



2020/21

# The Golden Bottle Trust Annual Report

# WELCOME

The Golden Bottle Trust (GBT) was established in 1985 to further the philanthropic aims of the Hoare family. Its focus on catalysing innovation in philanthropy carries forward a longstanding tradition: in 1719, 'Good Henry' Hoare was instrumental in founding Westminster Hospital, the first ever hospital to be free at the point of access. The same catalytic principle drives our projects today. It can be seen in both our grantmaking and our investments, which together achieve 'total portfolio impact'.

## The Sustainable Development Goals

At the Golden Bottle Trust, we like to look at our impact through the lens of the United Nations' Sustainable Development Goals (SDGs).

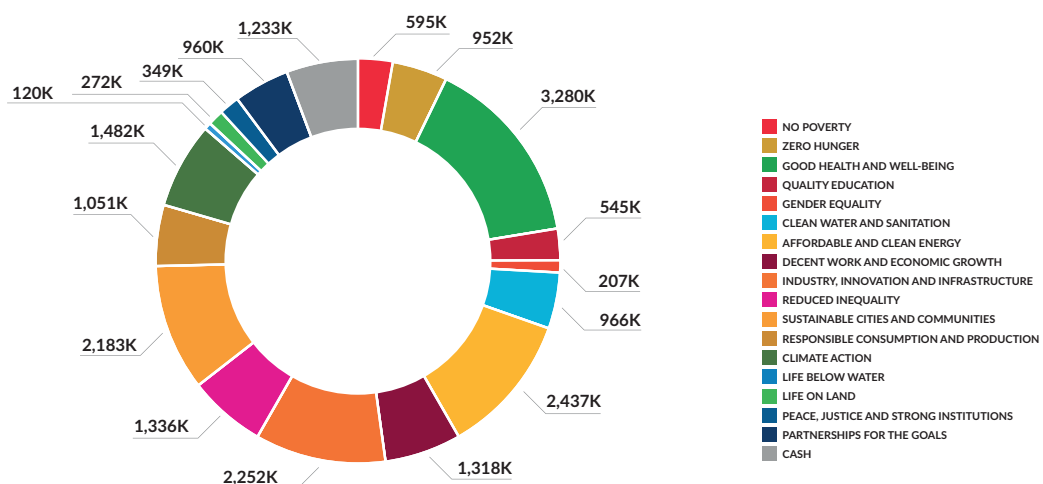


This is a set of 17 universal outcomes which, if achieved by their target date of 2030, will bring about 'a better and more sustainable future for all'. Used correctly, they are effective tools for public, private and third-sector collaboration.

We use the UN's SDGs as a starting point when identifying priorities and assessing grants and investments. We have chosen to focus the GBT's activity on four key areas. These are:

- SDG 3: Good Health and Wellbeing. Within that broad scope, the GBT places a special emphasis on mental health.
- SDG 10: Reduced Inequalities. The GBT focuses on refugees, prisoners and re-offenders, and those experiencing financial inequality – particularly young people.
- SDG 13: Climate Action. The GBT adopts an approach called 'eco-system granting', which involves making numerous small grants rather than one or two big ones.
- SDG 17: Partnerships for the Goals. The GBT enters into strategic partnerships with charities that aim to remove obstacles to achieving the SDGs.

## Total portfolio impact



## OUR GRANTS

### Innovative Grant Making

This year the Golden Bottle Trust donated £2.52m through 343 grants.

One of the opportunities we enjoy, as a family foundation, is the ability to ensure a broad range of philanthropic interests is represented in the activities of the Trust. The division of the grantmaking into different pots of money is one way of making the GBT flexible and responsive.

#### STRATEGIC

# 43%

Larger grants are directed to areas where we want to make the greatest impact.

#### DISCRETIONARY

# 27%

Targeted grants are directed by individual members of the Family Forum.

#### COLLECTIVE

# 18%

Appeals are brought by trusted networks and jointly agreed.

#### STRATEGIC

# 7%

The GBT double-matches charitable donations from C. Hoare & Co. employees.

#### DISCRETIONARY

# 5%

The GBT supports members of the wider family when they are highly engaged with a charity.



