



worthstone
inspiring impact investment

Impact Report 2023



**At Worthstone we achieve impact
by helping people do good with
their money.**

**If you read last year's report
(and we hope you did!),
you'll know it's not quite
as simple as it sounds.**





In the last year we haven't made any major changes to the services we offer, although we like to think we are now doing more, and doing it a bit better.

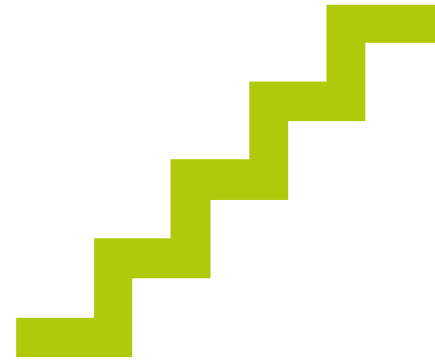
So in this year's report, I'll:

- **Remind you what it is we do, and how our activities achieve impact, and**
- **Pick out a few of our highlights over the last year or so**

Lots of organisations claim to put social responsibility, or impact, at the heart of what they do. Well, to demonstrate that at Worthstone, the report you're about to read is also our corporate brochure – as impact genuinely is what drives us every day.



A brief history



2010

Founded Worthstone with the simple aim of getting more people investing more money in businesses that aim to make the world, or society, a better place.

2013

Hosted our first Impact Investment Academy. This was our first attempt to bring together advisers with an interest in what we then called “social impact investing”. We had [191] people attend, and at the time this was pretty much the only event focussing on impact investing.

2014

Launched our Impact analysis of investment funds for members - this now provides a detailed impact analysis of over 450 investment funds.

2018

First use of our Impact Portfolio Reporting Tool – this equips advisers to show their clients exactly how much impact they have achieved with their money.

2020

Certified as a B Corp.

2021

Awarded the ‘best for the world’ accolade for Governance which means we’re in the top 5% of B Corps of our size globally.



2022

Published our first impact report as a B Corp.

2023

Launched our Wellth advisory service – this offers advisers authentic and competitively priced model impact investment portfolios. Recertified as a B Corp with a score of 95.4 (an increase of over 12% on our previous score).



But (and there's always a but!)

We're not a big organisation. We're not even small. With the equivalent of 5 full time employees and only one paid director, we're a "micro-business".

Meaning we don't have the time, resource or money to record and monitor everything that we do, or to write a huge jazzy report to stakeholders every year. We'd rather use our time and money to work harder to help investors achieve more good. Because we believe that, in terms of impact, we punch well above our weight.

So, just like last year, we're keeping this report short and simple...



What impact do we have?!



We run ourselves like any good B Corp should.
But we are most impactful with
the things that we **do.**



What we do

To recap, we believe that:



all investments have an impact on the world, for better or worse, and



if we can get more people with money (investors) to put their money into businesses that have a positive impact, that can only be a good thing – the investors make a return, and the planet, or its people, are a bit better off as well

But a lot of investment advisers don't understand the world of impact investing, and don't have the time or resource to find the information, training and resources they need to help their clients.

That's where we come in.



How do we create that impact?

We're not investors. We don't raise or manage investment funds. And we're not financial advisers.

We help advisers guide their clients to invest better – and by better we mean investments that have a genuine and positive impact on the planet and/or society.

And we do this by:

Informing: we offer data, information and insights on impact investing

Assessing funds: we assess and rate the impact of over 450 investment funds

Measuring impact: we provide a portfolio reporting tool to demonstrate the added impact each investor has made with their investment choices

Making impact investment easier: we help advisers create model investment portfolios for clients looking to achieve more impact

Educating and inspiring: we organise and host the annual Impact Investment Academy



Informing

What we do

We help advisers understand more about the world of impact investment by offering our partner firms data, insights and thought leadership.

Why we do it

This enables our partner firms to have informed conversations with their investor clients about how to achieve a positive impact through their investment decisions.

What our stakeholders think: →

“

Using Worthstone has been a key part of our sustainable investment journey for us. We were already using sustainable investments before using Worthstone's portal but using it has strengthened our research capability and due diligence. It also helps us to understand and explain differences between funds and portfolio models.

”

Murray McEwan ^{MA CFP}
Director,
Flowers McEwan





Informing

What we did over the last 12 months to make more impact

- Numerous blogs, LinkedIn posts and comments, tweets, online interviews, articles and podcasts
- 14 mailings to over 600 subscribers
- 45 face to face meetings with financial planning firms
- A roundtable meeting with specialist impact fund managers to co-ordinate responses to the SDR proposals published in late 2022
- Engagement survey with stakeholder firms to understand what more we can do





Informing

Have we made an impact?

