

## **Ethical Health Check Questionnaire**

### **Smaller Financial Services Companies (under £50m)**

## Part 1 - Company Level Issues

### Basic information

1. Company name	PATH FINANCIAL
2. Company address	WATCH OAK, BATTLE, TN33 0YD
3. Company website	THEPATH.CO.UK
3. Parent company or ultimate holding company (if any)	N/A
4. Significant shareholders: please list any corporate entities that hold more than 25% shares in your company	N/A
5. Company group turnover in the last financial year	£1,685,698.62
6. Date Questionnaire filled in	20/11/2024

<b>Part 1 Company Level Scores</b>	<b>Score</b>
Climate Change	100
Workers	40
Animals	30
Company Ethos	70
Tax conduct	100
<b>Part 2 Product Level Scores</b> [please write below the criteria you scored against e.g. Sustainable Agriculture]	
Focus on ethical investment advice	100
Transparency and ethical investment for assets under discretionary management	50
<b>Your Total Score</b>	480
<b>Final Score /100</b>	70

<b>A1 Climate Change</b> [Please choose any that apply and add up your total score at the bottom]			
	Score	Your score	Notes/Evidence
<b>(a) Positive Actions</b>			
Your company has published a credible discussion of past actions you have taken to reduce climate impacts (For financial companies this will need to involve consideration of any assets held or investment policies)	30	30	General info: <a href="https://thepath.co.uk/about-us/social-and-environmental-commitment/">https://thepath.co.uk/about-us/social-and-environmental-commitment/</a>  Impact and climate reports: <a href="https://thepath.co.uk/about-us/path-financial-impact-reports/">https://thepath.co.uk/about-us/path-financial-impact-reports/</a>

Your company has published a credible discussion of intended future actions you will take to reduce climate impacts	30	30	As above
Additional points for published emissions figures relating to the above: Scope 1 and 2 current year (10). Scope 1 and 2 current and previous years (20) Scopes 1, 2 and 3 current year (30). Scopes 1, 2 and 3 current and previous year (40)	up to 40	40	<a href="https://thepath.co.uk/about-us/path-financial-impact-reports/">https://thepath.co.uk/about-us/path-financial-impact-reports/</a>
All the company's products are climate transition focussed (e.g. solar panels)	60		
<b>(b) Problem areas</b>			
Company involved in financing or investing in the development of new fossil fuel extraction	-100		
Company is making carbon neutral or carbon negative product claims (these are considered by Ethical Consumer to be misleading)	-30		
<b>Total Score</b> [score cannot be above 100 or below 0]		100	If your total exceeds 100, just put 100 in the box.

<b>A2 Workers (Service sector)</b>			
[Please choose any that apply]	Score	Your score	Notes/Evidence
<b>1. Living wage certification</b>			
Living wage certified	10	10	Accredited since 08 Mar 2021: <a href="https://www.livingwage.org.uk/accredited-living-wage-employers">https://www.livingwage.org.uk/accredited-living-wage-employers</a>
<b>2. Collective bargaining agreement</b>			
There is a collective bargaining agreement in place with a named trade union.	10		
<b>3. Pay ratio</b>			
An explicit positive policy to limit pay ratios between highest and lowest paid staff to a reasonable stated range.	20		
<b>4. Diversity, equity and inclusivity (DEI)</b>			
There is an active group with responsibility for DEI issues in the company and training available for staff on DEI issues	10	10	Management support and schedule training. For example, we engage third-party organisations to provide training in areas such as neurodiversity awareness and schedule at least one similar session per year. We prefer to be employee-led on these issues and always welcome suggestions and ideas. We also

			conduct DEI staff surveys which provide valuable feedback internally.
There are links with a relevant external organisation working on DEI issues	10	10	As above
There are at least three workplace flexibility options in place for new and existing workers including; majority remote working; part time roles; job-share possibilities; flexible hours.	10	10	<ol style="list-style-type: none"> <li>1. majority remote working</li> <li>2. flexible hours</li> <li>3. part-time roles</li> <li>4. flexible public holiday policy</li> </ol>
There are at least three measures in place for inclusive hiring including: a positive DEI statement in adverts; anonymous reviews of applications; DEI job requirements analysis; ads actively seeking under-represented populations.	10		
<b>5. Workers at supplier companies</b>			
Company has an ethical procurement policy with criteria for workers rights	20		
Company has published a modern slavery statement	10		
<b>Total Score (max 100)</b>		40	

