

# CREATING SUSTAINABLE VALUE FOR OUR STAKEHOLDERS

## SECTION 172 STATEMENT

**Understanding the views and interests of our stakeholders helps the group to make better decisions with the aim of generating long-term value for the company's shareholders whilst contributing to wider society by building mutually beneficial relationships with our other key stakeholders.**

Section 172 of the Companies Act 2006 requires the directors to act in a way they consider will promote the success of the company for the benefit of its stakeholders as a whole. You can read more about how we engage with and respond to the interests and needs of our key stakeholders and how the board engaged in 2023 on [pages 49 to 57](#).

### THE BOARD HAS DISCHARGED ITS SECTION 172 DUTIES

The directors are briefed on their duties as part of the group's induction programme and each also has access to the group company secretary for advice on the application of those duties. The directors' awareness of their duties to the company, combined with the knowledge and insights they obtain on the views and interests of the group's key stakeholders and the impact of the group on wider society, enables them to make decisions that promote long-term sustainable value for the company's shareholders.

In practice, the group operates within a corporate governance framework whereby responsibility for day-to-day decision-making is appropriately

delegated. In considering their duties under section 172 when setting the group's strategy, values and framework of policies, the board aims to ensure that the consideration of stakeholder interests and the group's long-term success is embedded across its business. The board recognises that the impact of each decision made by it, and elsewhere in the group's governance framework, will be different for each of its key stakeholders and understands the importance of considering the impact on each of those stakeholders when making decisions.

The group's board and committee paper templates encourage paper authors to consider and highlight the impact on the group's stakeholders of the matters covered. In addition to acting as an aid to the board in discharging its duties and facilitating focused debate, this is intended to provide an additional layer of comfort that paper authors have properly considered and taken into account the interests of stakeholders. Further details of how the board considers each of the specific matters set out in section 172 are set out in the following section, along with some examples of how those considerations have influenced decisions taken by the board and group more widely.

### CONSIDERING THE LONG TERM

The board sets the strategy, values and culture, and develops and oversees the group's framework of governance, risk management and internal controls to promote and safeguard the group's long-term success. The strategic goals and objectives it sets are focused around developing the group's proposition and service to fulfil the long-term needs of its clients. You can read more about the group's strategy on [pages 22 to 26](#) of the strategic report. Details of how stakeholder considerations influenced the board's decision-making regarding the strategy can be found in the case study on [page 51](#). The group provides an essential service to its clients

in a highly regulated environment. The identification, management and mitigation of risks to the group's business is key to ensuring the delivery of its strategy over the longer term, and the consideration of risk plays an important part in decision-making. You can read more about how the group evaluates and manages risk along with a description of the principal and non-financial risks relating to the company's operations on [pages 77 to 86](#) of the strategic report.

### MAINTAINING A REPUTATION FOR HIGH STANDARDS OF BUSINESS CONDUCT

The board supports the chief executive and the group executive committee in embedding a culture that encourages the group's colleagues to live our values and help the group deliver on its strategic objectives and purpose. The board approves and oversees the group's adherence to policies that promote high standards of conduct and receives regular updates on the group's culture through KPIs that form part of the chief executive's business performance update.

### SHAREHOLDER MEETINGS

The AGM is scheduled to take place on 9 May 2024. Further details will be set out in the Notice of AGM, which will be sent to shareholders in due course. The board acknowledges the importance of shareholders receiving presentations from the board at the meeting and being able to ask questions on the business of the AGM and the performance of the group. The company will provide a means for them to ask questions of the directors. All voting at general meetings of the company is conducted by way of a poll. All shareholders have the opportunity to cast their votes in respect of proposed resolutions by proxy, either electronically or by post. Following the AGM, the voting results for each resolution are published and made available on the company's [website](#).