We now have 55 financial planning firms subscribing to our services, who manage over £10bn assets under management.

Our survey of those stakeholder firms told us that 97% are likely/very likely to now be able to introduce sustainable investing into the conversation with their clients. On average these Financial Advisers felt more informed about sustainable investing from the service: moved on average...

... from **5/10** to **8/10**





Assessing funds

What we do

We provide a detailed impact analysis of over 525 investment funds. Using a robust and rigorous methodology overseen by a panel of three experts, we score funds using five key measures.



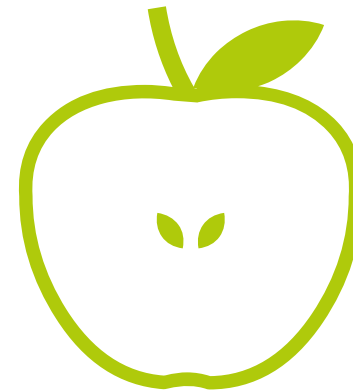


Assessing funds

Why we do it

Using our analysis, our partner firms can **look under the label** and understand the true impact of an investment fund, and so guide their clients to invest in the funds that achieve the impact their clients really seek.

Also, it allows us to engage with the managers of the various funds and discuss with them how they can improve their rating – so over time we believe this will mean **more funds** focussing more on positive impact.





Assessing funds

What we did over the last 12 months to make more impact

- 65 face to face meetings with asset managers
- Grown the number of funds we assess from 450 to 528 – an increase of nearly 17%
- We analysed the way in which funds, over the last twelve months, aligned with various of the UN Sustainable Development Goals – allowing investors to really target where their money can make a difference





Assessing funds

Did we have an impact?

Our analysis of funds' alignment with various of the UN Sustainable Development Goals showed the percentage of funds aligning with SDGs around energy, climate and sustainability grew by over 10% over the last year, and we saw a 28% growth in funds aligning with SDG2 (zero hunger).





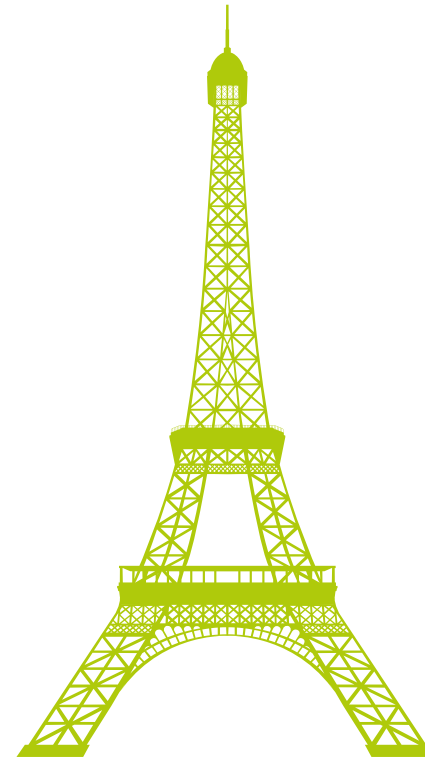
Measuring impact

What we do

Our Portfolio Impact Reporting (PIR) tool offers advisers the ability to create **bespoke reports** for each of their clients which, using simple easy-to-read graphics:

- shows the investor the impact their investment portfolio is making, and
- compares that to the impact the investor would have made had they taken a more traditional investment approach

Our Paris Alignment metric shows investors the implied temperature rise of their investment portfolio compared to a traditional investment benchmark and to the UN's Paris goals.





Measuring impact

Why we do it

Our partner firms can **demonstrate** the additional impact that their clients are achieving with their money. The portfolio reporting tool generates a bespoke report for clients to show the aggregate impact of the whole portfolio in a clear and visual way.

This means that when our partner firms are reporting back to clients on their portfolios, those clients can **accurately measure** both the financial returns of the portfolio and also the social and environmental returns.

What our stakeholders think: →

“

Using Worthstone has enabled us to present a cohesive sustainability and ESG strategy to clients without disrupting our well-established centralised investment process. The presentation of the information as well as the independence of the research has been invaluable in client meetings. If you aren't already using Worthstone to help you look forward to the future of investing, you should.

