXA	AXAGROUP 7.125% Sub Notes 15/12/2020	4	A	2	1	Energy and climate	Operational alignment (Climate)
2.56	BlueOrchard Microfinance	BLUE ORCHARD INVESTMENT MGRS Microfinance D Fund Acc (GB	3	B	6	2	Inclusive economies	Inclusive economies
3.63	Bupa	BUPA FINANCE PLC 5% Bonds 25/04/2023	4	A	3	2	Health and wellbeing	Healthcare access
4.83	Dolphin Living	DOLPHIN SQUARE CHARITABLE FD 4.25% Bond 6/07/2026	1	C	7	4	Inclusive economies	Basic needs
3.96	EdenTree Amity Sterling Bond	EDENTREE INV MGMT Amity Sterling Bd Instl B Inc	4	A	1	1	Collective - multiple themes	Responsible
2.95	Aviva	FRIENDS LIFE GROUP PLC 8.25% MTN 21/04/2022	4	A	2	1	Energy and climate	Operational alignment (Climate)
0.33	Golden Lane Housing	GOLDEN LANE HOUSING LTD 4.375% Bonds 29/07/2021	1	C	9	3	Inclusive economies	Inclusive economies
6.65	Greensleeves Care	GREENSLEEVES HOMES TRUST 4.25% Bonds 30/03/2026	1	B	5	2	Inclusive economies	Inclusive economies
2.94	Hightown Housing Association	HIGHTOWN PRAETORIAN & CHURCHES 4.4% Bond 30/04/2025	1	B	5	2	Inclusive economies	Basic needs
1.68	3i Group	3i GROUP PLC 6.875% Bonds 9/03/2023	4	A	1	1	Decent work	Operational alignment (Employment)
4.37	Kames Ethical Corporate Bond	KAMES CAPITAL Ethical Corp Bond B Instl Inc	4	A	1	1	Collective - multiple themes	Responsible
0.89	KfW	KREDITANST FUR WIE 5.5% MTN 18/6/2025	3	B	5	1	Innovation and infrastructure	Supporting human wellbeing
1.19	Landsec	LAND SECURITIES CAP MARKETS 1.974% MTN 8/02/2024	4	A	2	1	Energy and climate	Operational alignment (Climate)
3.15	Lloyds Bank ESG Bond	LLOYDS BANK PLC 2.5% MTN 1/06/2022 (ESG)	3	B	6	2	Inclusive economies	Basic needs
4.65	London & Quadrant Housing	LONDON & QUADRANT HOUSING TST 2.625% Bond 5/05/2026	1	B	5	2	Inclusive economies	Basic needs
1.02	Marks & Spencer	MARKS & SPENCER PLC 4.75% Bonds 12/06/2025	4	A	3	2	Energy and climate	Operational alignment (Environmental management)
0.59	Media Development Investment Fund	MEDIA DEV INVESTMENT FUND 4% Bonds 31/12/2025	2	C	9	4	Resilient institutions	Participation & governance
2.64	Motability Operations	MOTABILITY OPERATIONS GROUP 5.375% Bonds 28/06/2022	1	B	6	2	Inclusive economies	Inclusive economies
4.81	Motability Operations	MOTABILITY OPERATIONS GROUP 6.625% MTN 10/12/2019	1	B	6	2	Inclusive economies	Inclusive economies
2.26	Motability Operations	MOTABILITY OPERATIONS GROUP 3.75% MTN 16/07/2026	1	B	6	2	Inclusive economies	Inclusive economies
1.17	MuniFin	MUNICIPALITY FINANCE PLC 0.75% MTN 15/12/2020	3	B	4	1	Innovation and infrastructure	Supporting human wellbeing
*	Our Power	OUR POWER SOCIAL PURPOSE 6.5% Uns Fxd Rt 31/1/21 (In Adm	1	C	7	4	Inclusive economies	Inclusive economies
4.36	Places for People	PLACES FOR PEOPLE 5.09% Sec Bonds 31/07/2024	3	B	6	2	Inclusive economies	Basic needs
2.92	Places for People Finance	PLACES FOR PEOPLE 4.25% Bonds 15/12/2023	1	B	5	1	Health and wellbeing	Sports & leisure
1.94	Places for People Finance RM	PLACES FOR PEOPLE 4.25% Bonds 15/12/2023	4	A	1	1	Inclusive economies	Basic needs
2.43	Places for People	PLACES FOR PEOPLE 2.875% Snr 17/08/2026	3	B	6	2	Inclusive economies	Basic needs
1.97	Principality Building Society	PRINCIPALITY BUILDING SOCIETY 2.375% Snr 23/11/2023	4	A	2	1	Decent work	Operational alignment (Employment)
2.44	Rathbone Ethical Bond	RATHBONE UNIT TRUST MGMT Ethical Bond S Inc (GBP)	4	A	1	1	Collective - multiple themes	Responsible
0.52	Charities Aid Foundation	RETAIL CHARITY BONDS PLC 5% Bonds 12/04/2026	1	C	7	1	Inclusive economies	Basic needs
3.45	Severn Trent	SEVERN TRENT UTILITIES FINANCE 6.125% Gtd Bds 26/02/2024	4	A	3	1	Resource efficiency	Water security
1.50	Svenska Handelsbanken	SVENSKA HANDELSBANKEN 2.75% Snr EMTN 5/12/2022	4	A	1	1	Decent work	Operational alignment (Employment)
1.19	Thera	THERA TRUST PLC 5.5% Bonds 31/03/24	1	C	9	6	Inclusive economies	Inclusive economies
0.60	Thrive Renewables	THRIVE RENEWABLES 5% Fixed Rt Unsec Bd 31/03/24	3	C	7	3	Energy and climate	Climate action
0.98	Transport for London Green Bond	TRANSPORT FOR LONDON 2.125% Bonds 24/04/2025	3	B	4	1	Innovation and infrastructure	Supporting environmental sustainability
5.34	Wellcome Trust	WELLCOME TRUST FINANCE 4.75% Bond 28/05/2021	1	C	7	1	Health and wellbeing	Healthcare access
1.90	Cash	n/a		0	0	0	Cash	Cash

* Our Power ceased trading on 25 Jan 2019

Engagement activity (1)

Name	Activity	Outcome
A2Dominion	We wrote to the company regarding disclosure of key metrics relating to safety and tenant wellbeing. A follow-up meeting with management was held.	Additional data provided and committed to improving future sustainability reporting.
BlueOrchard Microfinance	Meeting with management to review how the social impact of underlying Microfinance Institutions is monitored and assessed, and how this is reported to investors	n/a
Bupa	Following a routine ESG review of the company, we identified concerns regarding care quality standards across Bupa's portfolio of care homes in England. We considered the materiality of the issue and decided to engage rather than immediately divest as the failings did not suggest systemic weaknesses in oversight. We were reassured by Bupa's proactive response and implementation of a new internal compliance system. We maintained the company on watch, periodically reviewing changes in care quality assessment ratings. As this showed an improving trend over time, we did not escalate the issue further.	Improved care quality oversight and regulatory assessments.
Dolphin Living	We wrote to the company regarding disclosure of key metrics relating to safety and tenant wellbeing.	Company is considering their ability to track and report requested metrics and will review the possibility of including these in future reporting.
Greensleeves Care	Meeting with management to discuss content of their impact reporting and to share examples of good practice in reporting from peers and other charities/social enterprises.	Greensleeves began reporting on impact via a mix of narrative and quantitative information.
Hightown Housing	We wrote to the company regarding disclosure of key metrics relating to safety and tenant wellbeing.	Company is considering their ability to track and report requested metrics and will review the possibility of including these in future reporting.
Lloyds Bank ESG Bond	Dialogue with sustainability team on balance between social and environmental factors in decisions re: use of proceeds, in addition to how underlying impacts are tracked.	n/a
London & Quadrant Housing	We wrote to the company regarding disclosure of key metrics relating to safety and tenant wellbeing.	Ongoing

Engagement activity (2)

Name	Activity	Outcome
M&S	Dialogue on two principal issues: employee relations and deforestation linked to the group's supply chain.	Ongoing
MDIF	Dialogue with management to review how the social impact of underlying investments is monitored and how potential corruption risks are managed.	
Motability	We contacted the company to express concern following news reports regarding its corporate governance and executive pay arrangements	Good response setting out inaccuracies in press reporting and steps being taken to strengthen corporate governance arrangements.
Our Power	Dialogue with the company regarding plans for future impact reporting.	Confirmed that annual social impact reporting will be provided and that an external social impact consultant will be working with Our Power to develop a framework for this.
Places for People	We wrote to the company regarding disclosure of key metrics relating to safety and tenant wellbeing.	Ongoing
Thera	Dialogue with the company regarding its registration with the care quality regulator.	Confirmation that the group has not been delisted by the regulator, instead regional operations are being individually registered.

The engagement activity outlined above is in addition to the routine meetings between Rathbones and issuers before and after an investment has been made (which would occur with all holdings). The above engagement with the 14 holdings relates to specific issues that have been raised (eg care quality concerns at Bupa, or more in depth discussions around an organisation's impact reporting) outside standard contact with company management.

We only conduct such engagement where there is a particular area of concern or an issue that we feel we can have a meaningful influence on.



Health and wellbeing

Health and wellbeing

Investee impacts

The management of

0.7

leisure centres

The provision of
residential and
home care to

3.3

elderly individuals

43

children learning
to swim

During 2018, the fund's
investment in
organisations in this
theme has supported...

The provision of
health insurance to

2,238
individuals

The operation of

0.13

dental centres
worldwide

The provision of

£3,779

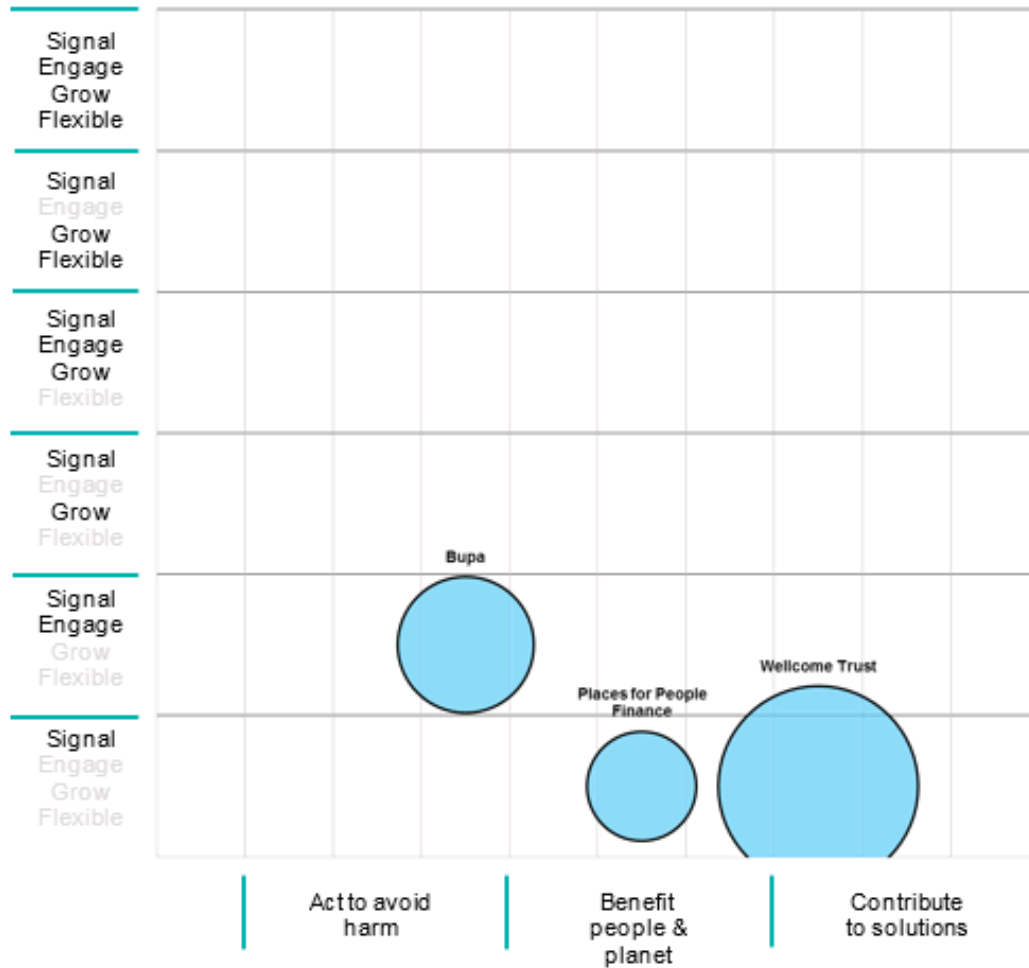
in grant funding
for priority
medical
research

Source: Information gathered from Rathbone Greenbank's analysis of impact reports published by the investee organisations identified under this theme on the following page.

To calculate an estimate of the percentage share of each organisation's impact that is linked to Access's investment, Access's holding has been divided by the book value of each organisation's equity plus debt (as an indicator of the total size of that organisation).

Health and wellbeing

Portfolio exposure



This theme includes organisations that are supporting physical and mental wellbeing, or helping to prevent injuries and deaths, through the products and services they provide.

Sub-themes and examples of eligible organisations:

- **Access to nutrition:** Organisations that: provide healthy, affordable foods; enhance sustainable agricultural production; help to reduce food waste throughout the value chain
- **Healthcare access:** Organisations that: research, develop and manufacture more effective or affordable pharmaceutical treatments or medical technology; are involved in primary research that supports medical developments; provide healthcare services, particularly to under-served groups; improve healthcare infrastructure
- **Safety and protection:** Organisations that: manufacture products and services to help prevent avoidable deaths and support people's ability to lead healthy lives; manufacture hazard detection and prevention equipment
- **Sports and leisure:** Organisations that: provide sports and fitness equipment; operate leisure facilities; maintain open and public spaces that can be used for exercise and to benefit mental health

Name	% portfolio	Bullseye	Activity
Bupa	3.63	4	Leading health insurer and provider of residential care for older people
Wellcome Trust	5.34	1	Large charitable foundation supporting medical and scientific research
Places for People Finance	2.92	1	Bond for development and management of local authority leisure centres

The chart shows each holding categorised by the impact of the enterprise (x axis) and the investor contribution of Access and its fund manager (y axis).

The size of each bubble indicates the % weighting of the holding within the portfolio.



Inclusive economies

Inclusive economies

Investee impacts

To calculate an estimate of the percentage share of each organisation's impact that is linked to Access's investment, Access's holding has been divided by the book value of each organisation's equity plus debt (as an indicator of the total size of that organisation).

The management of

80

social housing
properties

The provision of
residential care to

41

elderly individuals

The provision of mobility
solutions to

347

individuals with physical
disabilities

The building of

4.72

new homes

Charities to
raise

£68,833

Housing associations
to identify

£7,851

in additional income
for their tenant base
through financial
advice and support

During 2018, the fund's
investment in
organisations in this
theme has supported...

The provision of support
or accommodation to

88

individuals with
learning disabilities

Lending to

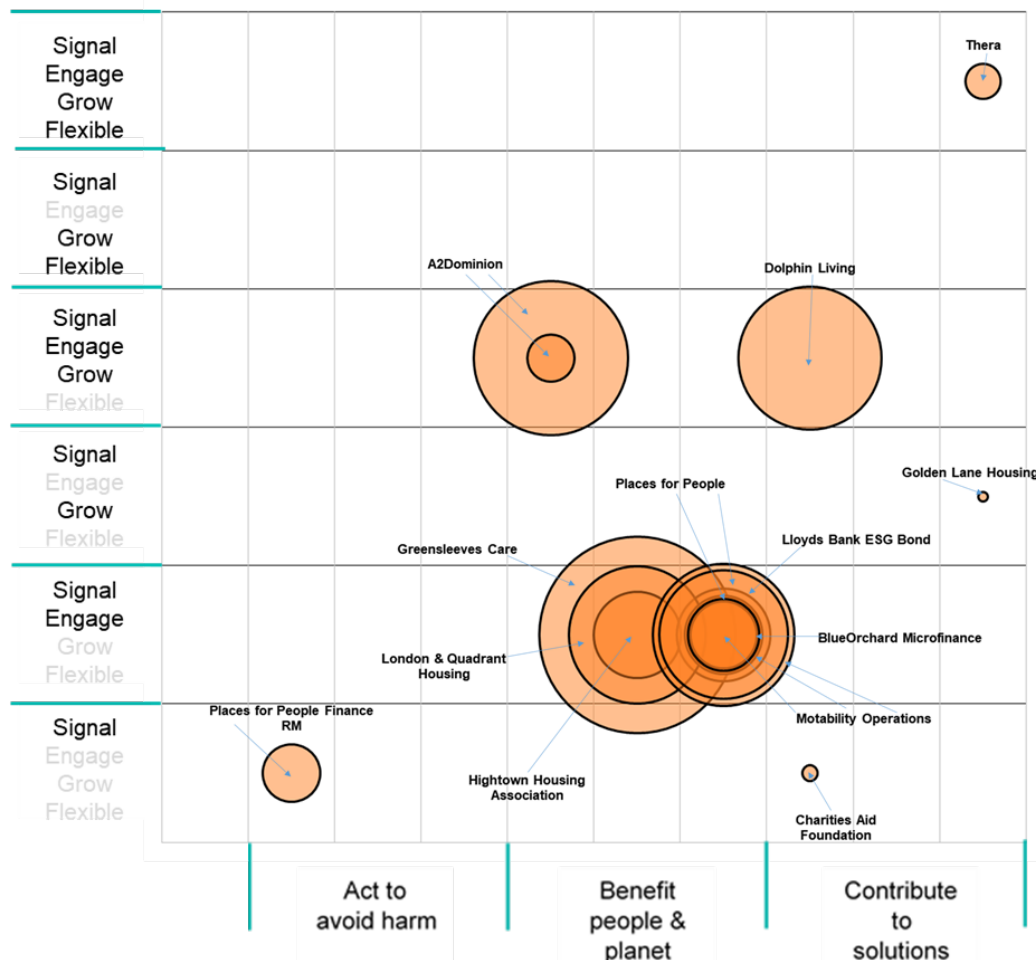
117

micro-entrepreneurs

Source: Information gathered from Rathbone Greenbank's analysis of impact reports published by the investee organisations identified under this theme on the following page.

Inclusive economies

Portfolio exposure



This theme includes organisations that are promoting access to basic services and supporting a more inclusive society through the products and services they provide.

Sub-themes and examples of eligible organisations:

- **Basic needs:** Organisations that: provide social and affordable housing; provide water and sanitation services; help to alleviate poverty
- **Inclusive economies:** Organisations that: support minority or conventionally excluded groups; support financial inclusion and social mobility; increase the availability, quality or ease of use of products and services for groups that face barriers to access
- **Training and education:** Organisations that: provide educational products and services, particularly for underserved groups; support education and employment skills in emerging economies and the least developed countries

See next page for details of holdings under this theme

The chart shows each holding categorised by the impact of the enterprise (x axis) and the investor contribution of Access and its fund manager (y axis).

The size of each bubble indicates the % weighting of the holding within the portfolio.

Inclusive economies

Portfolio exposure

Name	% portfolio	Bullseye	Activity
A2Dominion	1.59	1	Housing group providing social and affordable housing in south-east England
A2Dominion	5.21	1	Housing group providing social and affordable housing in south-east England
BlueOrchard Microfinance	2.56	3	Fund supporting global microfinance institutions
Charities Aid Foundation	0.52	1	Charitable foundation supporting fundraising and philanthropic activities
Dolphin Living	4.83	1	Charity bond aiming to address affordable rental housing shortage in London
Golden Lane Housing	0.33	1	Provider of housing and support for people with learning disabilities
Greensleeves Care	6.65	1	Operator of residential care homes for the elderly
Hightown Housing Association	2.94	1	Charity housing association providing affordable homes in southern England
Lloyds Bank ESG Bond	3.15	3	ESG bond funding renewable energy and SMEs & health in deprived areas of UK
London & Quadrant Housing	4.65	1	Housing association operating in Greater London and south-east England
Motability Operations	4.81	1	Not-for-profit operator of vehicle leasing scheme for disabled people
Motability Operations	2.64	1	Not-for-profit operator of vehicle leasing scheme for disabled people
Motability Operations	2.26	1	Not-for-profit operator of vehicle leasing scheme for disabled people
Our Power	0.00	1	Energy supply company owned & managed by social housing providers
Places for People	4.36	3	Large-scale housing association and support services provider across UK
Places for People	2.43	3	Large-scale housing association and support services provider across UK
Places for People RM	1.94	4	Bond for property management services and low-carbon property development
Thera	1.19	1	Provider of housing and support for people with learning disabilities



Innovation and infrastructure

Innovation and infrastructure

Investee impacts

The provision of
£571,574
in total lending

The provision of
£41,775
in 'green' finance

The provision of
£2,740
to support projects
benefitting
refugees in 28
countries

During 2018, the fund's
investment in
organisations in this
theme has supported...