We need to be able to tap into the views and passions of family members, but we also have to ensure that our giving matches our identified priorities. For this we use Care4Most, an online profiling tool devised by Edward Hoare, a 10th-generation family member. Participants use sliding scales to express their priorities in various philanthropic categories, and that data is used to generate a pie chart – an immediate and visual way to show individual members where their philanthropic interests lie. This information can be combined and collated to give an overall picture of what the family as a whole cares about and, therefore, where the strategic priorities of the Golden Bottle Trust should lie.

The Golden Bottle Trust has a rich history of philanthropy, and we draw upon that experience to shape the way in which the Trust makes grants today. Here, the intention is to be innovative, flexible and forward-thinking. We have often found that the best opportunities to provide help arise some years in, once we know a charity well. So we take time to learn about the work, to understand where our funding and our non-financial support can be most impactful.

Non-financial support is a key element of the activity of the Golden Bottle Trust, because it helps us to build strong relationships with our charities. For example:

**Our giving, where possible, is unrestricted and we support our charities with multi-year funding. We do not accept unsolicited grant requests. Instead we use trusted networks and our own research to select our grantees. These principles make a qualitative difference. They mean we are able to spend time in conversation with the charities we support.**

- We hold talks and other events at C. Hoare & Co., where charities can showcase their work and mission for customers and colleagues.
- Colleagues at C. Hoare & Co. are encouraged, through paid volunteering days, to support charities that we have got to know through the GBT by getting involved in fundraising and other activities.
- Family members often serve as trustees of our supported charities; this allows them to bring their own professional skills and expertise to bear on the charities' day-to-day operations.
- We facilitate introductions between charities where we see that there might be a fruitful strategic partnership.
- We use our website and social media channels to spotlight our supported charities and promote them to our wider network.

# OUR IMPACT

## Total Portfolio Impact

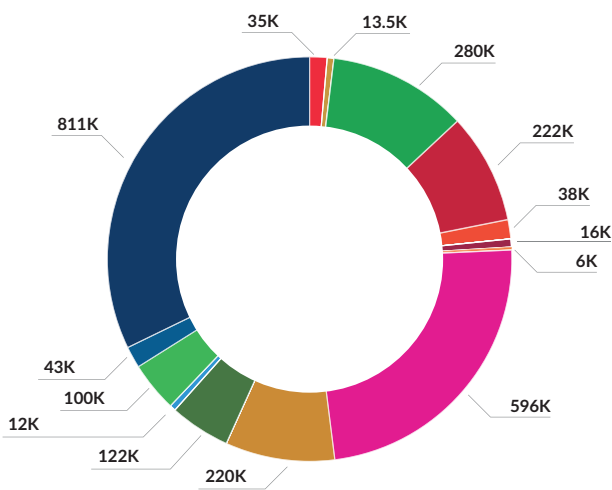
In recent years there has been a growing realisation that even standard investment portfolios can have undesirable consequences. These consequences can diminish or even outweigh the good effects of grantmaking. 'Negative externalities' include such things as carbon footprint, human rights abuses, payday lending.

'Total portfolio impact' is the idea that alongside grant making, charitable foundations should take account of the potential negative impact of their portfolios, and weigh them in the balance. Beyond just considering the risks, investors should make certain that their investments are made with the specific intention of producing a positive social and/or environmental impact. This more enlightened way of investing is closely tied to the previously mentioned UN SDGs. The United Nations has identified a funding gap amounting to \$3.7 trillion – the sum that must be spent if the 17 SDGs are to be fulfilled. Total portfolio impact is one way to begin closing that gap.