<b>A3 Animal Issues</b>			
Please choose any that apply and add up your total score at the bottom			
	Score	Your score	Notes/Evidence
<b>(a) Investment or lending policies addressing companies producing or selling animal products</b>			
Published statement that is is company policy not to invest in companies producing or selling animal products.	60		
Some animal products investments used but with requirements for comprehensive ethical policies in place	10		
Some animal products investments used but a very minor part of the business	10	10	Sectors such as intensive farming are screened out in an exclusionary approach by DFMs. There may be some indirect exposure through holding in supermarkets for example, but this will be smaller than 0.01%. Similarly, some portfolios may have 0.07% to 0.45% exposure via holding one company who produces consumer products which includes milkshakes or ghee.
<b>(b) Investment or lending policies addressing companies involved in intensive animal farming</b>			
Published statement that is is company policy not to invest in companies operating in high-risk sectors for factory farming	20		
Investment involvement in high-risk sectors for factory farming but with requirements for comprehensive ethical policies in place	10		

<b>(c) Investment or lending policies addressing companies involved in animal testing</b>			
Published statement that is is company policy not to invest in companies involved in animal testing	20	20	Outlined in our Responsible Investment Policy
<b>Total Score (Max 100)</b>		30	



<b>A4 Company Ethos</b>			
[Please choose any that apply and add up your total score at the bottom]			
	<b>Score</b>	<b>Your score</b>	<b>Notes/Evidence</b>
<b>(a) Structure and purpose</b>			
Co-op or Mutual or fully employee owned	40		
Not-for-profit or charity structure	40		
Registered social enterprise	20		
B Corp	20	20	<a href="https://www.bcorporation.net/en-us/find-a-b-corp/company/path-financial/">https://www.bcorporation.net/en-us/find-a-b-corp/company/path-financial/</a>
Part employee owned (10%<)	20		We operate an EMI share options scheme
<b>(b) Social/ environmental alternative [select one]</b>			
The company was providing a social or environmental alternative - and this was considered to be core to its business	30	30	<p>We are believed to be the first UK financial advice firm that exclusively deals with clients who want to make a positive impact – not only avoiding investment into damaging industry such as fossil fuels, weapons manufacturing, and poor environmental practices, but choosing to invest in companies working towards a better future, through sustainable manufacturing, renewable energy, healthcare, and education for all.</p> <p>We participate in a large volume of events each year and provide free webinars and sessions to communities, to educate and inform. E.g. Free regular drop-in sessions at Climate Hubs such as <a href="https://totnesclimatehub.info/event-category/totnes-climate-hub">https://totnesclimatehub.info/event-category/totnes-climate-hub</a></p> <p>We have previously partnered with organisations such as Women of the World and Day of</p>

			<p>the Girl where staff have provided mentoring to schoolgirls:  <a href="https://thepath.co.uk/news-analysis/paths-support-for-international-day-of-the-girl-at-wows-speed-mentoring-event/">https://thepath.co.uk/news-analysis/paths-support-for-international-day-of-the-girl-at-wows-speed-mentoring-event/</a>  <a href="https://thepath.co.uk/events/">https://thepath.co.uk/events/</a></p> <p>We also offer free B2B workplace pension reviews and staff presentations to encourage companies and their staff to switch to greener/more ethical solutions.  <a href="https://thepath.co.uk/for-business/">https://thepath.co.uk/for-business/</a></p>
The company has demonstrated a longstanding commitment to promoting progressive environmental or social change and committed significant resources to this (though this is not core to its output).	10		
<b>(c) Controversial sectors</b>			Direct involvement only
Involved in investments in arms or military supply	-10		
Involved in investments in extraction (mining, fossil fuels)	-10		
Involved in investments in nuclear power or weapons	-10		
<b>(d) Excessive directors' pay</b>			
No director paid above £1million annually	10	10	Confirmed
<b>(e) Lobby groups</b>			
Please list any industry associations you belong to here.			
Not a member of any of the lobby groups on ECs list in Appendix 1	10	10	Confirmed
<b>Total [Max 100]</b>		70	If your total exceeds 100, just fill in 100 in the your score box

