

**RATHBONE
GREENBANK GLOBAL
SUSTAINABILITY FUND**

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INTRODUCTION

WE ARE ADAMANT THAT COMPLETE TRANSPARENCY AROUND OUR INVESTMENT AND SUSTAINABILITY PROCESS IS CRUCIAL.

It should be clear:

- why we own each stock
- what the key sustainability themes are
- how we engage with companies in order to understand how they do good

This document gives you a clear look-through into all the companies we currently, as at 30 November 2023, hold in the fund, to give you comfort around the robustness of our approach.

INVESTMENT CASE

Digging deeper

We meet hundreds of management teams each year and this has always formed a key part of our idea-generation process. Meeting management is especially critical when it comes to sustainability issues. When you meet face to face, you can quickly see if sustainability plays a key role in how a business allocates capital or if it is merely a marketing ploy.

Many companies will have a dedicated sustainability or ESG person, but we want the answer from senior management. If a chief executive can articulate clearly why sustainability is important and how it drives her business, then you know you are on the right track.



DAVID HARRISON
Fund Manager

Quality assured

We talk a lot about owning 'quality' companies for the long term. Quality to us means that the business has a wide and durable 'economic moat'. This idea of an economic moat was first coined by Warren Buffett, of Berkshire Hathaway fame, and is something we think about when looking at any new investment. The moat is really the strength of the business: its market position, the type of product it sells, what are its long-term growth opportunities. The moat is also influenced by something else people rarely speak about – culture. We spend a lot of time understanding the culture of a business, as we believe that a healthy culture tends to signal a healthy business. It is harder to measure, but critically important.

We are global investors. This is great for a concentrated fund like ours. Our job is to scour the world for the very best investments we can find – both for returns and for the earth. We have a huge universe of companies to choose from. We can take our time finding these quality businesses and only take the very best.

“OUR JOB IS TO SCOUR THE WORLD FOR THE VERY BEST INVESTMENTS WE CAN FIND — BOTH FOR RETURNS AND FOR THE EARTH.”

OUR SUSTAINABILITY CRITERIA

GREENBANK HAVE MAPPED THE UN SDGS TO EIGHT SUSTAINABLE DEVELOPMENT THEMES WHICH HELP HIGHLIGHT HOW INDIVIDUAL COMPANIES BENEFIT THE PLANET OR SOCIETY.

Guided by a clear and robust ethical framework

Having a clearly defined ethical framework is extremely important. Greenbank has been at the forefront of ethical, sustainable and impact (ESI) investments for over 25 years. Its ESI research team has guided the development of the fund's sustainability framework. Using this framework allows investors to have a clear understanding of where we will invest and where we will not.

We are transparent on how we judge a company's sustainability credentials. To qualify for inclusion in the fund, companies that pass the negative screen must also display leading or well-developed business practices and policies (operational alignment), and/or allocate capital towards the provision of products or services aligned with sustainable development (activity alignment).

For more information on this screening process, please read the [Sustainability Process document](#).

The UN SDGs and sustainable development themes

The UN launched the SDGs in September 2015. These 17 goals, with 169 underlying targets that aim to 'end poverty, protect the planet and ensure prosperity for all' by 2030. The UN SDGs provide a comprehensive framework for international action on the many social and environmental challenges facing the world. These goals are an important addition to the sustainability process and a useful global roadmap for us all. Greenbank has mapped the UN SDGs to its own set of eight sustainable development themes and a number of underlying sub-themes. We have mapped the UN (United Nations) Sustainable Development Goals (UN SDGs) onto our own database and use them as a tool to ask management teams about sustainability and how it influences their business.

These themes ultimately align with the same ambitions as the SDGs but focus on the areas most relevant to companies and investors. We use these to determine how successful individual companies are at translating aspirations into tangible results.



Habitats and ecosystems

Includes organisations that are helping to preserve land, water and marine habitats and biodiversity.



Resource efficiency

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 resource use.



Decent work

Includes organisations that are supporting the quantity and quality of jobs through the products and services they provide. 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.



