Greenbank

Engagement Review
2024–25

Contents

Welcome to Greenbank's annual Engagement Review for 2024-25

From David Cox
Head of Greenbank

I took over leadership of the Greenbank team at the end of September 2024 and am immensely proud of how the team continue to work tirelessly with our clients to support them in achieving their financial and sustainability goals. We are not afraid to put our head above the parapet when it comes to our engagement work, continuing to signal to the market and our investee companies that environmental and social issues can be financially material to long-term investors. This is particularly important at a time when sustainability is becoming increasingly politicised. We see exciting opportunities in the sustainable economy and with our deep research capabilities and long track record in this industry, are well positioned to take advantage of this.

There have been some significant changes in the international political landscape and although increased tensions among major trading partners might slow the pace of global sustainable development for a time, events beyond politics continue to demonstrate that progress towards better outcomes for people and planet is still essential.

Last year was declared the hottest on record with the average global temperature exceeding its pre-industrial level by 1.5°C for the first time. Incidents of extreme weather increased on every populated continent and ocean temperatures reached an all-time high. The new US President's executive orders to withdraw the US from the Paris Agreement for a second time and accelerate the extraction and consumption of fossil fuels came after the country suffered six major storms in quick succession, including Hurricane Helene which caused over 200 fatalities and almost $100 billion in damages.

Elsewhere, there were some encouraging breakthroughs for climate. The UK closed its last coal-fired power plant with plans to convert it into a battery storage site, and the International Energy Agency (IEA) forecast a significant increase in global renewable energy capacity by 2030, driven largely by a surge in China's green power investment and development. In December, a landmark climate legal case began at the International Court of Justice to rule on what countries could do under international law to mitigate climate change and what consequences they might face for exacerbating it.

Nature and biodiversity protection continued as a core engagement theme for Greenbank throughout 2024. With over half of global GDP estimated to be dependent on natural systems and ecosystem services, companies, regulators and investors are rapidly recognising that this is a financially material risk that needs to be managed. Despite the continuing negative impacts of industry, urban development, agriculture and climate on natural systems, there were some notable successes. The European Union (EU) passed its Nature Restoration Law, targeting the restoration of 20% of the region's land and sea areas by 2030 and all degraded ecosystems by 2050. Brazil's ambition to end deforestation in the Amazon by 2030 was bolstered by a more than 30% reduction in forest clearances – their lowest level in nine years – and the first global organisations agreed to adopt reporting recommendations by the Taskforce on Nature-related Financial Disclosures (TNFD).

During a historic electoral year involving almost half of the world's population, we focused on the role of digital and artificial intelligence (AI) platforms in preventing the spread of disinformation, enhancing transparency and accountability, and protecting rights to privacy and freedom of expression. Engagement on digital rights and ethical AI addresses the growing challenge of how we embrace advancing technologies without sacrificing sustainability goals, digital security or personal rights. We also engaged with companies on their progress to identify, prevent, mitigate, and account for human rights abuses in their wider value chains.

In our 20th year as Greenbank, we were delighted to receive more industry recognition for our leadership in ethical and sustainable investment. Team wins at Investment Week's Sustainable Investment Awards were followed by a 'Business of the Year' win at Business Green's 'Women in Green Business Awards' and recognition for our stewardship and engagement lead Sophie Lawrence at Investment Week's 'Women in Investment Awards'. These accolades reflect the strength and industry leadership of our team, in addition to our continuing commitment to hold companies to high standards of sustainable practice.

You can read our previous Engagement Review and stay up to date with all our engagement activity on our website.

David Cox
Head of Greenbank

The value of investments and the income from them may go down as well as up and you may not get back what you originally invested.

Introduction
Sophie Lawrence

Stewardship and Engagement Lead

This annual engagement review is our opportunity to reflect on the past year and share the impact our engagement has helped create, as well as outlining our plans for the year ahead.

Welcome to our annual review of Greenbank engagement activities for 2024. Taking an active approach to engagement is a core part of our service and complements our investment analysis, as we aim to create and preserve long-term value for our clients.

Our engagement action plan for 2024 was ambitious, spanning three priority projects on climate, nature and health. We also had a range of secondary projects underway, focused on issues such as access to medicine, human rights due diligence in supply chains, plastics and animal welfare. You can read about our activity and achievements in the 'Impact from our engagement in 2024' section of this report.

The report also introduces our engagement priorities for 2025, which lie under three broad themes of nature, human rights, and climate and we outline our secondary focus areas which include circular economy, workforce and access to medicine.

We think carefully about how we select engagement projects, and you can find out more about how we do this in the 'Our engagement approach' section. We consider factors such as client interest, relevance to the companies Greenbank invest in, alignment to our sustainable development themes, and the potential to create wider impact than could be delivered by our direct engagement alone – for example through partnerships and raising investor awareness of overlooked issues.

To create long-term value for our clients and promote sustainable development, one of the core ways we use our engagement activity is to signal to the market that ethical, sustainable and impact (ESI) issues are important to investors, centred around long-term value creation and risk management. This is particularly important in the current context, where sustainable investing is becoming increasingly politicised. We look at some case studies of this behaviour in the 'Principles in practice' section of the report.

An important aspect of our engagement work is the opportunity to effect change on a broad set of sustainable finance issues through educational events and collaboration with external partners.

Some of our highlights from 2024 include:

- Giving in-person evidence to the House of Lords Food, Diet and Obesity Committee on behalf of the Investor Coalition on Food Policy
- Holding three Green Shoots events on the topics of 'Animal welfare and the rise of alternative proteins', 'Can we insure against climate risk?' and 'Tackling plastic pollution'
- Our 27th annual Investor Day focused on the topic of 'Water under pressure' which is summarised in our 2024 Greenbank Review
- We won 'Best Sustainable Investment Engagement Initiative' for the Investor Coalition on Food Policy in the Investment Week Sustainable Investment Awards.

The recordings for the Green Shoots webinars and our Investor Day are on the 'Insights' section of our website.

We are always open to feedback on our engagement strategy from clients and stakeholders, so please get in touch if you would like to find out more or discuss anything mentioned in this report.

Our engagement approach

"Engagement is a vital expression of our role as stewards of our clients' assets to advocate for positive and lasting change."

Engagement is a vital expression of our role as stewards of our clients' assets to advocate for positive and lasting change within the companies that we invest in on their behalf. We engage on issues that are important financially, but we will also act where we feel an issue presents long-term systemic risks or we identify a moral imperative to address social or environmental concerns — in line with the expectations of our clients.

We engage at both a company, fund and thematic level and our activity is set in the context of long-term dialogue and ownership. We recognise the power of collaborative engagement and partnerships and so, where appropriate, we collaborate with non-governmental organisations (NGOs) and other members of the responsible investment community to increase the reach and impact of our engagement activities. This enables us to create change on a deeper or more widespread scale than we may be able to achieve individually.

We also engage with policymakers and data providers. Public policy and data can play a powerful role in shaping and incentivising progress towards sustainable development by setting the rules of the game. We have a long history of creating impact through our policy engagement including contributing to the development of the UK's Transparency in Supply Chains Bill (part of the Modern Slavery Act) and our work on healthy and sustainable food systems with the Investor Coalition on Food Policy.

We use our engagement activities to:

- support the aims and objectives of Greenbank's eight sustainable development themes, which map closely to the United Nations Sustainable Development Goals
- highlight and address concerns about specific areas of company performance and improve our understanding of their sustainability profile
- signal to the market that ethical, sustainable and impact issues are important to investors
- overcome barriers to progress on sustainable development such as unreliable data, or a lack of consistent standards or frameworks
- engage with governments, regulators and supranational bodies to highlight sustainability failures in the wider market and work towards correcting them.

Selecting engagement projects
We divide our projects into priority and secondary groupings. For priority projects, Greenbank play a leading role in shaping the overall direction and strategy of the project. With secondary projects, we aim to still play an active role in progressing objectives but will generally join existing collaborative engagements and play a less active role in setting the strategy.

We also engage throughout the year on a tactical basis with the companies we invest in, where we identify specific risks, and work in partnership with those companies to mitigate them. For example, we are currently engaging with US-based companies to understand any rollbacks in sustainability commitments in response to recent political changes.

We do not believe in engagement for its own sake. The projects we choose (whether short- or long-term) must present a clear strategy for achieving positive outcomes and are considered against factors such as:

- alignment to our eight sustainable development themes and the long-term changes we aim for in each
- the level of exposure across Greenbank client portfolios and the extent to which individual issues are important to clients
- the prospect for deeper engagement on a more focused range of issues where positive outcomes are identifiable
- opportunities to prime the market and act as a catalyst for further investor engagement by drawing attention to overlooked issues and building consensus on how to best address them.

Most thematic engagements are long-term in nature given that they are concerned with addressing sustainability risks and opportunities that often require our commitment over many years to achieve the desired objectives.

For tactical engagements, we prioritise engagement based on the magnitude of the risk to our investee companies and / or the potential social or environmental impact of the issue.

