ENTITY REPORT
INVESTEC WEALTH AND INVESTMENT UK (IW&I)

A STATEMENT FROM OUR CEO

Iain Hooley
Group Chief Executive Officer
(to 31 December 2023)

IW&I aims to embed thinking about climate change throughout the investment process. As we believe climate change poses a significant risk to the global economy in the coming years, in 2023 we adjusted the process by which we review our yearly Capital Markets Assumptions to enhance our climate change considerations.

These assumptions ultimately feed into the determination of our long-term Strategic Asset Allocation, and the insights are also used to make tactical allocation assessments. Climate change is no longer a distant threat. It has become a critical issue that is disrupting the status quo across industries. We are committed to consistently improving our inputs and understanding of these issues and to fully incorporating them into our investment strategy.

During 2023 we have continued to work in partnership with the Cambridge Institute for Sustainability Leadership (CISL) through membership of their Investment Leaders Group. Through this work we hope to continue to innovate and improve our sustainable finance offering.

Our report complies with the FCA's ESG Sourcebook (PS21/24) and illustrates IW&I's continuing commitment to addressing climate change. In the context of the combination with the Rathbones Group we will become de facto members of the Net Zero Asset Managers initiative and will be bound by the Rathbones Group net zero commitment. In time this will include net zero pathway targets that will serve to provide a clear focus for us to advance our efforts to decarbonise our assets under management.

FOREWORD

In September 2023, IW&I became part of the Rathbones Group, bringing together two trusted and prestigious UK wealth management businesses with closely aligned client-centric cultures and operating models, creating the UK's leading discretionary wealth manager.

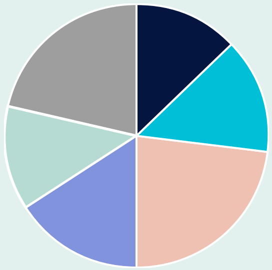
Together, we believe that our focus on the long-term enables us to build value for our clients, whilst making a wider contribution to society. We have a clear understanding of who we are as a business and are committed to investing for everyone's tomorrow. This means understanding the environmental, social and governance (ESG) issues that matter to both our stakeholders and to our business, and climate risks are at the forefront of this.

The combination deal closed in September 2023, meaning that for the first nine months of 2023, IW&I were part of the Investec Group and for the final three months, IW&I were part of the Rathbones Group. This report aims to capture, at a high level, the progress already made within IW&I in relation to climate risk management prior to September 2023, much of which mirrors activity within the Rathbones Group. We aim to also communicate the clear intention for IW&I to fully align with the Rathbones Group approach to climate risk management going forward.

INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED

BUSINESS AT A GLANCE

SIZE OF INVESTMENT MANAGEMENT RELATIONSHIP VALUE



- **Under £500k:** £5.39bn
- **£500k – £1m:** £5.89bn
- **£1m – £2.5m:** £9.54bn
- **£2.5m – £5m:** £6.54bn
- **£5m – £10m:** £5.24bn
- **Over £10m:** £8.85bn

TOTAL FUNDS UNDER MANAGEMENT[1]

£42.27bn

31 December 2023
(across the UK and Channel Islands)

MANAGED

£37.82bn

NON-MANAGED

£4.45bn

LOCATIONS

15

across the UK and channel islands

EMPLOYEES

1,334

OUR APPROACH TO BUSINESS

We have a responsibility to preserve and grow the wealth that is entrusted to us over the long term, and we understand that we need to do this by investing responsibly on behalf of our clients.

In 2021, IW&I developed and formalised our Sustainable Finance strategy, which has a set of aims that directly follow our purpose and investment beliefs.

This includes the following:

- Be active owners and conscious stewards of our clients' capital, to engage with investees to drive positive change
- Manage risk holistically - understanding that emerging ESG risks become financial risks and should be incorporated within fundamental analysis when making decisions
- Invest in human capital in such a way as to create a generation of leaders that understand sustainability.

TIMELINE FOR EMBEDDING CLIMATE-RELATED ACTIVITIES INTO IW&I

2020

Became signatories to UN Principles for Responsible Investment (PRI)

2021

Joined Climate Action 100+

Became a signatory to the UK Stewardship Code

Published first voting summary

Became members of the Investor Forum

2022

Became members of the IIGCC

Signed up as CDP signatory and joined the non-disclosure campaign

Joined the CISL Investment Leaders Group

Founding member of the Blue Economy Accelerator programme

2023

Voting Policy updated to include climate priorities

Responsible Investment Committee established

In 2024, we will participate in the work to rebase Rathbones net zero near-term targets to include IW&I emissions exposure.

1. Relationship values exclude external MPS platform data, IBSAG and MAM

INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED

TCFD SUMMARY TABLE

The table below indicates where a reader can find the relevant content to support TCFD compliance for Investec Wealth & Investment UK (IW&I).

TCFD PILLAR	RECOMMENDATION	PAGE REFERENCE
GOVERNANCE Disclose the organisation's governance around climate-related issues and opportunities	– Describe the board's oversight of climate-related risks and opportunities. – Describe management's role in assessing and managing climate related risks and opportunities.	**See page 4**
STRATEGY Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material	– Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term – Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning – Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	**See page 7**
RISK MANAGEMENT Disclose how the organisation identifies, assesses and manages climate-related risks	– Describe the organisation's processes for identifying and assessing climate-related risks – Describe the organisation's processes for managing climate related risks. – Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	**See page 8**
METRICS AND TARGETS Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	– Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process – Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks – Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets	**See page 16**

Climate action failure remains the most severe risk on a global scale over the next ten years, as identified by the World Economic Forum. Failure to keep the average global temperature increase to below 1.5°C will have an impact on our future risk profile. Climate change risks are split into two categories: physical risks and transition risks.

Physical risks arise from the physical effects of climate change on businesses' operations, workforce, markets, infrastructure, raw materials and assets. Physical risks can be event-driven (acute), such as increased severity of extreme weather events (e.g. cyclones, droughts, floods, and fires). They can also relate to long-term (e.g. chronic) shifts in precipitation and temperature and increased variability in weather patterns (e.g. increased melting ice causing sea level rise).

Transition risks result from policy, legal, technology and market changes occurring in the shift to a lower-carbon global economy. Transition risk also incorporates 'stranded asset risk', i.e. the risk that assets that could quickly become unusable or reduced in value. Transition risks include policy constraints on emissions, imposition of carbon taxes, water restrictions, land-use restrictions, market demand and supply shifts, and reputational considerations.

The transition to a low-carbon economy also generates opportunities. Rathbones incorporate climate change risk mitigation as part of their strategic agenda at the Group level and IW&I have made significant steps forward in this area also over the course of 2023. You can read more about our progress on this, in line with the TCFD recommendations in the following pages, as signposted by the summary table above.

INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED

GOVERNANCE

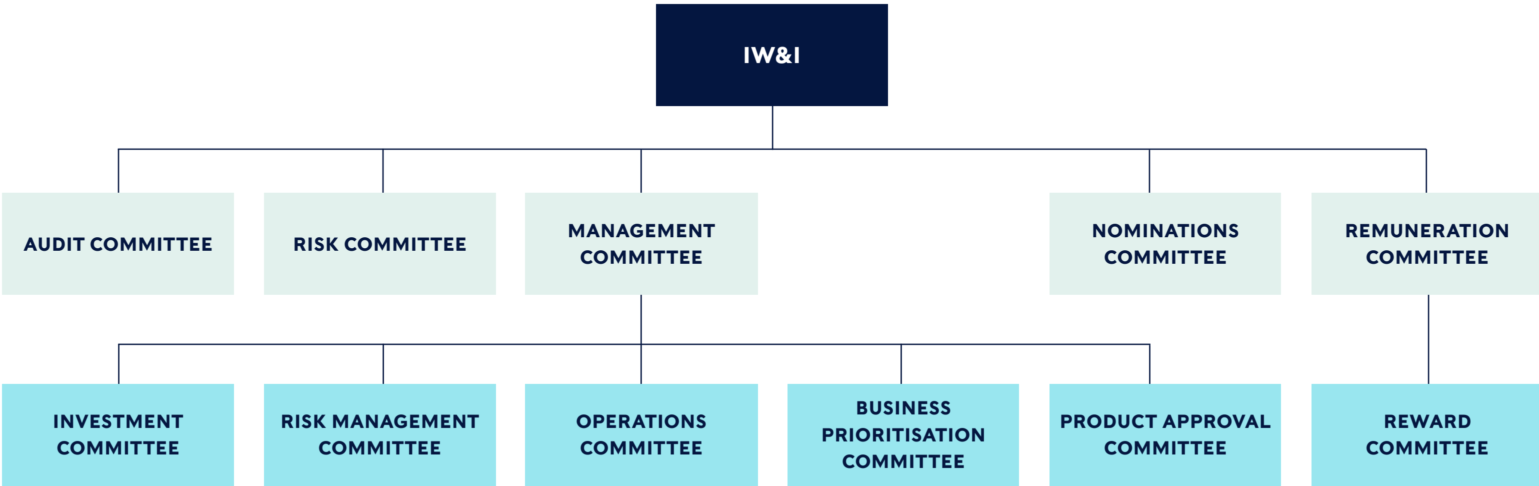
Board committees
Key oversight committees

IW&I became part of Rathbones Group Plc in September 2023 via an all-share combination with Rathbones Group Plc, to read more please visit our website. This Governance section outlines the governance framework that was in place during 2023. The framework formally changed in early January 2024, for details on the current 2024 governance framework please refer to page 10 of the Rathbones group TCFD report.

IW&I maintains a Management Responsibilities Map (MRM), that describes its management and governance arrangements, including details of the reporting lines and the lines of responsibility.

The IW&I Board is accountable for the performance and affairs of the Company, including climate-related risks and opportunities. The Board is responsible for the development and adoption of strategic plans, monitoring operational performance and management, ensuring an effective risk management strategy, the culture of the organisation, compliance with applicable legislation, upholding corporate governance standards and succession.

During 2023, there were four Board Committees. Each was mandated by the Board with delegated authority for specific matters plus an Executive Committee (newly named Management Committee (ManCo) in 2024) which was established by the Chief Executive and is an IW&I key Committee. The following four committees were composed of non-executive members.



These were the:

i) Audit Committee
ii) Risk Committee
iii) Nomination Committee
iv) Remuneration Committee

The governance structure supports clear segregation of duties between the functions responsible for the investment decision making process, monitoring of portfolios against client restrictions, the dealing process and the accounting and settlement process.

The Board of Directors is committed to complying with applicable regulatory requirements and the associated guidance. As such, the Board of Directors is responsible for ensuring the effective management of IW&I's legal and regulatory obligations.

In addition to the committees referenced above, there are working groups and forums that support the decision making taking place within the formal governance structure.

INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED GOVERNANCE CONTINUED

GROUP AUDIT COMMITTEE

Liz Catchpole
Non-Executive Director

ROLES AND RESPONSIBILITIES

The Audit Committee is responsible for monitoring the integrity of the Company's financial statements, reviewing internal financial controls, monitoring, and reviewing the effectiveness of internal auditors, to recommend the appointment or replacement of external auditors and to review the effectiveness of their work. In 2024, this committee was replaced by the Rathbones Group Audit Committee.

FREQUENCY OF MEETINGS

4 times a year

BOARD RISK COMMITTEE

Liz Catchpole
Non-Executive Director

ROLES AND RESPONSIBILITIES

The Group Risk Committee oversees the Company's risk framework and risk strategy to ensure that the framework is appropriate to the size, scale, and nature of the Company's activities for the purposes of effectively managing the material risks to which the company is exposed and considers whether the resources allocated to the risk management framework are adequate for the purposes of managing the Company's material risk exposures effectively, including those relating to climate change. In 2024, this committee was replaced by the Rathbones Group Risk Committee.

FREQUENCY OF MEETINGS

4 times a year

MANAGEMENT COMMITTEE

Ian Hooley
CEO until 31 Dec 2023
Paul Stockton
CEO from 01 Jan 2024

ROLES AND RESPONSIBILITIES

The Management Committee (ManCo) was established for major operational decisions and to oversee the day-to-day management of all aspects of IW&I's business. ManCo has responsibility and oversight for the Company's strategy, performance, operations, and governance. ManCo has delegated authority to several other Committees to be responsible for certain key business and risk matters. These Committees report into the ManCo.

FREQUENCY OF MEETINGS

Weekly

NOMINATIONS COMMITTEE

Henrietta Baldock
Non-Executive Director

ROLES AND RESPONSIBILITIES

The Nominations Committee is responsible for ensuring a formal, rigorous, and transparent process is in place to ensure that the composition of the Board is appropriate. The committee is expected to ensure that the directors bring characteristics to the Board that provide a mix of qualifications, skills, diversity and experience. In 2024, this committee was replaced by the Rathbones Group Nominations Committee.

FREQUENCY OF MEETINGS

4 times a year

BOARD REMUNERATION COMMITTEE

Cath Thorpe
Non-Executive Director

ROLES AND RESPONSIBILITIES

The Remuneration Committee determines, develops, and agrees, with the IW&I Board, the framework for the remuneration of the members of its Board and Management Committee as well as other members of the Senior Management and Material Risk Takers who fall within the definition of Principle 8 of the FCA Remuneration Code. The committee ensures that remuneration packages for members of the Compliance and Risk function are determined independently of other business areas. In 2024, this committee was replaced by the Rathbones Group Remuneration Committee.

FREQUENCY OF MEETINGS

4 times a year

INVESTMENT COMMITTEE

Pela Strataki
Head of Research
Jon Walker
Head of Portfolio Management

ROLES AND RESPONSIBILITIES

The IW&I Investment Committee is mandated by ManCo to oversee the creation and delivery of an efficient investment process that is of a uniform and consistent high quality and suitable for all IW&I investment management clients in accordance with the Company's strategic direction. It has an objective to report, review, and escalate, matters which have an impact on the investment process and the associated risks and returns presented to clients, including sustainability and risk management within the research processes as well as stewardship and corporate governance.

FREQUENCY OF MEETINGS

Monthly

RESPONSIBLE INVESTMENT COMMITTEE

Cheryl Hayes
Senior Strategy Director for Sustainability
Max Richardson
Senior Investment Director

ROLES AND RESPONSIBILITIES

Set up in October 2023 as a permanent replacement for the Sustainable Finance Programme's Working Group and Steering Committee, the Responsible Investment Committee (RIC) is responsible for integrating responsible investment practices into our investment process, promoting awareness of, engagement with, and learning on this topic and managing stewardship initiatives.

FREQUENCY OF MEETINGS

Bi-monthly

INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED GOVERNANCE CONTINUED

ENGAGEMENT WITH CLIMATE RISK

Risk management is an integral part of everyone's day-to-day responsibilities and activities. It is linked to performance and development, as well as to the Rathbones group's remuneration and reward schemes which IW&I will be aligning with following business integration. We aim to create an open and transparent working environment, encouraging employees to engage positively in risk management in support of the achievement of our strategic objectives.