Inclusive economies

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



Energy and climate

Includes organisations that are supporting positive climate action and energy security through the products and services they provide.

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.



Health and wellbeing

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



Resilient institutions

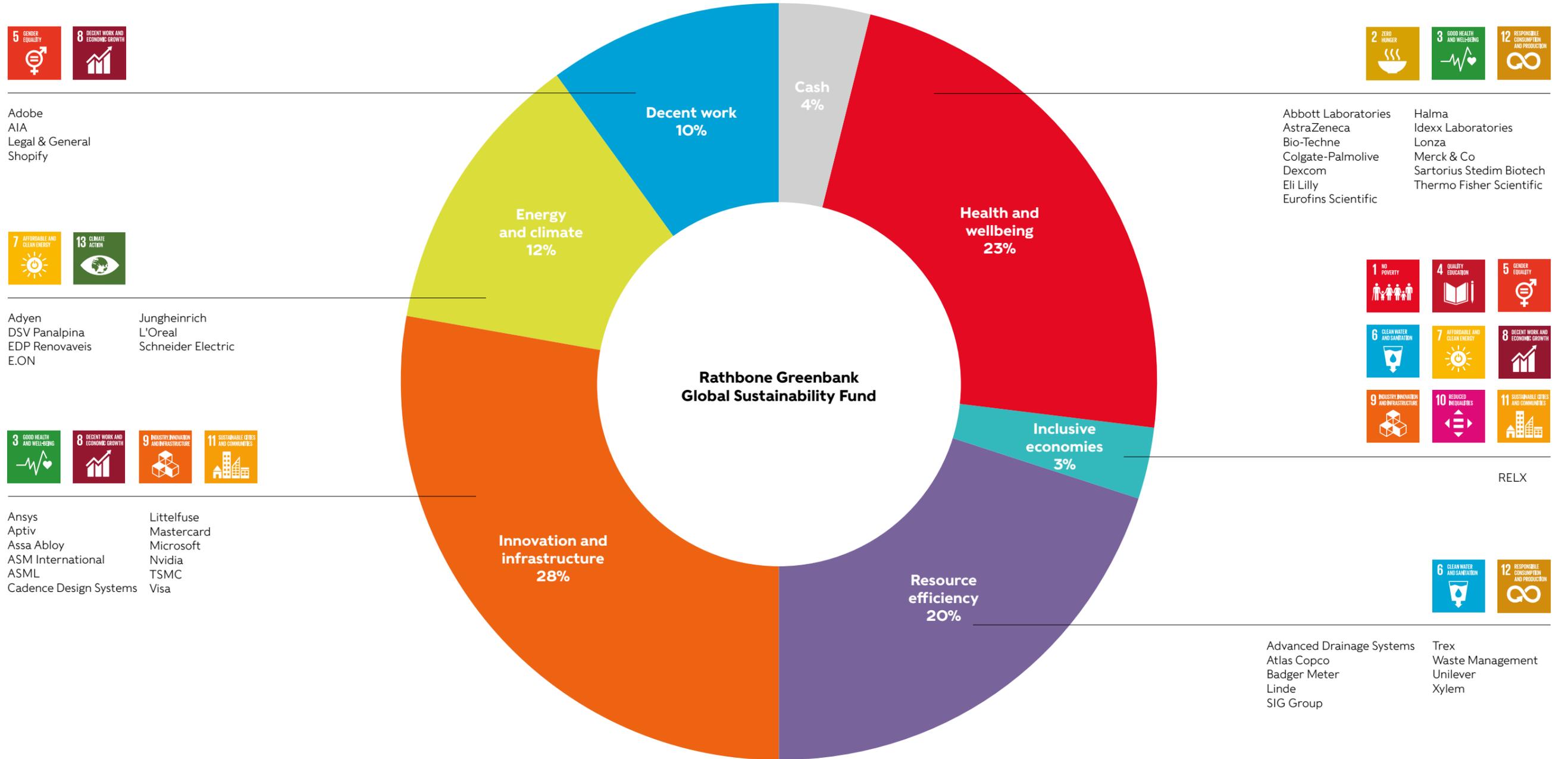
Includes organisations that promote peace, justice and the rule of law through the products and services they provide. It also includes organisations that are operationally aligned with the theme and support positive impacts via their policies, business strategies and management of their own human rights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



Innovation and infrastructure

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.