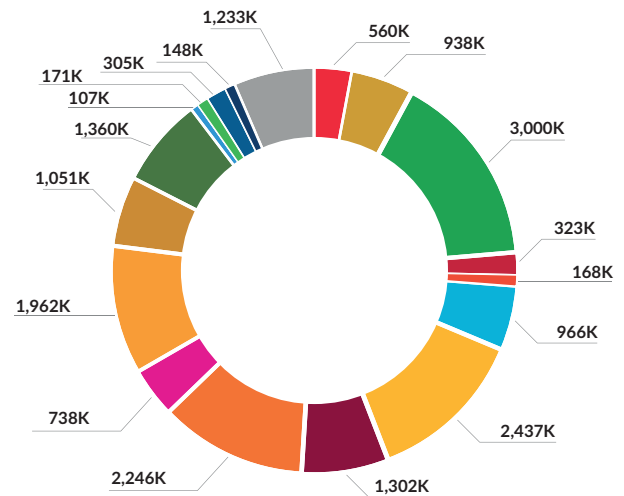
Different SDGs require different types of funding. Some require the use of catalytic grant funding, while others are more readily accessible through investments. For example, if we group all the activities of the GBT that relate to the Climate Action SDG, we see that 8% of our support takes the form of grants, and the remainder – more than £1m – comes through investments. A similar picture emerges if we look at the Good Health and Wellbeing SDG: just under £300K in grants, and £3m in investments. The same principle applies, though the proportions are reversed, when it comes to the Partnership for the Goals SDG. This is not a hugely investable space, and there are sectors where philanthropic capital has to be deployed in order to remove the barriers to investment; consequently, the larger part of our input takes the form of grants.

The point is that the Golden Bottle Trust functions as a suite of assets, not just a pot of cash for grants, and this allows us to direct our support meaningfully and effectively. There is not yet an industry standard for impact reporting, so we use the common framework of the SDGs to provide an overview. In the pie charts below, we show the SDG impact of our grants and our investments. The section labelled 'Other' denotes cash and other assets that cannot be mapped to an SDG.

### Grants



### Investments



- NO POVERTY
- ZERO HUNGER
- GOOD HEALTH AND WELL-BEING
- QUALITY EDUCATION
- GENDER EQUALITY
- CLEAN WATER AND SANITATION
- AFFORDABLE AND CLEAN ENERGY
- DECENT WORK AND ECONOMIC GROWTH
- INDUSTRY, INNOVATION AND INFRASTRUCTURE
- REDUCED INEQUALITY
- SUSTAINABLE CITIES AND COMMUNITIES
- RESPONSIBLE CONSUMPTION AND PRODUCTION
- CLIMATE ACTION
- LIFE BELOW WATER
- LIFE ON LAND
- PEACE, JUSTICE AND STRONG INSTITUTIONS
- PARTNERSHIPS FOR THE GOALS
- CASH

# OUR INVESTMENTS

## A diverse impact portfolio

All of the Golden Bottle Trust is invested for impact. It is divided into three pots, each with a different purpose. Pot A is the portion that provides us with liquidity. The investment policy is such that this pot is able to cover grantmaking requirements for at least the next two years. Responsibility for Pot A is split between two managers. Pot B, Snowball, is a global impact investment fund. It was co-founded by the GBT in 2016 with the intention of proving that it is possible to make money and at the same time to have a positive impact. Pot C consists of a small collection of direct-debt and equity holdings. These are especially impactful, but also high-risk.

This three-way balance in our portfolio is its strength. It allows us to operate in the knowledge that we have the necessary liquidity for our grantmaking, while also making it possible to monitor and minimise any negative impact.

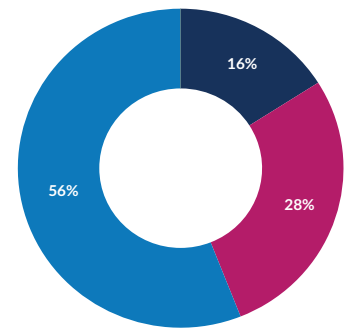
It has taken us almost a decade to create a truly diverse impact portfolio. The process began in 2011, when a decision was taken to allocate 10% of the GBT portfolio to impact investments. This was deemed a safe way to test the waters; it allowed us to begin to understand the risks and opportunities of impact investment. Responsibility for the impact portfolio lay with Alexander Hoare, an 11th-generation partner of the bank. Under his enthusiastic management, the proportion of the fund devoted to impact slowly increased.

In 2016, Alexander decided the time was right to expand the initiative and involve other partners. It was at this point that Project Snowball (now Snowball IM) was founded. Snowball is a diversified multi-manager impact fund, investing in funds that contribute to social equity and environmental solutions. Snowball works to prove that people, when investing, should not have to choose between their own financial future and the futures of other people or of the planet; it is possible to achieve both.

