

B CORP
IMPACT REPORT
2023



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A word from our founder

We have seen another year of strong growth as consumers continue to want to move their invested assets in line with their moral values. We have seen strong inflows of funds under management and a welcome bounce back in investment markets in Q4 of 2023. All of this encourages us that we are at the forefront of a new wave in more mindful money choices amongst consumers and we are happy to push this into the fund management industry to demand better management and more progressive innovation.

We were the first financial adviser in the UK to introduce “climate solutions” investment portfolios and these have since grown in popularity. We’ve strengthened our proposition with the appointment of third-party discretionary portfolio managers to run these portfolios. We have also seen competitors come to market with similar offerings which shows us that the demand is there from investors. Money moved out of “dinosaur” investments and re-directed to “impact” investments brings fresh capital into the primary funding markets and directly invests in new social and climate innovations. Especially in bond markets, this fresh money has immediate impact as it helps grow sectors that can make a big difference when the capital is available. In October last year, a new fund was added to the portfolio which means we can offer investors access to the first ever Animal Conservation Bond issued by the World Bank (International Bank for Reconstruction and Development, IBRD). This pioneering structure pays a return to investors based on the success of endangered species – in this first case, the black rhino population in the Addo Elephant National Park. It has spin-off benefits by contributing to biodiversity, ecosystem conservation and job-creation. We hope that the success and popularity of this issue will lead to further funding and the development of a much-needed investment sector.

As an active member of the B Corp community we continue to enjoy events such as the recent CEO Breakfast Briefing at The Trampery in London. This was one of the biggest gatherings of B-Corp leaders in the UK and was a great opportunity to network and share ideas and best practice. Our impact assessment journey and the constant measurement of our progress keeps our feet held-to-the-fire and drives strong performance and commitment. We are delighted to see what a strong sense of purpose this gives to our staff and clients by delivering a more meaningful outcome both from investments and how we spend our days.

David Macdonald
Founder



Our B Corp journey

Since our inception, Path has been purpose-led and we're extremely proud of our sustainable credentials, our progressive and purposeful approach and our ability to make a difference by doing things differently.

Becoming a B Corp in 2022 was a logical step in our journey and we are proud to be part of a community of like-minded change-makers.

B Corp is part of an ongoing commitment; we are always learning and looking for ways to improve our business operations and services.

One of the big impacts of being a B Corp is increased accountability. For us, this means increased determination. Our biggest goal has been, and remains to be, to become Net Zero.

Much of 2023 presented a challenging environment with investment markets not bouncing back until Q4. Therefore having an impact on our ambitions for the year. However, we made progress in some important areas and are proud of our achievements.

The year ahead will see us striving to improve all areas of the company with the aim of increasing our B Corp score, as we start our recertification journey.



Our B Corp Score
We achieved a score of 99.1 on our B Impact Assessment on our first certification in 2022.



- 99.1 overall B Impact score
- 80 qualifies for B Corp certification
- 50.9 median score for ordinary businesses

Impact areas

Governance Score: 12.6

We said that in 2023 we would explore more ways to engage with our staff and increase our positive impact on the environment and our communities.

So, from a 'good governance' perspective we have decided to focus on the following areas in 2024:

- We aim to implement better internal financial controls by having a formal policy in place.
- Conduct compliance and ethics-focused risk assessments with our staff.
- Increase transparency with the publication of the Membership of the Board of Directors on our website.
- Increase internal transparency by sharing the company's financial performance with employees at least annually.

Workers Score: 22.2

We continue to support the Women in Finance Charter and since signing up we have already seen commitment to our pledged targets, and during 2023 achieved 53% of staff across the business being female (an increase of 5%), we have maintained the 43% of management positions being held by women and have made our first major step into achieving our longer term of goal of 40% female representation at senior management level with an increase to 25%.

In 2023 we also improved our Sickness and Absence Policy with a specific amendment on the number of days before Statutory Sick Pay applies. This represents an increase of two further days (increased from three to five days).

We also promoted internally a dedicated Compliance Manager to improve our training and competency procedures and processes in order to benefit our employees, our customers and the company as a whole.

2024 will see us explore more ways to engage with our staff and increase their health and well being. Some of the actions we will explore are:

- Increasing our employee benefits with the possible introduction of private supplemental health insurance and life insurance.
- Introducing a policy to support breastfeeding mothers.

Community Score: 13.7

In 2023 we planned to continue to influence the business community and our industry with community engagement, events and webinars.

We once again delivered an impressive series of events which were attended and supported by Path staff and aimed at inspiring and informing attendees.

We were unable to establish a charitable trust within the year but are considering joining One Percent For The planet during 2024.

2024 will also see us continuing to influence the business community and our industry with further community engagement, events and webinars.

We will seek greater diversity, equity & inclusion in our work-force as part of our recruitment processes.



Environment Score: 3.9

As a services business our environmental footprint may be small, but we take our commitment to Net Zero emissions seriously.

We have continued to improve our supply chain by choosing fellow B Corps, whilst also buying local and more ethically where we can.

We utilise responsible third-parties who share our environmental concerns and commitments including fellow B Corp EQ Investors whose medium term goal is to integrate net zero investment targets into their portfolio management, fund research, monitoring and engagement processes.

As targetted for 2023, we successfully implemented our Net Zero plan. We have achieved this by partnering with Net Zero Now in order to accurately calculate our footprint, offset our emissions and publish our report for 2022.

We also wanted to implement better reporting for our customers, part of this was to establish more indepth impact reporting on our clients' investments. However, difficult market conditions have delayed some of our larger projects including the implementation of these enhanced environmental and social metrics.

“ We will continue on our net zero journey by striving to improve all areas of the company where the opportunity arises. ”



Customers Score: 46.4

We know we provide a great service for our clients because they tell us. Our impact for clients can be measured quantitatively, for example in tax saved and investment returns but that is only a small part of the impact our clients are achieving.

In 2023 we planned to increase our customers' positive impact and explore solutions to enable more prescriptive requests (in regard to the alignment of our customers' investments) to fully align with their values and lifestyle.

To help us achieve this we teamed up with King & Shaxson who provide us with the ability to create bespoke offerings to our customers.

A new fund was added to our portfolios which means we can offer investors access to the first ever Animal Conservation Bond issued by the World Bank (International Bank for Reconstruction and Development, IBRD). This pioneering structure pays a return to investors based on the success of endangered species – in this first case, the black rhino population in the Addo Elephant National Park. It has spin-off benefits by contributing to biodiversity, ecosystem conservation and job-creation.

We have also sought to increase our client engagement and overall satisfaction, specifically around the duty we have to our customers, information and education. This included the appointment of a dedicated Client Servicing Manager.

In 2024 we will continue to explore areas where we can improve our customer service and offering.



“Honest, approachable, transparent financial advice”



“...listened carefully to my personal circumstances in a very respectful, sensitive way...”



“Informative, encouraging and positive service”



“Excellent and helpful advice”



“It was a 'no-brainer' for us to follow Path and change our lives.”



“Friendly, reassuring and professional”

Read our customer reviews: thepath.co.uk/customers/

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