SUSTAINABLE CATEGORY ALIGNMENT





CASE STUDIES

CASE STUDIES



Health and wellbeing

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



ABBOTT LABORATORIES

Investment case

- leading nutritional products and diagnostics company, with a diversified portfolio
- market leader in adult nutrition with its Ensure brand
- freestyle diabetes monitors are a significant product for type 1 diabetes market

Sustainability criteria

- provides industry-leading access to healthcare programmes in countries where resources are constrained
- products and services support human wellbeing and help individuals to lead healthy lives
- supplier diversity programme which is designed to give opportunities to groups traditionally under-represented in business



NEW HOLDING

ASTRAZENECA

Investment case

- robust portfolio underpinned by excellent oncology franchise
- R&D pipeline remains one of the more interesting in the sector
- management have executed well on converting the pipeline into profitable growth

Sustainability criteria

- provides healthcare solutions from prevention, diagnosis and treatment to post treatment
- driving equitable access to healthcare through open innovation and IP-sharing arrangements
- following science based targets to deliver absolute reductions in greenhouse gas emissions across its value chain



BIO-TECHNE

Investment case

- leader in protein reagents and diagnostic kits used across the healthcare sector
- products are often mission critical and highly specialised with durable barriers to entry
- significant opportunity to grow across multiple niche sub-sectors

Sustainability criteria

- products are important components of the drug discovery and production process
- offers employees continuous learning in the latest scientific methods and research
- electronic, lead and silver waste is collected and recycled for metal extraction



COLGATE-PALMOLIVE

Investment case

- global leader in oral care, with a strong and recognised brand
- opportunity to expand oral care franchise across multiple markets
- return on capital has been robust, with a clear flywheel for re-investment in the platform

Sustainability criteria

- committed to developing and delivering products to enable a healthier and more sustainable future
- all packaging to be recyclable, reusable, or compostable and to reduce virgin plastic by one-third by 2025
- aiming to achieve net zero water at manufacturing sites in water-stressed areas by 2025 and across all site by 2030



NEW HOLDING

CASE STUDIES



Health and wellbeing

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



DEXCOM

Investment case

- develops continuous glucose monitoring systems, used to manage diabetes
- strong reputation and brand awareness should drive growth
- market opportunity is vast and global as the number of people with diabetes is continuing to increase

Sustainability criteria

- empowering customers to take control of their diabetes with continuous glucose monitoring
- partnerships with providers allows customers to simplify their treatment by choosing their preferred insulin pumps or pens
- products eliminate the need for multiple daily finger pricks to monitor blood glucose levels, enhancing patient quality of life

EUROFINS SCIENTIFIC

Investment case

- provides independent safety testing for pharmaceutical, environmental and consumer products
- enjoys a strong market share and continues to build out its business in new sectors
- barriers to entry for new competitors are high and durable

Sustainability criteria

- laboratories at the forefront of medical breakthroughs and drug discovery to help clinicians save lives
- helps test and analyse soil and crop health to enable farmers to increase productivity while protecting the environment
- aiming to achieve carbon neutrality by 2025 by significantly reducing carbon emissions

NEW HOLDING

ELI LILLY

Investment case

- pharmaceutical company with a focus on insulin and diabetes treatment
- existing portfolio generates consistent growth, whilst the opportunity in obesity treatment could be significant
- obesity treatment products should boost return on capital consistently higher

Sustainability criteria

- provides many life-changing medicines - including insulin, penicillin and COVID-19 treatments
- aiming to provide improved access to quality healthcare for 30m people in resource-limited settings, annually by 2030
- aiming to be carbon neutral in own operations and use 100% renewable electricity by 2030

HALMA

Investment case

- industrial business, focused on safety technology across multiple applications
- market-leading positions in niche segments helps to protect pricing power
- significant long-term growth potential whilst achieving attractive returns on capital

