

# Impact Report



worthstone  
shining light on investment



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

In the last year we have continued to scale and improve our services and we like to think we are now doing more and doing it a bit better.

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



update you on how our activities achieve impact.



show you how we do things differently by collaborating across the industry to bring greater good.



# 2023 Highlights



**6%**

Increase in the number of funds we assess



**Theory of Change**

Launched which shaped our collaboration initiatives



**91%**

Asset Managers surveyed felt that Worthstone are making a positive impact in the sector



**152**

Delegates attended the Academy



**100%**

Subscribers are very or somewhat likely to be able to introduce sustainable investing into the conversation with the client



**200**

Portfolio Impact Reports (PIR) on client's portfolios



**100%**

Asset Managers surveyed believe Worthstone is raising awareness of key industry developments



**436 hours**

of accredited CPD from the Academy



**Bristol**

launched our first regional event in Bristol



# We are Worthstone.

We run ourselves like any good B Corp should.

And we have impact with the services that we run.

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.**

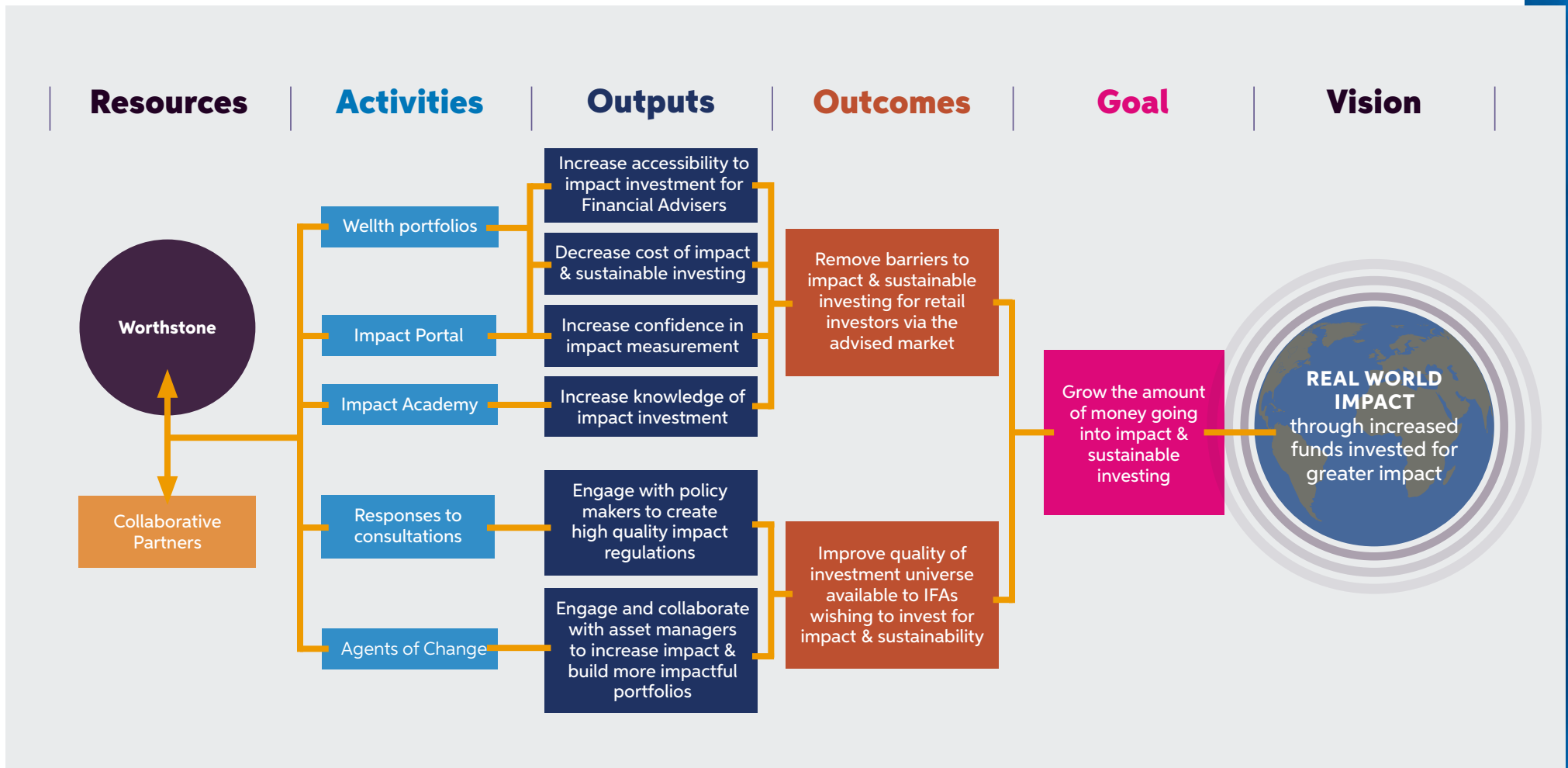
**But a lot of investment advisers don't understand the world of impact investing, and don't have the time or resource to find the information, training and resources they need to help their clients. That's where we come in.**