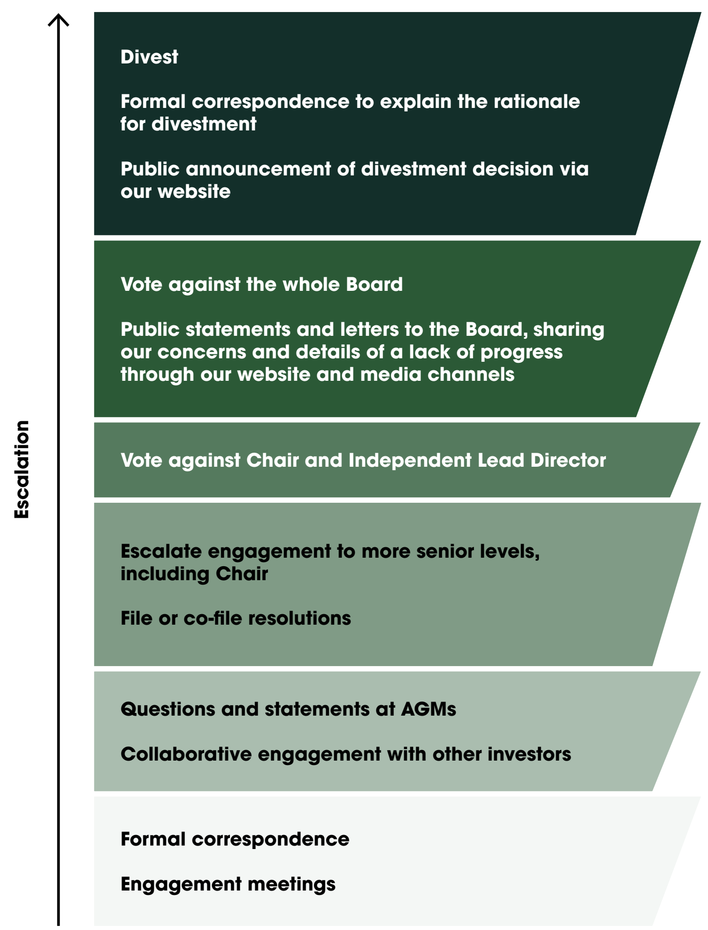
Engagement methods
In each engagement project we aim for open and constructive dialogue, in a spirit of longer-term partnership and support — but we are never reticent in asking searching questions.

To create the conditions for lasting and meaningful change we choose the most effective engagement method from our escalation framework (see below).

The most appropriate methods for each project will be decided as part of the initial project proposal. Our engagement activity covers all asset classes rather than just equities and therefore certain methods will be more appropriate for some asset classes over others. For example, voting is only available for equities. Progress is reviewed quarterly by the ethical sustainable and impact (ESI) research team, when we can opt to escalate our discussions and activities if necessary.

While we aim to stay invested and make effective use of our shareholder voice and voting rights, reducing our holdings or divesting are always options should we feel that legitimate stakeholder concerns are not being addressed or material ESG risks are not being appropriately managed.

Measuring progress
It is important to measure the effectiveness of our stewardship and engagement activities. At the start of each engagement, we define objectives of the engagement. We then track milestones on a regular basis and whether we have had to escalate the engagement. We also track when the engagement has reached a final outcome and whether this has been successful or unsuccessful.



“To create the conditions for lasting and meaningful change we choose the most effective engagement method from our escalation framework.”

Engagement Review 2024-25

Our sustainable development themes

Long-term goals
We have devised eight sustainable development themes that guide how we invest and engage at Greenbank. The United Nations Sustainable Development Goals (SDGs)* can be mapped across them.

We have defined our own long-term environmental and social goals for each of these themes. We know that our investments or engagement cannot solve these alone, but they are an important anchor in guiding our work.

Theme	Ambition for action	SDGs
Habitats and ecosystems	Preserve and enhance natural systems by encouraging companies to have a net positive impact on biodiversity.	6 CLEAN WATER AND SANITATION; 14 LIFE BELOW WATER; 15 LIFE ON LAND
Resource efficiency	Promote a circular economy that supports sustainable levels of consumption.	6 CLEAN WATER AND SANITATION; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Decent work	Ensure proper emphasis on the quality of jobs being created and maintained alongside their quantity.	5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH
Inclusive economies	Promote an equitable economy in which there is expanded opportunity for shared prosperity.	1 NO POVERTY; 4 QUALITY EDUCATION; 5 GENDER EQUALITY; 6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 10 REDUCED INEQUALITIES; 11 SUSTAINABLE CITIES AND COMMUNITIES
Energy and climate	Support decarbonisation aligned to the goals of the Paris Agreement on climate change.	7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION
Health and wellbeing	Ensure companies do not undermine the health of their beneficiaries and encourage improved health outcomes.	2 ZERO HUNGER; 3 GOOD HEALTH AND WELL-BEING; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Innovation and infrastructure	Support infrastructure that is fit to achieve broader planetary and societal goals.	3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES
Resilient institutions	Strengthen well-functioning institutions that protect the rule of law and fundamental rights.	10 REDUCED INEQUALITIES; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

*To find out more visit: **sdgs.un.org/goals**

Our engagement priorities for 2025

We have chosen the following engagement projects to focus on as priorities for 2025. In addition, we are involved with a set of secondary engagement projects which are outlined on page 21.

Energy and climate	**Climate**
Habitats and ecosystems	**Nature**
Resilient institutions	**Human rights**

Priority engagement theme Climate

Purpose

To support the Greenbank target of becoming a net zero greenhouse gas (GHG) emissions business by 2040 and to align companies with global efforts to limit warming to 1.5 °C.

Why has it been selected?

Climate change has been chosen as a priority engagement focus to support us in managing our climate-related financial risks and opportunities (transition, physical and systemic) and to help us to achieve our overall net zero target for Greenbank.

Overview of the project

A core focus of our direct engagement with companies will be encouraging them to develop a robust climate strategy, aligned to the core and additional criteria laid out in the Net Zero Investment Framework (NZIF).

We will continue to monitor priority companies and escalate engagement where we have concerns around the pace at which they are progressing towards full compliance with the NZIF criteria. This is a shared engagement priority across the rest of Rathbones and so we collaborate to ensure wider coverage across companies for greater impact.

We will continue to participate in the Institutional Investors Group on Climate Change's (IIGCC) Net Zero Engagement initiative, a collaborative engagement which focuses on major emitters that fall beyond the Climate Action 100+ focus list. Through this, we will actively support engagement with two companies. Greenbank will also continue to support engagement with one company as part of the Climate Action 100+ initiative.

We will also continue to engage with the fund managers we invest in to understand their net zero strategy. We conduct an annual assessment of funds across a range of climate-related criteria, including net zero targets, carbon footprint, the alignment of fund holdings to net zero and how they consider the impact of transition and physical climate risk. As part of this focus on funds, we will continue to be an active member of the UK Wealth Managers on Climate Group, which aims to engage collaboratively with asset managers on climate to support greater ambition within the industry.

We will also continue to support the work of the Financing a Just Transition Alliance and look for opportunities to join projects and provide insight. In the meantime, 'just transition'[1] principles will be integrated into our direct engagement with companies.

Core expectations of companies

We align our expectations to the IIGCC's NZIF. This framework outlines the key components of a net zero strategy and transition plan. NZIF's company level assessment and target-setting methodologies are based upon a common framework of criteria and categories. There are four categories of alignment: not aligned, committed to aligning, aligning to a net zero pathway, aligned to a net zero pathway.

Underpinning this, NZIF uses a set of 10 criteria to assess companies. These include setting short, medium and long-term science-based targets, having strong climate governance in place and allocating sufficient capital to decarbonisation, as well as ensuring companies are transitioning in a fair and inclusive way.

[1] A just transition seeks to ensure that the substantial benefits of a green economy transition are shared widely, while also supporting those who stand to lose economically – be they countries, regions, industries, communities, workers or consumers.

Priority engagement theme Nature

Purpose

1. **Biodiversity:** To encourage companies to mitigate biodiversity-related risks and to reduce or reverse their negative impacts on biodiversity, following the mitigation hierarchy.

2. **Building an enabling policy environment for private sector action on nature:** To improve the enabling environment for companies to act to reverse nature loss and demonstrate there is private sector support for effective long-term policymaking on this issue.

Why has it been selected?

Nature has been chosen as a priority engagement focus to support us in managing our nature-related financial risks and opportunities (transition, physical and systemic). Financial institutions and companies are still at a relatively nascent position in understanding their nature impacts and dependencies across the value chain. Engagement can play a key role in understanding the key value drivers and risks associated with nature and encouraging companies to reduce and reverse nature loss throughout their operations and supply chains.

Overview of the project

1. **Biodiversity:** Engagements with priority companies will encourage them to take robust actions to address their biodiversity impacts, aligned to best practice guidance in emerging frameworks from Nature Action 100 (NA100) and the Taskforce on Nature-related Financial Disclosures (TNFD). Priority companies will be selected based on the impact and dependency assessment we conduct using ENCORE data[2]. We will engage both collaboratively, through NA100 and directly with companies. Depending on the specific company context, engagement will cover a range of issues including pollution, water and deforestation.

   We will also continue to monitor the performance of the financial institutions we engaged with in 2023 on the topic of deforestation. We will assess how they are progressing in the six areas set out in Global Canopy's Finance Sector Roadmap and escalate where we feel sufficient progress has not been made.

   Greenbank will also continue our membership of the Finance for Biodiversity Foundation (FfB), participating in the public policy and targets setting working groups and, for the year, also joining the impact assessment working group.

2. **Building an enabling policy environment for private sector action on biodiversity:** Greenbank will continue our membership of the Green Finance Institute's UK Financial Institutions Nature Group and will consult with the Department for Environment, Food and Rural Affairs officials on how to accelerate private sector investment into nature restoration. Plans and exact activities for 2025 are still to be confirmed.