THE ROLE OF MANAGEMENT

We have assigned climate-related responsibilities to several individuals and committees across the business.

There are several teams involved in assessing, managing and reporting on our climate risk. Operationally, our finance, risk and compliance, research and transformation teams, alongside our properties and facilities departments, all contribute to supporting our approach. We have had a responsible investment-focussed transformation programme in place since October 2021, steered by members of our Risk & Compliance, Research, Investment Management, Marketing and Product teams. This year the process of obtaining a new data provider to support our TCFD obligations completed, and we decided to close the programme and transition this activity into 'business as usual'. Subsequently, our Responsible Investment Committee was established in October 2023, populated by representatives from across the business.

In 2022/2023 we built a dedicated Stewardship team. This new function forms part of our Research team, coordinating, and leading our stewardship efforts to achieve and drive best practice, and helping the analysts prioritise their efforts appropriately. The team is led by our Stewardship Manager, who is supported by our Stewardship Analyst. The team aims to stay agile and flexible in order to work on a variety of tasks and meet various deadlines. Activities are prioritised based on importance and urgency and assigned by the Stewardship manager, according to each team member's skillset and existing workload. Other resourcing approaches have been considered, such as dividing tasks based on topic (environmental/social/ governance) or type of activity (voting, engagement etc.). However, given the size and broad skillsets of the team, the current approach is deemed to be most effective; it allows the team to be more agile and remain generalists, honing a broad skillset and developing SME knowledge across ESG topics.

To increase capacity for other Sustainability and ESG integration activities, we have also recruited a Senior Strategy Director for Sustainability. The role focuses on development of our Sustainable Finance strategy, which among other things includes alignment with and reporting under the UN Principles for Responsible Investment (PRI), and preparation of this report and the disclosures contained within it, as recommended by the Task Force on Climate related Financial Disclosures and mandated by the FCA in the Environmental, Social and Governance Sourcebook. They also conducted a review and update of our ESG policy, this year.

TRAINING

IW&I has relationships with both the University of Cambridge Institute for Sustainability Leadership (CISL) and CFA UK. Both institutions have provided climate-related training and study opportunities to IW&I UK colleagues, as demonstrated below.

In 2022, 30 members of the executive and board across IW&I and Investec Bank UK attended a bespoke workshop organised by CISL. Numerous CISL faculty and external speakers across industry and academia delivered interactive leadership training on the following topics:

– Sustainability pressures and trends across the global economy including those linked to climate change
– Evolving leadership trends and best practice in navigating sustainability challenges
– The role of business in society and effective goal setting in relation to climate change and other sustainability topics.

The IW&I research team attended a separate workshop delivered by CISL faculty and external speakers which focussed on sustainability pressures and trends and how they relate to value chain analysis, with a focus on climate risks and opportunities.

A further 30 members of our client-facing teams and Investment & Research Office took CISL's eight-week Sustainable Finance online course, to enhance their knowledge and spend time considering how to apply sustainable finance and climate risk management to their roles on a day-to-day basis.

A smaller number of colleagues have embarked on longer post-graduate certificate and diploma programmes with CISL. Their studies have focussed on the integration of climate risk into the strategic asset allocation process, engagement with oil & gas companies on the setting of emissions reduction targets, evolution of corporate governance regimes and the delivery of a just energy transition.

Across IW&I several colleagues have also completed the CFA certificates in ESG Investing and Climate & Investing.

Our focus on sustainable finance learning continued in 2023 with the delivery of a sustainable finance roadshow to IW&I offices across the country. These sessions were designed to help investment decision makers to view the investment process through an additional lens, integrating various emerging risks and opportunities, such as climate and nature, into the investment process.

IW&I's role in relation to sustainability training extends beyond our colleagues with:

– Membership of the CISL Investment Leaders Group which brings together academic and industry partners to build open-source research and practical guides on the implementation of sustainable finance practices
– Contribution to building the CFA UK Impact Investing qualification
– Client events to raise awareness of climate related risks and opportunities.

INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED

STRATEGY

OVERVIEW

At a group-level, Rathbones has committed to becoming a net zero business by 2050 or sooner, with their near-term 1.5°C aligned targets validated by the Science Based Target initiative (SBTi) in 2022. IW&I will now join that commitment.

During 2023 we have developed how we identify, manage and respond to the climate-related risks and opportunities that we face as a business.

Climate change poses a clear threat to financial stability and, in turn, to the efficient and effective role of the capital markets upon which we depend to serve our clients. We recognise that the decarbonisation of the economy is a global imperative and have determined that we have at least two clear roles in this respect. First, we aim to reduce the carbon footprint of our operations and influence, wherever possible, that of our supply chain. Second, our duty to achieve attractive risk-adjusted returns for our clients means that we integrate environmental risks and opportunities into our investment process.

Through our stewardship activities, we also seek to influence the capital allocation and organisational practices of the entities in which we invest with the aim of maintaining the health of the financial system.

STRATEGIC FOCUS

Our Capital Markets Assumptions (CMAs) reflect our views on expected market returns and volatilities on a ten-year view. They are the initial building blocks for the development of our strategic asset allocation and are used as the foundation of our framework portfolios and to construct reasonable risk and return expectations for our clients.

This year we made improvements to our sustainability inputs into the yearly CMA work with support from a newly developed IW&I Sustainability Research Group (SRG). The SRG researched several key topics, with a primary focus on the effects of climate change, and debated each topic from an economic, environmental, geopolitical, societal, and technological risk perspective. The SRG topics identified were broadly aligned with the top ten global risks for the coming 10 years as identified by the World Economic Forum Global Risks Perception Survey 2022-2023 and the SRG findings were directly considered by the Research Team strategists as part of the CMA process.

We acknowledge the intricate interplay between global climate and economic systems, highlighting their growing impact on each other. Given the urgency to address climate change's severe consequences, our efforts to incorporate its effects into macroeconomic indicators like inflation or growth, as well as its influence on sector-specific earnings, might appear oversimplified. Approaching climate change through traditional lenses such as growth and inflation and reducing it to simple measures of average global temperature change risks missing many of its wider impacts including those on inequality and society.

We are at an early stage in our integration of climate factors into the foundation building of our portfolios utilising, as best we can, both industry and academic research and hope to build our capabilities in and understanding of this complex task in the future.

The influence of climate-related risks and opportunities on our investment decisions and therefore strategic focus is consistent with that of Rathbones group, more details of which can be found in the full group TCFD disclosure.

INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED STRATEGY CONTINUED

Magnitude: High, Medium-high, Medium, Low
Risk trend: Increasing, Stable, Decreasing
Time horizon: Long-term, Medium-term, Short-term

CLIMATE RELATED RISKS

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

As a business, we consider a number of transitional and physical risks. A description and progress update in the reporting year is provided against each climate-related risk in the table below.

For more details on how we identify, manage and respond to these risks, please see the risk management section of the report.

As investors, we allocate capital across economies globally. We, alongside other financial service sector participants, can provide capital to organisations that are positioned to provide solutions to the problems caused by climate change, but we accept that the majority of our investment activity is undertaken in secondary markets.

Transitioning to a low carbon economy requires large funding support from the private and public sectors. We believe that our ability to identify and allocate to these types of investments, where it also makes financial sense, is in the interests of clients and broader society.