In 2019, the GBT made the move to a 100% impact portfolio. It now monitors that impact alongside financial returns.

### POT A MANAGER 1

- Avoids harm
- Contributes to solutions
- Benefits stakeholders



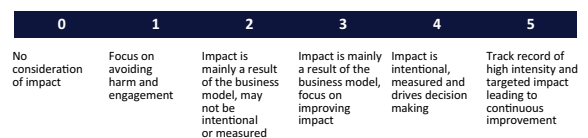
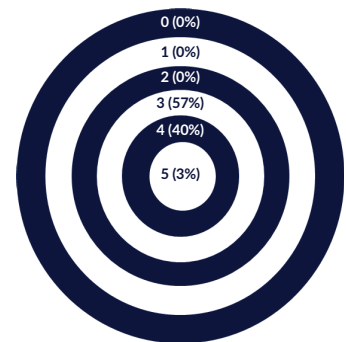
### POT A MANAGER 2

- Level 1: Operational Impact
- Level 2: Sustainable Revenue Impact
- Level 3: Systemic Impact

- Your Portfolio
  - MSCI ACWI
- | Level   | Your Portfolio | MSCI ACWI |
|---------|----------------|-----------|
| Level 1 | 91%            | 75%       |
| Level 2 | 76%            | 22%       |
| Level 3 | 71%            | 5%        |

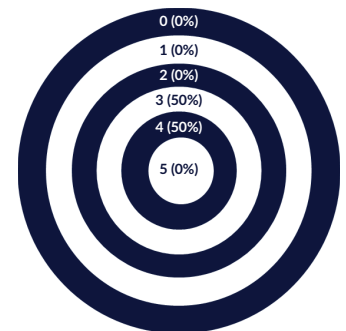


### POT B BULLSEYE IMPACT SCORE 3.53



### POT C

#### BULLSEYE IMPACT SCORE 3.82



## OUR CHARITIES AND PROJECTS

Here is a round-up of some of the charities that we support. Each of them exemplifies the kind of innovative thinking that the Golden Bottle Trust seeks out. We look forward to long-term partnership with all our existing charities, and we hope to find new causes, and new stories to tell, as our work continues.



### SDG 3: GOOD HEALTH AND WELLBEING

#### United for Global Mental Health

United for Global Mental Health envisages a world in which everyone has someone to turn to for support. The charity effects change by driving mental health up the political agenda, and by campaigning for resources for mental health nationally and globally.

COVID-19 has had the dual effect of increasing demand for mental-health support while also restricting access to that support. Research shows that the prevalence of depression and anxiety has increased by more than 25% globally since the pandemic began.

**1 in 6**

children and young people aged 5-16 are likely to have a mental health problem.

#### Women in Safe Homes Fund

Women in Safe Homes is a property fund that we invest in through Snowball IM. The fund works with charities to buy buildings to house homeless women, survivors of domestic abuse, and those who have recently left prison or who have complex mental health issues. Safe accommodation, a place of refuge, can have a life-changing impact on vulnerable women. The need for such housing has increased in the course of the pandemic – especially as regards women suffering domestic abuse. The fund aims to reach £100m-£200m over its lifetime, and to provide homes for 6,000 women.

INVESTMENTS £3m



GRANTS £280k



#### CW+

Increasing numbers of young people in the UK are presenting to A&E while in the grip of a mental-health crisis. Cases have doubled in the past 18 months, and continue to rise. CW+ is addressing this by partnering with three London NHS Trusts to launch Best For You, a new model of mental-health care for children, young people and families.

**Only 25%**

of children and young people receive the treatment they need.

Best For You aims to integrate the urgent aspects of care with the longer-term needs of young people. To that end, the charity is working on three projects: a new young people's centre that will incorporate the UK's first in-hospital rapid-assessment unit; a 'day service unit' for under-18s in north-west London, which will provide clinical and therapeutic interventions (including inpatient care when required); and digital resources including a Best For You app library where accredited health and well-being apps can be accessed and downloaded.



## SDG 10: REDUCED INEQUALITIES

INVESTMENTS £740k



GRANTS £600k



### Intermission Youth Theatre

Intermission Youth Theatre (IYT) uses drama to give young people the tools to make positive choices. Each year the IYT programme mentors 25 young Londoners who are socio-economically disadvantaged or otherwise at risk.