Sustainability criteria

- involved in manufacturing a wide range of products that protect and improve the quality of life for people worldwide
- medical technology helps to diagnose and treat disease earlier and more accurately
- technology helps the agriculture industry to maximise crop growth and cultivation

CASE STUDIES



Health and wellbeing

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



NEW HOLDING

IDEXX LABORATORIES

Investment case

- global leader in companion animal diagnostic treatment equipment and testing
- enjoys strong brand loyalty with its customers thanks to a focus on reliability and innovation
- strong growth potential as penetration of its products still relatively low in both the US and overseas

Sustainability criteria

- support longer, fuller lives for pets by delivering solutions to advance their medical care.
- innovations help ensure the safety of milk and water across the world and maintain the health and well-being of people and livestock.
- laboratory diagnostic solutions for human medicine is used in emergency rooms and intensive care units across the globe

LONZA

Investment case

- works with pharmaceutical companies to develop and commercialise new drugs
- well diversified customer base and strong expertise in areas such as biologics should drive long-term growth
- significant barriers to entry should help protect attractive return on capital

Sustainability criteria

- supports customers in pharma, biotech and nutrition markets to deliver new innovative medicines that help treat a wide range of diseases
- products, services and cutting-edge technologies can help to save, extend and enhance patient lives
- aiming to use 100% renewable energy by 2025



NEW HOLDING

MERCK & CO

Investment case

- pharmaceutical company, with a leading position in oncology
- recent acquisition of Prometheus opens up new growth opportunities in areas such as Crohn's disease
- highly cash generative, with a well-supported dividend

Sustainability criteria

- at the forefront of research to deliver innovative health solutions that prevent and treat diseases in people and animals
- strengthening its approach to access planning and capacity building in low and middle income countries
- source 100% of their purchased electricity from renewables by 2025

SARTORIUS

Investment case

- leader in making 'catalytic starters' for many treatment drugs
- strong market share in growing industry with high barriers to entry
- high level of sustainable growth with very attractive returns on capital

Sustainability criteria

- products are used in biopharmaceutical industry to produce medical drugs
- laboratory instruments and consumables used in research, helping to enable scientific progress
- increasing the proportion of environmentally friendly raw materials in products



CASE STUDIES



Health and wellbeing

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



THERMO FISHER SCIENTIFIC

Investment case

- medical technology company, focused on laboratory testing equipment
- excellent brand reputation and enjoys extremely high market share in each of its core markets
- sustainable top-line potential in the business is attractive, supported by strong margins and returns on capital

Sustainability criteria

- products and services key to healthcare professionals trying to cure disease and improve diagnostics
- offers multiple sustainable product ranges and continuously innovate to reduce environmental impacts
- committed to achieve net zero carbon emissions by 2050, building upon its 2030 scope 1 and 2 science based emission targets



Inclusive economies

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



RELX

Investment case

- global leader in providing data analytics to the scientific and legal industries
- often provides a critical service to its customers, with few global competitors
- strong cash generation allows the company to fund acquisitions and return cash to shareholders

Sustainability criteria

- products promote access to information, helping the advancement of science, health and access to justice
- free universal access to SDG Resource Centre which includes information and research on the UN SDGs
- uses green tariffs and purchases renewable energy certificates equal to their global energy consumption

CASE STUDIES



Resource efficiency

Promote a circular economy that supports sustainable levels of consumption.



ADVANCED DRAINAGE SYSTEMS

Investment case

- manufactures stormwater management solutions from recycled plastics
- significant growth opportunities to convert legacy concrete piping to less carbon intense plastic alternative
- management continue to deploy capital to add new capabilities, expanding the company's addressable market



Sustainability criteria

- incorporates recycled material into its products and is one of the largest plastic recyclers in North America
- water quality products remove debris and pollutants ensuring only clean water is discharged back to communities
- products prevent excessive storm water runoff, which in turn conserves water resources and improves flood control

ATLAS COPCO

Investment case

- global leader in compressor technology, which is used across multiple industries
- service is a significant part of the business, which adds to customer retention and cashflow visibility
- solid organic growth across the cycle is complimented by bolt-on acquisitions