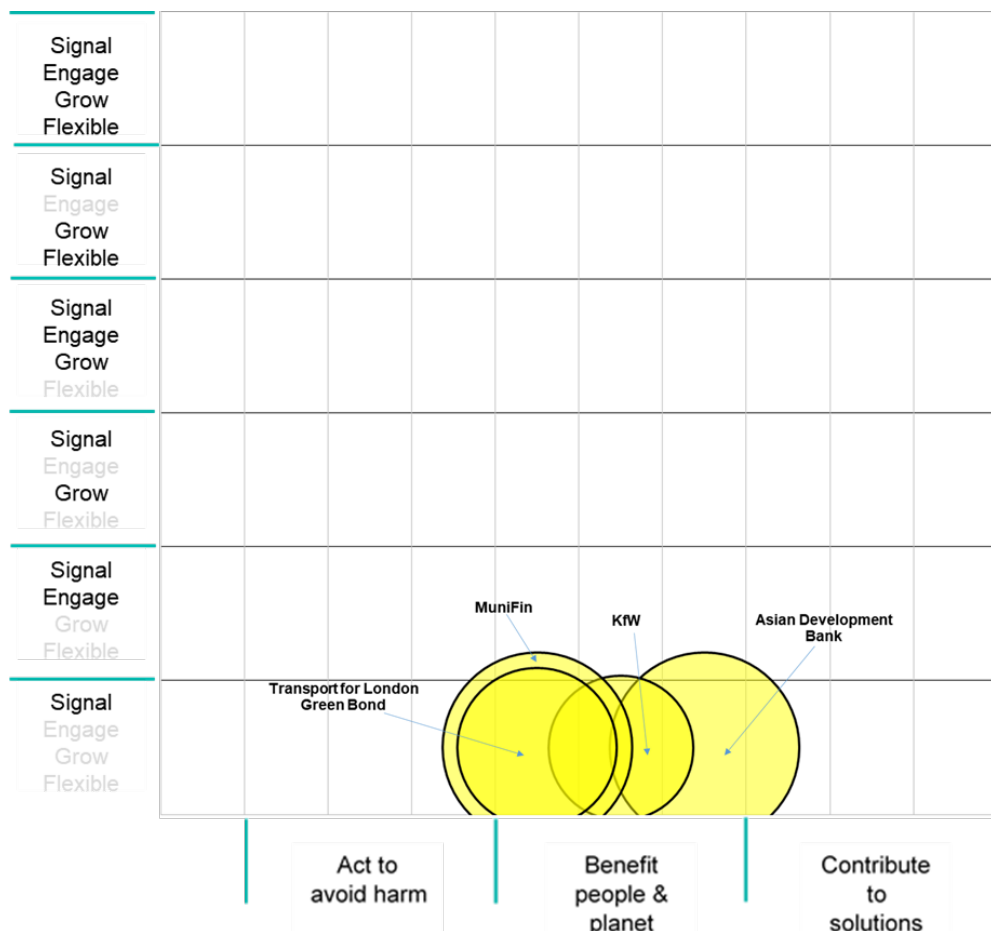
A reduction in NOx emissions
linked to London's public
transport of
12.8
kilograms

A reduction in GHG emissions
linked to London's public
transport of
2.18
tonnes

Source: Information gathered from Rathbone Greenbank's
analysis of impact reports published by the investee
organisations identified under this theme on the following page.

Innovation and infrastructure

Portfolio exposure



The chart shows each holding categorised by the impact of the enterprise (x axis) and the investor contribution of Access and its fund manager (y axis).

The size of each bubble indicates the % weighting of the holding within the portfolio.

This theme includes organisations that are supporting environmental sustainability or human wellbeing through the products and services they provide. Organisations in this theme can often play a facilitating role in creating the environment or infrastructure needed for other organisations to deliver positive impact.

Sub-themes and examples of eligible organisations:

- **Supporting environmental sustainability:** Organisations that: improve the sustainability of buildings and the urban environment; are involved in sustainable or zero/low emission transport; utilise the internet of things or connected technology for environmental benefit
- **Supporting human wellbeing:** Organisations that: build or maintain infrastructure which supports sustainable economic development; build or operate mass transit systems; utilise the internet of things or connected technology for social benefit

Name	% portfolio	Bullseye	Activity
Asian Development Bank	1.17	3	Development bank focused on social and economic development in Asia
KfW	0.89	3	German development bank assisting developing countries and domestic economy
MuniFin	1.17	3	Finnish provider of financial services for municipalities
Transport for London Green Bond	0.98	3	Green bonds supporting sustainable transport in London



Energy and climate

Energy and climate

Investee impacts

The generation of
enough renewable
energy to power

206

UK homes

Avoiding

357

tonnes of GHG
emissions

During 2018, the fund's
investment in
organisations in this
theme has supported...

A reduction in operational
GHG emissions of

6.1

tonnes

2

organisations that have set
decarbonisation targets independently
verified to be in line with the Paris
climate agreement

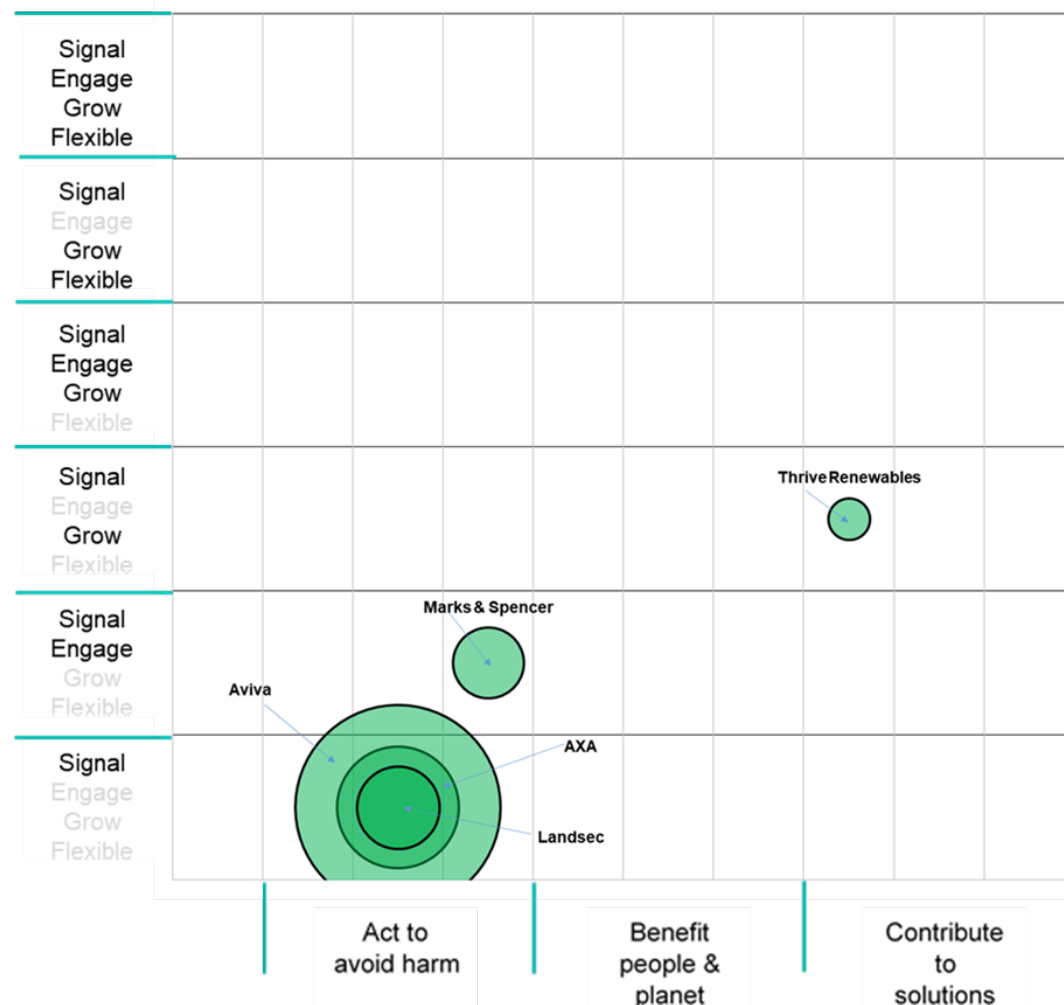
Organisations
which, on
average, sourced

78%

of their electricity
demand from
renewable energy

Energy and climate

Portfolio exposure



The chart shows each holding categorised by the impact of the enterprise (x axis) and the investor contribution of Access and its fund manager (y axis).

The size of each bubble indicates the % weighting of the holding within the portfolio.

This theme includes organisations that are supporting positive climate action and energy security through the products and services they provide. It also includes organisations that are operationally aligned with the theme and support positive impacts via their policies, business strategies and management of their own environmental impacts.

Sub-themes and examples of eligible organisations:

- **Climate action:** Organisations that: support climate change mitigation and adaptation; develop or operate renewable energy projects
- **Energy security:** Organisations that: promote efficiency in energy distribution and use; provide alternatives to non-renewable or high carbon fuels; support decentralised energy generation
- **Operational alignment:** Organisations with leading policies and performance with regard to the climate or environmental impacts of their own operations. E.g. decarbonisation targets aligned with a pathway as identified by the Paris Agreement necessary to hold global average temperature increase to well below 2°C above pre-industrial levels

Name	% portfolio	Bullseye	Activity
Aviva	2.95	4	Insurance and investment group with commitment to active share ownership
AXA	1.76	4	Global insurance group with strong performance in corporate responsibility
Landsec	1.19	4	Property investment group integrating sustainability and business factors
Marks & Spencer	1.02	4	Retail group with sector-leading performance in sustainable business
Thrive Renewables	0.60	3	Renewable energy investment fund supporting small-scale UK projects



Decent work

Decent work

Investee impacts

Provided unconscious bias training for management to promote inclusive working cultures

Offered formal training and coaching with a view to internal promotion and staff development

Promoted mental health awareness via networks of mental health first aiders

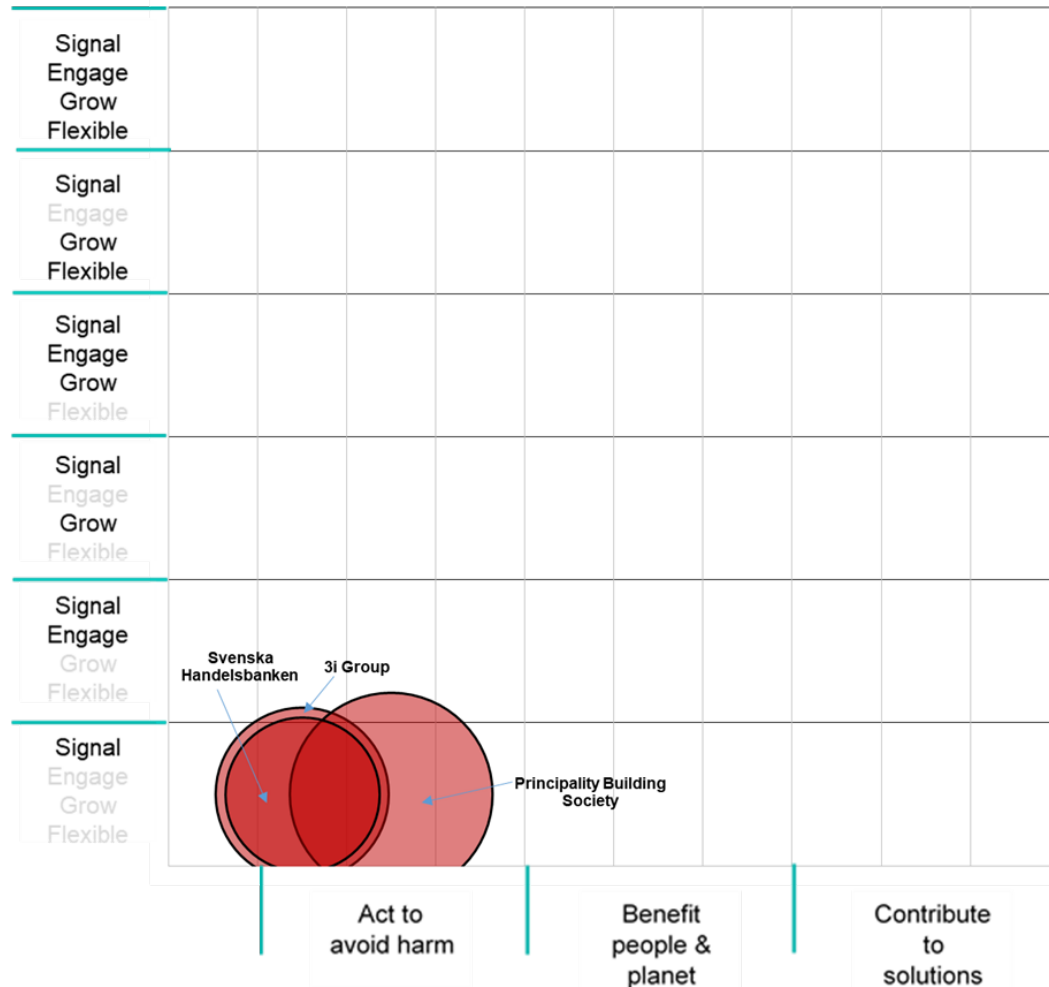
During 2018, the fund has invested in organisations that have...

Supported thousands of small and medium-sized enterprises via their investment, loans and corporate banking activities.

Note: all investments in this theme are in Tier 4 (ESG Leaders). Quantified impact data is therefore not available and narrative commentary provided instead

Decent Work

Portfolio exposure



The chart shows each holding categorised by the impact of the enterprise (x axis) and the investor contribution of Access and its fund manager (y axis).

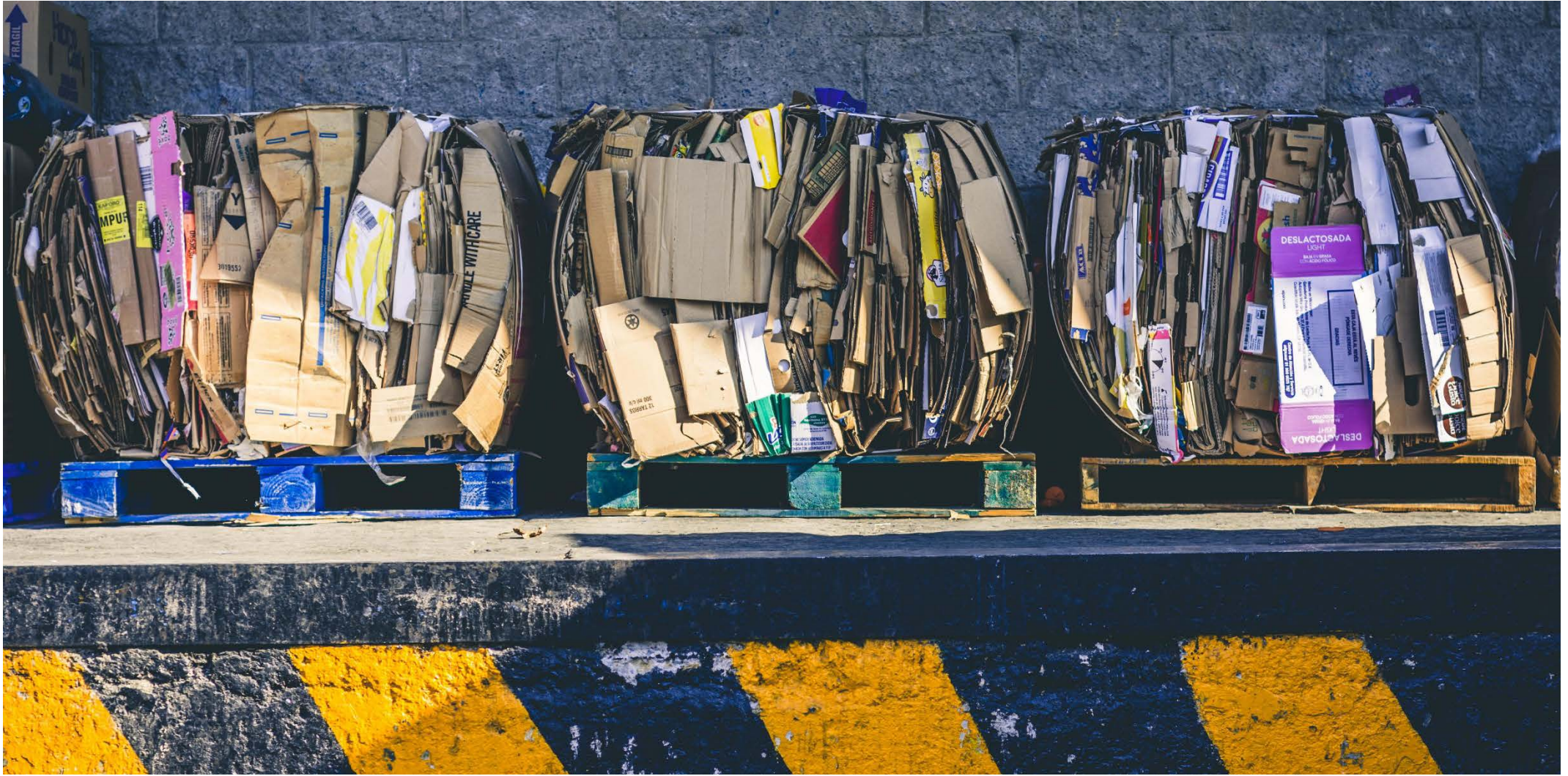
The size of each bubble indicates the % weighting of the holding within the portfolio.

This theme includes organisations that are supporting the quantity and quality of jobs through the products and services they provide. It also includes organisations that are operationally aligned with the theme and support positive impacts via their policies, business strategies and management of their own employment practices.

Sub-themes and examples of eligible organisations:

- **Decent work:** Organisations that: promote job creation and economic development; support entrepreneurship and small and medium-sized enterprises
- **Operational alignment:** Organisations with leading policies and performance with regard to their own employment practices and/or those across their supply chain. Eg Living Wage accreditation

Name	% portfolio	Bullseye	Activity
3i Group	1.68	4	Private equity/venture capital investor with responsible business policy
Principality Building Society	1.97	4	UK's sixth largest building society with focus on Wales
Svenska Handelsbanken	1.50	4	Swedish provider of banking services with focus on local decision-making



Resource efficiency

Resource efficiency

Investee impacts

A reduction in
operational GHG
emissions of

8.1

tonnes

equivalent to the
per capita
emissions of

1.25

UK individuals

The provision of water and
wastewater services to

605

customers

During 2018, the fund's
investment in
organisations in this
theme has supported...

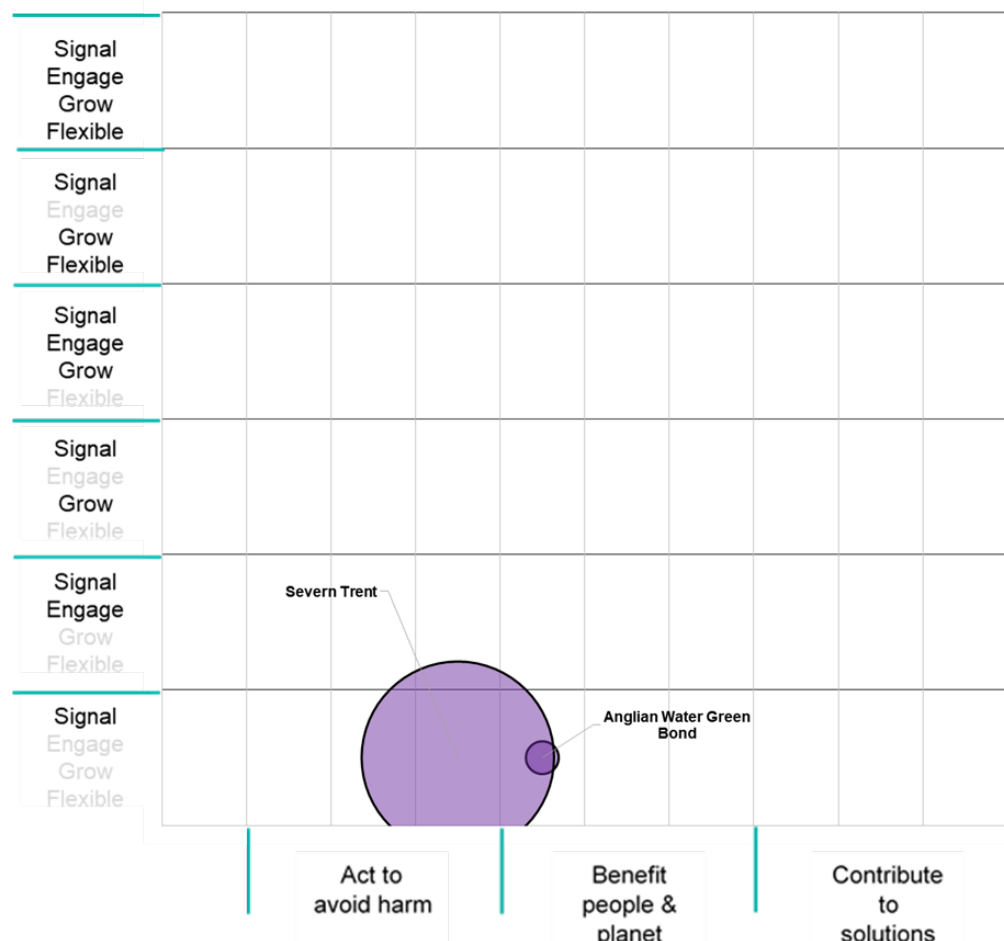
A reduction in water
network leakage
equivalent to

0.34

Olympic sized
swimming pools

Resource efficiency

Portfolio exposure



The chart shows each holding categorised by the impact of the enterprise (x axis) and the investor contribution of Access and its fund manager (y axis).

The size of each bubble indicates the % weighting of the holding within the portfolio.

This theme includes organisations that are supporting the sustainable use of Earth's resources through the products and services they provide. It also includes organisations that are operationally aligned with the theme and support positive impacts via their policies, business strategies and management of their own environmental impacts.

Sub-themes and examples of eligible organisations:

- **Circular economy:** Organisations that: design out waste and maximise the useful lifetime of products, their components and raw materials; are involved in improved waste recovery and recycling services
- **Sustainable consumption:** Organisations that: encourage sustainable consumption via their business models or core products and services; support more efficient industrial processes
- **Water security:** Organisations that: promote demand-side efficiency and/or reduce pressure on water supplies
- **Operational alignment:** Organisations with leading policies and performance with regard to the resource intensity of their own operations. Eg product stewardship and design for the environment

Name	% portfolio	Bullseye	Activity
Anglian Water Green Bond	0.59	3	Green bond to cut carbon footprint issued by largest water company in E&W
Severn Trent	3.45	4	Provider of water & wastewater services with interests in renewable energy



Resilient institutions

Resilient institutions

Investee impacts

News
organisations
across
26
countries (most
with limited
press freedom)

The provision of support to

0.18

news and journalism
organisations

During 2018, the fund's
investment in
organisations in this
theme has supported...