The theatre continued to work in-person throughout 2021, running Saturday drama workshops and starting a new film-making course. The aim of these sessions was to provide skills support and an opportunity for young people to communicate their feelings and their stories. But the process is also about making drama on stage.

**Over 100**

individual counselling and wellbeing support sessions provided to vulnerable young people.

Intermission Youth's production of *Juliet & Romeo* at Chelsea Theatre was favourably reviewed and helped some of the participants make their first moves towards a career in theatre. The charity supports some of its young people with bursaries for food and travel, and professional counselling and wellbeing sessions are offered to present and past members.

### RefuAid

Forced migrants face huge challenges on arrival in a new community or country. Accessing healthcare, education and employment – all these things can become insurmountable obstacles. There are few long-term initiatives for refugees, who can easily find themselves dependent on aid and handouts. RefuAid exists to combat this problem by providing finance for professional re-qualification, language tuition and specialist employment advice.

**247**

students studying intensive English courses.

**Over £1m**

given in 0% interest loans to support the return to work of refugee professionals, more than half of whom are doctors.

### Villiers Park

Villiers Park helps disadvantaged young people to develop personal and employability skills, and to improve academic outcomes. Students from low-income backgrounds are statistically less likely than their more privileged peers to score high grades at A level, less likely to go to the most selective universities, and less likely to achieve success in the long term. Studies suggest that all recent progress towards closing the attainment gap was wiped out by lockdown.

The charity's Future Leaders Programme is rooted in the 'possible selves' psychological theory – the idea that young people can only aim for ambitions that they are able to imagine. The vast majority of participants report an increased sense of confidence, adaptability, resilience and motivation – all the attributes, in fact, that will allow them to overcome barriers, broaden their horizons, and accomplish the goals they set for themselves.



## ThinkForward

ThinkForward provides long-term coaching to prepare young people for the world of work. Many young people face barriers at this key transitional time – through lack of opportunity, or else through poverty, learning disability, and the risk of exclusion.

ThinkForward delivers coaching sessions, ready-for-work events, youth-participation activities and social-action projects. The aim of all these initiatives is to give young people the confidence, independence and skills they need for a brighter future.

More than 80% of the young people on the 2020 FutureMe programme were in education, employment or training six months later.

## The Bridges Social Outcomes Fund

Through Snowball, we invest in the Bridges Social Outcome Fund, which develops and invests in ‘social-impact’ bonds. These are outcomes-based contracts, typically commissioned by a local authority, whereby investors are paid a return if the outcomes are achieved. Such investments are high-impact because they are tightly focused on underserved groups, and because the outcomes can significantly improve the life chances of the people who receive the services.

The interventions are evidence-based and closely monitored, and the fund is in the investment phase operating in line with target. It has begun delivering contracts in adult and children’s health services.



### THE BRIDGES SOCIAL OUTCOMES FUND SPOTLIGHT COMPANY **PAUSE**

Pause provides services to women who are at repeated risk of having their children taken into care. This is a scenario in which a social-impact bond can play a part by framing a contract that stipulates a beneficial outcome. The stated outcome for a mother may not be that her children are returned to her; rather, it is likely to be that she engages with support in a way that improves her health, wellbeing and employability, and/or that she takes a pause from childbearing.





# SDG 13: CLIMATE ACTION

INVESTMENTS £1.36m

GRANTS £120k

## Real Farming Trust

The Real Farming Trust (RFT) works to rethink food and farming from first principles: to build and support a new generation of farmers, food producers and sellers. The broader aim is to promote 'enlightened agriculture', farming that provides good food for everyone forever, without cruelty or injustice and without adversely affecting the biosphere.

Among the RFT's projects are the Oxford Real Farming Conference, a forum for farmers and would-be farmers which in 2021 attracted 5,000 delegates from around the world. The RFT also has a mentoring and funding programme to help businesses structure and finance enlightened agriculture. The College for Real Farming and Food Culture runs courses that tackle the many scientific, moral and economic issues around enlightened agriculture. And there is the Ready Healthy Eat! programme, which encourages changes in people's diets. In 2020, the programme delivered more than 100,000 meals to people struggling to feed themselves and their families as a result of COVID-19.