S172 FACTOR	MORE INFORMATION
The likely consequences of any decision in the long term	<ul style="list-style-type: none"> <li>➔ <b>Our strategic priorities:</b> <a href="#">See page 22</a></li> <li>➔ <b>Key board decision:</b> <a href="#">See page 51</a></li> </ul>
The interests of the group's employees	<ul style="list-style-type: none"> <li>➔ <b>Our strategic priorities:</b> <a href="#">See page 22</a></li> <li>➔ <b>Our people:</b> <a href="#">See page 53</a></li> </ul>
The need to foster business relationships with the group's suppliers, clients and others	<ul style="list-style-type: none"> <li>➔ <b>Our strategic priorities:</b> <a href="#">See page 22</a></li> <li>➔ <b>Creating value for our stakeholders:</b> <a href="#">See page 49</a></li> </ul>
The impact of the group's operations on the community and the environment	<ul style="list-style-type: none"> <li>➔ <b>Responsible business:</b> <a href="#">See page 58</a></li> <li>➔ <b>TCFD:</b> <a href="#">See page 66</a></li> </ul>
The desirability of the group maintaining a reputation for high standards of business conduct	<ul style="list-style-type: none"> <li>➔ <b>Our culture and values:</b> <a href="#">See page 20</a></li> <li>➔ <b>Corporate governance: chair:</b> <a href="#">See page 89</a></li> </ul>
The need to act fairly as between the company's shareholders	<ul style="list-style-type: none"> <li>➔ <b>Our strategic priorities:</b> <a href="#">See page 22</a></li> <li>➔ <b>Shareholders:</b> <a href="#">See page 55</a></li> </ul>

CREATING SUSTAINABLE VALUE FOR OUR STAKEHOLDERS CONTINUED

**OUR APPROACH TO STAKEHOLDER ENGAGEMENT**

Our aim is to maintain an open and transparent approach to stakeholder engagement based on building constructive relationships with our key stakeholders and ensure there is a two-way dialogue.

Across the firm, there are many examples of stakeholder engagement influencing both day-to-day actions and strategic initiatives. The key strategic developments set out on [pages 50 to 57](#) illustrate some of our significant stakeholder considerations that informed the board's decision-making during the year and this approach is designed to be consistent with our section 172 statement. Details of the framework through which this is governed are set out in the table on the right.

**OUR STAKEHOLDER FRAMEWORK**






The firm has identified the following key stakeholder groups and by considering their perspectives, insights and opinions, the board seeks to ensure outcomes of operational, investment or business decisions that are more robust and sustainable.

In doing so our board has regard to the matters set out in section 172, see [page 49](#).

**OUR REGULATORS**

Rathbones group is regulated by all appropriate regulatory bodies in line with our business lines and activities. The group's continued compliance with its regulatory obligations and the interests and views of the PRA and FCA are primary considerations in decision-making across the group.

**OUR STAKEHOLDER FRAMEWORK**

OUR STAKEHOLDERS	INPUT FROM OUR ENGAGEMENT WITH STAKEHOLDERS	OUTPUT FROM ENGAGEMENT
 <p><b>CLIENTS</b></p>	<ul style="list-style-type: none"> <li>– Client engagement allows us to obtain feedback which enables our proposition to evolve and meet the needs of the client of the future</li> <li>– Understand clients evolving priorities and requirements</li> <li>– Client insight and feedback on service, technological needs and products.</li> </ul>	<ul style="list-style-type: none"> <li>– Deliver bespoke and relevant products for the future</li> <li>– Ensure ongoing high quality service</li> <li>– Develop client centric propositions</li> <li>– Support clients with intergenerational wealth management.</li> </ul>
 <p><b>OUR PEOPLE</b></p>	<ul style="list-style-type: none"> <li>– Engagement helps us attract, retain and develop our people</li> <li>– Input into the sustainable employee model</li> <li>– Understand the importance of DE&amp;I and implement changes across the firm's network.</li> </ul>	<ul style="list-style-type: none"> <li>– Provide an inclusive and talented workforce to service client needs</li> <li>– Ensure continuing strong engagement with colleagues</li> <li>– Offer a benefits package that supports our people</li> <li>– Deliver relevant learning and development programmes for all employees to ensure ongoing support.</li> </ul>
 <p><b>SHAREHOLDERS</b></p>	<ul style="list-style-type: none"> <li>– Engagement is designed to ensure confidence in the long-term success of the firm</li> <li>– Provide insight into the firm's strategic and investment direction.</li> </ul>	<ul style="list-style-type: none"> <li>– Ensure sustainable long-term shareholder returns through our business model</li> <li>– Maintenance of our progressive dividend policy</li> <li>– Provide ongoing updates on the IW&amp;I integration and other strategic objectives</li> <li>– Proposed new remuneration policy.</li> </ul>
 <p><b>SOCIETY AND COMMUNITIES</b></p>	<ul style="list-style-type: none"> <li>– We recognise our responsibility to wider society and communities we operate within</li> <li>– Obtain specific environmental and social perspectives.</li> </ul>	<ul style="list-style-type: none"> <li>– Implement and refine initiatives aligned with our responsible business agenda</li> <li>– Maintained our levels of community investment</li> <li>– Engaged community partners</li> <li>– Progress on our net zero programme.</li> </ul>
 <p><b>PARTNERS AND REGULATORS</b></p>	<ul style="list-style-type: none"> <li>– Engagement with regulators and our partners is fundamental to the running of the firm and servicing of clients</li> <li>– Provide feedback to ensure ongoing collaboration and anticipate any regulatory changes</li> <li>– Engagement with our suppliers and partners supports our ability to deliver our commitments.</li> </ul>	<ul style="list-style-type: none"> <li>– Respond to evolving regulatory requirements and standards in order to maintain the firm's high standards</li> <li>– Ongoing engagement with all our regulators</li> <li>– Work with our key suppliers to ensure ongoing business resilience.</li> </ul>