**The technical term used to articulate the process of how we make a difference in 'Theory of Change'. Here's ours...**



# Theory of Change

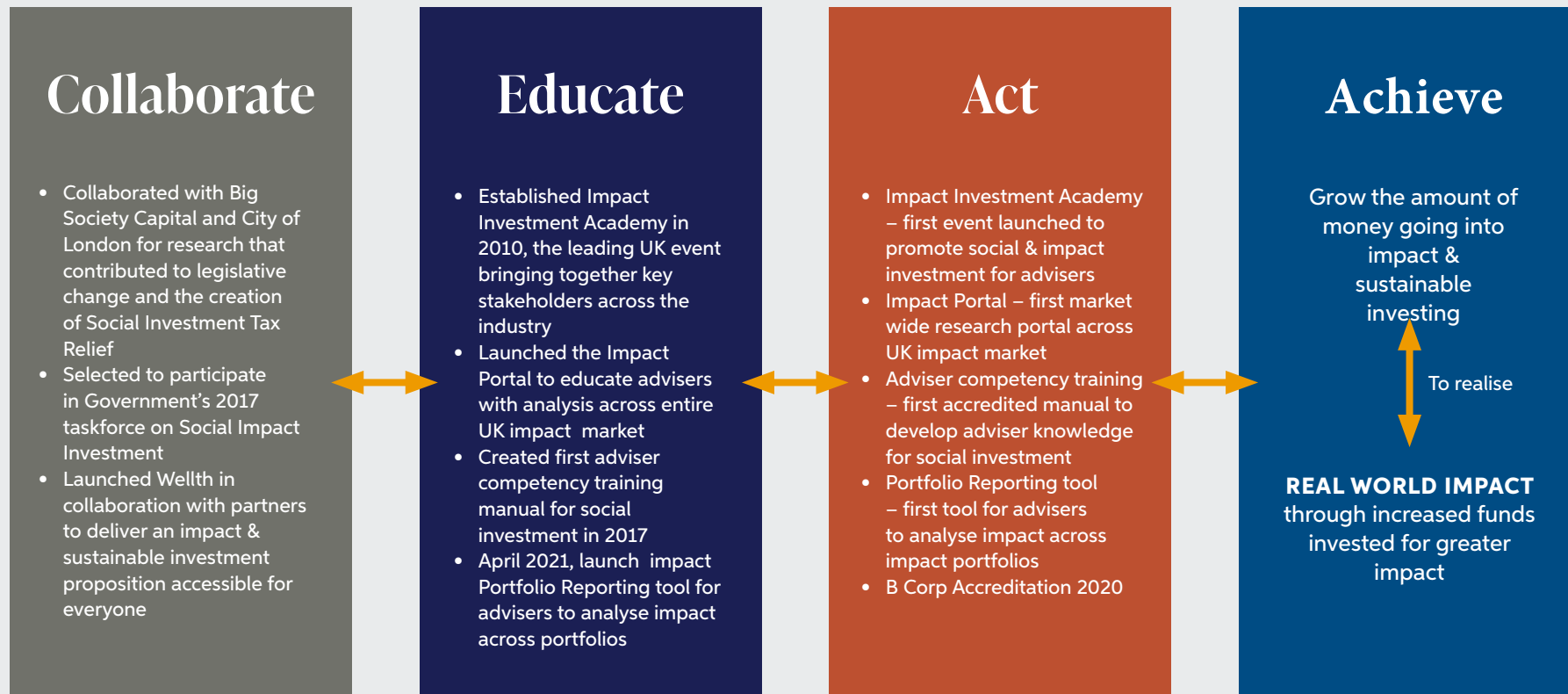
**Worthstone mission:** to help establish impact & sustainable investment as the investment style of choice within the UK