## The Tree Council

The Tree Council was established in 1973 in the wake of the devastation wrought by Dutch elm disease. Millions of elms were lost. The Tree Council responded by planting trees across the country and making sure that they were cared for – and encouraging others to do the same. That loss of the elms turned out to be the harbinger of a far greater and more widespread ecological crisis. In light of this, the Tree Council's work has expanded; it does not only plant trees, it raises awareness and shapes policy. The aim is to make a practical contribution to the government's target of carbon net zero by 2050.

The Tree Council's current focus is on treescapes rather than forests; it works with partners and volunteers to protect and establish copses and spinneys, hedgerows and orchards, parkland and wood pasture. There is also work to be done in cities, ensuring the future of street trees, avenues, roof gardens and city playground plantations.

## Project Seagrass

Project Seagrass works to restore lost seagrass meadows. These are underwater ecosystems that exist in shallow waters and estuaries all around the world. Seagrass is ecologically significant because it increases biodiversity, locks down carbon, protects coasts, absorbs excess nutrients and pathogens in the water, and provides nursery grounds for commercial fisheries as well as habitats for species such as turtles, dugong and seahorses.



The work of Project Seagrass involves collaborating with communities, businesses, and regulators, so as to halt and reverse the retreat of seagrass ecosystems. In 2020 Project Seagrass led the development of the UK's first restored meadow – an area of two hectares off the coast of Dale, West Wales. More than a million seeds were collected and replanted. The work was done by more than 2,000 volunteers, and supported by the best scientific expertise. This undertaking – conservation for the people by the people – demonstrated that community-engaged seagrass restoration is eminently feasible.

92%

of the UK's seagrass cover has been lost since the 1930s; up to 40% was lost in the last 40 years.

## Sustainable Eel Group

The Sustainable Eel Group (SEG) is working to bring about the recovery of the endangered European eel. Very little is known about the life cycle of this extraordinary fish, which spawns far out at sea, migrates up freshwater rivers, then returns to its spawning grounds in the Caribbean. The danger to the eel comes from trafficking. At the peak of the illegal trade in eels, more than 300 million live larval fish were being sent to Europe each year – mostly, in suitcases on commercial flights. The trade now runs at about 20% of that level.

The SEG brings together various stakeholder organisations from across Europe. It supports commercial exploitation only where its own standard is met. In the past five years, many commercial organisations have adopted that standard, leading to a marked increase in the volume of juvenile eels that arrive at the mouths of Europe's rivers, ready to make the long trek upstream.

## Aqua-Spark

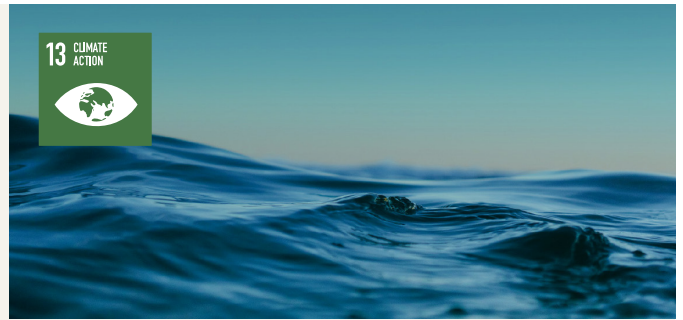
Aqua-Spark is a global investment fund with a mission to move the aquaculture industry towards healthy, sustainable and affordable production. To achieve change, it will invest in 60-80 companies – firms involved in alternative feed ingredients, farming operations, health and disease prevention and farm management technology.

So far, Aqua-Spark has built a portfolio of 22 companies, and it continues to grow. We invest in Aqua-Spark through Snowball IM.

## Moors for the Future

Moors for the Future is a partnership that has been working since 2003 to restore and conserve peatland across the Dark Peak, and the South and West Pennine Moors. Healthy peatlands are a huge ecological asset: they are good for carbon storage, for improving water quality, and for reducing the risk of downstream flooding.

So far, Moors for the Future has transformed more than 34 square kilometres of bare and eroding peatland. The work goes on – both on moors themselves and via research projects and campaigns to engage the public.