News organisations to
increase their reach by

32%

on average

38%

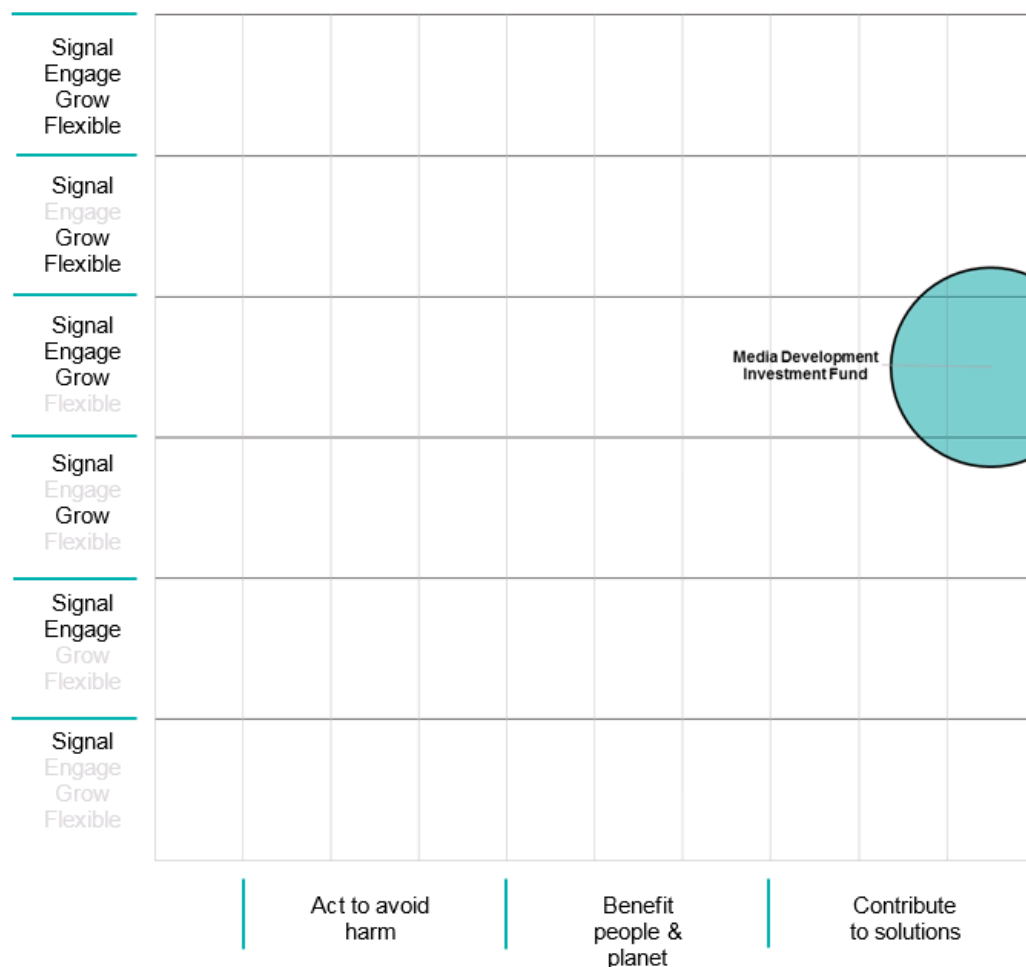
of news
organisations
supported to
bring about
policy or other
institutional
change as a
result of their
reporting

Source: Information gathered from Rathbone Greenbank's analysis of impact reports published by the investee organisations identified under this theme on the following page.

To calculate an estimate of the percentage share of each organisation's impact that is linked to Access's investment, Access's holding has been divided by the book value of each organisation's equity plus debt (as an indicator of the total size of that organisation).

Resilient institutions

Portfolio exposure



This theme includes organisations that promote peace, justice and the rule of law through the products and services they provide. It also includes organisations that are operationally aligned with the theme and support positive impacts via their policies, business strategies and management of their own human rights impacts.

Sub-themes and examples of eligible organisations:

- **Participation and governance:** Organisations that: protect privacy and freedom of expression; support civil liberties and political rights; enable knowledge sharing and community formation
- **Operational alignment:** Organisations with leading policies and performance with regard to the human rights impacts of their own operations. Eg human rights due diligence and commitment to the 'protect, respect, remedy' framework

Name	% portfolio	Bullseye	Activity
Media Development Investment Fund	0.59	2	US charity providing finance to promote independent media globally



Appendix B – impact report cards and company profiles

Important information (1)

- The following company profiles and impact report cards should not be taken as either financial advice or as an endorsement of any company or organisation mentioned, or as a recommendation to buy or sell any class of asset associated with any company.
- Data and information presented is Rathbone Greenbank Investments' analysis and summary of publicly available information provided by investee organisations.
- Data has not been independently verified by Access or Rathbone Greenbank Investments, though any clear discrepancies in data are queried with the organisation in question.
- Where information is not available or not applicable the relevant section in the report card has been marked “n/a”.


Important information (2)

- In the context of individual organisations' impact report cards, the word “risk” relates only to social or environmental impact risk associated with the investment - it is not a measure of financial risk or return.
- Three categories of possible impact risk have been identified:
 - Mission drift - potential for an organisation to fail to fulfil its stated purpose
 - Evidence risk - potential for the requirement to provide meaningful impact reporting not to be met
 - Unintended impact - any other unexpected or unforeseen risks that may affect the organisation in question
- Categories are tracked according to low/medium/high rating, eg mission drift:
 - ‘Low’ - registered charity or body with other legal protection of impact
 - ‘Medium’ - organisation with publicly stated mission but no legal status
 - ‘High’ - organisation delivering impact by default; no intentionality

Appendices

Glossary of acronyms and abbreviations

A-P	Asia-Pacific
AUM	assets under management
BAME	Black, Asian and minority ethnic
BREEAM	Building Research Establishment Environmental Assessment Method
CIC	Community Interest Company
CO ₂	carbon dioxide
CQC	Care Quality Commission
E&W	England and Wales
EPC	Energy Performance Certificate
ESG	environmental, social and governance
GHG	greenhouse gas
HACT	Housing Associations' Charitable Trust
ILO	International Labour Organization
IMP	Impact Management Project (facilitated by Bridges Insights)
KPI	key performance indicator
LGBTQ+	lesbian, gay, bisexual, transgender, questioning and plus
MFI	microfinance institutions
NAO	National Audit Office
NGO	non-governmental organisation
NO _x	nitrogen oxides
RGF	Regional Growth Fund
SIB/RCB	social investment bond/retail charity bond
SME	small and medium-sized enterprises
SRI	socially responsible investment
WHO	World Health Organization

A2Dominion <i>Housing group providing social and affordable housing in south-east England</i>						
<p>Formed in 2008 following the merger of the A2 and Dominion housing groups, A2Dominion (A2D) is a residential property group with a social purpose, reinvesting all its profits into building new homes. It is one of the largest housing organisations in southern England, operating mainly in London and the south-east. A2Dominion manages a portfolio of over 37,000 properties, providing a range of housing options including: affordable housing, sheltered housing, social housing, shared ownership properties and key worker housing. Less than 7% of its stock is non-social housing, comprising student accommodation and homes to rent at market rates. The group's commercial division, Fabrica, is involved in the construction of new homes for sale or rent on the open market. As well as the main holding group A2Dominion Housing Group Ltd, A2Dominion Homes and A2Dominion South are charitable registered providers of social housing.</p>						
	Basic needs: Social and affordable housing			Exposure: Major		
Dimension				Progress		
				2018	2017	2016
What	Creating positive impact	– Aims to provide good quality social/affordable housing for general needs, older people, key workers; also non-social housing for students.				
Who	Primary beneficiaries	– Residents - Individuals and families.				
	Indirect beneficiaries	n/a				
	Location	– Regional: primarily London and south-east England				
How much	Beneficiary	Breadth	– # homes owned or managed	37,248	36,739	36,130
			– % social housing (shared ownership, affordable housing, key worker housing, etc.)	93%	93%	
			– # homes in development	7,817	5,402	3,856
			– # homes completed in last year (% of stock)	954		

		Depth	<ul style="list-style-type: none"> Compliance with Decent Homes Standard (%) Energy Performance Certificate rating of housing stock Referrals to Housing Ombudsman % housing stock with valid gas safety certificate Housing Associations' Charitable Trust social value Financial support for tenants – additional income from housing benefits, grants and charity payments for customers 	99.2 n/a n/a 99.8 n/a £5.8m	98.6 n/a n/a 99.8 n/a £5.5m	n/a n/a n/a n/a n/a n/a
Contribution	Intention to meet the needs of underserved beneficiaries?	<ul style="list-style-type: none"> Addressing need for more rental homes across a range of incomes to meet the needs of those priced out of the rental market but who don't qualify for social housing. Aims for tenure of new developments to be split 40% private sale, 20% shared ownership, 20% affordable rent and 20% private rent. 				
	New/expanded impact? Additionality/higher impact?	<ul style="list-style-type: none"> 7,800 new homes in development pipeline; committed to Greater London Authority to provide 1,900 affordable homes between 2016-21. 				
Risk	Mission drift	Mitigation	<ul style="list-style-type: none"> Intention to generate impact. Core activity of provision of social/affordable housing has impact by default. 			
		Performance	<ul style="list-style-type: none"> Risk level 	Low	Low	n/a
	Evidence risk	Mitigation	<ul style="list-style-type: none"> Produces various annual reports which include information on its activities and the benefits created for tenants and communities. Focus on outputs rather than outcomes. 			
		Performance	<ul style="list-style-type: none"> Risk level 	Med	Med	n/a
	Unintended impact risk	Poor quality housing, standard of repairs Unsafe buildings Poor complaints	Starting risk level <ul style="list-style-type: none"> Social housing sector faces a moderate risk of poor operational controls leading to inadequate property management, repairs and customer service 	Med	Med	n/a

		handling Failure to manage anti-social behaviour	Mitigation <ul style="list-style-type: none"> – Evidence of A2D response to specific issues of concern. – Overall satisfaction rate for customer service – Satisfaction rate for responsive repairs 	82.5% 86.2%	82.8% 83%	n/a
			Performance <ul style="list-style-type: none"> – Tailored risk level 	Med	Med	n/a
Additional commentary	n/a					
Avoid / Benefit / Contribute	– Benefit (4): good commitment to generation of positive impact, but some concerns remain re: service quality and responsiveness to repairs					



			2018	2017	2016
Investor contribution	Signal	– Signal impact matters: we make organisations aware that we favour those with a positive impact and avoid those with material negative impacts.	Y	Y	n/a
	Engage	– Engage actively	Y	n/a	n/a
	Grow	– Grow new or undersupplied capital markets	n/a	n/a	Y
	Flexible	– Provide flexible capital	n/a	n/a	n/a

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Anglian Water Green Bond <i>Bond proceeds ring-fenced for capital expenditure</i>						
<p>Anglian Water supplies water and wastewater services to domestic and business customers in the east of England and is the largest water and wastewater company in England and Wales by geographic area. The group's green bond framework defines a set of eligible projects, with proceeds from its green bond issuance ring-fenced for spending on these. Eligible projects are defined as:</p> <ul style="list-style-type: none"> – Sustainable water management projects with a reduced climate footprint; and – Sustainable water recycling projects with a reduced climate footprint. <p>Projects are also expected to align with Anglian Water's broader corporate sustainability framework.</p>						
 	Basic needs: Water and sanitation services			Exposure: Major		
	Climate change: Mitigation technologies			Exposure: Minor		
Dimension				Progress		
				2018	2017	2016
What	Creating positive impact	<ul style="list-style-type: none"> – The group aims to improve the efficiency and quality of water supply and wastewater treatment, while reducing associated greenhouse gas (GHG) emissions. – It aims to mitigate climate change impacts through reduced emissions and enhance adaptation efforts via, for example, improved flood resiliency. 				
Who	Primary beneficiaries	– Environment/climate				
	Indirect beneficiaries	– Customers, local ecosystems				
	Location	– Reduced GHG impact = global; climate adaptation: local; customers: local; ecosystems: local				
How much	Environment/	Breadth	– # projects financed	n/a	c200	n/a

	climate	Depth	<ul style="list-style-type: none"> – Target: reduce capital (embodied) carbon by 60% between 2010- 2020. Tonnes capital carbon (% reduction from 139,895 baseline) – Target: reduce operational carbon (group level) by 7% between 2015-2020. Tonnes operational carbon (% reduction from 446,833 baseline) 	n/a	55,180 (61%) 358,284 (19.6%)	n/a
Contribution	Intention to meet the needs of underserved beneficiaries?	– No				
	New/expanded impact? Additionality/higher impact?	– Incremental impact of more efficient and resilient water and wastewater services.				
Risk	Mission drift	Mitigation	<ul style="list-style-type: none"> – Anglian Water's regulatory outcome delivery incentives include targets on reducing capital and operational carbon. It is therefore strongly incentivised to achieve the stated goals of the green bond framework. – DNV GL, an international classification and certification company, provided a second opinion on Anglian Water's green bond framework and concluded that suitable arrangements are in place to ensure only genuinely 'green' projects are financed, that the process for selecting eligible projects is clear and fair and that funds are adequately ring-fenced from general spending. 			
		Performance	– Risk level	n/a	Low	Low
	Evidence risk	Mitigation	<ul style="list-style-type: none"> – Committed to annual reporting on the use of bond proceeds. – At a group level, produces an annual integrated report with financial information alongside sustainability data. – Data relating to regulatory metrics must be published. 			
		Performance	– Risk level	n/a	Low	Low
	Unintended impact risk	Environmental damage	Starting risk level <ul style="list-style-type: none"> – Baseline risk level for industry/activity 	n/a	High	High

			Mitigation <ul style="list-style-type: none"> Tailored risk level for specific enterprise, taking into account any mitigation (eg policies and control functions). 	n/a	Med	Med
			Performance changes <ul style="list-style-type: none"> Leakage, ML/day (target) Pollution incidents (of which classified serious) 	n/a	183 (192) 219 (0)	n/a
Additional commentary	n/a					
Avoid / Benefit / Contribute	– Benefit (4): focused on avoiding harm to the environment and climate, but also on delivering environmental benefits.					





			2018	2017	2016
Investor contribution	Signal	– Signal impact matters: We make organisations aware that we favour those with a positive impact and avoid those with material negative impacts.	Y	Y	n/a
	Engage	n/a	n/a	n/a	n/a
	Grow	n/a	n/a	n/a	n/a
	Flexible	n/a	n/a	n/a	n/a

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Asian Development Bank <i>Development bank focused on social and economic development in Asia</i>				
<p>The Asian Development Bank (ADB) was established in the early 1960s as a financial institution to promote economic growth and cooperation in one of the poorest and most populous regions in the world. ADB assists its members by providing loans, technical assistance, grants and equity investments to reduce poverty and improve the quality of life of their citizens. Its operations are designed to support the complementary agendas of inclusive economic growth, environmentally sustainable growth and regional integration. Its core areas of expertise are: infrastructure (water, energy, transport, urban development, information and communications technology); environment; regional cooperation and integration; finance sector development; and education. ADB also operates on a limited scale in other areas, including health, agriculture and natural resources, and public sector management. ADB raises funds through bond issues on the world's capital markets with some issuance of specific bonds to fund projects addressing issues of gender, water, health, climate and energy ('green' bonds).</p>				
   	<p>Basic needs: Infrastructure for sustainable development Basic needs: Sustainable transportation Basic needs: Water and sanitation services Basic needs: Educational products and services</p> <p><u>Also:</u> Inequality: Poverty reduction, support for excluded groups Access to nutrition: Enhancing agricultural productivity, responses to under/overnutrition Healthcare: Improving access to pharmaceuticals or healthcare infrastructure in LDCs</p>		<p>Exposure: Major Exposure: Minor Exposure: Minor Exposure: Minor</p>	
Dimension				Progress
				2018 2017 2016
What	Creating positive impact	<ul style="list-style-type: none"> – Aims to create prosperous, inclusive, resilient and sustainable Asia-Pacific region while maintaining efforts to eradicate extreme poverty. – Strategy 2030 (adopted July 2018) focuses on: poverty, inequality, gender equality, climate change (building resilience), liveable cities, food security, governance, regional cooperation. 		
Who	Primary beneficiaries	<ul style="list-style-type: none"> – c.4bn people, populations of 49 regional member countries (nine classified as advanced economies and/or developing members) – Environment, land/sea habitats 		
	Indirect beneficiaries	n/a		

	Location	– Global, regional (Asia-Pacific), local				
How much	Beneficiary	Breadth	<ul style="list-style-type: none"> – \$bn total financial commitment (loans, grants, cofinancing etc) – \$bn outstanding in thematic (gender, water, health) and green bonds – % financial commitment by sector: <ul style="list-style-type: none"> o Energy o Transport o Agriculture, natural resources, rural development o Public sector o Water, urban infrastructure o Finance o Education o Industry and trade o Health o ICT 	35.8 6.2 24 23 11 11 10 9 8 3 2 1	31.8	25.5
		Depth	<ul style="list-style-type: none"> – # people in A-P region classified as living below \$1.90/day World Bank threshold – # people in A-P region living in poverty (between \$1.90 and \$3.20/day) – % new projects including elements directly improving lives of women and girls 	264m 836m 47	n/a	n/a
Contribution	Intention to meet the needs of underserved beneficiaries?	<ul style="list-style-type: none"> – No – provision of loans, grants and technical assistance is for benefit of general populations. – 14.5% of projects deemed ‘successful’ between 2010-17 were located in China. 				
	New/expanded impact?	– No				
	Additionality/higher impact?	– No				
Risk	Mission drift	Mitigation	<ul style="list-style-type: none"> – Intention to generate improvements for millions of people and the environment may be offset in some cases by unintended consequences of lending to unsustainable activities. – Some evidence of impact evaluation case studies; Independent Evaluation Department (IED) assesses effectiveness of ADB’s policies, strategies and operations. 			
		Performance	– Risk level	Med	n/a	n/a

	Evidence risk	Mitigation	– No evidence/commitment to impact reporting; data taken from annual report and accounts – IED contributes to strategic and operational directions of ADB by evaluating its engagement with state-owned enterprises; conducting a sector-wide evaluation on agriculture, natural resources and rural development; and reviewing the performance, results and design issues of policy-based lending.			
		Performance	– Risk level	Med	n/a	n/a
	Unintended impact/execution/external risk	Financing of high-carbon or non-sustainable activities	Starting risk level – Projects such as airport expansion, roads and non-renewable power projects can be counter-productive to funding climate change mitigation.	Med	n/a	n/a
			Mitigation – \$bn green bond issuance (since 2015)	5.8	n/a	n/a
			Performance – Tailored risk level – based on country-by-country assessment of loans and grants committed in 2018. ¹	Low	n/a	n/a
Additional commentary	n/a					
Avoid / Benefit / Contribute	– Benefit (6) – acts as finance-raising mechanism to fund sovereign and non-sovereign (private sector) projects to facilitate improvements in living standards and environmental and climate wellbeing.					