# Theory of Change

**How do we achieve this?** Through Collaboration. **Together we're stronger!**  
Worthstone holds a unique place in the market to do this. Here's how this works in practice:





**We'd like to share three examples of how we worked together to amplify our impact this year:**



# 1. Agents of Change

Working with fellow B Corp, Paradigm Norton, we launched a joint initiative at this year's Academy called "Agents of Change".

We asked advisers to use their collective voice to make sure asset managers are engaging properly with companies they invest in.

Engagement is our most powerful lever and by showing asset managers we monitor engagement it will motivate them to raise their game. Our voice is louder together.

We asked advisers to take one simple action: Contact an asset manager they work with and ask about their engagement practices. We helped advisers by providing a list of the questions. Adviser feedback confirmed that this was a helpful "jumping off point". Over 15 asset managers have completed the survey to date.



## 2. Publication of Sustainability Initiatives research to help wider market engagement

We published a new report that shows Asset Manager participation in sustainability initiatives. This helps firms look closely at what Asset Managers are doing (rather than what they say they are doing). Tracking these initiatives over time we can help Advisers by looking beneath the marketing of Asset Managers. Well done to fellow B Corp – WHEB who scored highest on Worthstone's composite impact rating.

The report ***Are Investors Taking the Initiative*** is available for free and can be accessed [here](#).



By working with Asset Managers, rather than against them, we can extend our reach for the greater good. It's the Worthstone way!





## 3. Wellth

By using the complementary technologies of Worthstone and Collidr we are providing a low cost managed portfolio service that optimises for performance and sustainable outcomes.

Collidr utilises institutional portfolio construction tools. This complements Worthstone's sustainable investing methodology, so that portfolios at their core are driven by sustainability objectives as well as financial goals.

“We're delighted to be partnering with Worthstone. We each bring best-in-class technology to the table – that means advisers and their clients get access to the most transparent and user-friendly sustainable portfolio service on the market.”

**SYMON STICKNEY, CEO, COLLIDR**



# 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 towards 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 474 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:

“Every adviser has a responsibility to provide best outcomes for clients and Worthstone’s impact portal helps advisers achieve this”.

**NANETTE STROVER**, DIRECTOR, HUBERT CHILD



## INFORMING

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



Regular blogs, LinkedIn posts and comments, tweets, online interviews, articles and podcasts



16 mailings to our  
> 600 newsletter subscribers



53 face to face meetings with financial adviser and wealth management firms



A roundtable meeting with specialist impact fund managers to co-ordinate responses to the SDR proposals



Engagement survey with stakeholder firms to understand what more we can do



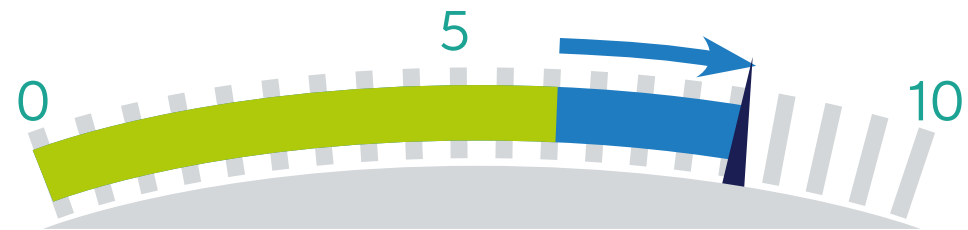
INFORMING

# Have we made an impact?

We now have **46 firms**

(Financial Advisers and Wealth Managers) subscribing to our services, who manage circa **£20bn** assets under management. We refer to these as our Partner Firms.