TRANSITIONAL

RISK TYPE AND RISK	DESCRIPTION OF ACTUAL AND POTENTIAL IMPACT	2023 MITIGATION RESPONSE
Magnitude: Medium-high; Risk trend: Increasing; Time horizon: Medium-term **REPUTATIONAL** Not managing climate transition risk within our existing portfolios **PRINCIPAL RISK CATEGORY[1]:** Reputational	An increase in the likelihood of compensation and loss of business if we do not deliver on our fiduciary duty to clients by managing risks, including climate transition risk, in our portfolio construction. This could also include a potential loss in market share if we fail to successfully integrate Rathbones's sustainability focused investment approach into the IW&I business.	We review our investment risk policy at least annually. This alongside our engagement programme which includes a focus on climate and delivery of net zero plans by our investee companies, supports our response to the changing landscape and increased regulation. In 2023, we ran a series of Sustainable Finance learning sessions for our investment managers to increase awareness and understanding and knowledge of the importance of this area.
Magnitude: High; Risk trend: Increasing; Time horizon: Short-term **REPUTATIONAL** Reputational damage due to greenwashing and breach of Sustainability Disclosure Requirements (SDR) Anti-Greenwashing (AGW) Rule **PRINCIPAL RISK CATEGORY:** Reputational	A failure to comply with the FCAs Sustainability Disclosure Requirements (SDR) regime, and in particular the Anti-Greenwashing rule, could result in reputational damage in the market and possible loss of clients. In addition, there is a risk of financial loss due to regulatory fines and loss of fees due to client attrition.	We continue to have active and ongoing engagement with regard to the SDR Anti-Greenwashing Rule. Development of and requirements under SDR are overseen by the Responsible Investment Committee which meets on a bi-monthly basis and has SDR as a standing agenda item. In addition both the Financial Promotions review process and the Product Approval process consider the risk of greenwashing.
Magnitude: Medium-high; Risk trend: Increasing; Time horizon: Short-term **POLICY** Emerging regulation and enhanced emissions-reporting obligations **PRINCIPAL RISK CATEGORY:** Regulatory compliance and legal	Increased climate-related reporting obligations such as Streamlined Energy and Carbon Reporting (SECR), Sustainability Disclosure Requirements (SDR), and TCFD incur additional costs to ensure compliance. We expect that current reporting frameworks out for consultation may also incur additional cost for compliance. The companies that we are invested in on behalf of our clients (directly and indirectly) may suffer losses because of transition risks including the loss of revenue, additional regulation and cost increases (such as a carbon tax/levy) and challenges in sourcing key inputs for their businesses. Additionally, perceived risks may impact the value of securities, irrespective of actual financial impacts on companies. This could impact our clients and our profitability as a business.	We ensured that our operating model supports our on-going policy and reporting obligations by creating and allocating resources to the Responsible Investment Committee. A member of our Compliance Advisory team is part of that committee and is responsible for updates on the current and developing regulatory framework in this area, including the Sustainability Disclosure Requirements. The combination with Rathbones enables IW&I to leverage support from external consultants to ensure continued compliance with existing and emerging regulation.

1. The principal risk categories referenced here are Rathbones group principal risk categories. To read more, including details of how risk magnitude is considered, please see the 2023 Annual Report and Accounts page 82

INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED STRATEGY: CLIMATE-RELATED RISKS CONTINUED

Magnitude: High, Medium-high, Medium, Low

Risk trend: Increasing, Stable, Decreasing

Time horizon: Long-term, Medium-term, Short-term

TRANSITIONAL CONTINUED

RISK TYPE & RISK	DESCRIPTION	2023 PROGRESS/UPDATE
MARKET RISK Inability to attract clients due to uncertain risks related to climate **PRINCIPAL RISK CATEGORY:** Sustainability	This risk relates to the potential loss of clients or inability to attract clients due to competitor advantage with innovative sustainable financial product offering. It was developed in the Rathbones taxonomy in 2020 and was defined as the risk that the business model does not respond in an optimal manner to changing market conditions, including environmental and social factors, such that sustainable growth, market share or profitability is adversely affected. A loss of clients could have a significant revenue impact. In addition the companies that we are invested in on behalf of our clients (directly and indirectly) may suffer losses because of transition risks including the loss of revenue, and cost increases that may result from changing consumer preferences and competition from more sustainable products/services. This could impact our clients and our profitability as a business.	We are aware of the long-term shift in customer expectations and preferences towards more sustainability focussed investment approach and must adapt accordingly to this market change. IW&I have managed an Illustrative Sustainable Model portfolio for a number of years which is available for clients who specifically require a sustainability-focussed outcome. Going forward we intend to integrate Rathbones sustainability focussed funds into our unified proposition. To support this we will review, as a group, our governance structures, resourcing and data providers, to ensure we have the right people and data available to help our assessment of the risk and opportunities for the investments we make on behalf of our clients.
TECHNOLOGY Products and Services-Substitution of existing products and services with lower emission options **PRINCIPAL RISK CATEGORY:** Sustainability	IW&I recognises the importance of Technology and IT processes and the need for substitution of technology to cleaner alternatives. Financing legacy technologies poses a risk to our own operations and in our value chain. This is particularly important to ensure we continue to manage and monitor our carbon footprint accurately, and inform carbon reduction efforts in line with our newly adopted operational SBTi targets following the combination with Rathbones.	We conduct ongoing assessments of operational efficiencies to reduce environmental footprint. The business has adopted cloud services and reduced the reliance on on-premises data centres, with an accelerated digitisation initiative. Similar initiatives exist in Rathbones and will continue as we progress through the combination. Hybrid working driven by the pandemic has seen improvements in initiatives such as desk-based video calling and virtual collaboration with reduced daily commuting for our employees as we adopt a more flexible approach to the workforce.

INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED STRATEGY: CLIMATE-RELATED RISKS CONTINUED

Magnitude
High, Medium-high, Medium, Low

Risk trend
Increasing, Stable, Decreasing

Time horizon
Long-term, Medium-term, Short-term

PHYSICAL

RISK TYPE & RISK	DESCRIPTION	2023 PROGRESS/UPDATE
ACUTE: EXTREME WEATHER EVENTS Extreme weather cause disruption to our business operations and continuity **PRINCIPAL RISK CATEGORY:** Business continuity	Extreme weather could cause disruption to our business operations and continuity. Whether directly or through the impact on our supply chain. This may result in increased operational expenses to rectify the damage.	We continue to enhance our business resilience framework. We maintain business continuity plans (BCP) to facilitate our ability to continue operating in the event of a disruption. IW&I aim to develop and maintain an Operational Resilience capability and strategy that will allow for effective and appropriate response to significant business disruption to important business services (IBS) and other critical functions. All three initiatives are core requirements of our Regulator and form a key element of our compliance and risk function. IW&I have a dedicated Incident Management Team (IMT) which consists of representatives from across the business who co-ordinate the response and recovery to major incidents, which may include but is not limited to extreme weather events.
CHRONIC: CHANGES IN WEATHER PATTERNS The impact of long-term changes in weather patterns, such as air temperature and precipitation **PRINCIPAL RISK CATEGORY:** Suitability	We have investments in global companies that are reliant on resilient processes. Chronic changes in weather patterns or rising sea levels may impact their operations and consequently the financial value of their company assets which may result in increased operational expenses and lower returns for our clients. This in turn leads to a risk of a shrinkage of our customer base. and not being able to attract new clients as they may feel we have not considered the material risks impacting their investments.	We have developed responsible investment frameworks and data to focus on issues such as materiality, sustainability alignment, climate and other sustainability metrics. Going forward IW&I will seek to align with Rathbones' recently enhanced frameworks, taking into account sectoral and geographic considerations.

INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED STRATEGY: CLIMATE-RELATED OPPORTUNITIES

Magnitude: High, Medium-high, Medium, Low

Opportunity trend: Increasing, Stable, Decreasing

Time horizon: Long-term, Medium-term, Short-term

CLIMATE-RELATED OPPORTUNITIES

The transition to a low-carbon economy provides IW&I with valuable opportunities to benefit our clients, the business and wider communities if we act upon these. An overview, timeframe anda description of our strategy to realise each opportunity is provided in the table below.

OPPORTUNITY AND DESCRIPTION	DESCRIPTION OF ACTUAL AND POTENTIAL IMPACT	STRATEGY TO REALISE OPPORTUNITY
PRODUCTS AND SERVICES (Medium / Increasing / Long-term) Increased revenues from increased demand for products and services with a sustainability component **PRINCIPAL RISK CATEGORY:** Sustainability	Shift in consumer preferences leading to increased revenues from increased demand for products and services for sustainable investment propositions. In addition, all of the regulatory opportunity drivers listed have the potential to affect our business through the impact they may have on companies or assets in which we invest.	An opportunity for us lies in the integration with Rathbones, who already offer sustainability focussed funds, along with development of new products and solutions that meet client needs. By considering climate issues when building client portfolios, we should identify opportunities created by the transition to a low carbon economy. Future client offerings will leverage existing solutions across our combined businesses, leveraging Rathbones's sustainability investment specialists at Greenbank, and sustainable funds already available through Rathbone Asset Management. Through our Responsible Investment Committee, we have the capacity to monitor regulatory opportunities as they emerge and incorporate them into our investment policies. This should enable us to adapt our investment strategies as necessary in order to maintain current levels of investment performance and continue to meet our clients' expectations in terms of projected returns. We believe this approach could support us in expanding our customer base. Progress: Creation of an integration project for client propositions, strategy and insight. Creation of the Responsible Investment Committee. Onboarding of a new data vendor to enhance our climate risk and opportunity integration into the investment process.
MARKETS (Medium-high / Increasing / Short-term) Prioritise joining collaborative groups for systemic ESG issues, recognising the need for coordinated cross-sectoral action **PRINCIPAL RISK CATEGORY:** Market and reputation	We have made it a priority to join collaborative efforts and become signatories of reputable groups, as we recognise that many ESG issues are systemic, and hence are more suited to coordinated crosssectoral action.	Where appropriate, and in line with our conflicts of interest policy, we will seek to engage with reputable sustainability efforts. In line with this, we have become signatories or aligned with several high-level collaborative organisations. We support the work of the: UN Principles of Responsible Investment (PRI) ; Institutional Investors Group on Climate Change (IIGCC); University of Cambridge Institute for Sustainability Leadership - Investment Leaders Group. Going forward we will join Rathbones who in 2023 continued their role as lead investor for SSE Plc and National Grid Plc through Climate Action 100+'s engagement efforts and as lead investors for an IIGCC engagement efforts with Rio Tinto and Thyssenkrupp on net-zero audits. Joined the Taskforce on Nature-related Disclosures (TNFD) Forum to support broader discussions on biodiversity. As members of such organisations, we have the capacity to contribute towards the improvement of several important climate and ESG issues. Progress: Responded to sustainable disclosure requirements (SDR) consultation, via PIMFA, supporting the development of transparent client communication on sustainability matters.
MARKETS (Medium-high / Increasing / Short-term) Actively engage with investee companies on ESG issues, tailoring strategies to align with our clients' individual goals and ESG views **PRINCIPAL RISK CATEGORY:** Market and reputation	Further developing our engagement on ESG issues with the companies which we invest in. As a discretionary wealth manager, our approach allows us to work closely with clients to determine their individual goals and long-term plans, including their views on ESG matters.	We believe that ESG issues - both risks and opportunities - can affect the long-term performance of investments. We will continue to build out our research, data and decision frameworks so that we can better understand and weigh up ESG factors alongside other investment considerations. Our aim is to develop a more comprehensive view of a business' strategy, the way it executes this strategy and the dynamics of its sector than can be achieved solely through a financial lens. We do this by using ESG data, engaging with companies and exercising our carefully considered judgement. This helps us identify companies with stronger sustainability performance and those with whom, through engagement, we see potential to improve business practices to create value for shareholders. Progress: In 2023 we, continued the integration of ESG factors into our investment processes. Identified companies for climate-related engagement. Refer to our Voting Report for further information.

INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED STRATEGY: CLIMATE-RELATED OPPORTUNITIES CONTINUED

IMPACT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON OUR BUSINESS

The climate-related risks and opportunities that we face as a business occur across both our direct operations and our investments, influencing both our business strategy and financial planning. Climate risks are considered as part of our Risk Assessment Process. Additionally, the 2023 Internal Capital Adequacy Risk Assessment (ICARA) process made reference to climate risk and due consideration will be given to formal inclusion of a climate risk-related scenario in the 2024 ICARA process.

OUR INVESTMENTS

We firmly believe it is our responsibility to be good, long-term stewards of our clients' wealth and believe it is in the interests of our clients that the companies and securities we invest in adopt good practice in managing ESG risks and taking a long-term approach. In 2023, the existing governance structure for responsible investment was reviewed and an IW&I Responsible Investment Committee formed, to feed into business decision-making processes and report to the Investment Committee on our approach to the integration of climate risk and broader responsible investment issues.

The Investment Committee oversees our Responsible Investment Policy, which outlines the IW&I approach to responsible investment and demonstrates our commitment to, and support of, the PRI.

CLIMATE SCENARIO ANALYSIS

Climate change poses significant risks and opportunities for investors. As the Earth's climate continues to warm due to human activities, two main categories of risks emerge: Physical risks and Transition risks.

Quantifying these risks is crucial for investors seeking to make informed decisions and safeguard their investments but also to comply with the increasing regulatory requirements.

Physical risks refer to the impact to economies and portfolios from the direct consequences of climate change on the environment, infrastructure, society, and ecosystems. Rising sea levels, extreme weather events, heatwaves, and prolonged droughts are just a few examples of physical risks that can lead to impacts such as property damage, supply chain disruptions, business interruptions, increased operational costs or economic slowdowns. Due to the systemic nature of climate change, these risks affect all industries and geographies, but with different impacts.

Transition risks, on the other hand, arise from the shift towards a low-carbon economy and the policies, regulations, and technological advancements aimed at mitigating climate change. These risks encompass regulatory changes and shifts in consumer preferences that can impact the value and profitability of certain industries and assets. However, they also present opportunities for investors who can identify and capitalise on the transition to a low-carbon economy.

Scenario analysis applies climate and economic data to different future pathways to estimate how climate risks and opportunities might impact the total return of investment portfolios, as compared to a forecast returns baseline which assumes no impact from climate change at all.