   We will also continue to engage with the UK Government as it develops its National Biodiversity Strategy and Action Plan, part of its commitment to the Global Biodiversity Framework, agreed at COP15 in 2022.

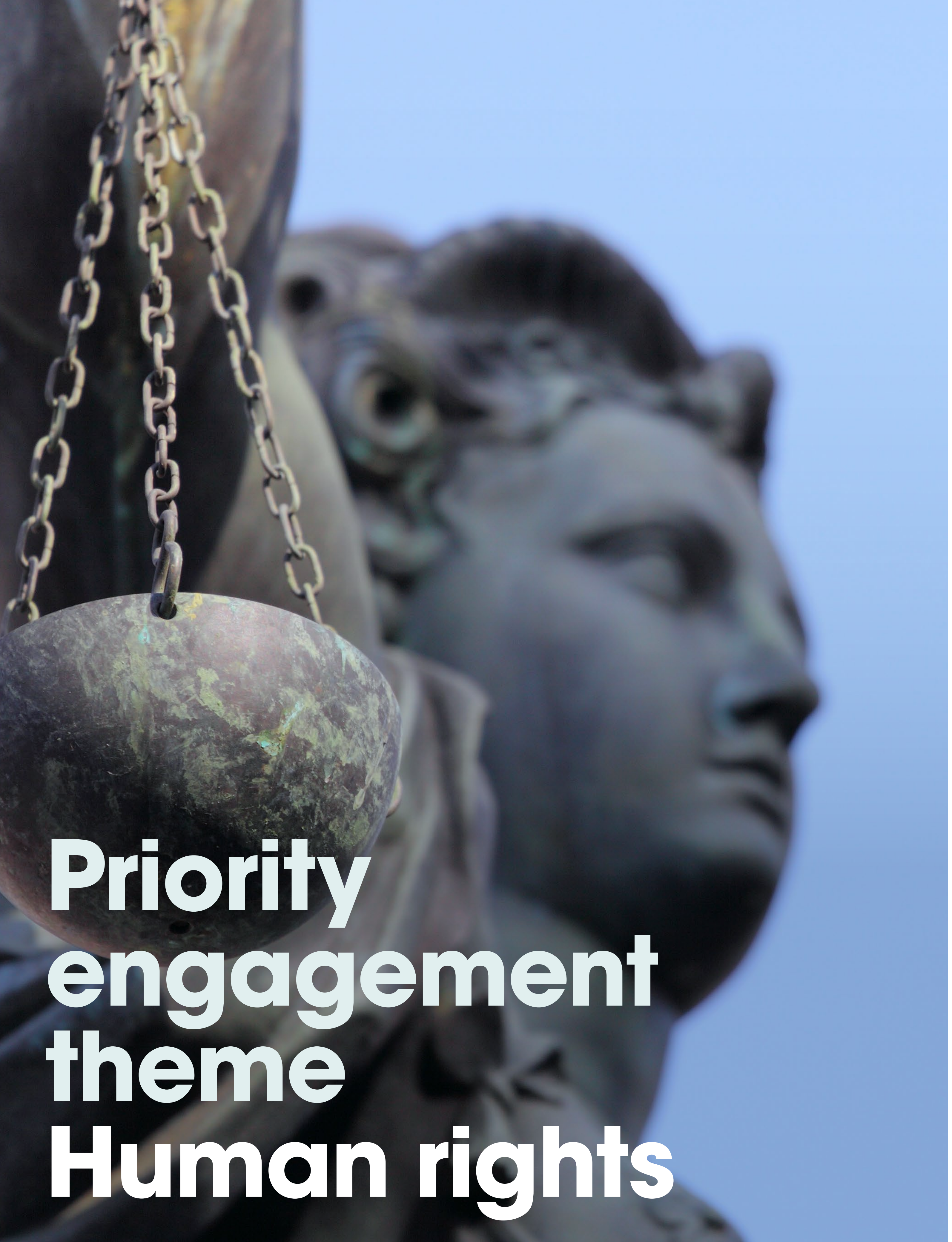
Core expectations of companies

We rely on best practice standards such as NA100, Forest 500 (Global Canopy) and the Finance Sector Roadmap (Deforestation Free Finance) to set our performance and disclosure expectations of the companies in our investment universe.

The NA100 expectations for companies are a set of six actions that will help to protect and restore nature and ecosystems and are related to the areas of ambition, assessment, targets, implementation, governance and engagement.

Global Canopy's annual Forest 500 report assesses the performance of 350 companies and 150 financial institutions who are included in the benchmark due to their significant potential exposure to tropical deforestation. Companies are assessed using a range of criteria, including deforestation commitment strength, associated human rights abuses and implementation and reporting, including transparency in reporting progress against deforestation and human rights commitments.

[2] ENCORE sets out how the economy – sectors, subsectors and activities – depends and impacts on nature. Financial institutions can use data from ENCORE to identify nature-related risks they are exposed to through their lending, underwriting and investment in high-risk industries and sub-industries. ENCORE was developed and is maintained by Global Canopy, UNEP FI and UNEP-WCMC.



Priority engagement theme Human rights

Purpose

1. **Human rights due diligence:** To communicate the importance we place on human rights due diligence to the companies in which we invest, and to encourage companies to adopt the best practice as set out in the United Nations Guiding Principles on Business and Human Rights (the UN Guiding Principles).

2. **Digital inclusion and AI:** To support the adoption of AI regulation globally which is focused on AI safety, ethics and responsible AI use, as well as transparency and accountability. To encourage companies to improve their policies and processes around digital rights and ethical AI. Digital rights are an extension of the rights set out in the Universal Declaration of Human Rights by the UN as applied to the online world.

Why has it been selected?

Human rights due diligence is an issue which is often overlooked by investors and some companies as it is beyond beyond the presence of policies. This engagement aims to continue to make the investment case for human rights due diligence and hold companies to account in their progress against the UN Guiding Principles on Business and Human Rights, which are broadly recognised as the gold standard for human rights due diligence. The digital inclusion and AI focus will also allow us to better understand the risks associated with the development and deployment of AI technologies and act on them.

Overview of the project

1. **Human rights due diligence:** We will continue to engage with companies on their approach to human rights due diligence, with best practice defined by the UN Guiding Principles.

   This will include a review of companies identified as priority, considering exposure across Greenbank client portfolios and prioritising higher risk sectors with significant human rights impacts and risks. We will then produce updated scorecard assessments of existing human rights disclosures using Greenbank's proprietary scorecard assessment, based on the UN Guiding Principles. We will also engage with priority companies to communicate the importance of human rights governance, due diligence, and remediation and to encourage progress against tailored recommendations. We will continue to hold companies to account towards meeting best practice and commend progress made where appropriate.

   We will continue to review the industry landscape in terms of collaborative investor engagements which may support our aims on this engagement, as well as regulatory changes and opportunities for policy development. We will also monitor the Rathbones Group's engagement focused on modern slavery of Greenbank-held companies against their progress on the CCLA Modern Slavery benchmark.

2. **Digital inclusion and AI:** Greenbank will continue to work with the World Benchmarking Alliance's (WBA) Collective Impact Coalition (CIC) on Ethical AI. The CIC aims to bring multiple stakeholders together to focus on the critical issues to advance corporate practices and bring about systems change through direct collaborative engagement.

   This engagement aims to encourage investee companies to implement the formal adoption of policies, processes and disclosure related to ethical development and application of AI.

   Greenbank will continue to support engagement for two companies. The overall objective is to focus on increasing the commitment of these companies to the ethical development and application of AI, as evidenced by related public disclosure. In addition, our engagement also seeks to raise awareness on the importance of the issue and increase the understanding of current challenges.

Core expectations of companies

1. **Human rights due diligence:** The UN Guiding Principles on Business and Human Rights detail the best practice for companies in managing human rights risks and, as such, we expect our investee companies to be actively pursuing progress towards meeting these fully. This incorporates supply chain disclosure, policy, human rights impact assessments, auditing, grievance and remedy.

   This may, in the shorter-term, be reflected in insights the business shares privately with us on their internal work but, in time, will also need to translate into improvements against our scorecard assessments. Where relevant, specific external human rights benchmarks may also be reflected to our analysis (such as the World Benchmarking Alliance Corporate Human Rights Benchmark), but predominantly our assessment of each company's progress against the UN Guiding Principles will be based on our own scorecard assessments.

   In addition, some businesses may be in scope for the EU Corporate Sustainability Due Diligence Direction (CSDDD), mandating the pillars of the UN Guiding Principles. These businesses have a legal obligation to meet the requirements of this new regulation. As the regulatory landscape develops elsewhere there will be increasing mandatory requirements to embody the UN Guiding Principles.

2. **Digital inclusion and AI:** Frameworks such as the Ranking Digital Rights scorecard and the WBA CIC on Ethical AI help guide our expectations of companies. These frameworks allow us to align with the most relevant topics and examples of best practice in this sector. Companies will be assessed based on their commitment to and implementation of ethical AI practices, as reflected in their publicly available principles, governance structures, operational frameworks and practices regarding human rights and AI oversight.

   In addition to frameworks, robust regulation is critical to address the risk of AI. The EU AI Act is the first-ever legal framework on AI with the aim of fostering trustworthy AI in Europe and beyond. It ensures that AI systems respect fundamental rights, safety, and ethical principles and by addressing the risks of very powerful and impactful AI models. Greenbank fully supports this regulation and will assess how companies adopt this regulation going forward.