CREATING SUSTAINABLE VALUE FOR OUR STAKEHOLDERS CONTINUED

# KEY BOARD DECISIONS AND CONSIDERATION OF STAKEHOLDER INTERESTS

## RATHBONES' COMBINATION WITH INVESTEC WEALTH & INVESTMENT UK (IW&I)

### HOW THE BOARD REACHED ITS DECISION

During 2023, the board considered and agreed to an all-share combination of Rathbones Group Plc with IW&I.

The board was supported by the risk committee and the firm's second line of defence function on various elements of the transaction including, the potential market, legal, regulatory, capital and operational risks. These risks were mitigated through extensive due diligence and engagement with IW&I to ensure the interests of our stakeholders were protected throughout this transaction.

The transaction has brought two businesses with closely aligned cultures and long-standing heritage in the UK wealth management together. When the board was considering the Rathbones and IW&I combination, it considered all aspects of both businesses including the long-term implications on our strategic direction, day-to-day operations and key stakeholders. The board believe the combination with IW&I would provide the following benefits to our stakeholders.

### WHY THIS COMBINATION?

- Enhanced and enriched client proposition across investment management, financial planning, fund management and banking services
- Leverage the Rathbones investment in technology to deliver optimal client experience whilst improving operating efficiency
- Ensure continued stability and continuity of service with a competitive pricing model.

- Attract and retain the best industry talent through a leading employee proposition centred around client service
- Secured future as an independent wealth manager
- Career development opportunities across a larger business with focus on multi disciplines.



CREATING SUSTAINABLE VALUE FOR OUR STAKEHOLDERS CONTINUED



# CLIENTS

Clients are at the heart of our strategy and their interests are a key consideration in everything that we do.

## STRATEGIC PRIORITY

1

### HOW THE BOARD ENGAGED

The group executive committee and the board regularly receive updates on client proposition, investment performance outcomes and service levels.

### HOW THE FIRM ENGAGED

We engaged with our clients through a variety of different methods including:

- focus groups and targeted surveys
- participated in the NMG Consulting 2023 client experience benchmark survey
- regular meetings held between investment managers, financial planners and clients
- user experience testing of our digital solutions and propositions
- virtual and in-person conferences held for private clients, intermediaries and IFAs
- regular CEO letters and research notes issued to clients to update them on the firm, the IW&I transaction, integration process, and our investment proposition.

### KEY TOPICS RAISED

- Practical help on how to achieve their financial goals, and invest in line with 'responsible' or ESG values
- Help to navigate challenging times: inflation, cost of living crisis and market volatility
- Frameworks and guidance to help make the best financial decisions and ultimately achieve good outcomes.