CLIMATE IMPACT ON RETURNS METHODOLOGY

The scenario analysis was performed using the Clarity AI Climate Impact on Returns solution. Three scenarios were used to cover different pathways our society might take:

– Net Zero: a radical but orderly transition scenario. Average global temperature increase of 1.5°C in 2100. Very low emissions' IPCC scenario (SSP1-RCP1.9). Early and smooth transition, with market pricing-in dynamics that occur smoothed in the first four years
– Net Zero Financial Crisis: a radical transition scenario similar to the Net Zero but in a disorderly way, with sudden divestments in 2025 to align portfolios to the Paris Agreement goals which have disruptive effects on financial markets. Average temperature increase of 1.5°C in 2100, very low emissions' IPCC scenario (SSP1-RCP1.9)
– High Warming: average temperature increase of 4.3°C by 2100, high emissions' IPCC scenario (SSP3-RCP7.0). This failure to meet Paris Agreement goals results in severe gradual physical and extreme weather impacts.

Top-down models are used in order to capture the systemic nature of climate change, in three main stages:

1. Climate modelling: acute and chronic physical and transition risks are modelled to produce shocks on GDP, GVA and inflation.
   a. Acute physical risks are estimated from the frequency projections of extreme weather events, past financial losses and countries' resilience to these events
   b. Chronic physical risks' main drivers are temperature-induced agricultural, industrial and labour productivity declines as well as agricultural yields decline on food prices
   c. Transition impacts are assessed based on three types of policies: carbon tax/ETS, energy efficiency improvements and subsidies to low-carbon energy, which are factored in energy demand and technology mixes at sector level.
2. Financial modelling: physical and transition shocks are translated into impacts on returns per asset class, country, and industry. These impacts include direct effects to the performance of each industry in each country as well as the repricing performed by financial markets. A Sentiment Shock is also added for the Net Zero Financial Crisis scenario.
3. Application to investment portfolios: impacts on returns are estimated at security-level based on the securities' characteristics such as the sectors and geographies that they operate in.

The climate impacts on returns are provided as a cumulative percentage change of portfolios' total returns.

Climate impacts are estimated for each of these scenarios at four time-horizons: 5, 10, 20 and 40 years from 2022.

INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED STRATEGY CONTINUED

APPLICATION AT ENTITY-LEVEL HOLDINGS

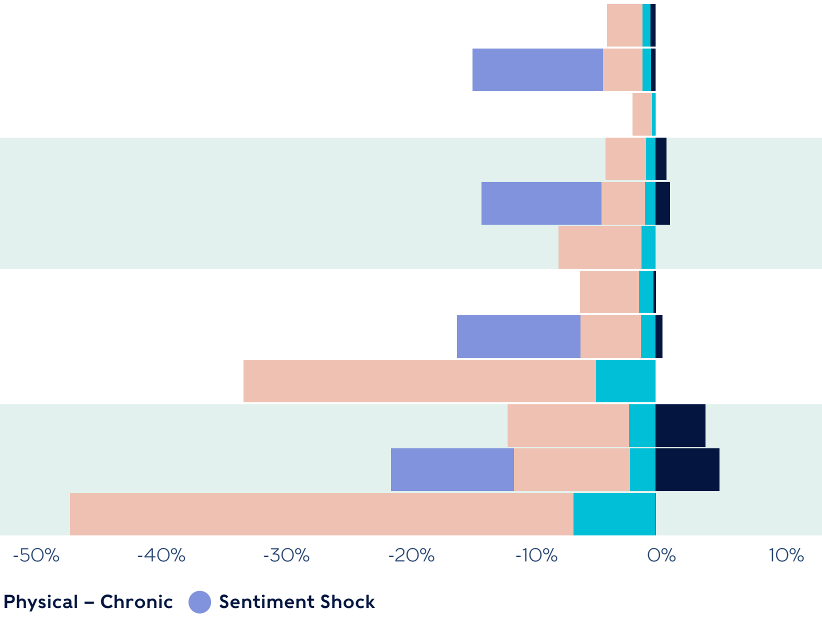
Our holdings were captured at a single point in time (31 December 2023) and the table to the right illustrates that our portfolios will need to adapt under all scenarios. As we are an active investment manager, this is both what we expect and are well equipped to do.

We expect that those investments which currently carry the most value at risk under these scenarios will either adapt as required or, if our engagement efforts are unsuccessful, we will find alternative holdings, and we are continuously researching those companies and funds that are well positioned to take advantage of the opportunities that the various scenarios present. The analysis makes clear that alignment to a net zero pathway is the optimal way to minimise the erosion of value under all scenarios, across all time horizons, except in the very short-term. As long-term investors and stewards of our clients' capital, this fits with our investment philosophy and approach.

A Net Zero Financial Crisis would be consistently detrimental across all time horizons, driven primarily by the sentiment shock of an abrupt change in investor behaviour. As we move towards the notionally assumed year of this occurring (2025), a sentiment shock seems likely at some point but could manifest later, as political polarisation around how and at what pace to achieve net zero targets evolves.

CLIMATE IMPACT ON RETURNS

	Total (% IMPACT CUMULATIVE RETURNS)	
Net Zero	-3.83%	5 YEARS
Net Zero Financial Crisis	-14.53%	
High Warming	-1.83%	
Net Zero	-3.06%	10 YEARS
Net Zero Financial Crisis	-12.65%	
High Warming	-7.71%	
Net Zero	-5.97%	20 YEARS
Net Zero Financial Crisis	-15.19%	
High Warming	-32.70%	
Net Zero	-7.75%	40 YEARS
Net Zero Financial Crisis	-15.93%	
High Warming	-46.49%	



Under the high warming scenario, the analysis points to a highly significant erosion of portfolio value over the ten-to-twenty-year time horizon, yet it is important to note that this assumes our holdings remain static, which over the longer time period, becomes increasingly unlikely. As referenced above, we will adapt our positions accordingly to all of the scenarios.

LIMITATIONS OF SCENARIO ANALYSIS

When assessing the climate value at risk (VaR) results for different scenarios, it is imperative to exercise caution. Notably, the TCFD recommendations are relatively new, as are the methodologies associated with scenario analysis. We expect methodologies to continue to evolve so that future assessments will more accurately reflect the benefits of aiming for a 1.5°C scenario, and the fact that losses caused by transition risk will be more than compensated by avoided losses from potential physical damage.

The above scenario analysis is based on 64% coverage of AUM.

Going forward, Rathbones group, incorporating IW&I, will continue to explore new scenario analysis methodologies, particularly with the aim to improve the representation of physical risks.

INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED

RISK MANAGEMENT

The IW&I governance structure has evolved towards the end of 2023 and this will continue into 2024 as integration with the Rathbones group progresses. The following information describes the IW&I governance structure and risk management approach that primarily applied during the 2023 calendar year.

During 2023 the IW&I Board was ultimately responsible for the overall risk appetite of the business as well as the risk appetite per risk type. This includes setting strategic policy limits and ensuring there is an appropriate governance structure in place. Whilst the overall risk appetite is set by the Board, several Committees identify and manage risk at both IW&I and group level. The key Committees are as follows:

- The Board Risk Committee was the independent risk committee to ensure that effective systems and processes for the management and control of risk exposures were embedded throughout the Group entities. The Committee was responsible for providing oversight and advice to the Group Board in relation to risk strategy, including oversight of current and future risks and associated risk exposures. The Committee was also responsible for providing advice, oversight and challenge necessary to embed and maintain a supportive risk culture. This committee has been replaced in 2024 by the Rathbones Group Group Risk Committee.
- The IW&I Executive Committee (now Management Committee) was mandated by the IW&I Board to oversee the day-to-day management of all aspects of IW&I's business including the implementation of the Enterprise Risk Management Framework (ERMF).
- The Risk Management Committee is mandated by the IW&I Board and the IW&I ManCo to oversee the development and maintenance of a structured, robust and consistent approach to risk management. The committee also seeks to ensure that risk identification, assessment, monitoring and reporting are embedded at all levels of management and throughout all areas of the firm's operations.