”

Paul Hearnden
Director & Chartered
Financial Planner,
Hearnden Associates





Measuring impact

What we did over the last 12 months to make more impact

- Grown the number of advisers who use the reporting tool to 41 (from 34 the previous year)
- Reported on **240 client portfolios**
- Grown the number of benchmarked client portfolios for alignment with the Paris Agreement to 132 (from 38 the previous year)
- Engagement survey with stakeholder firms to understand how the impact reporting tool can **make a difference**





Measuring impact

Did we have an impact?

Our survey of stakeholder firms told us that **84%** of survey recipients agree that subscribing to Worthstone's Impact Portal has helped them advise clients on sustainable investments. **97%** are very or somewhat likely to now to be able to introduce sustainable investing into the conversation with the client now.

97%





Making impact investment easier

What we do

Our “Wellth Impact” joint venture offers authentic and **competitively priced** “ready-made” model impact investment portfolios.

Why we do it

Financial Advisers who don’t have the resource or expertise to construct their own impact investment portfolios for their clients can now buy an off-the-peg solution – making impact investment accessible, and affordable, to many more investors via their advisers across the UK.

What our stakeholders think: →

“

I am very excited that, for the first time, we have a scalable, repeatable process by which we can offer clients a genuine opportunity to match how they invest their wealth to their personal values.

”

David Crozier
Senior Financial
Planner, Navigator
Financial Planning





**Making impact
investment easier**

What we did over the last 12 months to make more impact

- Grown, from a standing start, the value of assets under management using Wellth portfolios to nearly **£21m** (and still growing!)
- Signed up **132 clients** to use our model portfolios
- Engagement survey with stakeholder firms to understand how the model portfolios make a difference

Did we have an impact?

Our survey of stakeholder firms told us that **75%** of those surveyed believed that Wellth has made it easier for them to engage more clients in the topic of investing to make a positive impact.





What we do

Each year we organise and host the **Impact Investment Academy**. Bringing together experts, policy makers and advisers we offer attendees at the academy a deep dive into the latest issues affecting impact investment.

This year we're particularly excited as it will be the tenth anniversary of our first academy. Over those ten years we've welcomed more than **900 different individuals** (and over a third have attended more than once).



impact
investment
academy





Educating and Inspiring

So this year, we will of course be looking at the latest developments in the world of impact investing, and also looking ahead at what's coming down the tracks for the impact investment community. We're also going to take the opportunity to look back at how far we, and the whole impact investment universe, has progressed. Let's not forget that, despite all the problems we face both globally and in our local communities, there has been a **huge shift** (for the good) in the way in which the investment community can **make a change for good.**

Please come along!

It will be a great day, we'd love to see you there (16th November – put it in your diaries).

You can get your tickets **here.**



Why we do it

We help raise awareness of the impact investment space, encourage debate and new ideas, and **challenge** the industry to do more to **increase** the amount of private capital being invested in companies that have a positive impact.

What our stakeholders think:

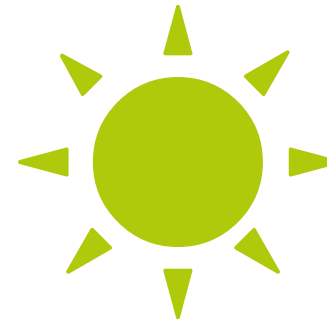
We surveyed those people who attended the 2022 academy. Here are a few soundbites showing what people gained from attending:

“Loved the fact that it was (almost) plastic free. No product stands was great as well”

“I have a better understanding of how to discuss impact investments with my clients”

“Seeing how other advisers have implemented an impact investment proposition for clients”

“I now feel more confident to discuss this area with clients”



What we did over the last 12 months to make more impact

- **166** people attended the 2022 academy in person, including 120 financial advisers and wealth managers
- Those attending benefitted from **494** hours of accredited CPD
- **93%** of advisers who attended said they are ‘somewhat’ or ‘much more’ likely to discuss the impact of investments with their clients as a result of attending the academy
- Advisers attending the IIA for the first time travelled a distance of **2 points** on a scale of 0-10 when rating how informed they felt they were in the area of sustainable and impact investing before and after the academy
- We’re well advanced in planning the 2023 academy



Did we have an impact?

We'd like to think so, but here's what people thought who attended:

“Impact investing is one of the big issues planning professionals and firms face over the years ahead. The IIA is the single best source of information and inspiration there is on this key financial life planning issue and is quite simply a must-attend event”

Michael Smith,
CEO, Chamberlyns

“Another good event with innovative content which has armed me for having better conversations with clients and designing our investment proposition with the proposed new legislation in mind.”