### HOW THE FIRM RESPONDED

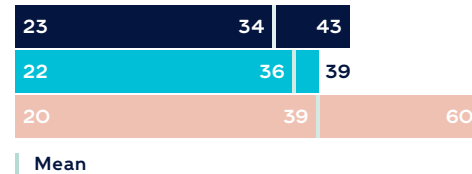
- Twelve financial awareness courses held virtually
- Development of new products and services to meet current and future client needs including ESG proposition with Rathbones Preference and the Rathbone Greenbank Global Sustainable Bond fund
- Continued development of MyRathbones with over 58% take up by clients
- Continued to develop our ability to deliver our proposition and client reporting digitally
- Additional financial planning capability to support client needs in conjunction with investment management services.

### OUR SURVEY RESULTS

Amid significant political and economic challenges in the UK leading to a market downturn, our client satisfaction and likelihood to recommend scores have increased from 2022. Rathbones scores higher than average on brand reputation, fit of products/services, and relative value for money. Client feedback reveals relationships with individual investment managers are highly valued and contribute heavily towards satisfaction. There are some variances across client segments, with strength in the relationship highest among older, tenured clients with a segment of younger, newer clients at greater risk of withdrawing funds (less familiar with market and performance volatility). Satisfaction with digital experience is high which bodes well as more clients are demanding more in the digital offerings. There is more work to be done in effective client communications and clarity of costs (fees and charges). Enhancement to these areas will allow for a greater client experience and addressing Consumer Duty requirements.

### NET PROMOTER SCORE<sup>1,2</sup>

Client likelihood to recommend Rathbones (-100% to 100%)



### OVERALL SATISFACTION<sup>1,2</sup>

Overall satisfaction with Rathbones (0 to 10)



### SATISFACTION WITH THEIR INVESTMENT MANAGER<sup>1,2</sup>

Overall satisfaction with their primary investment manager (0 to 10)



1. The mean is the average score of the eight firms who participated in the 2023 NMG private client survey. It is also the average from historic AON benchmark client surveys  
 2. Data excludes IW&I

➔ Stakeholder interests and engagement: [See page 49](#)

➔ Enriching our proposition: [See page 23](#)

### Our strategic priorities

- 1 Enriching the client and adviser proposition and experience
- 2 Supporting and delivering growth
- 3 Inspiring our people
- 4 Operating more efficiently

## Engaging with clients to support product development

Engagement with our clients is through a variety of studies and surveys. The information gathered supports our planning and communication. Information has been gathered via:

- Financial Wellbeing Study 2023: to understand the primary financial wellbeing concerns facing high net worth individuals
- Compeer Wealth Services for females, digital demands and sustainable investing: insight into the wants and needs of clients from a digital and ESG perspective
- NMG CSAT 2023: our deep dive survey into Rathbones' client satisfaction
- Savanta Brand Vue: painting a picture of how the Rathbones' brand is interpreted by potential clients
- Compeer Wealth Services for Accountants, Lawyers and HNWI: investigating the wants and needs of lawyers and accountants
- NMG IFA Distribution Study: understanding the wants and needs of IFAs and how do we serve them better
- Oxford Risk Financial Personality Insights: a look into how the financial personality of Rathbones' clients compares to the Oxford Risk benchmark.

➔ We act collaboratively: [See page 6](#)

## CREATING SUSTAINABLE VALUE FOR OUR STAKEHOLDERS CONTINUED



## OUR PEOPLE

Understanding the needs of the group's people is essential in developing a workplace and culture in which they can reach their full potential and, in turn, ensure the long-term success of the group.

## STRATEGIC PRIORITY



## HOW THE BOARD ENGAGED

The board receives feedback from employees through several channels. Regular reports are tabled by our chief people officer (CPO) covering matters ranging from employee sentiment to DE&I, with reports based on extensive KPIs. Feedback is also received through our non-executive director workforce engagement programme led by Iain Cummings and Dharmash Mistry. Read more about the key themes from this initiative on the next page. The views of colleagues are also obtained via regular colleague surveys. Detailed results are shared with the group executive committee, with key themes and issues escalated to the board for consideration.

## HOW THE FIRM ENGAGED

We engaged with our people through the following activities:

- day-to-day interaction through our management structures coordinated and supported by a dedicated function under our CPO
- regular colleague opinion surveys to measure engagement, wellbeing and opinions, this was rolled out to IW&I in Q4
- ongoing and regular virtual management briefings, over 2,000 colleagues attended joint business function town halls in Q4
- webcast, internal magazine and management blogs

- virtual presentations by the executive team to discuss performance and the firm's progress on the strategic plan
- peer recognition scheme to identify colleagues who demonstrated outstanding behaviours and conduct aligned to our values
- workforce engagement sessions held with the non-executive directors.