			2018	2017	2016
Investor contribution	Signal	– Signal impact matters: we make organisations aware that we favour those with a positive impact and avoid those with material negative impacts.	Y	Y	n/a
	Engage	– Engage actively	n/a	n/a	n/a
	Grow	– Grow new or undersupplied capital markets	n/a	n/a	n/a
	Flexible	– Provide flexible capital	n/a	n/a	n/a


¹ Asian Development Bank, 2018 Annual Report, Appendix 2: Loans and Grants Committed, 2018

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BlueOrchard Microfinance						
Fund supporting global microfinance institutions						
<p>The BlueOrchard Microfinance fund (BOMF) specialises in financing and refinancing small-scale financial institutions in the developing world. The fund aims to provide stable and attractive financial returns whilst also promoting financial inclusion. The BlueOrchard Microfinance Fund was founded in 1998 and was one of the first commercial microfinance funds in the world. The fund's portfolio includes loans to over 150 Microfinance Institutions (MFI) across 50 countries. MFIs provide funding for micro-entrepreneurs in emerging and frontier markets. The fund supports these MFIs in expanding their outreach, improving the quality of their financial services and encouraging the development of new products such as savings, insurance and payment services.</p>						
	Inequality: Financial inclusion			Exposure: Major		
Dimension				Progress		
				2018	2017	2016
What	Creating positive impact	<ul style="list-style-type: none"> – Improve financial inclusion and prosperity – Support microfinance institutions in expanding their outreach, improving the quality and appropriateness of their financial services, and encourage the development of new products such as savings, insurance and payment services 				
Who	Primary beneficiaries	– MFIs and their customers				
	Indirect beneficiaries	n/a				
	Location	– Global, investments are spread across 50 countries globally				
How much	Beneficiary	Breadth	– # MFIs	158	145	117
			– Countries	50	45	46
			– # of micro-entrepreneurs reached by MFIs in the portfolio	24,364,400	22,202,274	16,788,176
			– # of micro-entrepreneurs reached by funding provided by BOMF (% total)	1,212,861 (4.9%)	901,378 (4%)	616,109 (3.7%)
How much	Beneficiary	Depth	– % of rural clients	47%	46%	49%
			– % of female clients	52%	54%	55%
			– Average (median) loan size to micro-entrepreneurs in USD	2,668	2,241	1,662

Contribution	Intention to meet the needs of underserved beneficiaries?	<ul style="list-style-type: none"> – Fund was established with the aim of increasing access to financial services (primarily micro-lending) for individuals who would be unable to access conventional financial services. 				
	New/expanded impact? Additionality/higher impact?	<ul style="list-style-type: none"> – Money lending opportunities would exist, but likely at higher rates of interest and with less regulation on affordability checks and collection methods. – BlueOrchard also works with MFI organisations to help them develop broader financial services than just loans, eg savings accounts. 				
Risk	Mission drift	Mitigation	<ul style="list-style-type: none"> – Fund mandate restricts investments to MFIs. – Strong commitment to responsible business and positive impact at the fund manager (BlueOrchard). 			
		Performance	– Risk level	Low	Low	Low
	Evidence risk	Mitigation	<ul style="list-style-type: none"> – Quarterly reporting on core fund metrics and underlying borrower data. – BlueOrchard group (the fund manager) also publishes an annual impact report collating and reporting on impact across all its funds and activities. 			
		Performance	– Risk level	Low	Low	Low
	Unintended impact risk	Irresponsible lending	Starting risk level <ul style="list-style-type: none"> – Sections of the microfinance industry have faced criticism for taking an irresponsible approach to lending, failing to ensure capacity to repay and encouraging multiple loans and over-indebtedness. 	Med	Med	Med
			Mitigation <ul style="list-style-type: none"> – BlueOrchard uses an in-house tool to assess the social performance of MFIs it funds. – The SPIRIT tool assesses factors such as the strategic intent of investees, their commitment to impact alongside financial returns, management of both positive and negative impacts, risk controls, and reporting of social and environmental performance. 	n/a	n/a	n/a

			Performance – End risk level	Low	Low	Low
Additional commentary	n/a					
Avoid / Benefit / Contribute	Benefit (6)					


			2018	2017	2016
Investor contribution	Signal	– Signal impact matters: We make organisations aware that we favour those with a positive impact and avoid those with material negative impacts	Y	Y	Y
	Engage	n/a	Y	Y	n/a
	Grow	n/a	n/a	n/a	n/a
	Flexible	n/a	n/a	n/a	n/a

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Charities Aid Foundation						
Charitable foundation supporting fundraising and philanthropic activities						
Charities Aid Foundation (CAF) is one of the largest charitable foundations in Europe and among the largest providers of philanthropic products and services to charities, donors, and companies worldwide. It provides a range of services for individual and company donors, including charity accounts, charitable trusts, legacy services, company accounts and payroll giving services. It also provides fundraising support services for charities, social investment and financial services for the not-for-profit sector, including investments and a range of banking and loans through CAF Bank.						
2017 marked 30 years since CAF launched the UK’s first payroll giving scheme, which enables employees to make charitable donations directly from their salary before income tax is applied. Over £1.3bn has been donated through the scheme since its launch, with over £74m donated in the past year.						
	Inequality: Poverty alleviation (and others, including support for conventionally excluded groups)			Exposure: Major		
Dimension				Progress		
				2018	2017	2016
What	Creating positive impact	– Purpose is to strengthen civil society by promoting philanthropy.				
		– Enables individual donors, companies and employees to make charitable donations more efficiently.				
Who	Primary beneficiaries	– Charities, grantees				
	Indirect beneficiaries	– Primary impact is indirect				
	Location	– Members of society (and environment) benefitting from the underlying work of charities and grant recipients				
How much	n/a	Breadth	– Direct impact primarily at a UK level, indirect impact globally			
			– # charities on platform		116,000	73,000
– Across x countries		110	100			
– # donors		250,000	250,000			
– # participating countries in CAF Global Alliance		9				

		Depth	Range of services beyond simply facilitating donations and fundraising including GAYE, charity banking, investment, grant making and legacy and trust services. – Donations received from donors – Donations paid to charities	£607m £505m	£611m £539m	n/a
Contribution	Intention to meet the needs of underserved beneficiaries?	– Charity clients are generally smaller and mid-sized organisations that may otherwise struggle to deliver/procure equivalent services in a cost-effective manner.				
	New/expanded impact? Additionality/higher impact?	– Unique service in terms of range of services compared with other online giving platforms. – Aims to expand UK giving culture to more countries.				
Risk	Mission drift	Mitigation	– Registered charity with the mission to support the effectiveness and efficiency of the broader charitable sector.			
		Performance	– Risk level	Low	Low	Low
	Evidence risk	Mitigation	– Produces detailed annual report (and monthly summaries) on state of giving in the UK. – Does not elaborate on underlying outcomes achieved as a result of this.			
		Performance	– Risk level	Low	Low	Low
	Execution risk	Indirect impacts	Starting risk level – High level of certainty on delivery of anticipated direct impact. – Low level of certainty on delivery of indirect impacts (ie those delivered by the charities it supports) as no independent auditing on use of proceeds is conducted (outside that conducted by the Charity Commission).	Med	Med	Med

			Mitigation	Med	Med	Med
			Performance	n/a	n/a	n/a
Additional commentary	<ul style="list-style-type: none">– CAF Global Alliance brings together organisations globally to build philanthropy and strengthen civil society around the world.– CAF has a programme of lobbying and advocacy work in support of civil society. In 2018, it welcomed the UK government’s decision to reduce the risk rating for civil society organisations from medium high to low.					
Avoid / Benefit / Contribute	<ul style="list-style-type: none">– Contribute (7): plays a key enabling role in charity sector fundraising and therefore facilitates significant indirect impact.					


			2018	2017	2016
Investor contribution	Signal	– Signal impact matters: We make organisations aware that we favour those with a positive impact and avoid those with material negative impacts.	Y	Y	n/a
	Engage	– Engage actively:	n/a	n/a	n/a
	Grow	– Grow new or undersupplied capital markets:	n/a	n/a	n/a
	Flexible	– Provide flexible capital:	n/a	n/a	n/a

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Dolphin Square Charitable Foundation							
Charity bond aiming to address affordable rental housing shortage in London							
Dolphin Living is a community benefit society and the registered provider of social and affordable rental housing for the Dolphin Square Charitable Foundation (DSCF). Its aim is to help secure accommodation within the City of Westminster and surrounding boroughs for individuals and dependants who are employed in the public or voluntary sectors, or who are in need as a result of financial hardship, social or economic need, age, ill health or disability. Regulated by the Homes and Communities Agency, it operates on a not-for-profit basis with all funds invested back into its operations. DSCF was founded in June 2005 and was originally funded by a £125m endowment from the proceeds of the sale of leasehold interests in the Dolphin Square mansion block in Pimlico by Westminster City Council and Dolphin Square Trust. Having started out making grants to a range of community-based projects, the charity has been building its own property portfolio since 2010.							
	Basic needs: Social and affordable housing				Exposure: Major		
Dimension					Progress		
					2018	2017	2016
What	Creating positive impact	<ul style="list-style-type: none">Provides good quality social and affordable housing for people living or working in central London on medium to low incomes.Introducing personalised rent policy, which sets rent by reference to household earnings and composition, across whole property portfolio following pilot scheme at New Era Estate in Hackney.					
Who	Primary beneficiaries	<ul style="list-style-type: none">Selected residents, workers and their dependants in the City of Westminster and 8 other surrounding boroughs.					
	Indirect beneficiaries	<ul style="list-style-type: none">n/a					
	Location	<ul style="list-style-type: none">Central London					
How much	Beneficiary	Breadth	<ul style="list-style-type: none"># homes managed% homes managed at affordable rent (53% market rate)	629 87%	600 75%	300 n/a	
		Depth	<ul style="list-style-type: none">Significant increase (10x) in # homes managed since 2014 (60)	n/a	n/a	n/a	
Contribution	Intention to meet the needs of underserved beneficiaries?	<ul style="list-style-type: none">Residents are selected on the basis of the following criteria:<ul style="list-style-type: none">working in the public or voluntary sectors in the City of Westminster;working in other lower-paid sectors, e.g. hospitality, transport, the arts;other hardship, e.g. social or economic need, ill health, disability, etc.					

	New/expanded impact? Additionality/higher impact?	<ul style="list-style-type: none">– 174 new homes under construction; c.200 in design.– Incremental impact expected with target to manage 1,000 homes by 2020.– Addressing need for more rental homes across a range of incomes to meet the needs of those priced out of the rental market but who don't qualify for social housing.				
Risk	Mission drift	Mitigation	<ul style="list-style-type: none">– Intention to generate impact; mission locked by charitable objective of parent foundation.– Core activity of provision of social/affordable housing has impact by default; DSCT goes beyond this in addressing needs of key workers/vulnerable groups in expensive central London location.			
		Performance	<ul style="list-style-type: none">– Risk level	Low	Low	n/a
	Evidence risk	Mitigation	<ul style="list-style-type: none">– No evidence/commitment to impact reporting; data taken from annual report and accounts and relates only to outputs (based on # properties) not outcomes for residents.			
		Performance	<ul style="list-style-type: none">– Risk level	High	High	n/a
	Unintended impact/ execution/external risk	<ul style="list-style-type: none">— Poor quality housing, standard of repairs— Unsafe buildings— Poor complaints handling— Failure to manage anti-social behaviour	Starting risk level <ul style="list-style-type: none">– No evidence of reporting on housing standards, resident complaints, % upheld etc.	Med	n/a	n/a
			Mitigation <ul style="list-style-type: none">– No evidence	Med	n/a	n/a
			Performance <ul style="list-style-type: none">– Insufficient evidence to form opinion	N/A	n/a	n/a
	Additional commentary	<ul style="list-style-type: none">– % of homes managed at affordable rent below market rates increased from 75% to 87% in 2018– Commissioned/funded research from University of Westminster: Estimating the Value of Discounted Rental Accommodation for London's 'Squeezed' Key Workers (published October 2016)– Engage on impact reporting				
Avoid / Benefit / Contribute	<ul style="list-style-type: none">– Contribute (7) – providing intermediate rental housing for potentially excluded groups of residents/key workers at below market rates.					


			2018	2017	2016
Investor contribution	Signal	– Signal impact matters: we make organisations aware that we favour those with a positive impact and avoid those with material negative impacts.	Y	n/a	n/a
	Engage	– Engage actively: query impact reporting as part of social housing engagement project.	Y	n/a	n/a
	Grow	– Grow new or undersupplied capital markets: we were early stage investors and supported the group's raising of funds	Y	n/a	n/a
	Flexible	– Provide flexible capital	n/a	n/a	n/a

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Golden Lane Housing					
Provider of housing and support for people with learning disabilities					
Golden Lane Housing (GLH) was set up by Mencap in 1998. It is both a separately registered charity and a registered company. It provides conventional housing to people with learning disabilities, aiming to address the shortfall in housing within the community for people with learning disabilities. GLH's housing options include: properties it has bought or built; properties leased by GLH on behalf of its tenants from social or private sector landlords; and properties managed by GLH on behalf of local authorities or support providers. In all cases, GLH seeks long-term housing options to minimise disruption for tenants and their families. It also works with tenants to understand their needs and adapt properties as necessary.					
	Inequality: Support for minority or conventionally excluded groups		Exposure: Major		
Dimension			Progress		
			2019	2018	2015
What	Creating positive impact	<ul style="list-style-type: none">– Aims to provide people with learning disabilities with the opportunity to live where they want, in high quality adapted housing and with the right support so they can feel safe, develop their independence and skills and contribute to their communities.– Uses Mencap’s <i>What Matters Most</i> survey methodology to understand tenants’ priorities and measure outcomes relating to them.			
Who	Primary beneficiaries	– Individuals with learning difficulties.			
	Indirect beneficiaries	– Families and carers – many tenants previously lived with family carers, who reported strain on their physical and mental wellbeing as a result.			
		– Central government – saving £500 per tenant p.w. (residential care) and £2,500 (hospital bed).			
	Location	– UK			

How much	Residents	Breadth	<ul style="list-style-type: none"> – # tenants across UK – # tenants visited – # owned properties – # leased properties – # managed properties – Total # properties 	1,850 1,046 880	1,740 429 369 38 836	1,645 429 338
		Depth	<ul style="list-style-type: none"> – Significant and long-term impact on service users. – Helped over 3,500 people into new homes since foundation in 1998. 	High	n/a	n/a
Contribution	Intention to meet the needs of underserved beneficiaries?	<ul style="list-style-type: none"> – Targeted approach to helping individuals with learning disabilities, who would otherwise be marginalised in society. – GLH has identified that only 16% of people with a learning disability live in their own accommodation. The majority live in registered care or with their families. – Tenant surveys identified a desire for independence and preparing for the future (when families may not be able to provide care) as the primary reasons for seeking GLH accommodation. 				
	New/expanded impact?	<ul style="list-style-type: none"> – Links proceeds raised via each bond issue to the number of properties acquired and modified for tenant use. 				
	Additionality/higher impact?	<ul style="list-style-type: none"> – Though services do exist for adults with learning disabilities, access to good quality, independent housing is extremely limited. 				
Risk	Mission drift	Mitigation	<ul style="list-style-type: none"> – Impact mission is core to the way in which GLH operates; high level of certainty that positive impacts will occur. – Low risk of significant negative externalities arising as a result of the company's activities, products or services. Risks associated with the nature of services provided are mitigated by strict oversight mechanisms and high level of involvement of service users in Golden Lane's operations. – Commitment to early and in-depth dialogue with tenants and their families on specific needs and objectives for moving into a new home helps to ensure an individual and person-focused service. 			
		Performance	– Risk level	Low	Low	n/a

	Evidence risk	Mitigation	– Annual impact report produced for use of individual bond proceeds; overall operations covered in cases studies and narrative reporting. – Majority of outcome reporting is at a case study/narrative level and aggregated data is not reported.			
		Performance	– Risk level – Next report (due July 2019?) will assess impact using Mencap’s What Matters Most tool	Low	Low	n/a
	Unintended impact risk	Poor level of tenant satisfaction (wellbeing, property maintenance) Unsafe housing	Starting risk level for industry/activity	Med	Med	n/a
			Mitigation (and adjusted risk level) – All measures of tenant satisfaction (including location, value, service, quality, repairs, GLH response) improved year-on-year. – Evidence of specific measures being taken in the past to address declining satisfaction/tenant feedback trends (e.g. bringing repairs in-house in April 2015) provides some protection against potential concerns.	Low	Low	n/a
			Performance – Tenant satisfaction wellbeing survey: “happy with neighbourhood” – Repairs completed within target – Tenant satisfaction with quality of repairs – % housing stock with valid gas safety certificate	97% 90% 94.6% 87.8%	90%	n/a
Additional commentary	2017: – £10m raised by SIB/RCB – 87 tenants interviewed – 312 completed surveys					
Avoid / Benefit / Contribute	– Contribute (C9): High degree of intentionality and delivery; overall impact reporting could be of higher standard.					

			2019	2018	2015
Investor contribution	Signal	– Signal impact matters: We make organisations aware that we favour those with a positive impact and avoid those with material negative impacts.	Y	n/a	n/a
	Engage	n/a	n/a	n/a	n/a
	Grow	– Grow new or undersupplied capital markets: We were early stage investors	Y	n/a	n/a
	Flexible	n/a	n/a	n/a	n/a


Social Impact Reports based on performance/use of funds raised by specific bond issues (i.e. 2014, 2017) – data not aggregated across whole property portfolio on continuous basis.

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Greensleeves Care				
Operator of residential care homes for the elderly				
Greensleeves Care is the operating name of Greensleeves Homes Trust, a registered charity providing residential care homes in the UK. Its 22 care homes offer a mix of residential and nursing care for the elderly, with an increasing focus on specialist dementia care. Greensleeves Home Trust emerged in 1997 from Women's Royal Voluntary Service (WRVS, now Royal Voluntary Service) and its name derives from the green sleeves that featured on the WRVS uniform.				
	Demographic changes: Products and services to serve growing elderly population		Exposure: Major	
Dimension				Progress
				2019 2018 2017
What	Creating positive impact	<ul style="list-style-type: none"> – Greensleeves is committed to delivering high quality, person-centred care. – A number of its care homes are accredited to the Eden Alternative framework - a system which is designed to change the culture in care homes from an institutional approach focused on medical needs to one which considers broader aspects of resident happiness and wellbeing. 		
Who	Primary beneficiaries	<ul style="list-style-type: none"> – Residents, elderly individuals requiring residential and nursing care 		
	Indirect beneficiaries	<ul style="list-style-type: none"> – Relatives and families of residents – Employees 		
	Location	<ul style="list-style-type: none"> – National, UK 		

How much	Residents	Breadth	<ul style="list-style-type: none"> – Care homes – Existing homes acquired by Greensleeves – Existing homes refurbished – Residents 	n/a	24 3 2 971	21 832
		Depth	<ul style="list-style-type: none"> – Number of homes certified to 'Eden Alternative' framework – Tenant/carers satisfaction surveys – 'Your Care' survey score (industry average) out of 1,000 – % residents publicly funded – Moderate impact per beneficiary - level of impact will vary by beneficiary and type of care provided. 	n/a	18 896 (878) 25%	17 897 (880)
How much	Employees	Breadth	– # employees	n/a	1,200	1,102
		Depth	<ul style="list-style-type: none"> – # training sessions (# staff) – Staff survey % enjoy their jobs – Staff survey % believe the home delivers a high standard of care 	n/a	580 (1,417) 91% 93%	n/a
Contribution	Intention to meet the needs of underserved beneficiaries?	– Aims to offer high quality care to both private and publicly funded residents.				
	New/expanded impact? Additionality/higher impact?	– Though services do exist for older people, Greensleeves creates a higher positive impact by focusing on broader aspects of resident happiness and wellbeing.				

Risk	Mission drift	Mitigation	<ul style="list-style-type: none"> – Status as a charity provides some assurance against mission drift. – Core activity is impactful by default, but Greensleeves also has a clear intention to deliver positive impact beyond basic care services. – Involvement of residents and their families in the hiring of home managers and plans for refurbishment of homes helps to ensure their needs and wants are reflected in the group's activities. 			
		Performance	– Risk level	Low	Low	Low
	Evidence risk	Mitigation	<ul style="list-style-type: none"> – Status as a charity provides some assurance against mission drift. – Committed to annual impact reporting – initial impact report (2016/17) was relatively high level. Some further detail provided in second report, but still room for improvement – Action: encourage improved reporting 			
		Performance	– Risk level	n/a	Low	Low
	Unintended impact risk	Care quality	Starting risk level <ul style="list-style-type: none"> – Nature of elderly and nursing care services presents a significant risk of care failings 	n/a	High	High
			Mitigation <ul style="list-style-type: none"> – Strong commitment to personalised care. – Relatively small number of care home operated also guards against failings due to lack of management oversight. 	n/a	Low	Low

			<p>Performance</p> <p>– CQC ratings:</p> <table><tr><td>Outstanding</td></tr><tr><td>Good</td></tr><tr><td>Not rated</td></tr><tr><td>Requires Improvement</td></tr><tr><td>Inadequate</td></tr></table> <p>– 3 homes identified as 'Requires Improvement'. Of these, one related to minor issues, but 2 had more fundamental issues highlighted regarding staffing levels and lack of management oversight.</p> <p>– Now under new management teams and awaiting re-inspection.</p>	Outstanding	Good	Not rated	Requires Improvement	Inadequate	<table><tr><td>01/04/19</td></tr><tr><td>3</td></tr><tr><td>16</td></tr><tr><td>1</td></tr><tr><td>3</td></tr><tr><td>0</td></tr></table>	01/04/19	3	16	1	3	0	<table><tr><td>13/08/18</td></tr><tr><td>2</td></tr><tr><td>16</td></tr><tr><td>2</td></tr><tr><td>3</td></tr><tr><td>0</td></tr></table>	13/08/18	2	16	2	3	0	n/a
Outstanding																							
Good																							
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Requires Improvement																							
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01/04/19																							
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13/08/18																							
2																							
16																							
2																							
3																							
0																							
Additional commentary	Some quantitative data is reported, but much information is communicated via narrative reporting and case studies: <ul style="list-style-type: none">– Encourages care and activities to be tailored to the interests and needs of individual residents. Examples include decorating a resident's door with the symbol of the football club he supported, allowing a resident who enjoyed DIY to take part in maintenance activities, and encouraging a resident who had previously worked at restaurants to design table settings.																						
Avoid / Benefit / Contribute	<ul style="list-style-type: none">– Benefit (5)																						



			2019	2018	2018
Investor contribution	Signal	– Signal impact matters	Y	Y	Y
	Engage	– Communicated importance of ongoing impact reporting – meetings with company to discuss requirements.	n/a	Y	Y
	Grow	– Grow new or undersupplied capital markets	n/a	n/a	n/a
	Flexible	– Provide flexible capital	n/a	n/a	n/a

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Hightown Housing Association							
Charity housing association providing affordable homes in southern England							
Established in 1968, Hightown Housing Association (HHA, formerly Hightown Praetorian and Churches Housing Association) is a charitable housing association aiming to help those who cannot afford to buy or rent at market values. It provides a wide range of housing and support services for families and single people including people with special needs. Hightown manages over 6,000 homes (principally in Hertfordshire, Bedfordshire and Buckinghamshire) and operates a development programme that aims to deliver around 300 new affordable homes each year.							
				Basic needs: Social and affordable housing		Exposure: Major	
				Inequality: Support for minority or conventionally excluded groups		Exposure: Minor	
Dimension					Progress		
					2018	2017	2016
What	Creating positive impact	– Aims to build and manage good quality housing for individuals and families who cannot afford to buy or rent at market rates.					
		– Improve the well-being of tenants and create strong communities through the provision of housing and associated support services.					
Who	Primary beneficiaries	– Individuals and families					
	Indirect beneficiaries	– Some efforts have been made to quantify benefits other public services (eg healthcare, police and social services) from HHA’s supported living and homelessness services.					
	Location	– Regional: principally in Hertfordshire, Bedfordshire and Buckinghamshire.					
How much	Beneficiary	Breadth	– Residents		6,383	11,038	10,130
			– Properties				
			– Development pipeline			731	611