Sustainability criteria

- variable speed drive technology in compressors helps customers increase their energy efficiency and reduce carbon dioxide emissions.
- technologies are critical in low-carbon applications such as electric vehicles, solar power and energy storage
- have 100% reused, recycled or recovered waste from internal operations by 2030

BADGER METER

Investment case

- US industrial company focused on municipal water meters
- enjoys a high and stable market share and new entrants have significant barriers to entry
- should be a key beneficiary of the shift to a more interconnected and digital infrastructure



Sustainability criteria

- helps save water and other natural resources through highly accurate metering and analytics solutions
- bronze metering products contain recycled material made from scrap brass
- smart technologies help utility companies identify and prevent potentially costly leaks

LINDE

Investment case

- global leader in industrial gases, with operations across multiple sectors
- merger of Praxair and Linde has been well executed and should continue to generate future synergies
- long term contracts with its customers provide good visibility on revenues



Sustainability criteria

- products, services and technologies offer environmental benefits to a wide variety of industries
- hydrogen used to help produce cleaner air by reducing sulphur emissions from trucks and cars
- 'lotox' technology is used to capture and store air pollutants arising from combustion processes

CASE STUDIES



Resource efficiency

Promote a circular economy that supports sustainable levels of consumption.



SIG GROUP



Investment case

- leader in aseptic packaging systems, which are used for a number of consumer products
- operates in a duopoly with Tetra Pak and enjoys strong barriers to entry
- long-term growth opportunity in aseptic packaging remains attractive

Sustainability criteria

- its packaging has a significantly lower environmental footprint than plastic bottles or cans
- enables food and beverages to retain their nutritional value over long periods of time without the need for refrigeration
- all the energy used to make their packaging is from renewables sources

TREX



Investment case

- US producer of composite outdoor decking for residential and commercial use
- market penetration remains relatively low with significant growth opportunities
- return on capital is attractive and should remain durable in the future

Sustainability criteria

- products replace virgin wood by reusing plastic packaging with sawdust and other waste wood by-products
- one of the largest recyclers of polyethylene film in North America
- manufacturing process uses an eco-friendly processing method to minimize greenhouse gas emissions

XYLEM



Investment case

- has one of the most comprehensive water technology portfolios focused on both equipment and service
- acquisition of Evoqua Water adds expertise in the industrial sector
- investment in aging water infrastructure should provide a long-term tailwind to the business.

Sustainability criteria

- treating water to make it safe to use or be returned to the environment
- smart water networks identify infrastructure problems earlier so wastage can be minimised
- water reclamation plants purify and recycle water for beneficial use

WASTE MANAGEMENT



Investment case

- large waste collection and recycling company in an industry which is fairly consolidated with steady pricing
- normally recession resilient business with pricing linked to underlying CPI
- investments in recycling capacity and landfill re-gasification should provide long-term payback

Sustainability criteria

- captures landfill gas and turns it into renewable electricity and fuel
- recycles materials which helps to avoid green house gas emissions by preventing the mining and manufacturing from virgin materials
- reducing contamination in waste through both technology solutions and educating consumers

CASE STUDIES



Resource efficiency

Promote a circular economy that supports sustainable levels of consumption.



UNILEVER

Investment case

- personal care business with a well-diversified portfolio. Brands are typically well regarded in each market
- management team have the opportunity to boost growth in the business through more effective brand management
- predictable cashflow generation and attractive return on capital

Sustainability criteria

- aims to improve the health of the planet by achieving net zero emissions in internal operation by 2030
- aiming to protect and regenerate 1.5m hectares of land, forests and oceans by 2030
- working to halve its use of virgin plastic, increase its use of recycled plastics and ensure that all packaging is reusable, recyclable or compostable



Innovation and infrastructure

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



ANSYS

Investment case

- technology company focused on simulation software; used by customers to optimise products as they are designed
- will be a key beneficiary as simulation becomes more important across the whole lifecycle of a product
- customer spend in this space should accelerate over time as digital capabilities are more in focus