## KEY TOPICS RAISED

- What will the impact and opportunities should our people expect following the IW&I combination?
- How does the firm's people strategy help our colleagues develop their careers?
- What does the future working style at Rathbones look like and how will our culture evolve following the IW&I transaction?
- The continued importance of diversity equality and inclusion (DE&I).

## HOW THE FIRM RESPONDED

- Frequent engagement on the combination process and integration plans to support clear communication and regular engagement opportunities to raise questions
- Introduced joint MS Teams capability as a key collaboration tool between the businesses
- Announced new senior leadership appointments and team structures that will bring our teams together
- Continued work to develop our recruitment processes as part of our commitment to attract, cultivate and retain diverse talent
- Involved all leaders and teams in the cascade of our strategy
- Focusing on developing our people and enabling our culture
- Roll out of our DE&I strategy across the firm.

EMPLOYEE RESPONSE RATE<sup>2</sup>

# 76%

2022: 82%

OVERALL ENGAGEMENT<sup>2</sup>

# 8.0/10

2023 Benchmark<sup>1</sup>: 7.9  
2022: 8.0 (benchmark 7.8)

EMPLOYEE NET PROMOTER SCORE<sup>2</sup>

Employee likelihood to recommend Rathbones

# 37

2023 Benchmark<sup>1</sup>: 26  
2022: 39 (benchmark 22)

I FEEL WELL COMMUNICATED WITH<sup>2</sup>

# 7.7/10

2023 Benchmark<sup>1</sup>: 7.6  
2022: 7.8 (benchmark 7.6)

MY MANAGER CARES ABOUT ME AS A PERSON<sup>2</sup>

# 8.7/10

2023 Benchmark<sup>1</sup>: 8.6  
2022: 8.5 (benchmark 8.6)

1. Benchmarks are set by Peakon and relate to the broader financial service sector clients
2. Data excludes IW&I

➔ **Responsible business review:** [See page 58](#)

➔ **Culture:** [See page 20](#)

⊕ **Gender pay gap report**

## Our strategic priorities

- 1 Enriching the client and adviser proposition and experience
- 2 Supporting and delivering growth
- 3 Inspiring our people
- 4 Operating more efficiently

## Engagement as a driver for change



Our colleague engagement survey is a primary driver for understanding and improving how we experience work at Rathbones. Throughout the year, we encourage our colleagues to give their anonymous feedback on what it's like to work at Rathbones through our colleague engagement survey. Aggregated group results are shared across the firm with notes on areas of strength and focus for improvement. In response, leaders and managers commit to action planning at strategic and local levels to actively respond to colleague feedback. Our colleague engagement survey is a key tool for informing and delivering our people strategy; and by asking, listening, and taking action, we can make sure Rathbones continues to respond to colleagues and becomes an even greater place to work.

➔ **Our people:** [See page 61](#)



## CREATING SUSTAINABLE VALUE FOR OUR STAKEHOLDERS CONTINUED

## OUR APPROACH TO WORKFORCE ENGAGEMENT WITH THE BOARD

Iain Cummings and Dharmash Mistry are our two designated non-executive directors responsible for gathering employee feedback. A workforce engagement framework was developed using existing employee engagement activities already in place to provide a range of opportunities to engage directly with employees and receive feedback. The two-way dialogue between the board and employees is facilitated by a combination of engagement methods, which in normal circumstances would include face-to-face meetings, office visits and

“  
I felt the session was really well set up, if we had longer I am sure we would have kept going.”

attendance at employee events. These tools complement the established annual all-employee survey process and the board's review of findings. The adoption of a diverse range of listening channels has been based on the principle that everyone in the firm should have a voice and is consistent with employee feedback of the benefit of multiple platforms to raise areas for discussion. In turn, it supports the board in gathering a fair and representative view of the issues that are important to employees and builds an appreciation of how these may differ

“  
Iain and Dharmash were very good at ensuring everyone had a chance to speak.”

by role and geography. Engagements can be classed as formal and informal, with both required to identify ongoing themes. Typically, the formal approach is used to gather a structured and holistic view across a large population of individuals at a point in time. The board's informal methods provide a greater depth of feedback, truer understanding of underlying sentiment and support the development of constructive relationships with employees.

