RATHBONES

RATHBONES ASSET MANAGEMENT

ENGAGEMENT SNAPSHOT

In 2024, we voted:

FOR

5,050

proposals

ABSTAIN

69

proposals

AGAINST/WITHELD

277

proposals

We have voted in line with management 93% of the time.

Source: Rathbones, January 2025

Why engagement is important to us

As an active fund manager, we believe it's important to engage with companies so that we can advocate for better practices, mitigate material risks and, hopefully, deliver better returns for our investors. This is core to how we manage money for our clients.

We recognise that we have a responsibility and a fiduciary duty to our clients to help address and minimise the environmental, social and governance (ESG) risks which may affect the financial returns of our clients' assets.

At Rathbones Asset Management, we have a range of funds with sustainability characteristics. Their objectives are to support sustainable development by investing in companies whose activities or ways of operating help deliver benefits to people or the environment. Clients of those funds will want to maximise financial returns as well as bringing about positive change with how their money is invested. Engagement has a key role in achieving this goal.

How we engage

Each year, we identify our engagement priorities. We decide our priorities based on the following factors:

- Our exposure – we are more likely to engage on a topic where the company is widely and materially held across our business
- Severity – we are more likely to engage on issues that present immediate or severe threats

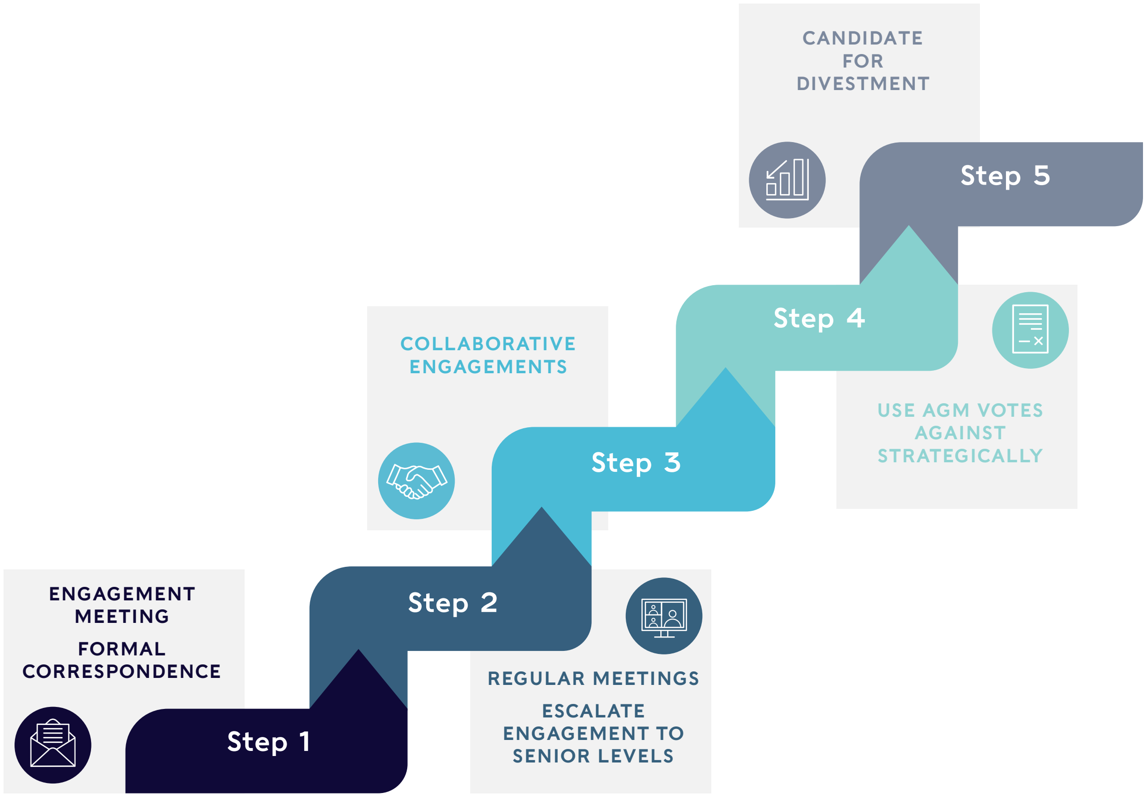
We conduct this analysis using extensive quantitative data received from third parties, which we then review using our judgement and experience.

Our engagement priorities also come from ESG issues that are expected to arise in our companies' upcoming annual general meetings (AGM). Our engagement team seek to communicate with companies throughout the year, with a company's AGM being a key moment to raise any ongoing concerns with the company board. We have voting guidelines which set out factors to consider on the issues, but we acknowledge that each fund manager should use their discretion to vote in line with their mandate's objectives. For example, two fund managers may vote differently over a dividend payment if one fund has an income objective and one doesn't.

Ad-hoc engagements are ongoing and are discussed within fund management teams when they arise from third-party data or news outlets. If the issue poses a material ESG risk, we engage with the company to understand further. Information directly from the company usually creates a clearer picture.

ESCALATION PROCESS

We have an escalation plan for when we have material concerns about a company and our previous engagements haven't been successful. The escalation plan allows us to move through more formal – and potentially public – ways of engaging with the company. This is based on what is most likely to be effective on a case-by-case basis.



Source: Rathbones, August 2024

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