Sustainability criteria

- software helps innovators test and improve solutions in clean technology and renewable energy systems
- technology is used for research and/or teaching in engineering schools around the globe
- develops solutions for autonomous vehicles, energy storage and battery management systems



APTIV

Investment case

- automotive supply business with a focus on the 'digital nerve centre' of vehicles
- return on capital should be more predictable given no exposure to internal combustion engine
- significant growth opportunities from focus on vehicle autonomy and safety

Sustainability criteria

- portfolio of technology and software supports electric vehicles and autonomous
- active safety features help to reduce vehicle accidents and fatalities
- long-term targets for reducing waste, water and green house gas emissions



CASE STUDIES



Innovation and infrastructure

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



ASSA ABLOY

ASSA ABLOY

Investment case

- global leader in entry systems, an industry with attractive growth
- structural shift to digital locks is a multi-year driver
- returns on capital are attractive and durable

Sustainability criteria

- provides security and safety to customers with locks, doors and gates
- embeds sustainable design into product innovation process
- mobile access allows keyless entry to hotel rooms, reducing need for plastic cards



ASM INTERNATIONAL

Investment case

- highly specialised semiconductor equipment manufacturer
- companies capabilities will become increasingly important in next generation semiconductor designs and manufacturing
- difficult for competitors to replicate the specialised knowledge the company has in this industry

Sustainability criteria

- technology developed and produced helps contribute to industrial automation and reduce energy demands
- innovating its products and services to make them more ecologically friendly with a long-term company target to be net zero by 2035
- co-ordinating with partners in the value chain to re-use materials used for shipping



ASML

ASML

Investment case

- global leader in semiconductor manufacturing equipment
- enjoys well over 50% market share in next generation technology
- structural rise in microchip usage leads to significant long-term growth opportunities

Sustainability criteria

- enables microchips to be smaller, cheaper and more energy-efficient
- systems are modular in design, enabling upgrades and refurbishments and promoting a circular economy
- reached 100% renewable electricity across its operations in 2020

CADENCE DESIGN

Investment case

- technology company that plays a key role in semiconductor design
- exposed to a number of attractive long-term trends including artificial intelligence and next-generation technology
- products are often seen as mission-critical with its customers

Sustainability criteria

- provides technologies which assist in the design of electronic products that conserve energy and power
- supports innovation in the auto industry and the transition to electric vehicles
- targets increased female participation in the sector by offering women in technology scholarships



CASE STUDIES



Innovation and infrastructure

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



LITTELFUSE

Investment case

- global leader in power management technology for auto and industrial sectors
- vehicle electrification drives structural demand for products
- brand and barriers to entry help protect margin and pricing

Sustainability criteria

- products assist in the growth of smart meters, LED lighting and electric vehicles
- working with customers in renewable energy and energy storage markets to improve efficiency
- products support the safety of electrical systems



Expertise Applied | Answers Delivered

MASTERCARD

Investment case

- multi-year driver of cash-to-card switch with 50% global penetration
- in duopolistic industry structure with Visa which provides durable barriers to entry
- excellent top line growth and very strong cash generation

Sustainability criteria

- inclusive growth scores enable planners and policymakers to tackle inequality through targeted interventions
- innovation in mobile payment and pre-paid cards targets under-served customer groups
- Girls4Tech signature education program aims to inspire women into a career in science, technology, engineering and maths



MICROSOFT

Investment case

- global software company with leading positions across multiple categories
- management have transformed the business into a well-positioned franchise with multiple revenue drivers
- high level of recurring cash flow with limited need for large strategic deals

Sustainability criteria

- meeting increasing demand for IT infrastructure services with more environmentally friendly and energy efficient solutions
- carbon neutral since 2012 and aims to remove enough carbon to account for all its historical emissions by 2050
- develops data centre efficiency solutions, energy management software tools and smart grid development



NVIDIA

Investment case

- global leader in the production of graphic processing units (GPUs)
- GPUs are used extensively in data centres and are a critical building block in artificial intelligence technology
- multi-year investment in the product suite and ecosystem should make barriers to entry durable