### AQUA-SPARK SPOTLIGHT COMPANY **SEA6 ENERGY**

Sea6 Energy was formed to utilise the potential of the ocean and develop eco-friendly land alternatives. It is a pioneer of innovative technologies. For example, it is developing a method to scale up seaweed production in the open sea. Ocean plants are instrumental in producing more than half of the oxygen in the atmosphere, and one hectare of ocean plants can store twice the volume of carbon captured by an average-sized terrestrial forest.



# SDG 17: PARTNERSHIPS FOR THE GOALS

INVESTMENTS £150k



GRANTS £810k



## The Fore

The Fore supports small, high-potential charities and social enterprises in the UK. It seeks out organisations that address inequalities and develop innovative solutions to social problems. The Fore works in partnership with businesses, trusts and foundations to provide grants of up to £30,000. Those same partners are ready to offer their skills and expertise.

The Fore aims to find and fund organisations that are often overlooked – in particular those that are led by, and working with, BAME, LGBTQIA+ and disabled communities. To this end, The Fore reaches out to more than 80 network organisations in advance of each of its three annual funding rounds.

## Give-As-You-Earn Scheme

The Golden Bottle Trust double-matches charitable donations made by colleagues at C. Hoare & Co., so as to encourage everyone at the bank to be a practitioner of philanthropy. This past year, 220 colleagues – about half of the payroll – donated a total of almost £280k to charitable causes through our Give-As-You-Earn scheme. The Golden Bottle Trust and all the partners are pleased that philanthropy is understood to be part of the culture of the bank as a whole, and not just the province of the Hoare family or the bank’s customers.

# £280k

donated this past year to charitable causes through our Give-As-You-Earn scheme.

## Philanthropy Impact

Philanthropy Impact is a non-profit organisation with a mission to increase the flow of capital to good causes. It enables private clients to match their wealth strategies with their values – that is, it supports wealthy individuals in their philanthropic activity and their impact-led investment.



Philanthropy Impact does this by building the will and capacity of professional advisers. This past year, the organisation received continued professional development (CPD) accreditation for a training course entitled ‘Changing Times: Supporting Clients on their Philanthropic and Social Investment Journey’. Philanthropy Impact also launched a CPD-certified sustainability training course in collaboration with the Personal Investment Management and Financial Advice Association (PIMFA). The aim of this course was to help wealth advisers meet the needs of the a new generation of clients, and to embrace the trend towards ESG and impact investment.

Philanthropy Impact is also a campaigning organisation working for change in the areas of tax relief, charitable remainder gifts, responsible investment rules for trusts and foundations, and client-suitability requirements for sustainability and ESG investments.

## Snowball IM

Snowball IM aims to bring about a transformation in the investment industry by proving that it is possible to create both a reasonable financial return and a positive impact for society and the environment. The Golden Bottle Trust believes that everyone should be able to invest in this way.

Snowball offers investors a diversified portfolio of impact investments. The investments are selected with two interconnected principles in mind: social equity and environmental sustainability. They are actively managed to create competitive returns alongside measurable positive impact. Snowball is ranked in the top five percent of B Corporations for governance. Snowball's investment approach has yielded many inspiring stories that show how investment capital can engender tangible positive change.



## Mustard Seed

Mustard Seed is a principal investor in world-class innovation. It specialises in seeking out socially beneficial businesses when they are at the 'seed stage'. Mustard Seed has backed several young companies that are tackling the global problem of food waste.

It has also invested in a firm that is pioneering early detection of skin cancer, one that aims to tackle the overuse of antibiotics and another that deploys technology to help commercial fishermen avoid catching unsaleable or protected fish.

All these ventures are both profitable and a force for positive change; this is what makes them a perfect fit for the Golden Bottle Trust.



### MUSTARD SEED SPOTLIGHT COMPANY WINNOW SOLUTIONS

The mission of Winnow is to use Artificial Intelligence technology to reduce food waste in hotel and restaurant kitchens. A camera above waste bins monitors food as it is thrown away, while smart tech identifies the food and calculates its cost. The figures are displayed on a read-out in real time. This information, and the awareness it brings, has been shown to have the potential to cut waste by half. Winnow's ambition is to scale up to the point where a billion dollars' worth of food is saved each year.