On average these firms felt more informed about sustainable investing from the service: moved on average from **6/10 to 8/10**








Our survey of Asset Managers at the Academy, **91%** felt that Worthstone are making a positive impact in the sector and 100% believe Worthstone is raising awareness of key industry developments



## ASSESSING FUNDS

# What we do

We provide a detailed impact analysis of over 474 investment funds. Using a robust and rigorous methodology overseen by a panel of three experts, we score funds using five key measures:

-  Positive impact
-  Active Agent
-  Avoidance of harm
-  ESG
-  Carbon Risk

# 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 funds and discuss with them how they can improve their rating – so over time we believe this will mean more funds focusing more on positive impact.



## ASSESSING FUNDS

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



Led the market, engaging with Asset Managers on the new Sustainability Disclosure Requirements ('SDR')



Grown the number of funds we assess from 448 to 474 – an increase of 6%



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:

- 6% growth in the percentage of funds aligning with SDG12 (responsible consumption and production)
- 2.5% growth in funds aligning with SDGs around Climate Action, affordable and clean energy.



6% ↑





## 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.

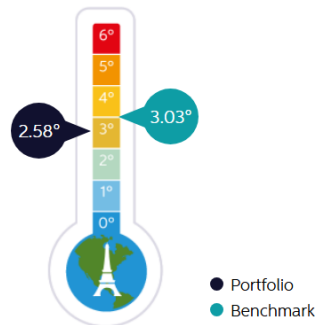


## MEASURING IMPACT

# 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.





## MEASURING IMPACT

# What our stakeholders think

“The Worthstone Impact Portal has proved to be an invaluable resource, helping me to identify new investment opportunities as well as providing a critical layer of additional due diligence to ensure that the portfolios I am creating for clients have the desired sustainable outcomes.”

**Shauna Bevan,**

Head of Investment Advisory, RiverPeak Wealth



## MEASURING IMPACT

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



Reported on **200 client portfolios**



Grown the number of benchmarked client portfolios for alignment with the Paris Agreement to **147** (from 132 the previous year)



Engagement survey with stakeholder firms to understand how the impact reporting tool can make a difference

## Did we have an impact?

Our survey of stakeholder firms told us that **71%** of survey recipients agree that subscribing to Worthstone's Impact Portal has helped them advise clients on sustainable investments. **100%** are very or somewhat likely to now be able to introduce sustainable investing into the conversation with the client now.



## MAKING IMPACT INVESTMENT EASIER

# What we do

Our “Wellth MPS” joint venture offers authentic and competitively priced “ready-made” model sustainable investment portfolios.

# Why we do it

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



MAKING IMPACT INVESTMENT EASIER

## What our stakeholders think:

“I’m really happy with the way Wellth gives us the resources to be transparent with our clients about how their money is invested, and the difference it is making in the real world.”

**David Crozier,**  
Senior Financial Planner, Navigator





## MAKING IMPACT INVESTMENT EASIER

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



Grown the value of assets under management using Wellth portfolios by £10m to nearly **£32m** (and still growing!)



Increased the number of investors to **132 using the Wellth portfolios**



Ran engagement survey with stakeholder firms to understand how the model portfolios make a difference

## Did we have an impact?

**80%** of our surveyed stakeholder firms believed that Wellth has made it easier for them to engage more clients in the topic of investing to make a positive impact.



## EDUCATING AND INSPIRING

# 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 celebrated the tenth anniversary of our first Academy. Over those ten years we've welcomed more than 950 different individuals (and over a third have attended more than once).







## EDUCATING AND INSPIRING

# Why we do it

We help raise awareness of the Sustainable 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 2023 Academy. Here are a few soundbites showing what people gained from attending:

“It gave me the opportunity to focus on the issues we face and how they might be addressed.”