Secondary engagements for 2025

With our secondary engagement projects, we still play an active role in progressing objectives but are more likely to join existing collaborative engagements and play a less active role in setting the strategy.

ESI issue	Partnerships	Focus	Our sustainable development themes
Health	Investor Coalition on Food Policy, Access to Medicine Foundation, Access to Nutrition initiative, The Food Foundation	Investor Coalition on Food Policy: To advocate for well-designed regulation and standard setting for the food sector to support the creation of a healthy, sustainable and affordable food system. Access to Medicine: To encourage pharmaceutical companies to expand access to their essential healthcare products in low- and middle-income countries. Nutrition: To improve company disclosure of key health metrics, which help investors to understand how retailers and manufacturers are improving the access and availability of healthy products through reformulation, product innovation, and promotions.	**Health and wellbeing**
Animal welfare	Business Benchmark on Farm Animal Welfare	To improve company and policy approaches to farm animal welfare management, performance and disclosure over time.	**Health and wellbeing**
Workforce	Good Work Coalition (ShareAction)	To ensure companies are providing quality work for employees, including providing a living wage. Also focusing on improving company disclosure on work-related issues and practices with the aim of increasing the provision of good jobs. Several issues will be covered including labour rights, fair wages, diversity, equity and inclusion and investment in the workforce.	**Decent work**
Circular economy	Business Coalition for a Global Plastics Treaty, Dutch Association of Investors for Sustainable Development	To support a transition to a circular economy for plastics by supporting the creation of an ambitious and legally binding UN treaty to end plastic pollution. We will also encourage companies to eliminate unnecessary plastics, while increasing recycling and the replacement of plastics with more sustainable alternatives.	**Resource efficiency**

Impact from our engagement in 2024

409 engagements, by sustainable development theme (%)

It is important to measure the effectiveness of our stewardship and engagement activities. At the start of each engagement, we define objectives of the engagement. We then track milestones on a regular basis and whether we have had to escalate the engagement. We also track when the engagement has reached a final outcome and whether this has been successful or unsuccessful.

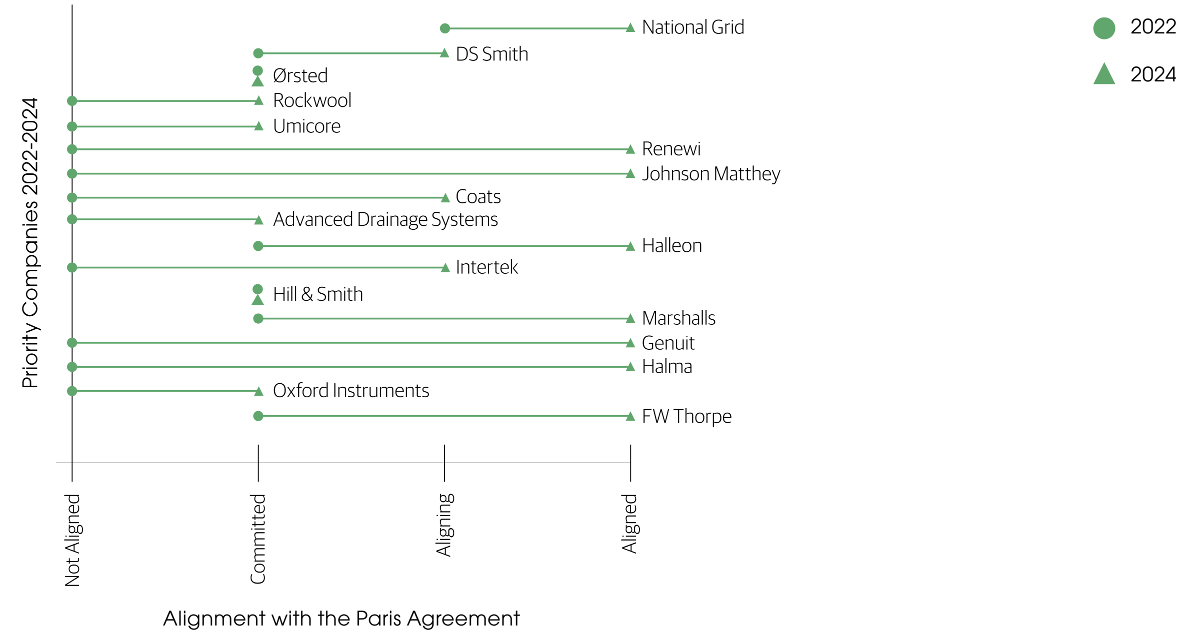
Issue	Milestones
Climate change	23
Human rights	10
Health and nutrition	8
Investor Coalition on Food Policy	7
Biodiversity	5
Digital rights	2
Just Transition	2
Animal welfare	1
Diversity and Inclusion	1
Mental health	1
Sustainability reporting disclosures	2
Grand total	**62**

See the 'Impact case studies' section for further detail on these milestones.

Impact from our engagement in 2024

Net zero engagement outcomes 2022-24

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



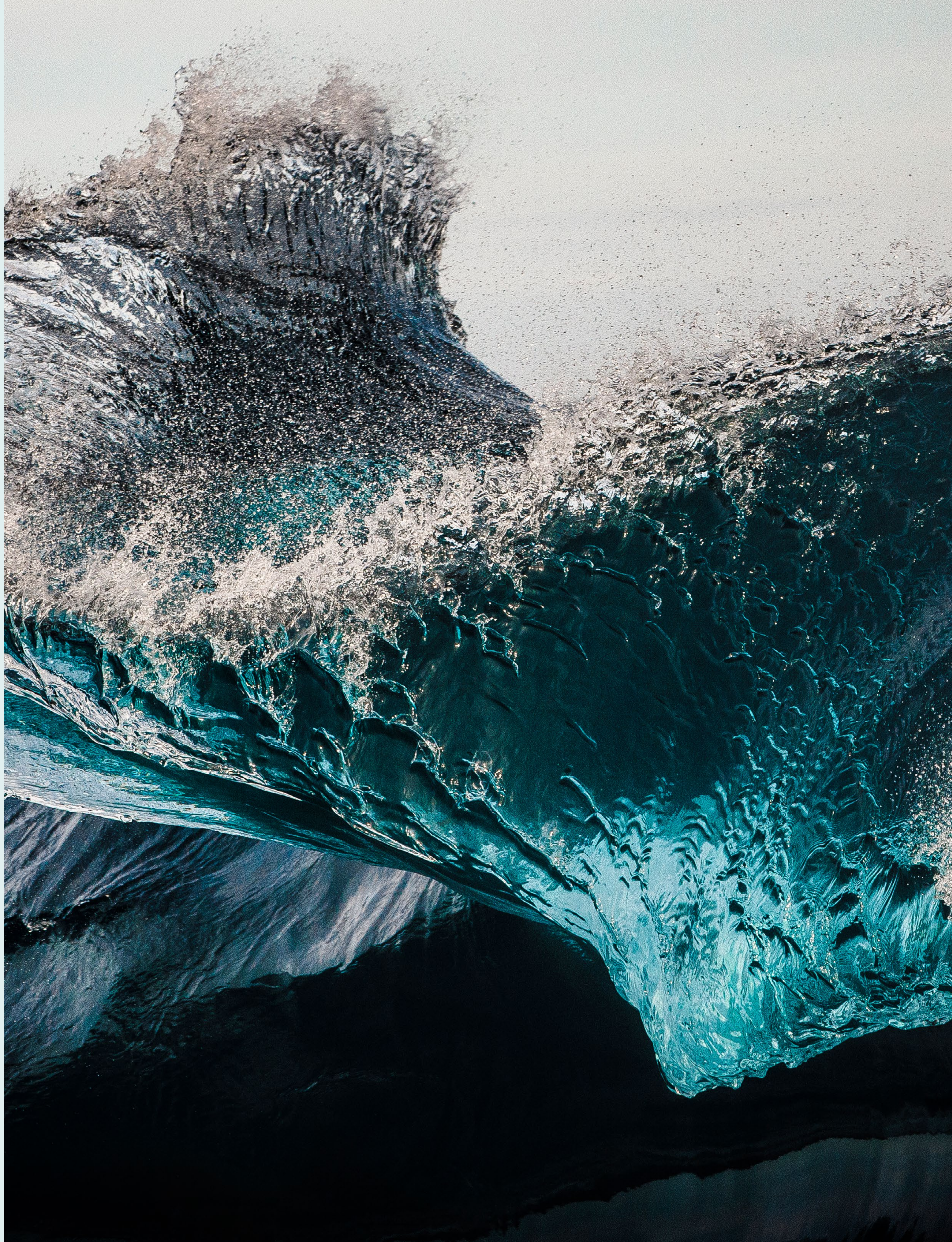
Voting in 2024
Voting at shareholder meetings is an important means of exerting influence with companies on behalf of our clients. Together with Rathbones Group we voted on 11,615 resolutions at 870 company meetings in 2024. This includes voting against management to help drive positive change. We also voted against management 655 times in 2024. You can access a voting disclosure tool on the Rathbones Investment Management website, which shows voting for individual stocks, as well as an overview of voting as a whole.