		Depth	<p>(Depth of impact will vary by type of housing tenure provided)</p> <ul style="list-style-type: none"> New or re-lettings during the year, of which: <ul style="list-style-type: none"> a. to statutorily homeless b. to tenants in care and supported living c. on social/affordable rents Total housing stock, of which % let: <ul style="list-style-type: none"> a. to tenants in care and supported living b. on social/affordable rents % residents satisfied with value for money from their rent Tenant satisfaction (overall) 	<p>36%</p> <p>6,383 10.8%</p> <p>57%</p> <p>84.2%</p>	<p>763 35% 32.9% 50.6%</p> <p>78%</p>	<p>611 35.41% 39.6% 54.8%</p> <p>74%</p>
Contribution	Intention to meet the needs of underserved beneficiaries?	<ul style="list-style-type: none"> Social and affordable rented housing, plus supported living/care services are intended to meet the needs of underserved beneficiaries. Housing completed for sale, or for rental at market rates, may provide little direct positive impact. However, the revenues from these activities cross-subsidise higher impact social and affordable lettings. 				
	New/expanded impact? Additionality/higher impact?	<ul style="list-style-type: none"> Housing exists in the areas where HHA operates. Therefore its primary benefit is incremental: providing good quality, affordable housing to lower income households. 				
Risk	Mission drift	Mitigation	<ul style="list-style-type: none"> Status as a Registered Social Landlord and a charity provides protection against mission drift. 			
		Performance	<ul style="list-style-type: none"> Risk level 	Low	Low	Low
	Evidence risk	Mitigation	<ul style="list-style-type: none"> Produces various annual reports which include information on its activities and the benefits created for tenants and communities. Focus on outputs rather than outcomes. Reports are largely narrative in nature and lack some of the quantitative detail of some peer companies. Different topics covered in different reports, which can make it difficult to gain a clear, overall picture of performance. 			
		Performance	<ul style="list-style-type: none"> Risk level 	Low	Low	Low

	Unintended impact/ execution/external risk	Care standards in supported living / nursing care	Starting risk level	Med	Med	Med
			Mitigation (and adjusted risk level) – Strong focus on care quality. Moving away from use of agency staff to improve consistency and quality of care delivered. – New model of measuring service user ‘growth’ introduced in 2018 to improve person-centred care	Low	Med	n/a
			Performance			
			Excellent	01/06/19 0.0%	01/03/18 0.0%	
			Good	100.0%	87.5%	
			Not rated	0.0%	0.0%	
			Requires Improvement	0.0%	12.5%	
			Inadequate	0.0%	0.0%	
Additional commentary	<ul style="list-style-type: none">– Hightown has opened several new specialist care and supported housing services in the year, including ones focused on victims of domestic violence, street drinker outreach and young asylum seekers.– Social Lettings Agency aims to help local authorities keep people out of bed and breakfast accommodation by leasing homes from private owners/landlords to let to homeless families.					
Avoid / Benefit / Contribute	Benefit stakeholders (5)					





			2018	2017	2016
Investor contribution	Signal	– Signal impact matters: We make organisations aware that we favour those with a positive impact and avoid those with material negative impacts.	Y	n/a	n/a
	Engage	– Engage actively: We are engaging with the company on its disclosure of information relating to tenant safety and wellbeing.	Y	n/a	n/a
	Grow	n/a	n/a	n/a	n/a
	Flexible	n/a	n/a	n/a	n/a

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KfW						
German development bank financing domestic economy and developing countries						
<p>Formed in 1948 after World War II, KfW (formerly Kreditanstalt für Wiederaufbau, or Credit Institute for Reconstruction) is 80% owned by the German government with federal states owning the remaining 20%. As a European promotional bank, KfW is mandated to provide financial assistance for the development of the German economy (where 82% of its capital is allocated) and other EU, non-EU and Euro-area countries (11%). The remaining 7% is allocated to Africa, Asia, Latin America and North America. KfW primarily makes loans to small and mid-sized German businesses as well as providing funding for housing, infrastructure, environmental protection and preservation and venture capital. KfW IPEX-Bank, the group's largest subsidiary, is responsible for international project and export finance, while two smaller subsidiaries, KfW Entwicklungsbank (Development) and DEG, disburse federal development funds to support public and private sector projects in developing and transition countries. KfW is one of the world's largest financiers of environmental investments with more than €200bn invested since 2008: around 40% of new finance is spent annually on climate and environmental protection measures with a further 14% used for financing developing and transition countries.</p>						
<div></div>	<p>Basic needs: Infrastructure for sustainable development</p> <p>Inequality: Support for entrepreneurship and SMEs</p> <p>Climate change: Mitigation technologies, energy efficiency, Renewable or low-carbon energy development</p>		<p>Exposure: Major</p> <p>Exposure: Minor</p> <p>Exposure: Minor</p>			
Dimension				Progress		
				2018	2017	2016
What	Creating positive impact	<ul style="list-style-type: none">Committed to addressing global megatrends: climate change and environment, poverty alleviation, globalisation and technological progress, demographic and social change.One of largest global issuers of green bonds (€14.5bn issued since 2014).SDGs mapped across entire business.				
Who	Primary beneficiaries	<ul style="list-style-type: none">German start-ups, self-employed, SMEsGerman companies seeking export/credit finance				
	Indirect beneficiaries	<ul style="list-style-type: none">Developing and transition countries; environment, climate				

	Location	– Germany, Europe, global				
How much	Beneficiary	Breadth	– €bn total new business activity (60% domestic, 40% international)	75.5	76.5	n/a
			– % financial commitment by type:		n/a	
			o SME and private clients	48		n/a
			o Export and project finance (IPEX-Bank)	23		
			o Developing countries and emerging economies (DEG)	14		
			o Public sector	13		
			o Financial markets (incl Green Bond portfolio)	2		
			o Private equity and venture capital (KfW Capital)	<1		
		Depth	– #m people employed by companies supported by DEG	1.7		n/a
			– #m jobs created following DEG investment	0.49		
			– €bn financing in developing and emerging economies		8.2	
			– €bn support for refugee projects (28 countries)	4.1		
Contribution	Intention to meet the needs of underserved beneficiaries?	– No – KfW supports sustainable improvement of economic, social and environmental conditions around the world, with an emphasis on promotion of the German economy.				
	New/expanded impact? Additionality/higher impact?	– No – KfW's strategy is based on on-lending, whereby it extends loans to commercial banks, who, in turn, lend the funds to the ultimate borrowers at favourable rates.				
Risk	Mission drift	Mitigation	– Mandated by German law to provide development finance in German, Europe and globally. – Some evidence of impact evaluation case studies.			
		Performance	– Risk level	Low	Low	n/a
	Evidence risk	Mitigation	– Impact assessments carried out by KfW Development Bank's Evaluation Unit ¹ on the effect of financial cooperation.			
			– 2015/16: 157 projects rated (1="successful - very good", 6="unsuccessful - highly unsatisfactory"): 130 projects rated 1-3 (1=6, 2=71, 3=53); 27 rated 4-6 (4=20, 5=7, 6=0). – Reporting inconsistent across group; impact reporting mostly limited to Development Bank.			

¹ 14th Evaluation Report 2015-2016

		Performance	– Risk level	Med	Med	n/a
	Unintended impact/ execution/external risk	<ul style="list-style-type: none">– Financing of high-carbon activities– Corruption and fraud– Lending risk (human rights)	Starting risk level <ul style="list-style-type: none">– KfW IPEX-bank finances development of oil and gas fields, pipelines, refineries, mining projects, paper mills, airport expansions etc.	High	High	n/a
			Mitigation <ul style="list-style-type: none">– SDG focus on 7 Affordable and Clean Energy; 9 Industry Innovation and Infrastructure, 11 Sustainable Cities and Communities, 13 Climate Action	Med	Med	n/a
			Performance <ul style="list-style-type: none">– % total new business volume in environment and climate protection– €bn total new business volume in environment and climate protection	40%	43%	n/a
				30.2	33.2	
Additional commentary	<ul style="list-style-type: none">– All projects subject to Environmental and Social Impact Assessment; assigned category A, B or C in terms of E and S risks.– Complaints procedure in place with special attention given to human rights and indigenous populations.					
Avoid / Benefit / Contribute	<ul style="list-style-type: none">– Benefit (5) – acts as finance-raising mechanism to fund projects to facilitate improvements in living standards and environmental and climate wellbeing.					

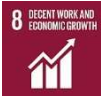



			2018	2017	2016
Investor contribution	Signal	– Signal impact matters: we make organisations aware that we favour those with a positive impact and avoid those with material negative impacts.	Y	Y	n/a
	Engage	– Engage actively	n/a	n/a	n/a
	Grow	– Grow new or undersupplied capital markets	n/a	n/a	n/a
	Flexible	– Provide flexible capital	n/a	n/a	n/a

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Lloyds Bank ESG Bond <i>ESG bond funding renewable energy and SMEs and health in deprived areas of</i>				
<p>Lloyds Bank ESG bonds are ringfenced, meaning that proceeds can only be used for specific purposes rather than general corporate activities. Proceeds from the bonds issued under this programme will be used to support Lloyds' lending to a range of projects including: small-scale renewable energy projects; small and medium-sized enterprises operating in the most deprived areas of the UK; healthcare providers operating in the most deprived areas of the UK; and, customers awarded grants through the UK government's regional growth fund. In addition, lending is also eligible to real estate assets (both commercial and residential) that meet minimum energy efficiency standards (either BREEAM or EPC). Lloyds has also worked with the sustainability consultants Sustainalytics to create a robust framework for monitoring the use of the bonds' proceeds. Bond I (£250m) was issued in July 2014 and matured in December 2018. Bond II was issued for £250m in June 2015 and matures in June 2022; a tender offer in June 2017 reduced the bond's size to £169.1m.</p>				
   	Inequality: Support for entrepreneurship and SMEs		Exposure: Major	
	Climate change: Renewable or low-carbon energy development		Exposure: Minor	
	Healthcare access: Investment in healthcare infrastructure		Exposure: Minor	
Dimension				Progress
				2018 2017 2016
What	Creating positive impact	– ESG bonds issued with aim of supporting Lloyds Banking Group's Helping Britain Prosper plan.		
Who	Primary beneficiaries	– Aims to support SMEs and healthcare providers in the 30% most economically disadvantaged areas in the UK. – Small-scale and mid-market renewable energy projects – Regional Growth Fund (closed Dec 2015)		
	Indirect beneficiaries	– Climate, NHS		
	Location	– UK		

How much	Beneficiary	Breadth	• £m total allocation (2017 = Bond I; 2018 = Bond II)	169.1	250.0	n/a
		Depth	– £m allocated to borrowers located in 30% most economically disadvantaged areas in UK.	128.6	242.6	n/a
			– % allocated to borrowers located in 30% most economically disadvantaged areas in UK.	76	97	
			– £m allocated to small-scale renewable energy projects in the UK.	40.6	2.1	
			– # renewable energy projects	97	7	
			– £m allocated to UK healthcare sector, including hospital and GP properties, nursing homes, dental practices and other care activities.	25.5 ¹	17.8	
			– Regional Growth Fund	n/a	6.3	
			– # jobs created or saved due to RGF grants	n/a	343	
Contribution	Intention to meet the needs of underserved beneficiaries?	– Yes – significant % of proceeds allocated to SMEs and healthcare providers in the 30% most economically disadvantaged areas in the UK.				
	New/expanded impact? Additionality/higher impact?	– Given the reliance on primarily privately-owned GP practices within the overall UK healthcare model, the focus on lending to healthcare providers in disadvantaged areas provides broad social benefits. However, the amount of lending to this sector across the two ESG bonds is less than 10%. – SMEs in the UK account for 60% of all private sector employment: financing such businesses is highly impactful in terms of funding economic and jobs growth.				

¹ Lending can meet one or more criteria, eg healthcare borrowers can also be located in an economically disadvantaged area.

Risk	Mission drift	Mitigation	– Internal business responsible for project selection and monthly verification of allocation of proceeds to eligible assets.			
		Performance	– Risk level	Low	Low	n/a
	Evidence risk	Mitigation	– Sustainalytics advised on bonds' eligibility criteria; provides annual 2 nd party evaluation summary in line with Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines.			
		Performance	– Risk level	Low	Low	n/a
	Unintended impact/ execution/external risk	n/a	Starting risk level	n/a	n/a	n/a
			Mitigation	n/a	n/a	n/a
			Performance	n/a	n/a	n/a
Additional commentary	n/a					
Avoid / Benefit / Contribute	Benefit (B6)					



			2018	2017	2016
Investor contribution	Signal	– Signal impact matters: we make organisations aware that we favour those with a positive impact and avoid those with material negative impacts.	Y	Y	n/a
	Engage	– Engage actively: query impact reporting as part of social housing engagement project.	n/a	Y	n/a
	Grow	– Grow new or undersupplied capital markets	n/a	n/a	n/a
	Flexible	– Provide flexible capital	n/a	n/a	n/a

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London and Quadrant Housing							
Housing association operating in Greater London and south-east England							
Originally established in Greenwich in 1963, London and Quadrant Housing Trust (L&Q) came into being following the merger of its respective housing associations in 1974. It has since expanded significantly through growth in its own operations and further mergers with other housing associations. L&Q is now a charitable housing association which owns and manages more than 90,000 homes across London and the south-east of England, making it the largest landlord in the capital. The group's L&Q Living division was established in 2017 and provides specialist care and supported living services to vulnerable and older residents.							
 		Basic needs: Social and affordable housing Inequality: Support for minority or conventionally excluded groups			Exposure: Major Exposure: Minor		
Dimension					Progress		
					2018	2017	2016
What	Creating positive impact	<ul style="list-style-type: none">– Aims to ensure everyone in its areas of operation has a quality home they can afford.– Tackle the housing and affordability crisis					
Who	Primary beneficiaries	– Residents - Individuals and families					
	Indirect beneficiaries	n/a					
	Location	– Regional – operations focussed on London and SE England					
How much	Beneficiary	Breadth	– # homes owned & managed	92,500	90,571	73,070	
			– % of which supported housing and housing for older people	6.7%	7.5%	4.4%	
			– % of which other social housing accommodation, eg affordable rent, shared ownership and key worker housing	78%	79%	80%	
		Depth	– New homes built	2,698	2,552	2,510	
– Social value generated per £1 invested (calculated using the HACT methodology)	£3.30		£5	£3.50			
– Increase in tenant income due to financial advice and support in accessing benefits	£8m		£8.6m	£6.8m			

Contribution	Intention to meet the needs of underserved beneficiaries?	– Aims to provide good quality housing and healthy communities for individuals and families with a variety of incomes and needs.					
	New/expanded impact? Additionality/higher impact?	– Housing exists in the areas where L&Q operates. Therefore its primary benefit is incremental: providing good quality, affordable housing to lower income households. – Aiming to build 100,000 new homes over the next ten years, with a minimum of 50% for social housing.					
Risk	Mission drift	Mitigation	– Status as a Registered Social Landlord and a charity provides strong protections against mission drift.				
		Performance	– Risk level	Low	Low	Low	
	Evidence risk	Mitigation	– Produces various annual reports which include information on its activities and the benefits created for tenants and communities. Focus on outputs rather than outcomes.				
		Performance	– Risk level	Low	Low	Low	
	Unintended impact risk	Poor quality housing, standard of repairs Unsafe buildings Poor complaints handling Failure to manage anti-social behaviour	Starting risk level		Med	Med	n/a
			Mitigation	– Overall customer satisfaction – Satisfaction with repairs and maintenance service	74% 70%	n/a	n/a
			Performance	– Tailored risk level	Med	Med	n/a
Additional commentary	n/a						

Avoid / Benefit / Contribute	Benefit (5)
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			2018	2017	2016
Investor contribution	Signal	– Signal impact matters: We make organisations aware that we favour those with a positive impact and avoid those with material negative impacts.	Y	n/a	n/a
	Engage	– Engage actively: We are engaging with the company on its disclosure of information relating to tenant safety and wellbeing.	Y	n/a	n/a
	Grow	n/a	n/a	n/a	n/a
	Flexible	n/a	n/a	n/a	n/a

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Media Development Investment Fund						
US charity providing finance to promote independent media globally						
Founded in 1995 as Media Development Loan Fund by journalists Sasa Vucinic and Stuart Auerbach, Media Development Investment Fund (MDIF) is a New York-registered not-for-profit corporation with public charity status. It provides affordable financing and technical assistance to independent news and information businesses in challenging environments, such as countries with a history of media oppression or concentrated ownership of media outlets, helping them to become financially sustainable.						
 		Connectivity and communication: Knowledge sharing and community formation, Privacy and freedom of expression Inequality: Support for minority or conventionally excluded groups; Support for entrepreneurship and SMEs		Exposure: <i>Major</i> Exposure: <i>Major</i>		
Dimension				Progress		
				2018	2017	2016
What	Creating positive impact	<ul style="list-style-type: none">Support the development and sustainability of free and independent media organisations worldwide.Promote free societies, support fuller participation in public life and increase the accountability of governments, corporates and powerful individuals or groups.				
Who	Primary beneficiaries	<ul style="list-style-type: none">Independent media organisations in countries where access to conventional finance is limited, or where press and political freedoms are under threat.				
	Indirect beneficiaries	<ul style="list-style-type: none">People receiving their news through MDIF client organisationsGeneral populations of MDIF target countries				
	Location	<ul style="list-style-type: none">Fund operates at global level, beneficiary organisations tend to be national or regional in scope.				
How much	Media organisations	Breadth	<ul style="list-style-type: none">AUM (total)# organisations supported (new)# countries# Journalists (% women)	n/a	\$71.7m 48 (4) 26 4,700 (47%)	\$67m 49 (2) 28 n/a
		Depth	<ul style="list-style-type: none">Median increase in client reach after 5 years working with MDIFMedian sales increase after 2 years (after 5 years)% clients who increased or maintained revenue year-on-year	n/a	32% 21% (105%) 69%	32% (109%) 69%


	Societies served by media organisations	Breadth	<ul style="list-style-type: none"> – % investments in countries with limited press freedom – % investments in countries with serious corruption issues – # people receiving news via MDIF clients (online) – # people receiving news via MDIF clients (traditional media) 	n/a	91.8%	96.5%
		Depth	<ul style="list-style-type: none"> – % clients reporting on corruption, with an impact – % reporting on accountability, with an impact – % reporting on social issues, with an impact – Impact of this reporting: <ul style="list-style-type: none"> o % institutional change (eg change in policy) o % civic response (eg protest or community engagement) o % personal (eg resignation, fine, formal apology) o % other 	n/a	86%	76%
Contribution	Intention to meet the needs of underserved beneficiaries?	<ul style="list-style-type: none"> – Direct beneficiaries (media organisations) intentionally selected due to their potential onward impact and the fact that they would be otherwise underserved. – Indirect beneficiaries not intentionally targeted, but focus on media organisations in countries with low press freedom means audiences are likely to be underserved by default. 				
	New/expanded impact? Additionality/higher impact?	<ul style="list-style-type: none"> – Specifically targets organisations that would otherwise struggle to raise capital, with the intention of increasing access to free and independent media/press. 				
Risk	Mission drift	Mitigation	<ul style="list-style-type: none"> – Eligibility criteria for investment ensure that underserved organisations are prioritised. – Board composition and involvement of a range of social investors also provide ‘soft’ protections against mission drift. 			
		Performance	– Risk level	n/a	Low	Low
	Evidence risk	Mitigation	<ul style="list-style-type: none"> – Clear commitment to impact reporting, with evidence of track record. – Transparent on impact methodology and the challenges/limitations in gathering data and reporting on impact. 			
		Performance	– Risk level	n/a	Low	Low

	Unintended impact risk	Corruption	Starting risk level <ul style="list-style-type: none">– Risk of corruption/inappropriate loans (eg to state-backed/propaganda organisations).	n/a	Med	Med
			Mitigation <ul style="list-style-type: none">– Investment eligibility criteria prohibit applicants that are wholly or partly owned “<i>by the government or any state agency, a foreign legal entity or any political or economic interest.</i>” If ownership changes during loan term, MDIF can accelerate repayment and exit.	n/a	n/a	n/a
			Performance <ul style="list-style-type: none">– Actual risk level	n/a	Low	Low
Additional commentary	<ul style="list-style-type: none">– MDIF also reports case studies of how supported media organisations create positive impact through their reporting activities. For example, in 2017:<ul style="list-style-type: none">a. A supported media organisation in Guatemala reported on a family-owned construction group that was receiving government subsidies for new housing despite not delivering any new homes. Following the report members of the family were arrested under investigation for corruption.b. A supported organisation in Nepal reported on the severe air pollution problems in the country, which are exacerbated by very old public transport vehicles. Though a causal link cannot be certain, a month after the articles were published, the police began enforcing a two-year-old law which banned public transport vehicles older than 20 years.c. A media outlet in Serbia reported on voting irregularities in Serbia, including evidence of registered voters aged over 120 years (the oldest person in Serbia had died the previous year aged 107). Observers from the Organization for Security and Co-operation in Europe also expressed concerns regarding the accuracy of the voter list.					
Avoid / Benefit / Contribute	Contribute (9): clear intentionality to create positive benefits for organisations and broader society. Focus and nature of MDIF’s operations means that benefits would be unlikely to have occurred otherwise.					