“  
This is another example of the ‘openness’ of our organisation which makes it good to work for”

## KEY THEMES IN 2023 CENTRED AROUND THE FOLLOWING AREAS:

**COMBINATION WITH IW&I**

- Positive reaction received from colleagues on the combination with IW&I due to the benefits it can bring to the group
- Anticipated improvements to service delivery to clients as well as increased opportunity for learning and development
- Awareness that the combination may bring uncertainty and possible instability in the short term to colleagues. The board need to monitor and mitigate this risk with ongoing communications during the integration.

**CULTURE**

- Our people continue to believe the group's culture and values remains a key strength which should be retained whilst recognising the need to embrace IW&I into the group
- Strong employee engagement score of 8 out of 10, indicates high levels of satisfaction in working at Rathbones with loyalty scores above industry average
- Whilst hybrid working has empowered colleagues, it should not be at the expense of the next generation of wealth managers.

**ON DIVERSITY, EQUALITY & INCLUSION (DE&I):**

- Recognition that the group had made good progress on DE&I as both our Women In Finance and board representation targets had been achieved
- DE&I networks had been created across the country which were contributing to the group's progress
- Additional resource had been introduced to help drive change and embrace the differences in our people
- The nomination committee monitors progress against key milestones of the strategy to ensure we maintain momentum in this critical area.

**OUR WORKFORCE PROGRAMME DURING 2023<sup>1</sup>****EMPLOYEE ENGAGEMENT SURVEYS (FACILITATED EXTERNALLY)****2****BOARD BRANCH VISITS****2****NET DROP-IN SESSIONS ACROSS VARIOUS OFFICES****6****CEO MEETINGS WITH FRONT OFFICE TEAMS****18****TOWN HALLS HELD****5**➔ **Key board decision:** [See page 51](#)➔ **Our people:** [See page 61](#)➔ **Responsible business update:** [See page 58](#)⊕ **Gender pay gap report**

1. Data excludes IW&amp;I

CREATING SUSTAINABLE VALUE FOR OUR STAKEHOLDERS CONTINUED



# SHAREHOLDERS

Understanding the views of our shareholders is essential to us delivering long-term sustainable financial returns.

## STRATEGIC PRIORITY



### HOW THE BOARD ENGAGED

Information on how we engage with our shareholders and how the board is made aware of shareholder sentiment and interests can be found below. The views and interests of the company's shareholders are key considerations when the board determines the level of dividend payments, and when setting the group's strategy and business priorities.

### HOW THE FIRM ENGAGED

We engaged with our shareholders through the following activities:

- executives, our board chair and committee chairs held meetings with and gathered feedback from our investors, both directly, via our corporate brokers and through various conferences
- we continued to expand sell-side analyst research coverage of the company
- we commissioned an independent analyst perception study, to gain insight into our shareholder/investor's opinions. The results were presented to the board
- our AGM provided the opportunity for all shareholders to ask questions of our board.

### KEY TOPICS RAISED

- How will the company deliver on the combination with IW&I?
- How will the new remuneration policy support delivery of the strategic objectives?
- How is the integration of Saunderson House progressing?
- How will the company improve organic growth?
- What is the progress update on client lifecycle management (CLM) in terms of budget and benefits?

### HOW THE FIRM RESPONDED

- Discussed the IW&I transaction and associated benefits with our top shareholders
- Presented the proposed new remuneration policy to shareholders ahead of the AGM vote and received support for the proposal
- Provided regular updates on the company's financial and strategic performance, through our quarterly market updates and half-yearly results presentations
- Updated the market on strategic progress as part of result statements throughout the year
- Responded to several environmental, social and governance (ESG)-related questionnaires during the year and issued our Task Force on Climate-related Financial Disclosures (TCFD) report and responsible business report
- Restated our commitment to our progressive dividend policy which was maintained throughout the year
- Maintained meaningful dialogue with the sell-side analyst community.