Sustainability criteria

- focus on creating products and services that enable IT developers to create and accelerate socially beneficial applications
- healthcare institutions can use the power of AI for drug discovery and medical devices can scan patients faster and more safely
- by 2025 will achieve and maintain 100% renewable electricity for its operations and data centres



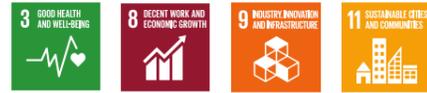
NEW HOLDING

CASE STUDIES



Innovation and infrastructure

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



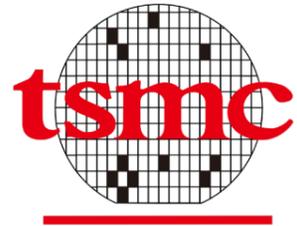
TAIWAN SEMICONDUCTOR MANUFACTURING

Investment case

- large semiconductor foundry with market leading technology and capabilities
- strong and stable return on capital with durable barriers to entry
- increasing complexity in semiconductor production and design should benefit its competitive advantage in this area

Sustainability criteria

- offers advanced energy-saving semiconductor products to enable customers to improve their efficiency
- implementing a number of innovative programs to improve energy and water conservation and reduce waste across the business
- launched semiconductor collaborations with top universities to encourage and attract talent into the industry



VISA

Investment case

- global leader in payment processing, operating in duopoly with MasterCard
- benefits from multi-year switch from cash-to-card payments
- double-digit revenue growth supported by excellent and durable returns on capital

Sustainability criteria

- work with start-up businesses and developers to co-create new ways to pay
- financial literacy program offered in over 40 markets around the world
- 100% renewable energy across its global operations



Energy and climate

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



ADYEN

Investment case

- creates online payment, information and fraud solutions giving customers a simplified and scalable product
- seen as a critical partner to help navigate a complex and changing environment as more companies move online
- top line growth should remain robust in the medium term, which drives a rising return of capital

Sustainability criteria

- helps businesses of all sizes grow by removing friction from payment process
- in 2019 achieved carbon neutrality, compensating for its environmental footprint by purchasing carbon credits for all its historic emissions going back to 2006
- Adyen 'giving' lets merchants accept charitable donations in the checkout process



DSV

Investment case

- Danish freight forwarding business with market leading positions across multiple regions
- strong management team with an excellent track record of allocating capital to compound returns
- asset light model allows DSV to manage the business effectively across the economic cycle

Sustainability criteria

- one of the first in its industry to set science-based climate targets aligned with a well below 2C warming pathway
- involved with other Danish companies to produce 'green' hydrogen at large scale using renewable energy
- in 2021 launched a series of green logistics solutions to help customers lower their supply chain emissions



CASE STUDIES



Energy and climate

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



EDP RENEWABLES

Investment case

- utilities company specialising in developing, constructing and operating renewable energy sites
- well positioned to benefit from the ever increasing demand for renewable energy
- excellent operator achieving attractive margins through outperformance along the value chain

Sustainability criteria

- providing clean energy and better infrastructure capabilities
- helping other corporations achieve their renewable energy targets
- innovating to improve the economics of offshore wind and battery storage

JUNGHEINRICH

Investment case

- leader in materials handling and automated warehouse solutions
- accelerated switch to electrification opens up significant long-term opportunities
- consistent focus on product development and innovation maintains their competitive advantage

Sustainability criteria

- aiming for zero landfill waste through internal work processes by 2030
- continually improving the energy efficiency of products and the production process as part of net zero GHG ambitions
- increasingly circular approach through product lifecycle assessments and growing sales of refurbished forklift trucks



E.ON

Investment case

- utility business with over 50% of its asset base enjoying regulated returns
- clear and credible energy transition plan, with significant capital investment in renewable energy technology
- opportunity to grow profit margins in the medium term

Sustainability criteria

- solutions help customers meet their personal energy needs and decarbonization goals
- offers customers the opportunity to get 100% renewable electricity at no extra cost
- provides energy efficient products such smart meters, solar panel installation, energy storage solutions and EV charging