David Chamberlain,
Chartered Financial Planner,
Grange Financial Planning Ltd

“The IIA was an incredibly valuable event to help understand the current regulatory environment and how this is and can be practically implemented by funds managers and financial planners”.

Farida Hassanali,
Senior Financial Planner,
Paradigm Norton



How we do it



We're a small, and relatively simple business. We have the equivalent of 5 full time employees and sub-lease office space in central London in a managed building.

So our biggest impact derives from what we do.

Nevertheless, as a B Corp we also strive to ensure that how we do things is consistent with our social mission, and ethos of B Corps. Which was shown in our increased score when we recertified as a B Corp earlier this year.





Here is a snapshot of what we do to ensure our business is run responsibly:

Energy

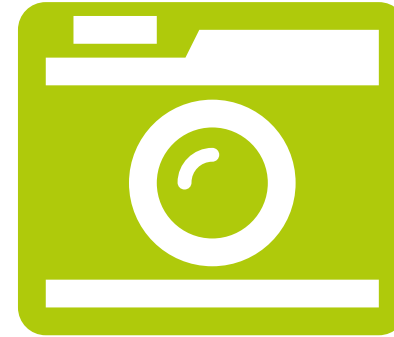
We sub-let a small office space so we cannot insist that the landlord source renewable energy. But we keep trying.

Waste management

We produce very little waste as a business. However we adopt a strict re-cycling policy in the office so all waste that can be recycled, is recycled, and **nothing goes to landfill.**

Travel

We do not use cars for business travel. Almost all meetings are held virtually, or in our offices.





Hybrid working

To minimise our impact further, and to help provide a healthy work-life balance for our people, we (like many others) continue to operate a **hybrid working policy** so all of us only spend part of the week in the office. We have no intention of mandating a formal “return to the office” policy.

Paper usage

We do not produce any hard copy documents or brochures. Our Impact Investment Academy is advertised digitally and all delegate packs will be entirely digital. All interaction with our member firms is via our portal, meaning no paper documents. So we have significantly reduced our use of paper. And **no trees** were harmed in the production of this report – we don’t give out hard copies!



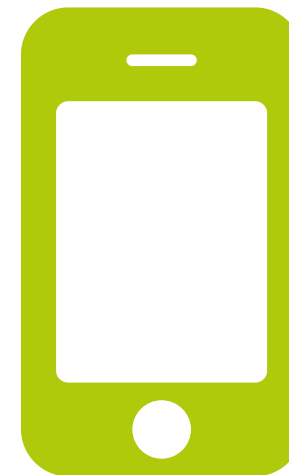


Suppliers

We buy from B Corps, or social enterprises, wherever we can. The only major exception to this is our data supplier which is not a social enterprise (but we are unable to source the same product anywhere else).

We also ensure that we pay all suppliers well within the agreed timescale for payment.

This year we have introduced a monitoring system for suppliers to ensure they align with our own culture and values, and we have changed mobile phone supplier to Honest Mobile, a fellow B Corp supplier.





Employees

We have flexible working arrangements with several employees to ensure they can achieve a good work-life balance. We pay the fair living wage as a minimum and expect our suppliers to do the same. Two of our five employees are women and there is no gender pay gap at Worthstone.

This year, in the light of rising inflation and increased energy costs, we gave all of our employees a one-off cost of living payment to help them through what has been a difficult year for many.





Events

Once again we have chosen a central London venue for our impact investment academy (with **excellent transport links** to minimise impact of delegates attending). There will be no sponsor stands, to reduce plastics and carbon cost of transporting marketing material to the venue. Our 'goodies' bag will be made from recycled cotton.

This year we changed our ticketing agency to "Ticket Tailor", a fellow B Corp which donates a portion of its commission to charity.





Governance

Our full suite of policies is reviewed regularly by the Board via a rolling programme of review and update. Quarterly Board meetings involve a regular review of our impact, and what we can do to achieve more.

We also ensure that we **never** receive **any** form of payment or incentive from any of the funds that we review or recommend to ensure that our reviews and recommendations are completely impartial.

And this year we're pleased to report that we have appointed an additional director to the Board who is head of ESG and social value at law firm Mills & Reeve LLP.





And finally...

Hopefully that's given you a feel for:

- **what we do**
- **why we do it**
- **what we've done in the last year or so to create more impact**
- **what our stakeholders think about the benefits we bring to them**
- **whether or not we are making the impact we hope for**

As always, it's a work in progress. But we do believe that by putting impact at the heart of everything we do we're making progress and seeing genuine change (for good) in the way the investment community is approaching impact investment.

Which, as I said last year, has to be a good thing...



 @Worthstone

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