### NUMBER OF INVESTOR MEETINGS HELD IN 2023<sup>1</sup>



### NUMBER OF NEW INVESTORS IN 2023<sup>2</sup>



1. Calculation methodology was changed for number of meetings in 2023, with one group meeting counted as one rather than reflecting the number of investors who attended
2. Number of new investors includes both retail shareholders and institutional investors

### Our strategic priorities

- 1 Enriching the client and adviser proposition and experience
- 2 Supporting and delivering growth
- 3 Inspiring our people
- 4 Operating more efficiently

## Engagement on the Investec Wealth & Investment (IW&I) combination



In April 2023 we announced the combination with IW&I that not only presents a compelling strategic and financial rationale, but also secures our future as the UK's leading discretionary wealth manager. We met with all of our top shareholders to discuss the transaction and throughout the year we have continued to update investors and the wider market on our progress. We were grateful for the overwhelming support for the combination, which was a positive affirmation of this transformational transaction.

In addition to engaging with our shareholders we discussed the transaction with our broader stakeholder base. More information can be found in our IW&I case study.

➔ **Stakeholder interests and engagement:** [See page 49](#)

➔ **Group chief executive officer's review:** [See page 11](#)

➔ **Enriching our proposition:** [See page 23](#)

➔ **Key board decision:** [See page 51](#)

CREATING SUSTAINABLE VALUE FOR OUR STAKEHOLDERS CONTINUED



## SOCIETY AND COMMUNITIES

We are conscious of the impact of the group's operations on the community and environment and understand the importance of being a good corporate citizen.

### STRATEGIC PRIORITY



#### HOW THE BOARD ENGAGED

The group's responsible business programme, which is sponsored by the chief executive, has continued to deliver on commitments that were made in 2021 relating to responsible investment, our people, society and communities and the environment. You can read more about our responsible business programme on pages 58 to 65, our Task Force on Climate-related Financial Disclosure (TCFD) report and responsible business progress update. Details of how consideration of our wider community has shaped some of our recent initiatives can be found on page 63.

#### HOW THE FIRM ENGAGED

We engaged with society and the communities in which we operate through the following activities:

- we encouraged high standards of governance as an investment manager and frequently engaged with companies on environmental, societal, and corporate governance concerns
- used our community investment network to support discussion around regional charity projects and employee matching
- worked with industry bodies to understand and respond to the growing stakeholder expectation around management of climate risk and emissions exposure.

#### KEY TOPICS RAISED

- How has the firm responded to donation appeals across the world?
- How do we consider our climate strategy and the environmental impact of our operations?
- How do we best support the communities in which we operate?

#### HOW THE FIRM RESPONDED

- We successfully coordinated donation appeals to support the disasters emergency committee's response to the crisis in Syria and Turkey
- We supported the communities in which we operate through the Rathbones Group Foundation, corporate donations and employee volunteering. In 2023, we gave more than £589,000 (2022: £795,000)
- Restructured our community investment structure in response to integration
- Expanded our stewardship team to support our engagement activities
- Reviewed our approach to reporting on climate risk. See our TCFD report for more information
- Published our [fossil fuel statement](#) and thermal coal position policy.

➔ **Responsible business review:**  
[See page 58](#)

⊕ **Responsible investment report**

⊕ **Responsible business update**

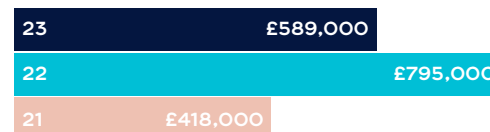
#### CARBON DISCLOSURE PROJECT (CDP) SCORE<sup>1</sup>



#### DIRECT ENGAGEMENT WITH INVESTEE COMPANIES<sup>1</sup>



#### TOTAL AMOUNT DONATED<sup>1</sup>



1. Data excludes IW&I

#### Our strategic priorities

- 1 Enriching the client and adviser proposition and experience
- 2 Supporting and delivering growth
- 3 Inspiring our people
- 4 Operating more efficiently

### Reviewing our responsible business strategy



Having set our responsible business (RB) strategy three years ago, in 2023 we initiated a review. Following a review of incoming regulation and reporting frameworks from Sustainability Disclosure Requirement to the International Sustainability Standards Board expectations an issue matrix was drawn up, which we then tested with our stakeholders. Through workshops with our colleagues, questions in a client survey, reviewing regulatory thematic updates and conversations with external SMEs we drew out those topics that appeared most material to Rathbones. Whilst this work was due to be completed in 2023, following the IW&I announcement, the decision was made to extend our engagement to ensure outcomes were suitable for the enlarged group. Work will therefore continue through 2024, and an updated RB strategy will be published in our 2024 annual and responsible business reports.