L'OREAL

Investment case

- leading beauty products business, with multiple marquee brands
- spending in the category tends to be stable over the economic cycle
- the beauty industry is well consolidated with durable barriers to entry

Sustainability criteria

- in 2020 launched future program to minimise its impact on the climate, water, biodiversity and natural resources
- by 2025 all sites to achieve carbon neutrality by improving energy efficiency and using 100% renewable energy
- by 2030 100% of plastics used in its packaging will be either from recycled or biobased sources



NEW HOLDING

CASE STUDIES



Energy and climate

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



Decent work

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



SCHNEIDER ELECTRIC

Investment case

- specialises in digitally focussed energy management solutions that can be applied across a wide range of applications and industries
- able to offer its customers a one stop shop for all their digital efficiency needs
- expect the company to outgrow its peers given its high exposure to energy efficiency, digitalisation and decarbonisation



Sustainability criteria

- products and services focus on increasing the efficiency of energy generation, transmission and use
- has pledged to reach net zero CO2 emissions in its operations by 2030 and across its value chain by 2050
- by 2025 100% of primary & secondary packaging should be free from single-use plastic and use recycled cardboard

ADOBE

Investment case

- leading US software company with a focus on creating digital media and publication tools
- highly embedded with customers and a key beneficiary of the structural shift to digital
- subscription-based model with excellent levels of cashflow and attractive returns on capital



Sustainability criteria

- achieved gender pay parity globally and switched focus to closing opportunity gap
- digital academy provides apprenticeships with the goal of placing participants with full-time employment at Adobe or another technology company
- aiming to use 100% renewable energy for all operating sites and digital delivery of products by 2035

AIA GROUP

Investment case

- leading Pan-Asian insurance products business
- focus on savings and protection products, benefiting from rising middle class
- double digit revenue growth supported by excellent and durable returns on capital



Sustainability criteria

- significant investment in infrastructure-related sectors such as electricity, transportation and telecommunications
- launched first of its kind diabetes care insurance product covering pre and type 2 diabetes in Singapore
- has worked to improve gender diversity across its business and now sees 42% of women in senior leadership positions, significantly higher than the Asia-Pacific average of 19%

CASE STUDIES



Decent work

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



LEGAL & GENERAL

Investment case

- UK insurance business with strong investment management franchise
- significant growth opportunities in US market
- highly experienced management team that allocates capital clearly

Sustainability criteria

- provides funding into small-to-medium sized enterprises, supporting job creation and economic growth
- supporting key technologies in the transition to a lower carbon economy
- currently ranks 54th in the 2022 employer index on social mobility, which analyses and ranks the processes employers have in place to improve social mobility



SHOPIFY

Investment case

- provides an online ecosystem for brands and retailers, with a strong focus on independents
- large addressable market which is growing, yet global eCommerce penetration is relatively low
- offers a unique solution to smaller companies, reducing barriers and cost to move online

Sustainability criteria

- help people start, run and grow a business with specific support for underserved communities
- offers computing education programmes that help build a diverse engineering pipeline
- carbon neutral since inception, including buildings powered by renewable energy and carbon-neutral corporate travel

ADDITIONAL INFORMATION

ANY VIEWS AND OPINIONS ARE THOSE OF THE INVESTMENT MANAGERS, AND COVERAGE OF ANY ASSETS HELD MUST BE TAKEN IN CONTEXT OF THE CONSTITUTION OF THE FUND AND IN NO WAY REFLECT AN INVESTMENT RECOMMENDATION.

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We are covered by the Financial Services Compensation Scheme. The FSCS can pay compensation to investors if a bank is unable to meet its financial obligations. For further information (including the amounts covered and the eligibility to claim) please refer to the FSCS website [fscs.org.uk](https://www.fscs.org.uk) or call 020 7892 7300 or 0800 6781100 Unless otherwise stated, the information in this document was valid as at 30 November 2023. Not all the services and investments described are regulated by the Financial Conduct Authority (FCA). Rathbones Group Plc. is independently owned, is the sole shareholder in each of its subsidiary businesses and is listed on the London Stock Exchange.

Head office: 8 Finsbury Circus, London EC2M 7AZ.

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