Rathbones Group:
Votes against management by topic, 2024

Audit related	4
Mergers, acquisitions and takeovers	9
Routine business proposals*	28
Other governance**	34
Environmental	43
Capital structures/shareholder rights	59
Social issues	69
Executive pay	112
Directors related	297
Total votes against	**655**

*Routine business proposals include approving the annual report and accounts.
**Other governance includes other governance-related proposals, e.g. report on lobbying payments or report on political contributions.

Impact case studies



Impact case study

Climate

Overview
The Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC)[3] concluded that while momentum was growing at policy, corporate and community levels, global progress on climate action was still too slow to match the scale of the crisis. The declaration that 2024 was the hottest year on record also indicated that worst-case scenarios were still a possibility. To meet the Paris Agreement's target of limiting global warming to 1.5°C above pre-industrial levels and secure a healthy and resilient future for people and planet, global carbon emissions need to fall by 48% by 2030 and by 65% by 2035 to facilitate a net zero pathway to 2050. Companies must intensify their long-term efforts to reduce emissions, clarify their decarbonisation strategies, and invest appropriately to achieve their net zero ambitions. Investor stewardship with companies must reflect the necessity and urgency of accelerating decarbonisation programmes.

Our engagement activities closely monitor how companies are addressing climate risks and capitalising on emerging opportunities. Engagement also supports our own ambition to become a net zero business by 2040 and align companies with the Paris Agreement's 1.5°C goal.

2024 objectives
We continued our engagement programme with direct holdings and managed funds to support our net zero ambition. Our main objective was to continue to drive improvements in both company and fund net zero alignment, aligned to the IIGCC's Net Zero Investment Framework. These include setting science-based targets for the short, medium and long term, implementing strong climate governance, and allocating sufficient investment capital to decarbonisation efforts. We also stress the importance of companies' moving to low-carbon business models with the fairness and inclusivity central to the concept of a just transition.

Engagement approach
We prioritised companies for engagement based on several factors including:
- the contribution of each holding to our overall financed emissions
- the size of holding
- degree of alignment with the NZIF, absolute Scope 1, 2 and 3 emissions
- past engagement success.

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

We also engaged with the funds we invest in to assess the robustness and ambition of their net zero strategies. Our annual assessment considered a range of climate-related factors including net zero targets, carbon footprint, alignment of fund holdings to net zero, and how individual funds considered the impact of transitional and physical climate risks. The data from these assessments helped us identify and engage with laggard funds. We also continued our membership of the UK Wealth Managers on Climate Group. As part of this, we contributed to a letter sent to fund managers asking them to support our net zero ambitions by stepping up their own through 2024 and beyond. We asked recipients to take three clear steps:
- improve ambition, setting net zero commitments with clear and transparent targets;
- build action, ensuring approaches are understood by the wider business and clearly communicated to clients;
- and increase influence, strengthening links between net zero commitments and stewardship activities to focus on outcomes.

Alongside our direct engagements, we continued our participation in the IIGCC's Net Zero Engagement initiative, a collaborative engagement targeting major emitters falling outside the Climate Action 100+ initiative's focus list and continued our engagement with National Grid via Climate Action 100+. We also signed an investor letter calling for FTSE 100 companies yet to put their climate transition plans to a shareholder vote to do so at their 2025 AGMs and joined over 100 businesses and investor leaders calling on the EU to set an emissions reduction target of at least 90% by 2040 – a proposal quickly endorsed by five member states.

Outcomes
In 2024, we sent letters to 65 companies outlining our assessment of their alignment to net zero, investor expectations, and our core and supplementary engagement criteria. We also asked companies for written responses detailing how they were addressing identifiable gaps in their progress to net zero. The letters were tailored depending on the company's current level of net zero alignment. Through the year, we received 43 responses and recorded a 20% increase in the number of companies in our investment universe registered as 'aligned' or 'aligning' to net zero. We also saw significant progress across the funds we invest in: since 2023, we have seen a 19% increase in the number of funds within our investment universe that publish carbon footprint data, and a 9% increase in funds that are assessing the alignment of their underlying holdings to net zero. Please see 'net zero engagement outcomes' section for a visualisation of how company performance has changed since 2022.

Since 2023, we have seen a 19% increase in the number of funds within our investment universe that publish carbon footprint data.

Halma
Our 2024 engagement letter followed previous engagement with the company in 2022 and 2023 where we sought clarification on Halma's actions to align with the Paris Agreement's 1.5°C goal and set initial objectives for the company to disclose their material Scope 3 emissions and establish a long-term goal to reduce them. Halma subsequently achieved its disclosure objective, completed a baseline assessment of its Scope 3 emissions, and shared details about its struggle to reduce emissions across a broad range of subsidiaries and their supply chains. Responding to our 2024 engagement letter, Halma reinforced its commitment to interim and long-term net zero targets and advised it was developing its transition plan to support decarbonisation. The company also committed to reaching net zero for Scope 3 emissions by 2050.

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

[3] ipcc.ch/report/ar6/syr/resources/spm-headline-statements/

Impact case study

Nature

Overview
Companies can positively or negatively impact biodiversity and ecosystem services when their operations or wider value chains contribute to any of the recognised drivers of biodiversity loss: habitat change and degradation, climatic change, invasive species, overexploitation, and nutrient and wider environmental pollution. Over half of global GDP is moderately or highly dependent on nature and the depletion of natural capital represents a significant economic risk.

Our longstanding engagement programmes aim to influence biodiversity-related policy and drive the evolution of risk disclosure by defining consistent standards and sharing investor expectations with our wider investment universe. We call on companies to mitigate biodiversity risks and implement measures to reduce or reverse their negative impacts on nature. This includes encouraging alignment with best practice guidance from initiatives like Nature Action 100, the Taskforce on Nature-related Financial Disclosures, and the Science-based Targets Network. We also work to improve the enabling environment for corporate action and demonstrate widescale private sector support for effective long-term policymaking. Our membership of the Finance for Biodiversity Foundation (FfB) supports their call for collaboration among financial institutions to reverse nature loss this decade.

2024 objectives
An objective for 2024 was to contribute to the first target setting guidance for asset managers and asset owners via our continued membership of FfB and then use it to set our own nature targets for Greenbank. We also set an objective to establish the foundations for long-term dialogue on nature with two companies as part of the collaborative engagement programme Nature Action 100, conducting initial meetings with both companies, building relationships, laying out investor expectations and understanding any gaps in performance which could be the focus for further engagement.

Engagement approach
We continued to actively participate in three FfB working groups focused on targets, policy advocacy and engagement. We contributed via consultation feedback to the second edition of the FfB's Nature Target Setting Framework for Asset Owners and Managers and drafted an initial engagement guide for electric utilities and power generators. We also participated in FfB-led engagement with UK parliamentarians ahead of COP16 to discuss the government's progress towards an effective National Biodiversity Action Plan. A National Biodiversity Action Plan (NBAP) is a country's strategy for protecting and restoring its biodiversity.

Following the launch of Nature Action 100, we joined engagement teams working with Unilever and health, nutrition and bioscience multinational DSM-Firmenich. For Unilever in particular, we wanted to overlap discussions on nature with other ongoing engagement topics including plastics. We have also been engaging with Unilever on plastics as part of the Dutch Association of Investors for Sustainable Development initiative.

We continued our membership of the Green Finance Institute's (GFI) UK Financial Institutions Nature Group, advising the government on how to create an enabling environment for nature-positive investment and how financial institutions can effectively protect natural capital. We also contributed to the GFI's UK Nature Financial Investment Survey, run on behalf of Defra. Data from the survey will help to improve understanding of evolving domestic nature markets and investment flows, enhance the development of a supportive policy environment for finance, and strengthen the overall position of UK green finance data.

We have set three nature targets which we aim to achieve by the end of 2025.

Outcomes
The FfB Nature Target Setting Framework for Asset Owners and Managers sought to create a shared understanding and common language for investors, and adapt key targets into three categories: initiation targets to identify and analyse exposure to nature-related dependencies, risks and opportunities; optional targets to deploy resources to monitor sector-relevant key performance indicators (KPIs), complemented by stewardship actions; and portfolio targets to set clear action plans against monitored KPIs. The revised framework also offered updated support for financial institutions setting nature-related targets.

Our involvement in the creation of FfB's framework also influenced the development of our own nature-related targets. We aim to achieve three framework-aligned targets by the end of 2025: the disclosure of a governance and oversight structure for nature-related impacts, dependencies, risks and opportunities; the assessment and public disclosure of impacts, dependencies, risks and opportunities for in-scope investments; and the provision of training on our nature targets and the relationship between nature loss and investment for all relevant Greenbank employees.

Results from Nature Action 100's inaugural company benchmark assessment indicated that while most companies disclosed a commitment to protect nature, few were making comprehensive assessments of impacts, dependencies, risks or opportunities. The assessment showed significant progress on plans to implement structured nature targets but less forward movement on the recognition and protection of the rights of indigenous peoples and local communities. A lot of the focus with our Nature Action 100 engagements with Unilever and DSM-Firmenich in 2024 were about establishing the foundations for a long-term dialogue. With both companies, we had initial meetings to discuss our nature-related investor expectations, hear an update on their nature strategies and discuss the findings of the inaugural company benchmark. This will be further built on in 2025. Through additional discussions with Unilever on the issue of plastics, we have been challenging the company to commit to reducing its reliance on single-use plastics and to upscale its refill and reuse pilot programmes.