			2018	2017	2016
Investor contribution	Signal	– Signal impact matters: We make organisations aware that we favour those with a positive impact and avoid those with material negative impacts.	n/a	Y	Y
	Engage	n/a	n/a	Y	Y
	Grow	– Grow new or undersupplied capital markets	n/a	Y	Y
	Flexible	n/a	n/a	n/a	n/a

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Motability Operations						
Not-for-profit operator of vehicle leasing scheme for disabled people						
<p>Motability Operations (MO) is the not-for-profit company that runs the Motability Car Scheme and the Powered Wheelchair and Scooter Scheme under contract to the Motability charity. It is jointly owned by four major UK banks: Barclays, Lloyds, HSBC and RBS. The schemes enable disabled people to use their government-funded mobility allowances to lease a new car, powered wheelchair or scooter at affordable prices. Additional adaptations for disabled drivers or specially designed wheelchair accessible vehicles are also available through the scheme. Car scheme customers can also nominate family members or carers as drivers for their vehicles. The car scheme remains the largest part of MO's activities, serving over 600,000 customers.</p>						
	Inequality: Support for minority or conventionally excluded groups			Exposure: Major		
Dimension				Progress		
				2018	2017	2016
What	Creating positive impact	<ul style="list-style-type: none"> – Aims to improve access to mobility for individuals with physical disabilities, promoting their freedom and independence. – Increase accessibility and affordability of vehicles and scooters that have been adapted to meet different disability needs. 				
Who	Primary beneficiaries	– Disabled individuals and their families.				
	Indirect beneficiaries	– n/a				
	Location	– UK-wide				
How much	Disabled individuals and their families	Breadth	<ul style="list-style-type: none"> – # people eligible for the scheme – # customers of car scheme or powered wheelchair and scooter scheme (of eligible population) – # vehicle models that can be funded solely by a customer's disability allowance 	1.7m 625,000 (36.8%) 340	1.8m 629,000 (34.9%) 360	1.8m 648,000 (36%) 534

		Depth	<ul style="list-style-type: none"> Relative affordability - % cheaper than a commercial contract hire arrangement A portion of profits is reinvested to fund free vehicle adaptations, a payment scheme that rewards customers for returning vehicles in good condition at the end of the lease period, and training for dealerships to improve customer service. 	45%	45%	43%
Contribution	Intention to meet the needs of underserved beneficiaries?	<ul style="list-style-type: none"> Clear intention to serve a section of the population that face challenges accessing suitable and affordable mobility options in the commercial vehicle leasing market. 				
	New/expanded impact? Additionality/higher impact?	<ul style="list-style-type: none"> Motability charity established in 1977 to oversee the Motability Scheme. MO delivers the scheme under contract to the charity. The scheme would therefore exist in some form, regardless of the existence of MO, though commercial focus of MO has helped to reduce costs and improve customer service. This view is borne out by the findings of a National Audit Office review (Dec 2018) on value for money delivered by MO. 				
Risk	Mission drift	Mitigation	<ul style="list-style-type: none"> MO is a commercial organisation, but its sole purpose is to administer the Motability Scheme on behalf of the Motability charity. Therefore a low chance of mission drift. 			
		Performance	<ul style="list-style-type: none"> Risk level 	Low	Low	Low
	Evidence risk	Mitigation	<ul style="list-style-type: none"> Annual report contains some information on scale of scheme and outputs, but not commitment to broader impact reporting. 			
		Performance	<ul style="list-style-type: none"> Risk level 	Low	Low	Low
	Execution risk	Governance	<p>Starting risk level</p> <ul style="list-style-type: none"> In February 2018, media reports raised questions about the £1.7m total remuneration package paid to MO's chief executive, Mike Betts, in addition to alleged cash reserves of £2.4bn. NAO asked to review finances and pay practices 	Med	Low	Low

			Mitigation <ul style="list-style-type: none"> NAO review found no evidence of misconduct and found generally good value for money. Did recommend improved reporting on remuneration and associated targets, plus a long-term plan for reinvestment of surplus profits. MO accepted these recommendations. 	n/a	n/a	n/a
			Performance <ul style="list-style-type: none"> Risk level 	Low	Low	Low
Additional commentary	<ul style="list-style-type: none"> As part of its charitable donations to the Motability charity, MO has made increased grants available to support individuals affected by welfare reforms and the switch from Disability Living Allowance (DLA) to the Personal Independence Payment (PIP). This resulted in large numbers of people losing their eligibility for a Motability vehicle. MO provides transitional support payments of £2,000 to affected individuals and has extended the period that customers can keep their existing vehicle from 7 to 26 weeks. 					
Avoid / Benefit / Contribute	<ul style="list-style-type: none"> Benefit (6): High level of positive impact with focus on underserved communities. Impact likely to have occurred anyway, though potentially at a higher cost. 					


			2018	2017	2016
Investor contribution	Signal	<ul style="list-style-type: none"> Signal impact matters: We make organisations aware that we favour those with a positive impact and avoid those with material negative impacts 	Y	Y	Y
	Engage	n/a	Y	n/a	n/a
	Grow	n/a	n/a	n/a	n/a
	Flexible	n/a	n/a	n/a	n/a

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Municipality Finance (Munifin)						
Finnish provider of financial services for municipalities						
Municipality Finance plc (MuniFin) was founded in 1990 and is based in Helsinki, Finland. It is wholly owned by the Finnish public sector according to the following ownership structure: 53% municipalities, 31% Keva (local government pension fund) and 16% Republic of Finland. MuniFin provides financial services for municipalities and central government-subsidised housing in Finland. The company offers market-based funding to municipalities, joint municipal authorities, municipality controlled entities, and non-profit corporations and organisations. It also provides funding, financing, liquidity management and financial consulting services; long-term financing, such as budgeting, investment and interest subsidy loans, as well as non-subsidised mortgages; real estate leasing solutions and life-cycle projects; international capital markets; and financial advisory services. In 2016, MuniFin became the first Finnish green bond issuer, adopting a framework in line with the Green Bond Principles.						
	Basic needs: Infrastructure for sustainable development			Exposure: Major		
Dimension				Progress		
				2018	2017	2016
What	Creating positive impact	– Provides flexible lending to municipalities and central government-subsidised housing in Finland, provided by municipally-owned companies and non-profit housing companies. – Offers financing for wide range of environmentally and socially responsible projects, including: public transport, sustainable buildings, hospitals and healthcare centres.				
Who	Primary beneficiaries	– Finnish municipalities				
	Indirect beneficiaries	– General population of Finland				
	Location	– Finland				
How much	Beneficiary	Breadth	– €bn total lending <ul style="list-style-type: none">of which, €bn green financeof which, % green finance (2022 target: 10%) – Lending portfolio by % <ul style="list-style-type: none">Social housingMunicipalitiesLocal govt corporationsMunicipal federations	22.4 1.14 5 45 35 16 4	21.2 0.8 3.8 46 35 15 4	n/a

		Depth	<ul style="list-style-type: none">– Social housing breakdown:<ul style="list-style-type: none">○ State-subsidised rental○ Right-of-occupancy housing○ Social housing, special groups– # loans granted for new residential homes for special groups:<ul style="list-style-type: none">○ Students○ Elderly○ Young○ Disabilities○ Mental health and substance abuse	60% 24% 16% 1,400 40% 34% 17% 8% 1%	60% 29% 11% >1,000 20% 60% n/a 20% n/a	n/a
Contribution	Intention to meet the needs of underserved beneficiaries?	– Focus on underserved groups through 45% of lending to social housing, but otherwise funding is of benefit to general population.				
	New/expanded impact? Additionality/higher impact?	– No evidence that this funding would not have occurred anyway.				
Risk	Mission drift	Mitigation	– Established for purpose of focusing on developing Finnish welfare society; only financial institution in Finland specialised in financing municipal sector and state-subsidised housing production.			
		Performance	– Risk level	Low	Low	n/a
	Evidence risk	Mitigation	– Good standard of responsibility reporting with appropriate KPIs, although only since y/e 2017. [Reporting on impact of green bonds is more detailed.]			
		Performance	– Risk level	Low	Med	n/a
	Unintended impact/execution/external risk	N/a	Starting risk level	Low	Low	n/a
			Mitigation	n/a	n/a	n/a
			Performance	n/a	n/a	n/a
Additional commentary	<ul style="list-style-type: none">– KPIs (CO₂ avoided, energy efficiency gains etc.) from 3 green bond issues not included; summary green finance data only included as general indicator of scale as part of MuniFin's overall lending portfolio.– Excellent gender diversity: 50/50 split at board level since 2014; 43/57 female/male split at managerial level (2013: 38/62).					

Avoid / Benefit / Contribute	– Benefit (B4) – not green/sustainability bond issue but focus on lending to municipalities for benefit of general population, especially housing.
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			2018	2017	2016
Investor contribution	Signal	– Signal impact matters: we make organisations aware that we favour those with a positive impact and avoid those with material negative impacts.	Y	Y	n/a
	Engage	– Engage actively: query impact reporting as part of social housing engagement project.	n/a	n/a	n/a
	Grow	– Grow new or undersupplied capital markets	n/a	n/a	n/a
	Flexible	– Provide flexible capital	n/a	n/a	n/a

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Places for People							
Large-scale housing association and support services provider across UK							
<p>Originating from the North British Housing Association, Places for People (PfP) has grown into one of the UK’s largest housing associations and is a major provider of property management, development and regeneration services. A network of subsidiary companies builds, manages, maintains and repairs properties and also provides ancillary services, such as financing for first time buyers, supported accommodation and at-home care services, and job and training opportunities for tenants. Subsidiary Places for People Leisure also manages a network of 110 leisure centres on behalf of UK local authorities. Through its integrated model, PfP aims to create ‘neighbourhoods of choice’ as opposed to disjointed housing developments. PfP is also involved in developing and managing over 100 leisure facilities on behalf of local authorities.</p>							
			<p>Basic needs: Social and affordable housing</p> <p>Inequality: Support for minority or conventionally excluded groups</p> <p>Protection and wellbeing: Sports and leisure products and services</p>		<p>Exposure: Major</p> <p>Exposure: Minor</p> <p>Exposure: Minor</p>		
Dimension					Progress		
					2018	2017	2016
What	Creating positive impact	– Commitment to ‘place-making’ – creating mixed income communities that have a positive impact on residents’ wellbeing and the wider environment.					
Who	Primary beneficiaries	– Residents - Individuals and families – Leisure centre customers					
	Indirect beneficiaries	n/a					
	Location	– National – develops and manages housing and leisure centres across the UK					
How much	Beneficiary	Breadth	– # homes owned and managed	198,640	182,725	n/a	
			– of which affordable rented	66,844	n/a	n/a	
			– o % of total	33%	n/a	n/a	
			– New homes built or acquired	2,097	n/a	n/a	
			– Leisure facilities managed	123	116	116	

		Depth	(Depth of impact will vary by type of housing tenure provided) – Social return on investment (HACT) – People supported into employment – People supported into training & education	£76m 675 1,500	n/a	n/a
Contribution	Intention to meet the needs of underserved beneficiaries?	– Aims to provide good quality housing and healthy communities for individuals and families with a variety of incomes and needs.				
	New/expanded impact? Additionality/higher impact?	– Housing exists in the areas where PfP operates. Therefore its primary benefit is incremental: providing good quality, affordable housing to lower income households.				
Risk	Mission drift	Mitigation	<ul style="list-style-type: none"> Group is split roughly 50/50 in terms of revenue from regulated social housing activities and other, non-regulated activities (leisure centres, development and management of private property). Commercial activities cross-subsidise regulated activities. Strong commitment to positive social impact remains. 			
		Performance	<ul style="list-style-type: none"> Risk level <ul style="list-style-type: none"> Increased due to increasing share of revenue from commercial activities 	Med	Low	Low
	Evidence risk	Mitigation	<ul style="list-style-type: none"> Annual report contains good narrative reporting and some quantitative data on outputs. Uses HACT social value calculator. Previously produced a separate impact report, but no longer does. 			
		Performance	<ul style="list-style-type: none"> Risk level 	Low	Low	Low
	Unintended impact risk	Poor quality housing, standard of repairs	Starting risk level <ul style="list-style-type: none"> Social housing sector faces a moderate risk of poor operational controls leading to inadequate property management, repairs and customer service 	Med	Med	n/a

		Unsafe buildings Poor complaints handling Failure to manage anti-social behaviour	Mitigation <ul style="list-style-type: none"> Overall customer satisfaction Repairs right first time 	88.2% 88%	87.9% 88%	n/a
			Performance <ul style="list-style-type: none"> Tailored risk level 	Med	Med	n/a
Additional commentary	n/a					
Avoid / Benefit / Contribute	<ul style="list-style-type: none"> Benefit (6): despite an increasing share of the group's activities coming from non-regulated social housing activities, PfP remains committed to place-making and supporting strong communities. In addition to its core, housing related positive impacts, PfP is involved in leisure centre activities and therefore has a minor involvement in health and well-being benefits. 					


			2018	2017	2016
Investor contribution	Signal	<ul style="list-style-type: none"> Signal impact matters: We make organisations aware that we favour those with a positive impact and avoid those with material negative impacts. 	Y	n/a	n/a
	Engage	<ul style="list-style-type: none"> Engage actively: We are engaging with the company on its disclosure of information relating to tenant safety and wellbeing. 	Y	n/a	n/a
	Grow	n/a	n/a	n/a	n/a
	Flexible	n/a	n/a	n/a	n/a

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Thera Trust					
Provider of housing and support for people with learning disabilities					
Thera Group provides a range of care and support services for individuals with learning disabilities through its network of regional care and support companies, and a number of additional specialist services companies (29 in total). Thera's Forward Housing subsidiary owns a number of communal living properties, and its Dosh subsidiary helps individuals ensure they receive the benefits they are entitled to as well as understanding how to handle money and budgeting. During 2016, Ansar Projects joined the Thera Group to work collaboratively with Thera North. Based in Greater Manchester, Ansar supports young adults with learning disabilities who want to move into a home of their own for the first time.					
	Inequality: Support for minority or conventionally excluded groups		Exposure: Major		
Dimension			Progress		
			2019	2018	2015
What	Creating positive impact	<ul style="list-style-type: none">– Works closely with and for people with learning disabilities to empower and support them to lead full and productive lives; supports them in making their own decisions.– Greater inclusion of individuals with learning disabilities into society– Improving the welfare of people with learning disabilities by supporting their independence.			
Who	Primary beneficiaries	<ul style="list-style-type: none">– Individuals with learning difficulties.– Committed to taking into account the views of the people it supports and puts people with learning disabilities at the centre of the decision-making process.			
	Indirect beneficiaries	<ul style="list-style-type: none">– Families and carers– Employees			
	Location	<ul style="list-style-type: none">– UK			

How much	Residents	Breadth	<ul style="list-style-type: none"> – Total # people supported with a learning disability – # supported and followed for purposes of impact measurement – # supported with intensive behavioural support – # with learning disability gaining paid employment – # with learning disability enrolled in accredited qualification – % of previous year's cohort sustaining jobs for >6 months – # properties made available (# tenants) 	3,000	2,800	2,300
		Depth	<ul style="list-style-type: none"> – # company members (scheme that enables supported individuals to have a formal say in how their Thera company operates). – % overall quality score given by expert assessors 	104	121	n/a
Contribution	Intention to meet the needs of underserved beneficiaries?	<ul style="list-style-type: none"> – Targeted approach to helping individuals with learning disabilities who would otherwise be marginalised in society. – Within this group, Thera also aims to direct support towards those with complex behavioural support needs. It has identified this group as at greater risk of receiving poor support. 				
	New/expanded impact?	n/a				
	Additionality/higher impact?	<ul style="list-style-type: none"> – Though services do exist for adults with learning disabilities, Thera creates a significantly higher positive impact by integrating service users into decision-making processes and tailoring services to meet their needs. 				
Risk	Mission drift	Mitigation	<ul style="list-style-type: none"> – Impact mission is core to the way in which Thera operates. – Leadership structure supports the mission by having people with a learning disability directing and controlling Thera Trust and its regional companies. – The Quality Company (TQC, specialist company that is part of Thera Group) employs people with lived experience of learning disability to assess the service & support Thera provides. – 26 people with learning disability employed by TQC – High level of certainty that positive impacts will occur. 			
		Performance	<ul style="list-style-type: none"> – Risk level 	Low	Low	n/a

	Evidence risk	Mitigation	<ul style="list-style-type: none">Committed to annual impact reporting, with external commentary/assurance from Investing for Good (2018/18 report retained high rating (1 on scale 1-3)).Excellent understanding, measurement and reporting on key areas: housing, financial advocacy, employment support, and also impact on people’s day-to-day lives.Ratings based on an assessment of over 200 impact and financial criteria. Social Impact Rating determined through use of ‘The Good Analyst’ methodology.			
		Performance	<ul style="list-style-type: none">Risk level	Low	Low	n/a
	Unintended impact risk	Level of resident care	Starting risk level for industry/activity	Med	Med	n/a
			Mitigation (and adjusted risk level) <ul style="list-style-type: none">Feb-17: focusing on improving quality of work at Thera South West following CQC inspection (“requires improvement” in areas of safety and leadership); plan in place to make changes.	Low	Low	n/a
			Performance <ul style="list-style-type: none">Does not appear to have been inspected by CQC since 24/02/17 following registration of new company on 06/07/18.	n/a	n/a	n/a
	Additional commentary	<ul style="list-style-type: none">Following discussions with the CQC, Thera has changed the way its services are registered.Previously, the Thera Trust was the CQC registered provider and services were delivered by Thera branded care and support companies.Now, each subsidiary has been registered as a CQC provider.There have been no changes to the way in which the services are delivered.				
Avoid / Benefit / Contribute	<ul style="list-style-type: none">Contribute (9): High degree of intentionality, delivery and reporting of impacts.					


			2019	2018	2015
Investor contribution	Signal	– Signal impact matters: We make organisations aware that we favour those with a positive impact and avoid those with material negative impacts.	Y	n/a	n/a
	Engage	– Engage actively: We have engaged with the organisation regarding CQC assessments	Y	n/a	n/a
	Grow	– Grow new or undersupplied capital markets: We were early stage investors	Y	n/a	n/a
	Flexible	– Provide flexible capital: We were willing to be flexible on the provision of financing to an organisation with very high social impact	Y	n/a	n/a

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Thrive Renewables						
Renewable energy investment fund supporting small-scale UK projects						
Thrive Renewables (formerly Triodos Renewables) was established by the Triodos Group to invest in power generation schemes that use renewable energy sources such as wind, solar and hydro. Triodos has been at the forefront of developing and financing the European renewable energy sector for over 25 years: through Triodos Bank and other funds in the Triodos Group, it has provided finance for over 150 European renewable energy projects. Thrive Renewables invests in small-scale renewable energy projects as either owner or part-owner, with a commitment to support sensitively-sited developments. The fund also works with partners to develop and acquire projects, and invests in companies operating in the sustainable energy sector. In early 2019, Thrive sold two wind farms (six turbines) at a profit to release funds to reinvest in two clean energy projects: Rendesco (ground source heat pumps) and Aura Power (battery storage).						
	Climate change: Renewable or low-carbon energy development			Exposure: Major		
Dimension				Progress		
				2018	2017	2016
What	Creating positive impact	<ul style="list-style-type: none">– Aims to enable the transition to a clean, sustainable energy system that is supported by a broad investor base connected to projects.– Reducing net CO2 emissions by increasing share of UK electricity output generated from renewable sources.– Encouraging community ownership.				
Who	Primary beneficiaries	<ul style="list-style-type: none">– Climate/environment				
	Indirect beneficiaries	<ul style="list-style-type: none">– Local communities, CICs				
	Location	<ul style="list-style-type: none">– UK				
How much	Breadth	<ul style="list-style-type: none">– # of projects/sites (# wind turbines/hydro)– Total MW installed capacity invested (owned portfolio)– Total GWh electricity (owned portfolio)– # of homes equivalent powered by total portfolio (owned portfolio)– Total tCO2e emissions avoided (owned portfolio)	18 (42/2) 105 (n/a) 243 (161) 64,200 (42,400) 111,600 (73,700)	21 (54/2) 105 (67) 226 (160) 58,000 (41,000) 79,600 (n/a)	19 (50/0) 82 (64) 174 (148) 44,000 (37,000) 73,000 (61,000)	

	Depth	<ul style="list-style-type: none">– % renewables' share of total UK electricity generation¹ (owned)– Community Benefit Programme: amount awarded		33.3 £63,300	29.4 (0.05)	24.5 (0.04)
Contribution	Intention to meet the needs of underserved beneficiaries?	<ul style="list-style-type: none">– No data regarding additional benefits for those experiencing fuel poverty				
	New/expanded impact? Additionality/higher impact?	<ul style="list-style-type: none">– Primary impact (emissions reduction) would occur anyway but in other locations.– Community Benefit Programme works with community groups to migrate ownership of projects from utilities and mainstream developers to local communities through bridging facilities, co-funding and investment.				
Risk	Mission drift	Mitigation	<ul style="list-style-type: none">– Moderate level of certainty on delivery of anticipated impact.– Unable to protect against underperformance due to factors beyond control (eg, flood damage to distribution network, low average wind speeds in 2016).			
		Performance	<ul style="list-style-type: none">– Risk level	Low	Low	Low
	Evidence risk	Mitigation	<ul style="list-style-type: none">– Produces detailed annual report with some reporting of social impact.			
		Performance	<ul style="list-style-type: none">– Risk level	Low	Low	Low
	Unintended impact risk	No material risks identified	Starting risk level <ul style="list-style-type: none">– Low risk of negative externalities arising from activities, products or services.	Low	Low	Low
			Mitigation <ul style="list-style-type: none">– Works to maintain safe operations, constructive community engagement and acceptable levels of complaints (not quantified).	Low	Low	Low
			Performance	N/A	N/A	N/A
	Additional commentary	<ul style="list-style-type: none">– Reports on board/executive team gender balance and published pay ratios of highest to lower salary (3.8x) and highest to average (1.8x).				
Avoid / Benefit / Contribute	<ul style="list-style-type: none">– Contribute (C7): focused on climate change mitigation, but also delivering some wider social benefits through educational events and community benefit programme.					