“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”



## EDUCATING AND INSPIRING

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



**152 people attended** the 2023 Academy in person, including 94 financial advisers and wealth managers



Those attending benefitted from **436 hours of accredited CPD**



**84% 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.



## EDUCATING AND INSPIRING

# Specifically this year...

We listened to feedback at last year's Academy and launched our first "round table" session with an Asset Manager, giving advisers the opportunity to engage and question Asset Managers on sustainability. It was oversubscribed!

"Interesting insight into what goes on behind the scenes in making investment decisions."

**Michael Smith**, CEO, Cooper Parry Wealth

"It was interesting to learn about the process that M&G use to select companies for their impact investing fund and should help when explaining to clients the underlying principles of the fund."

**Hassan Islam**, Financial Planning Technician, Fiscal Engineers



## EDUCATING AND INSPIRING

### Specifically this year...

We understood the importance of connecting our clients; and developed a LinkedIn Community page for the event to allow delegates to network before, during and after to collaborate.



We also launched our first regional event, in Bristol, to engage with advisers who don't attend the London event. We all travelled by train to ensure we were spreading the message in the most environmentally friendly way we could!





## EDUCATING AND INSPIRING

# Did we have an impact?

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

“A very stimulating and thought provoking day. I feel empowered to have more in depth conversations with my clients about sustainable investing.”

**Shauna Bevan**, Head of Investment Advisory, RiverPeak Wealth

100% of the Asset Manager supporters surveyed believe Worthstone is raising awareness of key industry developments and strongly agree/agree that the IIA met their expectations.

“I enjoyed networking with peers and partners. It led to further collaboration.”

**Susie Winstanley**, Marketing Manager, WHEB



## EDUCATING AND INSPIRING

“Education – I always, always, learn something new, either for myself or something to take back into the business which helps us enhance, evolve and continue to deliver upon our sustainability and impact commitments.”

**David Halfacre**, Head of Partnerships, M&G

We're most proud that this year's theme motivated delegates to think about their personal lives too:

“I have all my pension and savings in impact or ESG funds but have neglected my personal banking. It's time to change to an ‘Ethical’ bank.”

“Review personal and family impact on the world.”

“To ask my children to give to a social cause.”



## HOW WE DO IT

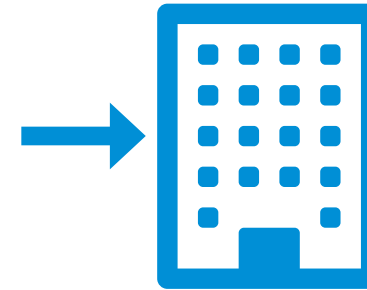
# How we do it

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.

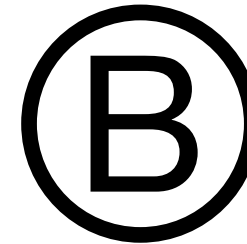
**So our biggest impact derives from what we do.**

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:



**Certified**



**Corporation**





## HOW WE DO IT

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.





## HOW WE DO IT



### Suppliers

We buy from B Corps, or social enterprises, wherever we can have set ourselves the target to increase our supply chain by one diversely owned supplier in 2023. It is a key KPI which is in a quarterly report to board, as a standing item on the board agenda.

This year we have added Krystal, Ridgeview to our roster and even got a mention in Ticket Tailor's Impact Report!



### 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, we updated our employee handbook with new improved policies to ensure our staff are treated fairly. Over the summer we recruited several interns to work on projects, to inspire the sustainable leaders of the future...



### 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.



### 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 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...**

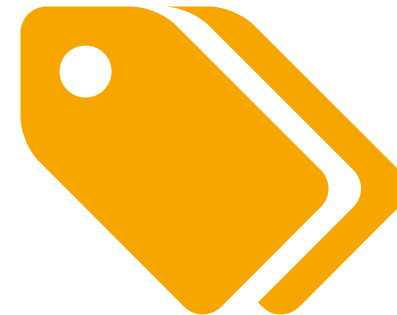




# Looking forward:

**With the introduction of the FCA's Sustainability Disclosure Requirements incoming, it will become even more important for Financial Advisers and Wealth Managers to make sure the portfolios they offer badged as 'sustainable' are accurately described.**

**We're at the forefront of this change and look forward to telling you about it next year!**





Certified



Corporation



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