Impact case study

Human rights

Human rights due diligence in supply chains

Overview

We continue to make the investment case for human rights due diligence beyond the presence of policies and hold companies to account for their progress against the UN Guiding Principles on Business and Human Rights, broadly recognised as the gold standard for human rights due diligence. We advocate especially for greater consideration and management of human rights in supply chains and improved related company disclosures. Company progress is assessed against a bespoke scorecard we developed, shaped largely by the UN Guiding Principles and the Investor Alliance on Human Rights.

2024 objectives

Our two core objectives were: to seek recognition of the importance of a strong approach to human rights due diligence in supply chains from the Chair of each priority company, and for at least two companies to implement at least one of the key recommendations we laid out in our engagement letters, addressing areas for improvement.

Engagement approach

In 2023, we identified nine priority companies in our portfolio which were vulnerable to higher levels of human rights and political risk in their supply chains. We assessed each company's performance against a consistent framework, considering supply chain disclosure, human rights policies and due diligence, auditing practices, and grievance mechanisms. We shared our findings with priority companies along with two key recommendations for improvement. In 2024, we continued to engage with priority companies, based on their responses to these letters.

Outcomes

Our engagement letters were well received and meetings were arranged to discuss how companies were progressing with the management of human rights risk across their value chains, including work within the business not currently reflected in public reporting. Overall, seven out of the nine companies responded with recognition from the chair of the importance of a strong approach to human rights due diligence. Some examples of companies implementing our recommendations were:

1. NextEnergy Solar demonstrated significant progress in traceability through its contribution to the Solar Stewardship Initiative's traceability standard which aims to improve supply chain tracking and transparency in the solar sector. Bluefield committed to publicly disclose their human rights and supply chain policies and agreed to review our recommendation to disclose their tier 1 and 2 suppliers.

2. AstraZeneca responded to our baseline assessment of the company's human rights performance by disclosing high-level findings and methodologies behind their human rights impact assessments – we have encouraged the company to share more details pertaining to their mitigation of human rights risks in different geographies. AstraZeneca also undertook a review of its human rights programme with Slave-Free Alliance to update and refine its human rights policies and strategies.

3. Coats Group implemented a comprehensive human rights policy statement and supplier code identifying key risks and referencing internationally recognised human rights standards and regulations. The company disclosed its audit processes (and worker input in those processes), published key information from its human rights impact assessment, and indicated a plan to enhance the results and methodology elements of its future impact assessments.

Ethical AI

Overview

The adoption and rapid evolution of generative AI emphasises the importance of AI safety, ethical and responsible use, and increased transparency and accountability. We focus our efforts on our involvement with the World Benchmarking Alliance's Collective Impact Coalition for Ethical AI, a collaborative engagement campaign advocating for enhanced ethical AI policies and practices in the tech sector. This builds on the WBA's Digital Inclusion Benchmark which has identified significant transparency gaps in corporate AI disclosures and that few technology companies who cite the benefits and potential of generative AI are acknowledging the risks.

2024 objectives

Our main objectives for 2024 were to initiate dialogue with both ASML and Microsoft as part of the Collective Impact Coalition for Ethical AI and to have an initial meeting with both companies to discuss areas for further improvement.

Engagement approach

We planned to engage with companies collaboratively and directly to assess how their commitments to ethical AI were manifested through governance and oversight and whether comprehensive impact assessments were being made. We also looked for evidence of safeguarding in the face of evolving AI models.

Through the WBA's collaborative engagement campaign, we supported Vodafone and global semiconductor supplier ASML in their efforts to adopt and publicly disclose ethical AI policies. Companies were asked to implement a set of principles guiding the ethical development, deployment and procurement of AI models and demonstrate strong governance and oversight of AI use across their value chains.
We also asked to see how ethical AI principles were implemented across companies' business models and whether they were conducting AI-related human rights impact assessments, especially in high-risk areas.

Outcomes

ASML demonstrated that it had integrated responsible AI into product policy, communicated its responsible AI use expectations to value chain partners, and conducted a comprehensive human rights impact assessment. Vodafone disclosed that its public policy on human rights included freedom of expression and the right to privacy. The company demonstrated structured and comprehensive governance concerning responsible AI and committed to progress the internal implementation of ethical AI. Vodafone further committed to publish an ethical AI policy that better reflects their robust internal AI risk management processes and to conduct an AI-focused human rights impact assessment.

The revised WBA Investor Statement on Ethical AI was backed by a coalition of investors representing $8.5 trillion in managed assets. Data released by the WBA in September 2024 showed that 71 of the 200 largest global digital companies had ethical AI principles in place, up from just 52 in September 2023.

Digital rights

Overview

Digital rights are an extension of the rights established in the UN's Universal Declaration of Human Rights applied to the online world. We aim to improve companies' digital rights policies and processes, adding our voice to calls for a strong and supportive regulatory landscape and engaging with organisations through the Investor Alliance on Human Rights (IAHR). We measure progress against the Ranking Digital Rights (RDR) benchmark which assesses companies' policies and attitudes regarding rights to privacy and freedom of expression. Key areas for improvement become a focal point for collaborative engagement through the IAHR.

2024 objectives

Our two main objectives were: to meet with Vodafone and Microsoft to monitor their progress towards the Ranking Digital Rights recommendations and to engage with Vodafone on the topic of protecting user rights during government elections.

Engagement approach

Against the backdrop of global elections in 2024 and the risk of voter disinformation spreading through global telecommunications and internet platforms, we aimed to monitor progress against RDR benchmark recommendations at Vodafone and Microsoft. We looked to use collaborative engagement to support Vodafone in enhancing transparency and accountability during global elections, focusing on public disclosures of government shutdown requests and response processes and the promotion of freedom of expression and information access.

Our engagement with Vodafone followed on from our 2023 discussions on their RDR benchmark progress. We urged the company to improve transparency and disclosures on government actions during elections and implement measures to protect user's rights in key markets including India, South Africa and Mozambique.

With Microsoft, our engagement focused on the company's digital rights responsibilities following the Investor Statement on Corporate Accountability for Digital Rights which highlights the power of technology companies to facilitate disinformation, viral hate speech, illegal surveillance, dissident censorship, and race and gender discrimination. We contributed to a formal letter sent to Microsoft outlining recommendations related to the RDR benchmark and emphasising the need for greater transparency on the company's commitments to protect human rights, combat disinformation and ensure election integrity worldwide.

Outcomes

Vodafone highlighted improvements in consumer data access in high-risk regions and more secure advertising and digital marketing. A new transparency report highlighted the company's commitment to safeguarding human rights through effective due diligence, enhanced privacy, and freedom of expression, security and democracy.
The report also asserted the company's willingness to navigate complex legal challenges in different jurisdictions and protect against the misuse of connectivity. Vodafone evidenced a proactive approach to ensuring operational continuity prior to and during elections and committed to enhanced human rights integration into corporate security and governance structures aligned with the Corporate Sustainability Reporting Directive.

We will continue our correspondence with Microsoft to request a response to our 2024 engagement letter.

Principles in practice

Signalling to the market that ESI issues are important for investors

To create long-term value for our clients and promote sustainable development, one of the core ways we use our engagement activity is to signal to the market that ethical, sustainable and impact (ESI) issues are important to investors. This is particularly important in the current context, where sustainable investing is becoming increasingly politicised.

By emphasising ESI issues, we send a clear message that these issues are financially material to short or longer-term performance, encouraging companies to adopt more sustainable practices to attract or retain investment and better manage risks. Investor pressure can also drive companies to improve their disclosure of ESI-related issues, making it easier for investors to assess their sustainability performance. Strong investor support for sustainable investing can also influence policymakers to enact regulations which create a more level playing field for companies, accelerating the transition to a sustainable economy.

While some political leaders have rolled back ESI-related policies in favour of domestic economic expansion, many global and state-level regulations continue to follow sustainable pathways. International initiatives like the Paris Agreement and policies targeting global carbon emissions are more likely to influence the market in the longer-term.

Even in a reactionary political environment, sustainable investing remains pivotal as it aligns with broader market trends, regulatory movements, and long-term operational and reputational risk management – it is both an ethical choice and a sound financial strategy. Investing in companies proactively addressing sustainable development reduces the risk of stranded assets and future liabilities, which can offer long-term protection for investors' portfolios.

The following case studies spotlight a few examples of how we have signalled that ESI issues are important.

Case study

Diversity, equity and inclusion (DE&I)

Overview

Nobody should be excluded from opportunities or the potential to contribute to a company's success because of an immutable characteristic, such as gender, race, or sexual orientation. Effective DE&I programmes ensure that workplaces are meritocratic, welcoming and supportive – they neither prioritise nor disadvantage one group over another. Political actions to reduce the scope and scale of DE&I initiatives don't diminish the legal abilities, responsibilities and economic incentives that companies have to ensure equal opportunities and refrain from creating hostile, unsafe, or discriminatory workplaces nor ones that enable nor normalise harassment.

2024 objectives

We joined other investors in supporting a statement to affirm the continuing importance of DE&I despite the political backlash in some quarters. The objective was to remind companies that effective DE&I programmes offer benefits beyond regulatory compliance. Several studies by strategy and management consulting firm McKinsey found that companies with a higher percentage of diversity in corporate leadership are more likely to outperform their peers on profitability. In 2024, this included a 39% greater likelihood of outperformance for companies in the top quartile for gender or ethnic representation on their executive teams, versus those in the bottom quartile. Statistics also showed positive correlations between increased manager diversity and enterprise value growth rate, free cash flow, return on equity, return on invested capital, and 10-year revenue growth.