¹ Total UK electricity generation in 2017 fell by 1.0 per cent, from 339.4 TWh in 2016 to 335.9 TWh; renewables' share increased 18.8% from 83.2TWh to 98.9TWh.


			2018	2017	2016
Investor contribution	Signal	– Signal impact matters: We make organisations aware that we favour those with a positive impact and avoid those with material negative impacts.	Y	Y	Y
	Engage	n/a	n/a	n/a	n/a
	Grow	n/a	Y	Y	Y
	Flexible	n/a	n/a	n/a	n/a

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Transport for London Green Bond				
Green bonds supporting sustainable transport in London				
Transport for London (TfL) was established in 2000 to oversee the management of the capital's transport system. TfL manages London's bus routes which are operated by various companies under management contracts to London Buses. TfL is also responsible for the Underground, London Overground, the Docklands Light Railway and London Trams. It operates London River Services, Victoria Coach Station and the Transport Museum. In addition, TfL manages a 580km network of main roads, as well as the London Congestion Charging scheme, and regulates taxis and the private hire trade. The proceeds from bonds issued under TfL's green bond framework are ring-fenced for: projects that improve the capacity and accessibility of London's overground and underground rail networks; the upgrade of bus fleets to more efficient, lower-emission vehicles; and programmes that improve the safety and scale of London's cycling network.				
	Urbanisation: Mass Transit Air quality: Zero/low emission transport		Exposure: Major Exposure: Minor	
Dimension				Progress
				2018
What	Creating positive impact	<ul style="list-style-type: none">Overarching goal is to keep London working, growing, and making it a better place to live by providing safe, reliable and sustainable transport. <p>Within the green bond framework, goals are to:</p> <ul style="list-style-type: none">Reduce polluting emissions and exposure to air pollution in LondonReduce carbon emissions and prepare for the potential impacts of climate change and extreme weatherUse resources (including water) wisely and minimise wasteManage and control transport-related noise and vibrationRespect, protect and enhance the natural environment and its contribution to the quality of lifeProactively manage activities to minimise and control pollutionRespect, protect and improve the built environment and enhance the quality of the travel experience <ul style="list-style-type: none">In order to be eligible for financing under the green bond framework, a project must contribute to at least two of the above goals.		
Who	Primary beneficiaries	<ul style="list-style-type: none">London public transport usersResidents of London (improved air quality)		
	Indirect beneficiaries	n/a		
	Location	<ul style="list-style-type: none">Local – London.		

How much	Beneficiary	Breadth	<ul style="list-style-type: none"> – Proceeds allocated in 2016 – use of proceeds: <ul style="list-style-type: none"> o Station upgrades and station capacity o World class capacity o London rail capacity and enhancements o New Routemaster buses and bus fleet upgrades o Cycling improvements 			£288.2m £42.2m £39.6m £20 £10
		Depth	<ul style="list-style-type: none"> – Proceeds allocated in 2016, but will have long-term impact in terms of increased capacity, reliability, fuel efficiency, air quality and safety. – Year-on-year change in NOx emissions (%) – Year-on-year change in particulate matter emissions (%) 	-15.8% -10.5%	-6.4% -15.8%	-13% -7.1%
Contribution	Intention to meet the needs of underserved beneficiaries?	<ul style="list-style-type: none"> – Projects fall under TfL's strategic plan. No evidence of selection based on the needs of underserved communities. 				
	New/expanded impact? Additionality/higher impact?	<ul style="list-style-type: none"> – Projects funded are part of TfL's long-term strategic plan, so are likely to have been completed 				
Risk	Mission drift	Mitigation	<ul style="list-style-type: none"> – Core focus of TfL is provision of mass transit services. – Environmental strategy sets out long-term goals to improve sustainable transport provision and reduce emissions of CO2, NOx and particulates (linked to climate change and air quality). – Additional layer of green bond framework ensures proceeds are allocated to projects that meet two or more of TfL's environmental goals. 			
		Performance	<ul style="list-style-type: none"> – Risk level 	Low	Low	Low
	Evidence risk	Mitigation	<ul style="list-style-type: none"> – Use of proceeds reported. – TfL publishes a general health, safety & environment report. This contains information on social and environmental performance, but the impacts associated with use of green bond proceeds are not isolated. 			

		Performance	– Risk level	Med	Med	Med
	Unintended impact risk	Employment issues	Starting risk level – Transport for London and its subsidiary companies have faced industrial action from unions on several occasions over recent years. London Underground in particular has faced a series of short-term strikes relating to working conditions and job losses.	High	High	High
			Mitigation – Green bond framework and allocation of proceeds to specific projects rather than general corporate expenditure insulates to some degree from this risk.			
			Performance – Tailored risk level	Med	Med	Med
Additional commentary	n/a					
Avoid / Benefit / Contribute	– Benefit (4): Green bond finances socially and environmentally beneficial projects, though low level of additionality.					


			2018	2017	2016
Investor contribution	Signal	– Signal impact matters: We make organisations aware that we favour those with a positive impact and avoid those with material negative impacts.	Y	Y	Y
	Engage	n/a	n/a	n/a	n/a
	Grow	n/a	n/a	n/a	n/a
	Flexible	n/a	n/a	n/a	n/a

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Wellcome Trust					
Large charitable foundation supporting medical and scientific research					
The Wellcome Trust is one of the UK’s largest charitable foundations, whose mission is to improve human health and welfare. The trust is a major funder of medical and scientific research in over 70 countries, in addition to initiatives which promote scientific understanding, explore the history and culture of science, and create supportive frameworks for innovation. In addition to funding external research, the trust owns the Wellcome Genome Campus at the Sanger Institute near Cambridge. This is home to a number of research institutions focused on genomics and computational biology. Bonds issued by the Wellcome Trust support its charitable activities.					
	Healthcare access: More effective and affordable treatments for major disease areas; research into orphan diseases; research into priority WHO diseases; primary research that supports medical developments Protection and wellbeing: Prevention and treatment of mental health issues; products and services helping to prevent avoidable deaths and support ability to lead healthy lives		Exposure: Major Exposure: Minor		
Dimension			Progress		
			2018	2017	2016
What	Creating positive impact	– Major funder of medical and scientific research across a range of disciplines and therapeutic areas, including improved healthcare infrastructure, neglected tropical diseases and WHO priority diseases. – As part of its broad remit, the trust supports projects exploring mental health, the modelling of communicable and noncommunicable disease patterns, the interaction between societal and environmental factors and human welfare, and public engagement.			
Who	Primary beneficiaries	– Grant beneficiaries, researchers and scientists (14,000 in 100 countries).			
	Indirect beneficiaries	– Benefits people around the world by improving health through complementary approaches across science, research and engagement with society.			
	Location	– Global (74% UK-based, 24% outside UK).			

How much	Beneficiary	Breadth	<ul style="list-style-type: none"> – £m average annual funding level – £m annual expenditure <ul style="list-style-type: none"> o Science o Culture and society o Innovations o Priority areas 	c.900 723 ¹ 545 96 35 47	1,221 832 112 116 162	995 723 110 82 90
		Depth	– % funding supporting research in low- and middle-income countries	n/a	9	n/a
Contribution	Intention to meet the needs of underserved beneficiaries?	– Yes – through research into WHO priority and neglected tropical diseases.				
	New/expanded impact? Additionality/higher impact?	– Yes – funds highly innovative research programmes that may not otherwise have occurred. Current priority areas are: diversity and inclusion, drug-resistant infections, mental health, research ecosystems in Africa and Asia, science education, vaccines, and 'Our Planet, Our Health'.				
Risk	Mission drift	Mitigation	<ul style="list-style-type: none"> – Protected by charitable objects: <ul style="list-style-type: none"> o (1) to protect, preserve and advance all or any aspects of the health and welfare of humankind and to advance and promote knowledge and education by engaging in, encouraging and supporting: <ul style="list-style-type: none"> (a) research into any of the biosciences; and (b) the discovery, invention, improvement, development and application of treatments, cures, diagnostics and other medicinal agents, methods and processes that may in any way relieve illness, disease, disability or disorders of whatever nature in human beings or animal or plant life; and o (2) to advance and promote knowledge and education by engaging in, encouraging and supporting: <ul style="list-style-type: none"> (a) research into the history of any of the biosciences; and (b) the study and understanding of any of the biosciences or the history of any of the biosciences. 			
		Performance	– Risk level	Low	Low	n/a

¹ 2018 expenditure markedly lower due to timing of significant commitments; no renewals (which typically cover funding for five years) or major one-off commitments.

	Evidence risk	Mitigation	– Reporting does not attempt to quantify onward benefits or outcomes from funded research.			
		Performance	– Risk level	Low	Low	n/a
	Execution risk		Starting risk level – High degree of certainty that objectives will be delivered. – Less visibility on outcomes achieved by individual research projects.	Low	Low	n/a
			Mitigation	Med	Med	n/a
			Performance	n/a	n/a	n/a
Additional commentary	<ul style="list-style-type: none"> – Diversity and inclusion priority area: growth of staff networks for female, disable, BAME and LGBTQ+ staff. – Zero waste to landfill: 60% recycled; 19% to anaerobic digestion; 21% to energy-from-waste. 					
Avoid / Benefit / Contribute	– Contribute (C7)					

			2018	2017	2016
Investor contribution	Signal	– Signal impact matters: we make organisations aware that we favour those with a positive impact and avoid those with material negative impacts.	Y	Y	n/a
	Engage	– Engage actively: query impact reporting as part of social housing engagement project.	n/a	n/a	n/a
	Grow	– Grow new or undersupplied capital markets	n/a	n/a	n/a
	Flexible	– Provide flexible capital	n/a	n/a	n/a

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3i Group

Private equity/venture capital investor with responsible business policy

3i is one of Europe's leading private equity and venture capital companies, and one of the largest investment trusts on the London Stock Exchange. It operates through three divisions: private equity, infrastructure, and debt management. The private equity division makes equity and debt investments in unquoted start-up or emerging businesses that do not have access to stock markets to generate working capital. It is the group's primary activity, contributing over 90% of 3i's revenues. The group works in partnership with investee companies, helping them to grow their businesses and returns, and targets deals valued between £50m and £500m. In addition, the infrastructure division manages funds on behalf of third parties, investing in utilities, transportation and social infrastructure in Europe. Finally, the debt management division manages portfolios of corporate debt securities issued by mid and large-sized companies in the UK, Europe and the US.

SOCIAL PERFORMANCE

3i upholds high corporate responsibility standards both as a company and as a private equity and venture capital investor, in the belief that this is central to its reputation and in deriving value from its investments. The group has been a signatory to the UN-backed Principles for Responsible Investment since 2011 and has a longstanding commitment to integrating environmental, social and governance considerations into its investment decisions and practices. The group aims to invest in companies which respect human rights, comply with current environmental, ethical and social legislation, have proposals to address defined future legislation and seek to comply with their industry standards and best practice. If issues arise post investment, 3i is able to influence companies to improve as the group is represented on the board of each investee company. If this does not bring about change, the group will seek to divest itself of the investment. 3i's staff have access to a range of training opportunities and several mentoring programmes have been established. With under 250 employees and a low staff turnover rate, the gender composition of 3i's workforce has remained relatively static in recent years. Women currently comprise 40% of the total workforce and 24% of senior management positions. Cash giving to charitable causes is relatively low, though the group will match all employee donations and staff are encouraged to take part in community support projects.

ENVIRONMENTAL PERFORMANCE

3i considers its operations to have a small direct environmental impact, but recognises that it has a far greater impact on the environment via its investments. Nevertheless, within its operations, it has taken a series of measures designed to reduce its carbon footprint, including installing LED lighting and upgrading its data centre hardware. In its London and Luxemburg offices, which account for over 80% of its energy demands, 3i uses electricity from renewable sources. In 2019, its scope one and two greenhouse gas emissions fell by 14% compared to 2018. To mitigate the impact associated with its investments, prospective investments are subject to an assessment of their potential environmental risks; 3i is then able to either reject the investment, or positively influence the company through active engagement.

Aberdeen Standard Ethical Corporate Bond Fund

Corporate bond fund with ethical screen/SRI policy

The fund aims to provide an income above that offered by UK government bonds by investing predominantly in investment grade (lower-risk) bonds. The team may invest in a wide range of instruments which include UK and overseas corporate bonds, index-linked bonds, floating rate notes, asset-backed securities and money market instruments.

SOCIAL, ENVIRONMENTAL & ETHICAL APPROACH

The fund's social and environmental criteria are established and reviewed by Aberdeen Standard's Ethical Funds Advisory Group, which includes independent members with expertise on social and environmental issues. The fund also undertakes an annual survey of clients to determine emerging ethical issues; the latest survey highlighted environmental and human rights issues as key areas of concern. The negative criteria applied to the fund exclude investment in companies involved in certain industries and activities. For example: armaments, countries with poor human rights standards, tobacco, marketing of breast milk substitutes, gambling, pornography, fur, intensive farming, animal testing, alcohol, nuclear power and severe environmental damage. In addition, the fund will avoid companies that fail to meet one or more of the ten sustainability principles of the UN Global Compact. The fund also looks to identify companies where there is strong evidence of positive business practices or the provision of products and services in one of four thematic areas: environment, human rights and community, employment and anti-bribery and corruption. Aberdeen Standard uses EIRIS, an independent research agency, to determine which companies pass or fail the negative criteria and which meet the positive criteria.

PROFILE (JULY 2019)

The fund is reasonably diversified and typically has around 250 holdings. The top ten issuers make up approximately 25% of the fund. Around 50% of the fund is invested in bonds with a credit rating of BBB, with a further 35% in A or AAA-rated issues (these ratings indicate the credit quality of issuers, with AAA being the highest quality). The largest sector within the fund is financials and this makes up approximately 42% of the fund.

Aviva

Insurance and investment group with commitment to active share ownership

Aviva is one of the world's leading insurance groups and is active in over 25 countries in Europe, North America and the Asia-Pacific region. It provides a range of services including long-term savings and pensions provision, fund management, and life and general insurance. Aviva's Life division provides life insurance, long-term health and accident insurance, savings, pensions and annuity business and health cover. Its General Insurance segment provides cover to individuals and businesses for risks associated mainly with motor vehicles, property and liability and medical expenses. Aviva Investors is the group's asset management division and provides services to both individual and institutional clients. In December 2014, Aviva agreed a £5.6bn takeover of Friends Life, which was completed in April 2015. Friends Life had been set up in 2008 with the aim of achieving consolidation in the UK life insurance industry, and had come to include the UK operations of Friends Provident, AXA Sun Life and Bupa Health Assurance.

SOCIAL PERFORMANCE

Institutional investors such as Aviva can hold large amounts of stock in the companies in which they invest. As such, Aviva is well positioned to use AGM voting to improve the corporate governance and sustainability standards of the companies in which it invests. The group voted at more than 4,700 shareholder meetings during 2018 and also enters into dialogue with company management to encourage improvements in performance. Aviva is a member of the 30% Club, an initiative that aims for women to comprise at least 30% of FTSE 100 boards, in addition to its investor sub-group, which encourages investors to engage with companies on the issue of gender diversity. Diversity at the board level is incorporated into Aviva's voting policy in the UK and, in 2018, it voted against the report and accounts at 42 FTSE 350 companies due to concern over a lack of women on their boards. In 2018, its diversity voting policy was extended to include US and European companies. Aviva has a long-standing and well-developed community involvement strategy and supports a range of causes in the areas of financial literacy, education and health. In addition to providing a good level of cash donations, all staff are able to use three working days each year for volunteering activities. Aviva has also maintained strong employment practices: having become accredited as a UK Living Wage employer in April 2013, the group achieved full compliance with the standard in October 2015. This means that everyone working at an Aviva site, regardless of whether they are a permanent employee or a third-party contractor, receives the Living Wage. Aviva is a signatory to the UN Global Compact and supports internationally recognised principles on human rights, including the UN Universal Declaration of Human Rights and the ILO core conventions labour standards. These principles are applied across its operations and supply chain.

ENVIRONMENTAL PERFORMANCE

Climate change represents a fundamental risk for the investment and insurance industry: as the frequency of extreme weather events and associated insurance costs increase, actuarial predictions become less accurate, and the long-term viability of many of the companies in which insurers invest is undermined. Aviva's current strategic response to climate change was launched in 2015, and was updated in 2017 to integrate the recommendations of the Taskforce on Climate-related Financial Disclosures. The group's strategy builds on existing actions (such as direct emissions reductions and maintaining carbon neutral operations since 2006), in addition to setting out commitments for the period 2015-20. Among these commitments is a target to invest £500m in low-carbon infrastructure, renewable energy and energy efficiency each year for five years. By the end of 2018, Aviva had invested over £1.8bn in the transition to a low carbon economy. A range of environmental initiatives operate across the group's operations. These include a car-sharing scheme for employees in the UK, the installation of on-site solar photovoltaic systems at a number of locations, and sourcing an increasing proportion of electricity from renewable generation. Such measures have contributed towards Aviva achieving a 60% reduction in its operational GHG emissions between 2010 and 2018, surpassing its 2020 target and putting the group well on track to meet its 2030 target of a 70% reduction.

AXA

Global insurance group with strong performance in corporate responsibility

Based in France, AXA is the world's second largest insurance company with over 166,000 employees and over 100 million customers in 64 countries. Its life insurance business covers savings and retirement products as well as policies for health and personal protection, while its property and casualty business includes insurance of property, such as cars and homes, for both individuals and businesses. Its asset management division manages investments for the group's own insurance companies as well as for institutional and retail clients, while a relatively small retail banking division (less than 1% of revenue) operates in France, Belgium and Germany. The group has major subsidiaries in the UK, including AXA Sun Life, AXA Insurance and AXA PPP Healthcare.

SOCIAL PERFORMANCE

AXA continues to develop new insurance products to adapt to the 'disruptive' changes taking place in society, such as the increasing use of shared vehicle ownership and the uptake in new healthcare technology for online consultations and preventative medicine. As evidence of its commitment to investing responsibly, AXA retains a dedicated responsible investment team and a global ESG research capacity; it has also divested from harmful activities such as fossil fuels and tobacco. AXA launched its AXA World Funds Planet Bonds in 2015, a green bond fund with an initial capital of €65m investing in environmental projects to facilitate the transition to a low-carbon economy. Through this and other channels, AXA had invested €2.7bn in green bonds by 2019, with two thirds in the energy sector. AXA Investment Management has developed an e-learning tool for its investment teams that includes an exercise to build a portfolio with high ESG performance, as well as providing workshops and public forums on responsible investment. AXA engages in impact investing, a strategy that seeks to generate measurable ESG and financial returns. A number of impact funds have been launched by the group, including ones focusing on: financial inclusion, access to healthcare and education; broad environmental and social impact; and biodiversity and climate change. For over 20 years, AXA has conducted an annual engagement survey to collect and respond to employee feedback. It recently began using pulse surveys, which are short, focused surveys that measure a few components at a time. These enable AXA to engage its workforce much more frequently. It has also implemented awareness campaigns and resilience training aimed at helping its staff manage stress. In addition, Axa Life in Europe provides free health checks for its employees.

ENVIRONMENTAL PERFORMANCE

AXA has a good record on integrating climate risk into its insurance and investment activities, publishing an annual climate report to detail the progress made in this regard. AXA integrates climate change risks into its actuarial assessments based upon both academic and internal climate science resources. AXA is aware of the need to develop these resources so that it can more accurately assign climate risk and has committed to invest a further €20m by 2020 in academic research through the AXA research fund, having invested €147m to date. AXA Investment Management sees climate change as a key issue to be addressed through its stewardship activities and has supported a number of AGM resolutions that aim to increase ESG disclosure and encourage companies to set emissions reduction targets. AXA also publishes the carbon footprint of its investment portfolio, which has reduced by 29% between 2014 and 2018. A large proportion of this can be attributed to its fossil fuel divestment programme that began in 2015 and was strengthened in 2017. Within its own operations, AXA set a target to reduce carbon emissions per full-time employee by 25% between 2012 and 2020. By 2018, it had achieved this target, with a 38% reduction thus far. Working towards its 2025 commitment to buy 100% of its electricity from renewable sources, 55% of electricity used by AXA was from renewable sources in the last year.

Bupa

Leading health insurer and provider of residential care for older people

Bupa was established in the UK in 1947 and is now an international healthcare company with customers in almost 200 countries. Employing over 80,000 people, it operates mainly in the UK, Australia, Spain, Poland, Saudi Arabia and New Zealand. Over 70% of its revenue is generated from the provision of private health and life insurance, with the remainder from health checks, self-pay medical treatment and care services. In addition to the 350 hospitals and clinics Bupa operates itself, the group's 30 million customers are served by a network of more than 200,000 medical providers worldwide. Bupa is a leader in care services, operating over 300 care homes and 60 retirement villages worldwide. The group's dental division also operates over 900 clinics worldwide.

SOCIAL PERFORMANCE

Bupa operates a number of care homes for the elderly across the UK which are overseen by the Care Quality Commission (CQC). The group has responded effectively to a concerning peak in 2017 of the number of its homes assessed by the CQC as 'requiring improvement' or 'inadequate', overhauling its compliance and oversight systems and catching potential issues at a much earlier stage. This has led to an improving trend in CQC ratings and resident care: by 2019, the number of homes rated inadequate had fallen to one, while the number rated as outstanding had risen from one to eight. In addition to providing care homes, private health and life insurance, Bupa is aware of its wider community responsibilities. For a number of years, the group has formed partnerships with charitable organisations focused on care for the elderly. In addition to cash donations, Bupa supports awareness-raising campaigns on issues such as dementia and social isolation. Since 1996 Bupa has provided over £10m in support for social initiatives, for example it has now held eight inclusive sports weeks, in which it supports more than 500 children with disabilities into sport. The group's independent charitable foundation makes grants to organisations which seek to improve health and wellbeing or tackle challenges in health and social care. In addition, Bupa has partnered with a global network of NGOs addressing the causes of non-communicable diseases to encourage employers to offer more health and wellbeing services to their employees.