<b>A5 Tax Conduct</b> [Please fill in the Part that reflects your company best]			
	<b>Score</b>	<b>Your score</b>	<b>Notes/Evidence</b>
<b>Part 1. Certification or no subsidiaries in tax havens</b>			
Are you Fair Tax Mark certified? If yes, score 100 and fill in your total score below.	100		
If not, but you don't have any subsidiaries or a parent company registered in Tax Havens score 100.	100	100	See Ethical Consumer's list at Appendix 2 of the Guidance Notes if in doubt.
<b>Part 2. If you have any subsidiaries or a parent company registered in Tax Havens, but have clear non-avoidance policies.</b>			
(a) Do you publish a clear public tax statement confirming that it is company policy not to engage in tax avoidance activity or to use tax havens for tax avoidance purposes?	20		
(b) Do you publish country by country reports annually of revenue earned and taxes paid for all the countries you operate in.	20		
(c) Can you list these subsidiaries and explain what type of company each is (e.g. holding company, finance, commercial store) and why it is not being used for tax minimisation purposes.	30		
<b>Part 3. Subsidiaries or a parent company registered in Tax Havens, but without clear non-avoidance policies.</b>			
One subsidiary in a tax haven with no public country-by-country reporting or policy statement and narrative explanation.	20		
Two or more subsidiaries or a parent company in a tax haven with no public country-by-country reporting or policy statement and narrative explanation.	0		
<b>Total Score (Max 100)</b>		100	

Your total scores can be calculated using the notes in the Guidance doc.

## Additional criteria for Independent Financial Advisors

For smaller companies (under £50 million)

<b>1 Focus on ethical investment advice</b>			
	Score	Your score	Notes/Evidence
<b>Ethical investment advice</b>			
The company focusses solely on ethical investment advice	80	80	Only ethical / Positive Impact.  Evidenced in Responsible Investment Policy.
The vast majority of the company's work (90%+) is focussed on ethical investment advice.	60		
Some of the company's work is focussed on ethical investment advice.	10		
<b>Fee transparency</b>			
A detailed schedule of likely costs appears on the company's website	20		
Some information on likely costs appears on the company's website	10		
<b>Advocacy work</b>			
The company is a member of three or more collective campaigns for sustainability	20	20	5. B Corp 6. Better Business Act 7. Business Declares 8. Good Business Charter 9. SME Climate

			Hub 10. Tech Zero
The company is a member of one or two collective campaigns for sustainability	10		
<b>Total Score [max 100 points]</b>		100	

<b>2 Transparency and ethical investment for assets under discretionary management</b>			
	Score	Your score	Notes/Evidence
[Please leave this section blank if you do not manage assets in this way]			
<b>Comprehensive ethical policies (choose one)</b>			
A clear ethical investment policy restricting investments for all assets under discretionary management in at least three key problem areas for the sector including: coal/carbon, deforestation, indiscriminate weapons, human rights abuses, and animal abuse.	40	40	We certainly have this across all portfolios. This may change if we release new portfolios, but for now across our Core, Climate Solutions, and bespoke ranges, the restriction on investments has a very high bar and is clear. There are more than three key problem areas restricted.  Evidenced in Responsible Investment Policy.
An investment policy restricting investments for most assets under management for at least three key problem areas for the	30		

sector including: coal/carbon, deforestation, indiscriminate weapons, human rights abuses, and animal abuse.			
Some detailed ethical lending or investment policies and practices but material gaps around key social or environmental issues.	20		
Some reference to ethical investment policies, but more information required to assess how robust they are.	10		
<b>Engagement (with fund managers or directly with companies)</b>			
Extensive disclosure in published reports at least annually of ESG engagements undertaken during the year.	30		
Some disclosure of ESG engagements	10	10	<p>We don't directly disclose ESG engagements, however our DFMs do so on a regular basis, at least annually.</p> <p>Two of our main DFMs are also part of the UK Wealth Management Climate Group: <a href="https://acrobat.adobe.com/id/urn:aaid:sc:eu:0b2cdcfd-5486-4e39-bf24-fde7f2ceacc7">https://acrobat.adobe.com/id/urn:aaid:sc:eu:0b2cdcfd-5486-4e39-bf24-fde7f2ceacc7</a></p>
<b>Investment transparency</b>			
Full disclosure of all shares/other investments held in funds at least annually.	30		
Some reasonable disclosure of shares/other investments held in funds at least annually.	10	0	<p>We can access these on request. We do not publish these to clients directly. However, as the list of single shares is over</p>

			1,500 long, clients can see all their fund holdings via their platform logins, at any time.
<b>Total Score</b>		50	