Engagement approach

Our statement asked priority companies to evidence progress in diversity-related policy, oversight and transparency. We requested they made clear their ongoing commitments to ensuring diverse, equitable, and inclusive workplaces and demonstrated that clear oversight and monitoring systems were in place to manage workplace cultures, including at executive management and board levels. We also asked companies to disclose quantitative data showing the diversity of their workforce alongside their hiring, promotion and retention rates of employees by diversity characteristics.

Outcomes

We used the statement to engage directly with Microsoft on reported rollbacks on their DE&I programmes and commitments, pointing to the scale of broader investor support for more inclusive workplaces. In Microsoft's case, the reports proved to be inaccurate but we will continue to reference strong investor support for effective approaches to DE&I in any cases where companies held by us appear to be reversing on their diversity commitments.

Nobody should be excluded from opportunities or the potential to contribute to a company's success because of an immutable characteristic, such as gender, race, or sexual orientation.

Case study

Plastic pollution

180 financial institutions with combined assets over

$17.2 tn

signed the statement calling for an ambitious and robust global treaty to end plastic pollution.

Overview

In recent decades, the production and consumption of virgin plastic, particularly single-use items, has surged. The resulting increase in plastic waste and pollution has created system-level risks affecting climate change, biodiversity, human rights, and public health. These risks threaten the functioning of wider systems on which financial performance relies and cannot be mitigated simply by diversifying financial portfolios. Increasingly, the financial sector has focused on what must change in the production and consumption of plastics to protect value from system-level risks.

2024 objectives

Our principal objective was to support the transition to a circular economy for plastics and engage with the UN member states negotiating an internationally legally binding instrument (ILBI) to end plastic pollution. To facilitate this, we signed the collaborative Financial Sector Statement calling for an ambitious and robust global treaty to end plastic pollution. Authored by multiple parties including the Finance for Biodiversity Foundation (FfB) and Dutch Association of Investors for Sustainable Development (VBDO), the statement was endorsed by 180 financial institutions representing over $17.2 trillion in combined assets. Signatories expressed their willingness to combat plastic pollution through their financial activities and work towards a sustainable, fair and resource-efficient circular economy for plastics.

Engagement approach

The collaborative Statement asked that the ILBI set clear and obligatory objectives for governments to address the full lifecycle of plastic based on scientific approaches. We recommended that a robust final agreement should set objectives to align public and private financial flows with the aims of the ILBI and define harmonised targets and binding obligations across the plastics value chain. Obligatory company assessments of their plastic-related risks and opportunities should be supported in an enabling policy environment for the transition to a sustainable and equitable plastics economy. We further recommended that the ILBI use a variety of mechanisms to catalyse increased private investment and identify and optimise benefits and synergies between financial flows addressing plastic pollution, climate action, and biodiversity preservation and restoration.

Outcomes

Despite the failure to finalise the ILBI at the fifth session of the Intergovernmental Negotiating Committee (INC-5), we were encouraged that most member states were clearer on their future objectives. The Chair's text at the close of INC-5 remains open to further revisions but demonstrated greater consensus and some new options to move negotiations forward. It nevertheless highlighted remaining points of contention. Oil-producing countries baulked at measures to limit plastic production, favouring greater investment in downstream waste and recovery measures. Some countries also pushed back against the 'binding' nature of future regulations, suggesting that the agreement prioritise 'voluntary' measures instead. Arguments continued about finance mechanisms, especially those supporting developing countries.

Case study

Employment rights bill

Overview
The government's Make Work Pay plan aims to address the significant public health and economic impacts of unfair employment practices. It's vital that work enhances people's lives and wellbeing, rather than being an impediment to both. This principle was highlighted in the 2024 King's Speech which announced the introduction of an Employment Rights Bill complemented by a living wage aligned with the cost of living. Action to improve employment rights came as figures from the Organisation for Economic Co-operation and Development (OECD) suggested the UK had some of the highest levels of wage inequality in continental Europe.

2024 objectives
We engaged with the government to demonstrate how their reforms could improve workers' prosperity and health, deliver better financial returns for businesses and investors, and support wider government ambitions to deliver sustainable growth and improved public health outcomes. To that end, we signed an investor letter coordinated by ShareAction on behalf of the Good Work Coalition, which was sent to Angela Rayner, the deputy prime minister and secretary of state for housing, communities and local government.

Engagement approach
The investor letter called on the government to close domestic living wage gaps, make work more secure and sick pay fairer, secure employees a minimum four-week notice period for changes in employment shifts (with compensation offered for cancellations within this period), and increase Statutory Sick Pay beyond the current weekly rate of £109.40. The letter stressed the impacts of income and wealth disparities on economic and social stability and referenced research suggesting that closing living wage gaps could generate significant annual revenues through increased productivity and spending.

Outcomes
ShareAction continued to engage with the Department for Work and Pensions as the Employment Rights Bill progressed through parliament, reasserting the recommendations put forward to create benefits for businesses, communities and the wider economy. Their recommendations were also presented as written evidence to the Business and Trade Committee's current inquiry into how the Bill would contribute to the government's goal of achieving the fastest growth in the G7. Further meetings between investors and the government were planned for 2025.

We engaged with the government to demonstrate how their reforms could improve workers' prosperity and health, deliver better financial returns for businesses and investors, and support wider government ambitions to deliver sustainable growth and improved public health outcomes.

Case study

Anti-microbial resistance

80 institutional investors with combined assets of

$13 tn

signed the statement calling for concrete AMR policy actions.

Overview

Anti-microbial resistance (AMR) represents a significant threat to global public health and development. It occurs when microorganisms like bacteria, viruses, fungi, and parasites evolve to resist the effects of drugs developed to kill them or inhibit their growth. Driven by inappropriate prescription and usage in human illness, excessive use in agriculture, and the resulting spread of antimicrobial residues into the environment, AMR has become a systemic risk akin to climate change and nature loss.

With associated global economic costs likely to reach $100 trillion and to lead to a 3.8% reduction in global GDP by 2050, investors are increasingly concerned about the negative impacts of AMR on financial markets, economic stability and long-term value.

2024 objectives

Launched in 2020, the Investor Action on AMR initiative (IAAMR) aimed to leverage investor influence to combat drug-resistant superbugs and encourage all investors to formally assess and integrate AMR risks, opportunities and impacts using a holistic and multi-sectoral "One Health" approach. In 2024, we were signatories to an IAAMR investor statement calling for concrete AMR policy actions endorsed by 80 institutional investors representing $13 trillion in combined assets. A principal objective of the statement was to draw inspiration from previous warnings about climate change to emphasise the scope and scale of global AMR risk.

Engagement approach

The investor statement highlighted key areas for global policymakers to address the crisis. It encouraged policymakers to support the establishment of an independent panel modelled on the Intergovernmental Panel on Climate Change (IPCC) to develop science-based targets guiding sustained and cohesive action. It asked for sharp reductions in agricultural antibiotic use including an end to their use in animal farming, and a globally integrated surveillance system to track AMR and antibiotic use. The statement further encouraged policymakers to promote the research and development of new and alternative antimicrobial drugs and ensure equitable global access to all existing and developing options.

Outcomes

The statement was published ahead of the UN General Assembly's second-ever High-Level Meeting on AMR and the 4th Global High-Level Ministerial Conference on AMR. Both talks highlighted interdependencies between human, animal and ecosystem health, and the pressing need to convert commitments into actions and develop country-specific AMR strategies.

Case study

Investor Coalition on Food Policy

Evidence to the House of Lords

Overview

In 2021, the National Food Strategy launched a comprehensive "farm to fork" review of the UK's food system and the state of its food security. It presented us with an opportunity to bring together investors to engage with parliamentarians on the risks and opportunities facing UK food industries and discuss policies and legislative changes to support healthy, sustainable and affordable food systems and diets. By 2024, the resulting Investor Coalition on Food Policy comprised over 35 investors and civil society organisations representing more than £6 trillion in combined assets. The Coalition has always been receptive to new ways to present the investor case. In April 2024 we were invited to give in-person and written evidence to the House of Lords Committee on Food, Diet and Obesity.

2024 objectives

Giving evidence to the House of Lords Committee was aligned to one of the two main strategic objectives for the Investor Coalition on Food Policy for 2024 which was to push for greater business transparency and accountability when it comes to health and sustainability performance. This prioritised advocating for mandatory rather than voluntary reporting, increasing the scrutiny of corporate lobbying, and aligning reporting initiatives with other regional standards. All of these points could be made via the evidence we provided to the Committee.

Engagement approach

As well as submitting written evidence, Greenbank's stewardship and engagement lead, Sophie Lawrence also gave evidence in person. She explained the mechanisms by which investors have influence over companies and what the Coalition sees as the challenges and opportunities for food companies in developing healthier offers, including a lack of consistent, long-term policy signals from government. She explained why investors are in support of the mandatory reporting of health and sustainability metrics to create a level playing field for companies who are developing healthier products. She also noted concerns over potential corporate lobbying of government to water down regulation which would support a healthier, sustainable and affordable food system.