ENVIRONMENTAL PERFORMANCE

Bupa is committed to having a positive impact on the environment. It was the first private healthcare company to be awarded global Carbon Trust Standard certification, in recognition of its work on measuring, managing and reducing its carbon footprint. Since 2009, Bupa has been actively trying to reduce its carbon footprint and improve energy efficiency. By the end of 2018, Bupa had reduced its carbon emissions by 28%, making improvements in every year. A key part of Bupa's environmental programme is its Energy Saver Fund, which was created to fund projects that deliver a reduction in ongoing operating costs as well as in carbon emissions. To date, it has invested over £50m in energy efficiency measures such as insulation, lighting and heating systems. In the UK, Spain, Poland and Denmark, Bupa sources all of its electricity requirements from renewables. Globally, more than 50% of its energy demand is met with renewable energy.

EdenTree Amity Sterling Bond Fund

Corporate bond fund with ethical screen/SRI policy

The EdenTree Amity Sterling Bond Fund aims to provide an attractive level of income. The fund seeks to invest in a highly diversified portfolio of government bonds and good quality fixed interest securities issued by companies which make a positive contribution to society and the environment through sustainable and socially responsible practices.

SOCIAL, ENVIRONMENTAL & ETHICAL APPROACH

The fund adheres to a three-part screening model. This includes strict exclusion criteria based on 'Ethics and Values' which aims to avoid activities that are harmful to society. These criteria include: the production of alcohol, tobacco, weapons, or pornographic and violent material; gambling operations; non-medical animal testing; intensive farming; and association with oppressive regimes. Companies that derive more than 10% of their profits or turnover from the above activities are excluded from the Amity range of responsible funds. Companies passing the negative screen are then assessed against a positive screening process with reference to six areas of ESG performance and business responsibility. These include: business ethics; corporate governance; community; employment and labour; environmental management; and human rights. There is a final discretionary element to the screening model, where companies are considered based on their provision of sustainable solutions in the areas of education, health & wellbeing, social infrastructure or environmental technology.

PROFILE (JULY 2019)

In terms of asset allocation, the fund is heavily weighted towards the UK, with approximately 80% of its holdings listed in the UK bond market. The largest sectors within the fund are financials, utilities and government bonds. The fund tends to have around 100 holdings. EdenTree prefers to have a low portfolio turnover as the fund managers believe this will improve performance and reduce transaction costs. Around 20% of the fund is rated AAA-A and 70% of the fund is rated AAA-BBB (these ratings indicate the credit quality of issuers, with AAA being the highest quality).

Kames Ethical Corporate Bond Fund

Corporate bond fund with ethical screen/SRI policy

The fund aims to maximise total return through investment in sterling denominated bonds issued by companies which meet the fund's ethical criteria. The majority of the fund is invested in investment grade (lower-risk) corporate bonds and cash, but high yield (higher-risk) bonds may account for up to 10% of the fund.

SOCIAL, ENVIRONMENTAL & ETHICAL APPROACH

Kames' screening process is applied across its responsible fund range by the group's investment managers and ESG research team. Companies must meet a combination of positive and negative criteria in order to be considered for portfolios and the team uses a combination of external data sources and their own research to screen companies. Kames' exclusion criteria cover the following issues: provision of animal testing services; production or retail of meat, poultry, fish or dairy products; sale of animal-tested cosmetics or pharmaceuticals; manufacturing of arms or nuclear weapons, provision of nuclear power; gambling (more than 10% of revenues); alcohol and tobacco (more than 10% of total business); pornography; and banking (exposure to large corporate or third world debt). The fund will also avoid companies which are in breach of internationally recognised conventions on biodiversity, those in energy intensive industries, and companies operating in countries with poor human rights records. The group is also a signatory to the Principles for Responsible Investment, an investor initiative which drives the integration of environmental, social and governance issues into investment decision making.

PROFILE (JULY 2019)

The fund typically has between 100 and 160 holdings. Around 60% of the fund has a maturity of less than 10 years. The fund has approximately 45% allocated to AAA-A rated bonds and some 42% further allocated to BBB rated bonds (these ratings indicate the credit quality of issuers, with AAA being the highest quality). The largest sector within the fund is financials. Selection of holdings within the fund is based on a combination of top-down and bottom-up approaches. This involves assessing macro factors and the positioning of the market in addition to individual issuer and issue selection. The fund managers screen out approximately 50% of the sterling corporate bond market due to the ethical criteria of the fund.

Landsec

Property investment group integrating sustainability and business factors

Landsec (known as Land Securities before rebranding in June 2017) is the UK's leading property investment and management company. Structured as a real estate investment trust, it develops, owns and manages properties through two divisions: London and Retail. The London portfolio consists of office and retail properties located in the capital while the Retail portfolio contains shopping centres and retail parks across the UK. Since 2013, Landsec has also held a majority stake in the X-Leisure Fund which operates sixteen leisure venues across the UK including the Xscape chain of indoor ski slopes.

SOCIAL PERFORMANCE

Landsec seeks to align its community investment strategy with its business operations. The group forms partnerships in the areas surrounding its major projects and works with community stakeholders to identify priority focus areas such as homelessness or youth services. Cash giving to charitable organisations is low, though the group has an excellent programme in place to encourage staff to volunteer during work hours. The group allows paid time off for employees wishing to undertake volunteering activities and promotes opportunities for mentoring and sharing of professional skills with charitable organisations. Landsec also forms community employment programmes near its properties. These seek to help people from disadvantaged groups (such as the long-term unemployed, ex-offenders and prisoners, homeless people, and people with learning disabilities) gain work experience and find employment. Since this programme began in 2011, Landsec has supported over 1,300 people into employment, with 187 supported during 2018. The group has strong policies and management systems in place with regard to workplace diversity, health and safety, and staff training and development. With regard to safety, a formal management system is tailored to the specific risks at each site and best practice is shared across the group and with contractors. Since 2012, Landsec has been working towards paying staff the Living Wage, a higher rate than the legally required minimum wage which was developed to reflect the basic cost of living in the UK. As of 2015, all directly employed staff and all London-based contractors were paid the Living Wage and the group became an accredited Living Wage employer in 2017, meaning this commitment was extended to all contractors permanently working at its sites. Landsec is also working with its construction partners and other contractors to encourage the adoption of the Living Wage.

ENVIRONMENTAL PERFORMANCE

Following stakeholder consultation, Landsec announced a revised sustainability strategy in 2015. The new strategy is far more explicit in linking sustainability considerations with business strategy, placing these issues as core to the long-term success of the business. The group's environmental reporting focuses on key issues such as energy use, GHG emissions, water use and waste. Landsec reports performance for both its total portfolio and a like-for-like portfolio consisting of properties which have been held for at least two years on a rolling basis. This removes year-on-year fluctuations in data due to property sales and acquisitions. By March 2019, energy use across this portfolio had fallen by 18.2%. Year-on-year, water use (per m² of floor space) fell 12% and, though absolute waste volumes rose, the proportion of waste diverted from landfill remained at 100% and the proportion sent for recycling increased to 74%. Landsec has stated its commitment to the promotion and protection of biodiversity. There is some evidence of this consideration being worked into development projects and a guide has been developed for managers of existing properties to help them integrate features to promote biodiversity. Since 2013, Landsec has rolled out the use of embodied carbon analyses on development projects. These seek to quantify the carbon emissions emitted during the manufacture, transport and construction of building materials and are a key measure (alongside the environmental performance of buildings during use) of property developers' sustainability performance. In June 2016, Landsec became the first commercial real estate company to set a science-based target for carbon reduction, aligning its climate goals as a commercial organisation with global ambitions to limit warming to 2C above pre-industrial levels. Landsec has set a target to reduce carbon emissions per square metre of property space by 40% between 2013 and 2030. This set the group on a path to achieve the 80% reduction in carbon emissions from property that is required by 2050. By 2019, it had already achieved a 39.8% reduction in emissions compared to its baseline year.

Marks & Spencer

Retail group with sector-leading performance in sustainable business

Marks and Spencer (M&S) is a UK-based retail group, selling its own-brand ranges of clothing, food, beauty and household products through high street and out-of-town stores, Simply Food outlets and online. While over 90% of group revenues continue to come from the UK, the group has an expanding international presence via over 450 wholly-owned, jointly-owned or franchised stores in over 50 markets across Europe, Asia and the Middle East. Food accounts for almost 60% of the group's sales, with the rest coming from clothing and homeware sales. In February 2019, M&S entered into a 50/50 joint venture with the online grocery retailer Ocado to expand its online offering. Since 2007, M&S has operated its pioneering Plan A sustainability initiative which formalised the group's social and environmental commitments.

SOCIAL PERFORMANCE

M&S has shown itself to be highly aware of the various social issues that it faces as a diversified retailer, from those it can directly control, such as its employment practices, to the group's influence on its supply chain and the wider community. Business Involvement Groups operate in all stores, distribution centres and at head office to ensure that all staff can participate in decision making and communicate with management. M&S offers flexible working, career breaks and above average parental leave as well as operating employee welfare schemes aimed at reducing stress and mental health problems. The group manages its supply chain with similar responsibility, participating in a number of Ethical Trading Initiative (ETI) pilot programmes, providing training for suppliers, and conducting regular audits to ensure that its required labour standards are upheld. In addition to formal audits, since 2014 M&S has utilised mobile phone technology to allow supply chain workers to directly and anonymously report on issues. In cases where performance is not satisfactory, M&S favours engagement to resolve problems, though in extreme cases orders with suppliers may be cancelled. During 2018, the group extended its interactive supplier map (which shows the location of individual supplier factories and their employee numbers) beyond clothing suppliers to also include food, homeware and beauty suppliers and dairy farms. M&S is also a sector leader with regard to farm animal welfare standards, and has been recognised by the RSPCA and Compassion in World Farming for its commitment to higher animal welfare standards.

ENVIRONMENTAL PERFORMANCE

M&S is considered to be a sector leader in terms of its environmental awareness: in 2007 it launched Plan A, a sustainability programme incorporating stretching environmental commitments. By 2012, M&S shifted its environmental strategy to focus on engaging with customers and influencing their behaviour, with the aim of becoming the world's most sustainable retailer. Though initially a net cost to the business, Plan A broke even in 2009 and now results in a net financial benefit for the group. A large number of environmental impacts are reported with data presented clearly in relation to the group's 2006/07 baseline for targets; progress (or otherwise) is discussed in a transparent manner. In 2017, M&S's GHG reduction target was verified by the Science Based Targets initiative as being in line with a decarbonisation pathway limiting global warming to well below 2C. The target commits the group to reducing its absolute scope 1 and 2 emissions by 80% between 2007 and 2030; by 2019, M&S had achieved a 75% reduction. M&S had already achieved its target of sending zero waste to landfill from its own operations by February 2012. The group has also helped its customers reduce waste by cutting the weight of product packaging, and has committed to only using plastic where it has a clear and demonstrable benefit and where there are no lower impact alternatives available. Partnerships with charities such as FareShare and Neighbourly help to reduce food waste from stores by redistributing food that is still edible but no longer able to be sold. Having made good long-term progress in reducing its direct impacts, M&S is increasingly focusing on indirect impacts with a responsible sourcing a key element of this. Since 2015, 100% of the group's palm oil has been sourced from suppliers certified by the Roundtable on Sustainable Palm Oil (RSPO) and the group is working towards all soy in its supply chain being covered by some form of deforestation avoidance certification by 2020. M&S is also looking at product design by integrating recycled content or increasing energy efficiency, as well as initiatives to increase the recyclability of products at end of life. These and other social or environmental aspects have been defined by M&S as 'Plan A attributes'. By April 2019, 88% of products sold by M&S had at least one such attribute.

Places for People RM

Bond for property management services and low-carbon property development

Places for People is one of the UK's largest property development and regeneration groups. It comprises 18 subsidiary companies, with approximately half the group's revenues coming from social and affordable housing services. Rather than raising finance on behalf of the whole group, the 2023 bond issue is ringfenced to four specific Places for People subsidiaries: Places for People Leisure, Residential Management Group, Touchstone Corporate Property Services, and ZeroC. Places for People Leisure is a social enterprise specialising in the development and management of leisure facilities on behalf of local authorities. Residential Management Services and Touchstone Corporate Property Services provide tenancy and property management services to owners of private rented accommodation. ZeroC is a developer of low-carbon residential and commercial properties in the UK. Profits from Places for People's commercial activities are reinvested into the group as a whole.

SOCIAL PERFORMANCE

By revenue, Places for People Leisure represents approximately 60% of the group of four Places for People subsidiaries linked to the 2023 bond issue. It manages over 120 sports and leisure facilities on behalf of local authorities, creating benefits for society through improved access to opportunities for a healthy lifestyle. The company has developed a number of new leisure centres in partnership with local authorities, helping to increase community access to exercise facilities. Places for People Leisure operates targeted initiatives for high priority groups or those with specific needs, for example weight management, smoking cessation, and stroke and cancer rehabilitation. The two property management companies to benefit from the proceeds of the bond issue - Residential Management Services and Touchstone Corporate Property Services - have policies in place to ensure they provide a high quality and professional service to underlying tenants. In addition, Touchstone is focused on providing services to 'build-to-rent' investors such as pension funds and property funds which are focused on developing new build homes for rent rather than sale, helping to relieve the pressure on the UK rental market.

ENVIRONMENTAL PERFORMANCE

All Places for People subsidiaries are covered by the wider group's environmental policies and management system (which has been certified to the internationally recognised ISO 14001 standard since 2011). The group integrates environmental features into all new builds and has undertaken major refurbishment programmes to improve the energy and water efficiency of its existing properties. In addition, as a specialist in low-carbon property development, ZeroC delivers environmental benefits through its business activities. ZeroC aims for all its new homes to be significantly more energy and water efficient than standard housing stock and several developments have met zero carbon standards.

Principality Building Society

UK's sixth largest building society with focus on Wales

Principality is the UK's sixth largest building society, with a network of over 50 branches in Wales and the Welsh Borders and over 500,000 members. It offers a range of savings, investments, mortgages and insurance products.

SOCIAL PERFORMANCE

The Principality Building Society states that it is committed to a fair and inclusive workplace and women comprise nearly two-thirds of its workforce. It has been a signatory to the Women in Finance Charter since 2016. This is a UK government initiative which aims to increase representation of women in senior finance industry roles; as part of its commitment, the society is targeting at least 33% of senior positions to be held by women by 2021. The proportion of senior management roles held by women increased to 28% in 2018 from 23% two years earlier. As well as being run for the benefit of its members, Principality Building Society is active in the communities it serves. More than 5,000 children across Wales have benefited from financial education programmes delivered by the society in the last year, and it has raised over £500,000 for local charities since 2016.

ENVIRONMENTAL PERFORMANCE

Principality Building Society has relatively low environmental impacts and, as such, does not produce detailed reporting on related policies and performance. The society does report on its energy usage, which has decreased by more than a third in the four years to 2018. It also tracks performance in other areas, such as business travel and recycling rates, but does not report this publicly. An area of focus for the society is its residential mortgage activity, where it is looking at how its product range might develop to support the transition to a low carbon economy.

Severn Trent

Provider of water & wastewater services with interests in renewable energy

Following the sale of its water purification business in July 2015, Severn Trent completed the restructuring of its operations into two business divisions: water (regulated by Ofwat) and waste water, and business services. The group's Ofwat-regulated operations trade as Severn Trent Water and provide water and waste water services to over 4.5 million households and businesses in the Midlands and Wales. The business services division provides contract services to community, municipal and industrial clients for the operation and maintenance of water and waste water treatment facilities and networks in the UK, US and Europe. Severn Trent's Water Plus joint venture (with competitor United Utilities) has operated since 2016 and provides water and wastewater services to commercial customers in the UK.

SOCIAL PERFORMANCE

The group displays strong performance with regard to health and safety management. Despite a year-on-year increase in its lost time injury rate in 2019, the long-term trend is positive and performance remains good. Occupational health services (with a focus on physiotherapy and musculoskeletal disorders) have also been provided to staff for a number of years and a broader employee wellbeing programme was launched in 2015. This has seen over 400 employees trained as mental health first aiders to provide advice and support to colleagues on managing stress and mental wellbeing. Severn Trent has stated increasing the proportion of women in the workforce as a priority. The proportion of women in the workforce as a whole has remained static over recent years at 30%, though progress has been made in senior management roles. The group directs its charitable activities towards organisations which promote access to safe drinking water, hygiene and sanitation. Severn Trent maintains a relatively low level of cash donations, though this is supplemented by gifts in kind (such as free use of facilities or services) and by enabling all employees to take up to two days' paid leave each year for volunteering activities.

ENVIRONMENTAL PERFORMANCE

Through its environmental policy, Severn Trent seeks to balance strong financial performance with the minimisation of its own environmental impacts, and in many cases has aligned the two. Climate change (and the likely associated increase in severe weather events, water scarcity or flooding incidents) is recognised as a key risk by the group and has been factored into decisions on business operations, infrastructure investments and catchment area management. A formal environmental management system is also in place covering broader environmental issues. Severn Trent operates in a highly regulated industry, and as such has thorough policies and procedures in place to minimise environmental incidents. Despite this, the group is subject to occasional fines for environmental incidents, though both the number and severity of pollution incidents have fallen since 2016/17. The group no longer produces a standalone sustainability report, instead providing data and commentary in its main annual report and its submission to the regulator, Ofwat. While key performance areas are still covered, the range of topics reported on has narrowed in recent years. Since 2010, Severn Trent has made steady progress on reducing leakage across its network. During the year to April 2019, leakage stood at 427 million litres a day (ML/day). This is below the group's regulatory target of 429ML/day and is a significant decrease from 2010/11 levels of 497 ML/day. Severn Trent has set three climate-related targets for its operations, all of which are to be achieved by 2030: become carbon neutral, have 100% electric vehicles (provided appropriate vehicles are available) and generating 100% of its energy needs from renewable sources. The majority of Severn Trent's onsite renewable energy is generated by combined heat and power plants installed at its sewage treatment works. These collect the methane released in the treatment process and burn it to generate electricity or alternatively clean the resultant biogas and inject it directly into the national grid. Renewable energy generation has also increased to 43% of the group's overall demand, helped by its 2018 acquisition of Agrivert, a biogas from food waste company. By 2019, the group's net operational GHG emissions (which take into account emissions savings from renewable energy generation) had fallen 39% from its 2014 baseline.

Svenska Handelsbanken

Swedish provider of banking services with focus on local decision-making

Founded in 1871, Svenska Handelsbanken is involved in the provision of corporate, investment and retail banking services. The group provides bank accounts, savings products, loans, corporate finance, credit cards and other financial services. While the group's business is concentrated in Scandinavia (principally in Sweden), it also has branches in the UK, Europe, the US and Asia. Svenska Handelsbanken operates through a decentralised structure, devolving business decisions to national or regional operations and, ultimately, the management teams of individual branches.

SOCIAL PERFORMANCE

The group's devolved business structure, where decisions are taken at branch level, means it is able to tailor its operations to the needs, risks and opportunities of local markets and communities. Handelsbanken believes this not only improves customer relationships, but helps it to identify and mitigate idiosyncratic risks at an earlier stage. Handelsbanken phased out variable compensation (bonuses and individual profit shares) for senior managers and staff with control over lending and credit decisions in 2011. Instead, a long-term profit-sharing scheme is in place called Oktogonen. Each year, part of the bank's profits are allocated to the scheme if the bank meets its corporate targets. Oktogonen then invests these funds in Handelsbanken shares, from which payments to eligible employees can be made when they reach the age of 60. Both these measures are designed to align employee interests with the long-term sustainability of the bank, and to prioritise customer satisfaction and trust over short-term sales targets. The group has detailed policies in place regarding diversity and equal opportunities, with a particular focus on promoting gender balance in the workplace. For many years, the group's workforce has been split broadly 50/50 between male and female employees, and the proportion of women in management positions has gradually increased to 40%. In 2013, Handelsbanken began a series of reviews to identify and correct gender-based pay differentials in different parts of its operations. The group now conducts annual reviews of salaries to ensure male and female staff in equivalent roles receive comparable wages. Handelsbanken seeks to promote employee welfare through annual workplace assessments, which encompass a number of factors including stress. It also offers a range of subsidised health-related and health promotion activities for its employees, such as sports and leisure associations. A range of flexible working and leave options are also available to all staff. A group-wide policy on human rights is in place, as is a commitment to avoid participation in transactions implying assistance in tax evasion. Handelsbanken has only very limited exposure to project finance. What little exposure it has usually involves projects linked to the public sector in its home markets in Scandinavia. It is therefore less exposed to the human rights and environmental concerns often associated with large infrastructure projects in weak governance regions.

ENVIRONMENTAL PERFORMANCE

The group's environmental policy identifies both its direct and indirect impacts on the environment. Energy use and carbon emissions are highlighted as key direct impacts, while the environmental effects of projects and companies financed by the group are identified as key indirect issues. Policy is developed at group level, but in keeping with Handelsbanken's decentralised structure, implementation is devolved to regional co-ordinators. Over the four years to the end of 2016, the group achieved a 24% reduction in GHG emissions. Improvements in data centre efficiency and the promotion of videoconferencing as an alternative to business travel helped to achieve this reduction, but the most significant factor was a switch to renewable energy sources. During 2016, 96% of the group's electricity demand came from renewable sources, up from 87% in the year before. The group became a signatory to the Equator Principles (which govern responsible project finance activity) in 2016 and has continued to develop its internal guidance for integrating environmental considerations into lending decisions. A specific policy regarding banking relationships with companies involved in fossil fuel extraction was implemented in 2016.

Important information

Information valid at date of presentation.

Tax regimes, bases and reliefs may change in the future.

Rathbone Brothers 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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