Risk management is at the forefront of decisions made by the IW&I. The ERMF process is the process used to identify and address methodically the potential events that represent risks to the achievement of IW&I's strategic objectives or its opportunities to gain competitive advantage.

RISK IDENTIFICATION

A number of risk management tools are used to facilitate the identification of risk, including, but not limited to, the Internal Capital Adequacy Risk Assessment (ICARA) process, risk and controls self-assessments, scenario workshops, internal and external Audits, forums and committees and key indicators.

Climate Risk and ESG Risk have been identified under the IW&I Enterprise Risk Management Framework (ERMF) as one of seven key material sources of risk.

The framework has been reviewed and updated so that it identifies and addresses methodically the potential events that represent risks to the achievement of IW&I strategic objectives, or opportunities to gain competitive advantage. It is aligned to IW&I's stress testing process and framework as well as to the capital and financial planning process. Risk appetite limits are reviewed against Internal Capital Adequacy and Risk Assessment (ICARA) forecasts.

RISK ASSESSMENT

Risk assessment is the identification, analysis and ongoing management of risks that may compromise the achievement of strategic business objectives and / or result in operational risk events. Risk assessment should be integrated with business area strategy and forms the basis for robust risk management. All risk assessments at IW&I are required to be recorded within Protecht, the IW&I Governance, Risk and Compliance (GRC) system.

Risk assessments are required to be regularly updated to accurately reflect the evolving risk, control and regulatory environment, but at a minimum they are to be formally reviewed with operational risk on at least an 18-month basis or when a trigger event prompting a re-assessment has occurred.

Through the risk assessment process, risks are assessed from an inherent and residual perspective and the process also encompasses the assessment of controls from both a design as well as operating effectiveness perspective based on key metrics available. A qualitative risk and control assessment is conducted using the risk assessment framework provided and in line with the IW&I Risk Taxonomy classification to ensure consistent integration of risk assessments and risk events. Climate-related risk classification is catered for within the approved IW&I Risk Taxonomy and related risks are reflected across pertinent Business Unit Risk Assessments.

Scenario analysis is defined as the process of analysing extreme, yet plausible risk events derived from both identified internal and external operational risk exposures. IW&I uses scenario analysis as an important input into the Internal Capital Adequacy Risk Assessment (ICARA).

The 2023 ICARA process made reference to climate risk with a view to formal inclusion of a climate risk scenario in the 2024 process.

RISK RESPONSE/MANAGEMENT

The IW&I risk response and mitigation to be followed is outlined in the IW&I ERMF document. Actions taken will depend on an assessment of whether risks are within or outside of agreed risk appetite. Actions range from Mitigation plans to Risk termination or Acceptance depending on the level of risk. Any risks that are outside of appetite are reported to the Risk Management Committee and monitored to ensure appropriate treatment has been applied.

IW&I's approach was aligned to the Investec Group's publicly disclosed environmental policy and climate change statement which takes into account the challenges that climate change presents to the global economy.

Accordingly, climate risk is considered by the relevant investment committee when making investment decisions and the Engagement and Underwriting Committee on advisory engagement. There was also oversight by the DLC ESG Executive Committee and the Social and Ethics Committee (DLC SEC) on climate-related matters. The group ESG Executive Committee mandated by the group's executive directors reports relevant climate matters to the DLC SEC and group ERC.

INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED RISK MANAGEMENT CONTINUED

RISK MONITORING AND REPORTING

IW&I currently uses Protecht as the Group Risk and Compliance (GRC) system used to manage Risk across the business. Protecht allows the recording and assessment of risks and key controls, as well as the recording of other ERMF constituents such as Risk Events. The system also allows the recording of actions across all components of the ERMF to ensure appropriate mitigation. Moreover, the tool encompasses reporting capability across the constituent components of the framework, thus facilitating oversight and adherence to risk appetite and ERMF requirements. All lines of defence have access to the tool, which aligns with their respective roles and responsibilities.

INTEGRATING ESG INTO OUR INVESTMENT PROCESS

Our exposure to climate related risks is most material through the investments we make on behalf of our clients.

The integration of environmental, social and governance (ESG) considerations into our investment process is a core principle of our responsible investment policy. Each of our asset classes has a differentiated ESG analysis and stewardship strategy, given the different requirements of each. Although we do not aim for a 'one size fits all' strategy, there is alignment of our activities, and the team discuss this together, sharing best practice.

- Although we embed ESG analysis in different ways, we are aligned under a common focus to engage with those with whom we invest to ensure we generate good long-term outcomes for our clients. This engagement is considered a fundamental step in our research process and helps inform our final investment recommendations
- We use engagement and ESG analysis as part of our due diligence before adding an investment to our centrally researched universe and we continue to use it as part of our ongoing monitoring. Our direct equity and fixed income ESG research is quality and cash-flow focused and incorporates ESG factors in a four-stage model as part of fundamental research. Our collectivised funds – which includes equity, fixed income, property and alternatives options – are assessed according to a qualitative framework (the APPROVED process) which focuses on the quality of the management team and their execution; ESG analysis is one of the determinants of this quality
- Although we utilise Institutional Shareholder Services (ISS) to inform our engagement and voting decision making in both direct and collectivised fund processes, we are committed to making our own assessments and judgments.

ENGAGEMENT WITH CONSEQUENCES

Our voluntary signatory status of the UN Principles for Responsible Investment and the UK Stewardship Code require us to manage money responsibly, including undertaking active engagement.

We have a Stewardship Policy, comprising Voting, Engagement and Escalation Policies. While divestment is included in our Escalation Policy as a final escalation method that may be used, we employ this method of escalation rarely, as we prefer to retain the rights and leverage associated with ownership, to actively engage with the holding and encourage positive climate outcomes. We feel that divestment in the face of climate concerns can lead to 'greening' our portfolio rather than 'greening our planet' and so, does not generate positive real-world outcomes.

These policies were refreshed in 2023; Voting Principles and Thematic Engagement Priorities were developed and added to the policies. Both the Voting Principles and Thematic Engagement Priorities include Climate. We have also developed a Thematic Engagement Priorities Framework, which outlines what we feel 'good looks like' across each Priority, leveraging a number of external benchmarks and data sources we have. These data sources include Sustainalytics, ISS, CDP and Clarity AI. These data points and the Framework help us assess our holdings across a number of criteria and accordingly prioritise areas for engagement. Climate and net zero have been a particular area of focus in 2023.

Our memberships of industry bodies such as the Institutional Investors' Group on Climate Change (IIGCC) and the Investor Forum provide us with access to specialist materials used to mitigate climate risk, such as the IIGCC's Net Zero Investment Framework.

VOTING WITH PURPOSE

We use ISS to inform our voting decisions but as an input only; climate-related management and shareholder proposals are given particular thought and consideration, before a voting decision is made.

To track our voting, engagements and their progress, we use an engagement tracker, as well as a voting tracker. We report on our voting and engagement activity on a quarterly basis.

As part of the integration our approach to voting will be aligned with that of Rathbones group, full details of which can be found in the Group TCFD disclosure, see page 34.

INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED

METRICS AND TARGETS

We use several metrics to measure our carbon emissions. These include carbon emissions and Greenhouse Gas (GHG) intensity indicators. In 2022, we took steps to assess our environmental impact focusing not only on our operations but also our supply chain and our investments. In addition to our operational metrics, we use a selection of other metrics to inform our climate risk and engagement strategy. Metrics shown include scope 1 and 2 emissions, we have excluded scope 3 due to confidence in data quality and coverage. We will work with our data suppliers and investee companies to encourage reporting to support more robust future calculations.

To read more on the definitions of our metrics please see page 19.

OPERATIONAL EMISSIONS

For year-end 2023 (31 December), IW&I's operational emissions have been calculated as part of the Rathbones Group footprint. Historic data has also been restated to ensure comparability. To see the group's operational footprint please see page 38 of the group report.

TEMPERATURE ALIGNMENT

The Temperature Alignment metrics offered by Clarity AI allow investors to understand whether the emissions reduction efforts of a portfolio or an organisation are aligned with the goal of the Paris Agreement i.e. 'Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels'.

CARBON FOOTPRINT

(Data includes Scope 1 and 2 emissions)

FINANCED CARBON EMISSIONS (tCO_2e/\$m invested)	WEIGHTED AVERAGE CARBON INTENSITY (tCO_2e/\$m sales)	TOTAL CARBON EMISSIONS (tCO_2e)
43.07	91.59	1,393,399

CLIMATE-RELATED RISKS AND OPPORTUNITIES

FOSSIL FUEL BASED REVENUE EXPOSURE[1]

10.28

CLIMATE CHANGE MITIGATION ALIGNMENT[2]

1.77%

1 PAI M4 which aggregates exposures data of fossil fuel production and participation
2 Share (%) of investment aligned to EU Taxonomy's Climate Mitigation objective

IMPLIED TEMPERATURE RISE

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

PORTFOLIO

2.1°C

IMPLIED TEMPERATURE RISE CATEGORIES

	Companies in category %
1.5°C Aligned (<= 1.5°C)	26%
2°C Aligned (>1.5 - 2.0°C)	12%
Above 2°C	6%
Well above 2°C	56%

INVESTEC WEALTH AND INVESTMENT UK (IW&I) CONTINUED METRICS AND TARGETS CONTINUED

NEAR-TERM TEMPERATURE ALIGNMENT

This metric provides a Temperature Alignment range to understand how companies comply with the Paris Agreement. It is based on the existence or absence of companies' near-term reduction targets.

Two metrics are provided: one for Scopes 1+2 and another one for Scope 3. Due to our lack of confidence in Scope 3 data, we are reporting the Scope 1+2 metric here.

These metrics calculate the temperature rise implied by the company's emissions according to its targets, using the scenarios in the IPCC's Special Report on Global Warming of 1.5°C. The underlying data for Temperature Alignment is provided by CDP (previously Carbon Disclosure Project) according to a methodology they have developed in collaboration with the WWF. ITRs are calculated on the basis of the targets approved by the SBTi and those reported to CDP.

CDP-reported targets are processed to be able to compare the companies' rate of emissions reductions to the scenarios compiled by the IPCC. Both absolute and intensity targets are assessed.

PORTFOLIO-LEVEL TEMPERATURE ALIGNMENT

This metric is an aggregation of the company-level Temperature Alignment metric. It delivers a portfolio Temperature Alignment based on the temperature rise induced by the portfolio's constituent companies and allows investors to monitor the alignment of their portfolios with the Paris Agreement. It includes both SBTi targets and CDP-reported targets.

The portfolio-level Temperature Alignment is provided in two ways:

– The calculated portfolio Temperature Rise value, as a decimal figure (e.g. 2.2°C)
– The related Temperature Alignment range (1.5°C Aligned, 2°C Aligned, Above 2°C. Well above 2°C).

WHAT DOES THIS TELL US?

The model shows that our portfolio has an ITR of 2.1°C. This evaluation was completed on our total holdings of which approximately 39% of companies have ITR data available (covering 64% of AUM). The ITR categories tell us that within this data set, 38% of companies that we invest in, on behalf of our clients, have the targets or plans in place to meet the goals of the Paris Agreement (aligned with a 2°C future or below), and the remaining 62% are not aligned to the goals of the Paris agreement.

LOOKING FORWARD

PLANNED ACTIONS

At IW&I, we recognise that climate change is a global risk and that it is crucial that we address it in order to deliver long-term value for our current and future stakeholders.

This report is one of the ways that we can share our approach to identifying, managing and reporting on the impact of climate risk on our business. This is our first TCFD report and we are committed to embracing future recommendations and will continue to track best practice through our TCFD disclosure.

As part of the Rathbones Group we will continue to embed our climate change strategy and support the climate transition through the following activities:

– partner with Rathbones in the work to re-base near-term net zero emissions targets and submit for SBTi validation
– continue to integrate climate data into our investment approach
– share more about our net zero engagement activities
– continue to collaborate across the industry on incoming reporting regulations, supporting the move to increased transparency.

APPENDICES:
METHODOLOGY AND APPROACH

USE OF CLARITY AI DATA TO CALCULATE IW&I INVESTMENT METRICS

IW&I's disclosure included in this report was developed using information from Clarity AI or its affiliates or information providers.

Clarity AI disclaims any and all warranties whether express or implied, regarding the data and information provided by Clarity AI to the extent allowed by law, including but not limited to: warranties of absence of error, non-infringement of third-party rights (including intellectual property rights), accuracy, completeness, reliability, and possibility of profits or any form of results expected by the recipient or any third party. Data provided under no circumstances may be interpreted as the provision of legal, financial, compliance, commercial or strategic advice. Clarity AI is not engaged in providing such advice and is not responsible for the results, analyses and decisions derived from the data provided by Clarity AI.

APPENDICES: DEFINING OUR METRICS

METRIC	DESCRIPTION	ASSET CLASS/BOUNDARIES	RISK PHYSICAL/TRANSITION	SCOPE	DATA PROVIDER
WEIGHTED AVERAGE CARBON INTENSITY (WACI) (I.E. FINANCED CARBON INTENSITY)	This metric calculates the carbon intensity of the portfolio weighted by the amount invested in each company, which serve as a measurement of emissions performance of the portfolio (for Scope 1+ Scope 2). Expressed in tons CO2e / USD M revenue	Equities, bonds and collectives	Transition	IW&I assets held on behalf or our clients	– Clarity AI
TOTAL CARBON EMISSIONS	This metric measures the absolute GHG emissions associated with a portfolio and is expressed in CO2 equivalent tonnes (for Scope 1 + Scope 2)	Equities, bonds and collectives	Transition	IW&I assets held on behalf or our clients	– Clarity AI
CARBON FOOTPRINT (I.E. FINANCED CARBON EMISSIONS)	This metric calculates the total carbon emissions for a portfolio normalised by the market value of the portfolio (for Scope 1+ Scope 2). Expressed in tons CO2e / M USD invested	Equities, bonds and collectives	Transition	IW&I assets held on behalf or our clients	– Clarity AI
FOSSIL FUEL BASED REVENUE EXPOSURE	This metric provides the proportion of the portfolio's value that is exposed to companies that derive revenues from fossil fuels such as coal, oil and natural gas. Revenue derived from the following activities are included; exploration, mining or extraction, refining, distribution; transportation, storage and trade	Equities, bonds and collectives	Transition	IW&I assets held on behalf or our clients	– Clarity AI
CLIMATE CHANGE MITIGATION ALIGNMENT	This metric provides the proportion of investments that are aligned with the Climate Change Mitigation objective of the EU Taxonomy.	Equities, bonds and collectives	Transition	IW&I assets held on behalf or our clients	– Clarity AI