Outcomes

Alongside our written evidence, Greenbank's stewardship and engagement lead Sophie Lawrence addressed the Committee in person as chair of the Coalition. The Committee's final report concluded that the "broken" domestic food system needed a comprehensive overhaul to improve diets and protect public health and prosperity. The report included several of the Coalition's core recommendations, including the need for the mandatory reporting of health targets and the importance of a whole-government approach to address food inequalities and incentivise the food industry to produce and sell healthier products.

The invitation from the House of Lords Committee was an exciting opportunity for investor views on diet and nutrition to be on the public record.

Perry Rudd
Celebrating 26 years at Greenbank

Perry retired in March 2025 having joined Rathbones in 1999 to establish its original ethical research team. He was a co-founder of Greenbank in 2004 and managed its ethical, sustainable and impact research team until 2021 when he handed over the reins to Kate Elliot. Sophie Lawrence sat down with him to reflect on how engagement has changed during his career.

Perry Rudd's milestones at Greenbank

1999

Perry joins Greenbank and commences engagement with companies on behalf of clients

2006

UK Companies Act introduces new provisions that expand use of shareholder resolutions as an engagement tool

Greenbank supports clients to co-file shareholder resolution at Shell regarding the environmental and social impact of its activities in Nigeria

2008

Greenbank supports clients to co-file a shareholder resolution at Tesco calling it to adhere to its policies on animal welfare

2011

Greenbank contributes to the development of the Business Benchmark on Farm Animal Welfare

2015

Greenbank files shareholder resolutions as part of the Aiming for A coalition, which set the groundwork for Climate Action 100+

2025

The Business Benchmark on Farm Animal Welfare's Global Investor Statement has support from 33 investors with $2.8 trillion in assets under management and Climate Action 100+ is supported by over 450 investors

Q. What did investor engagement look like when you started at Greenbank?

In the late 1990s and early 2000s there was no blueprint to follow when it came to investor engagement or any concept of there being different escalation tools. We would write on behalf of a group of engaged clients on specific issues.

The concept of financial materiality when it comes to environmental and social issues did not yet exist, but the main motivation for doing it was either risk management or creating a positive environmental and social impact, or eliciting a response from a company to a particularly egregious incident that had attracted negative headlines.

There weren't many organisations specialising in supporting collaborative engagement on different environmental and social issues like there are today. EIRIS foundation and ECCR[1] were the earliest organisations supporting our engagement efforts.

Q. What have been some of the key changes you have observed in how investors conduct engagement over the last 20 years?

In 2006, the UK Companies Act introduced provisions that enabled nominee shareholders to use an underlying beneficiaries' shares without needing to write to each client about a specific shareholder resolution and taking them out of the nominee for them to participate. This led to a significant increase in shareholder engagement as it made the process of bringing a shareholder resolution in the UK less onerous. We used these new powers for the first time to file a shareholder resolution at the Tesco AGM on the topic of animal welfare.

Another big change during the late 2000s was that investors started to hire people focused on stewardship and engagement. In 2015, we saw stewardship and engagement as a way of positioning our offering and as a core way to create impact for clients. In the same year, one of our Greenbank researchers went on to take the role of stewardship lead within Rathbones – a signal of how this role was now in demand for investors.

[1] The Ecumenical Council for Corporate Responsibility.

Q. What do you remember about the early shareholder resolutions?

One of the earliest shareholder resolutions we were involved with was at Shell[2] in May 2006, regarding the impact of the company's activities in Nigeria. Specifically, it focused on the failure of Shell to adhere to standards for environmental impact assessments, respect for fundamental human rights and failure to properly consult communities and address grievances and complaints which led to conflict in Nigeria. This was coordinated by ECCR, following their engagement with Shell since 1994. The resolution was discussed at the end of a routine agenda and it received less than 5% support from investors.

We have continued to use shareholder resolutions since then to lock in company ambition on climate change and have steadily seen shareholder support for them grow. In 2015 we filed resolutions at BP and Shell as part of the 'Aiming for A' coalition, a small group of investors assisted by Client Earth and ShareAction. The resolutions addressed a range of issues including calling on the companies to stress test their business models against the requirements to limit warming, reforming their bonus systems so they no longer reward climate-harming activities and commit to reduce emissions and invest in renewable energy. Aiming for A has since grown into Climate Action 100+, the largest collaborative engagement programme globally with support from over 450 investors. These resolutions received support from over 90% of investors, signalling how the majority of investors now viewed climate change as a material financial risk. This progress has continued until recently, where continued progress is now threatened by the increased politicisation of climate action.

Q. What is one tip you would give to others engaging now?

Often a good indicator of how seriously an organisation is taking an issue you are engaging with them on is who they put forward for the discussion. It often tells you if the company is focused on image management or in getting to the crux of the issue and how they are addressing it.

A big shift you started to see in the early-mid 2000s was the dawn of the Chief Sustainability Officer role within companies. Before that, you generally were directed to a Public Relations of Communications function.

[2] Formally known as Royal Dutch Shell

Q. What have been some of the challenges?

I think a consistent one has been how to effectively measure the impact of engagement and understand how you have made a difference. In a face-to-face meeting, you could have had a really productive discussion, but you never quite know what happens once you leave the room. The long-term and often multi-year nature of engagement dialogue also makes it difficult to capture the impact of any individual engagement actions. It is therefore important to ensure you build engagement into programmes of long-term dialogue to make sure commitments are delivered against and that you have the processes in place to log outcomes over time.

Q. What have been your engagement 'highlights'?

In 2000, we instigated a project to investigate the human rights policies and practices of over 20 companies operating in countries with poor human rights records to ascertain how far their policies applied to subsidiaries, joint venture partners, subcontractors and suppliers.

This early example of our engagement across a broad range of target companies was enlightening: it revealed that some large organisations didn't even have human rights policies at the time – and several asked us if we would be able to help them to write one!

In 2008, Greenbank was involved in tabling of a shareholder resolution at Tesco coordinated by celebrity chef Hugh Fearnley-Whittingstall, calling on it to adhere to its policies on animal welfare standards and source chickens from producers whose systems were able to meet the "Five Freedoms" proposed by the Farm Animal Welfare Council:
- Freedom from hunger and thirst;
- Freedom from discomfort;
- Freedom from pain, injury or disease;
- Freedom to express normal behaviour; and
- Freedom from fear and distress.

We weren't afraid to put our heads above the parapet on this issue and even spoke about our support for the resolution publicly on TV. The resolution received support from 8.9% of investors, signalling that animal welfare was seen as an important issue to shareholders and opened the door to further industry-wide engagement on the topic. Fast forward to today, animal welfare is no longer a niche issue for investors and the Business Benchmark on Farm Animal Welfare's Global Investor Statement has support from 33 investors (including Greenbank) with $2.8 trillion in assets under management.

It is important to ensure engagement is built into programmes of long-term dialogue to make sure commitments are delivered.

Magnifying our impact through partnerships

Investor engagement initiative ensuring world's largest corporate GHG emitters take action on climate change; engagement streams focus on climate scenarios, lobbying, disclosure and executive pay (member since 2017; joined 'Aiming for A' precursor in 2012).

Provides annual analysis of how 20 of the largest global pharmaceutical companies are addressing access to medicine in low to middle income countries (collaborating since 2018).

Independent organisation working to change food policy and business practice to ensure food access and healthy diet for all (collaborating since 2019).

Encourages disclosure of meaningful and consistent environmental information; focused on measurement of risks and opportunities associated with climate change but expanded to include water security and deforestation (signatory since 2002; investor member since 2015).

A UK charity that is building a movement for responsible investment among savers and investors and shaping public policy around the issue (collaborating since 2010).

Dedicated to assessing and improving contributions of the private sector to global nutrition challenges; conducts independent ranking of companies' nutrition-related commitments, practices and performance (signatory since 2017).

A group of financial institutions committed to assessing the impact of their investments on biodiversity and to collaborating and sharing knowledge with other institutions (signatory since 2020).

The UK Stewardship Code 2020 sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those that support them. (Rathbones Group has been a signatory since 2021).

Global network of investors addressing ESG issues in protein supply chains; engagement work has covered issues such as antibiotic use and sustainable protein supply chains (member since 2018).

Collaborative platform for investors to encourage public policies, investment practice and corporate behaviour addressing long-term risks and opportunities associated with climate change (member since 2015).

Membership organisation for those in the UK finance industry committed to growing sustainable and responsible finance (member since 1998).

Global network of investors which promotes the incorporation of ESG factors into investment decisions. It also has a collaboration platform which facilitates large-scale engagement projects (signatory since 2009).

Leading global measure of farm animal welfare management, policy commitment, performance and disclosure in food companies (supporter since 2011).

World Benchmarking Alliance (Rathbones Group has been an Ally since 2022). Greenbank are also members of the Collective Impact Coalition for Ethical AI (since 2024).

Faith-based investor coalition involved in advocacy and raising awareness on issues of business, human rights and environmental stewardship (member since 1998).

UK campaigning organisation aiming to persuade employers to pay a 'real' living wage; also engaging with portfolio companies to encourage wider adoption (accredited employer since 2012).

A group of investors committed to harness the power of the investment community to engage with governments on food-related issues, with the aim of building a healthy, sustainable and affordable food system (founder and Chair since 2021).

The Coalition brings together businesses and financial institutions committed to supporting the development of an ambitious, effective and legally binding UN treaty to end plastic pollution. The coalition is convened by the Ellen MacArthur Foundation and World Wildlife Fund (member since 2024).

Contact us

For further information on the services we provide, or to arrange a meeting, please contact us.

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