➔ **Responsible business:** [See page 58](#)



## CREATING SUSTAINABLE VALUE FOR OUR STAKEHOLDERS CONTINUED



## PARTNERS AND REGULATORS

Engagement with our regulators and partners is fundamental to the running of the firm and servicing our clients.

## STRATEGIC PRIORITY

4

## HOW THE BOARD ENGAGED

The board is regularly briefed on regulatory developments and expectations, and the board's risk, audit and remuneration committees receive detailed insights into specific areas such as the Internal Capital Adequacy Assessment Process (ICAAP) and Internal Capital and Risk Assessment (ICARA), Client Assets Sourcebook (CASS), Regulatory Activity (COBS, SYSC, DISP, SMCR) as well as managing FCA regulation including Consumer Duty and the Sustainable Disclosure Requirements. The board also receives updates in relation to specific matters, such as areas of interest to the FCA/ PRA including operational resilience, conduct risk and the management of culture. The group maintains regular contact with the PRA and FCA to ensure awareness of its concerns, expectations and agenda, and this informs the prioritisation of activities within the group's annual operating plan. The board discussed the November Dear CEO letter laying out its expectations for wealth and stockbroking firms.

## HOW THE FIRM ENGAGED

We engaged with our partners and regulators through the following activities:

- we held regular meetings with our regulators during the year and continue to have a proactive and transparent relationship with them. The number of meetings increased in 2023 given the IW&I transaction
- we engaged with our suppliers to understand both their exposure to environmental, social and governance (ESG) risk (including modern slavery risk) and their management of these matters. Our [modern slavery statement](#) is updated annually and reviewed by our board
- we maintained ongoing relations with our key suppliers and partners during the year with the board receiving regular updates on engagement with our existing partners.

## KEY TOPICS RAISED

- How the planned combination of Rathbones with IW&I would create value for stakeholders
- Rathbones response to Consumer Duty regulation
- How do Rathbones ensure open and clear dialogue with regulators with timely response to requests?
- Do we provide fair and transparent terms with our suppliers?

## HOW THE FIRM RESPONDED

- All responses to regulators have been made within the agreed deadline
- Trained our board on key topics. See [page 97](#) in our governance section for more on board training
- Worked in close collaboration with the firm's regulators, including through the transaction period relating to IW&I

% OF SUPPLIERS PAID WITHIN 30 DAYS<sup>1</sup>

23	95%
22	96%
21	94%

% OF PAYMENTS MADE TO SUPPLIERS IN AGREED TIMEFRAME<sup>1</sup>

23	94%
22	92%
21	70%

1. Data excludes IW&I

- Maintained a constructive relationship with HMRC
- Reviewed our preferred, strategic and critical suppliers for their ESG policies and processes. See more on [page 63](#)
- Interacted with the industry bodies and associations we are affiliated with to ensure we were engaged with issues impacting our industry
- Engaged with our existing lending partner
- Adhered to payment terms with suppliers.

➔ **Stakeholder interests and engagement:** See [page 49](#)

➔ **Risk management and control:** See [page 77](#)

## Our strategic priorities

- 1 Enriching the client and adviser proposition and experience
- 2 Supporting and delivering growth
- 3 Inspiring our people
- 4 Operating more efficiently

## Engaging with our suppliers



Rathbones' supplier management team has enhanced the process for on-boarding a new supplier, renewing and existing supplier and adding additional services to an existing supplier in Q2 2023.

The process now includes an assessment of the supplier's responsible business and ethical practices via the Rathbones' ESG questionnaire completed by the supplier and reviewed to ensure it is in line with Rathbones' standards.

In 2023, work was undertaken to identify supplier partners that work with both Rathbones and IW&I. In 2024, work will begin on the integration of our supply chains.

➔ **Responsible business:** See [page 63](#)