RATHBONES

STEWARDSHIP CODE COMPLIANCE STATEMENT

APRIL 2024 – MARCH 2025

FOREWORD

Rathbones has been trusted for generations to manage and preserve its clients' wealth. The way in which we think, act, plan and invest well for everyone's tomorrow continues to drive us forward. Our clients grant us the privilege of acting for them to invest well, so how we act as stewards is a critical part of what differentiates Rathbones as a firm, supporting our approach to both investment and client service.

But stewardship is not always widely understood among our stakeholders. For us, the definition provided by the PRI, the GSIA and the CFA Institute has been helpful in bringing some clarity to this term.

"STEWARDSHIP: THE USE OF INVESTOR RIGHTS AND INFLUENCE TO PROTECT AND ENHANCE OVERALL LONG-TERM VALUE FOR CLIENTS AND BENEFICIARIES, INCLUDING THE COMMON ECONOMIC, SOCIAL, AND ENVIRONMENTAL ASSETS ON WHICH THEIR INTERESTS DEPEND."

This correlates neatly with the FRC's own definition found in the UK Stewardship Code 2020:

"STEWARDSHIP IS THE RESPONSIBLE ALLOCATION, MANAGEMENT AND OVERSIGHT OF CAPITAL TO CREATE LONG-TERM VALUE FOR CLIENTS AND BENEFICIARIES LEADING TO SUSTAINABLE BENEFITS FOR THE ECONOMY, THE ENVIRONMENT AND SOCIETY."

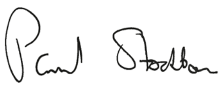
Both Rathbones Group and Investec Wealth and Investment (UK) (IW&I, for short) were already signatories to the Code when they combined in 2023, bringing together a business with a strong commitment to the Code's principles. This report will seek to explain how we continue to apply the principles of the Code in our enlarged business, with a keen eye on the long-term benefits to society and our clients that active ownership and the responsible allocation and oversight of capital can bring. In the report we also explain how we use our rights and influence as an investor across asset classes, and how we choose how and when to engage on broader environmental, social and governance (ESG) issues.

Compliance with the Code has fast become an industry standard[1], and transparency in this area is a key feature of our responsible investment policy: https://www.rathbones.com/sites/rathbones.com/files/literature/pdfs/2023-07/responsible_investment_policy_june23.pdf.

[1] "The Code is an important driver of the UK's investment ecosystem, replicated worldwide, with 289 signatories representing £50.3tn assets under management." FRC

We look forward to the outcome of the FRC's current consultation on the future scope and role of the Code, and hope that its connection to the creation of long-term benefits to the economy, environment and society remains strong.

This report covers the first full year since we received regulatory approval to combine with IW&I. Since then, we have made good progress in becoming an integrated business working from a largely common foundational policy approach to stewardship. For ease of use, we present here our combined approach, unless of course there is a specific example of divergence relevant to the principles in question. During the reporting period, for example, some legacy processes have been run in parallel, notably the voting approach for the 2024 voting season, where voting data has been produced separately for each part of the combined business. Processes and reporting will not be fully combined until the transfer of client assets is complete later in the first half of 2025.



PAUL STOCKTON
Chief Executive Officer, Rathbones Group

This brochure references investment products and services. The value of investments and the income from them may go down as well as up and you may not get back what you originally invested.

PRINCIPLE 1

Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

As we bring Rathbones and IW&I together into one fully combined business, we're working to align our corporate values. A review of our purpose, culture and values was undertaken in 2024. At the time of writing this work was at an advanced stage, but not yet complete - the outcomes are due to be shared later in 2025. The following Rathbones Group values remain in operation.

What we do

Our purpose is to think, act and invest for everyone's tomorrow. This not only shapes what we do but also how we do it. It is woven throughout our business strategy and values, recognising that this approach is core to our day-to-day decision-making.

Our investment beliefs

We recognise that the environment, society and financial stability are connected. We have a fiduciary responsibility to our clients: investing for their long-term goals. With this focus we aim to deliver good financial outcomes and create value for our clients, while also making a positive contribution to society as stewards of our clients' wealth.

We believe it is in the best interests of our clients that the companies and securities we invest in adopt good practice in managing ESG risks. This provides a framework for managing our operations in the long-term interests of our shareholders.

As a firm we have built a responsible business framework, which provides the blueprint for driving sustainable value for our broader stakeholders. The Responsible Business Committee, co-chaired by the Group Chief Executive Officer and the Managing Director of Rathbones Investment Management (RIM), provides high-level direction and oversight for our group policy relating to responsible investment and direct operational risks.

Our responsible investment policy was created to guide the development and enhancement of our investment process and stewardship approach. It explains our four responsible investment principles, which we consider fundamental to enabling effective stewardship:

1. ESG INTEGRATION

We consider ESG factors in the evaluation of investments to help identify opportunities and risks

2. ENGAGEMENT WITH CONSEQUENCES

We prioritise engagement where we can help make a difference in addressing systemic ESG challenges. We are prepared to escalate our engagement activity or reduce our holdings in companies that continue to present an ongoing ESG risk

3. VOTING WITH PURPOSE

We actively vote in a manner that allows us to focus our resources where we believe we can make the most difference. This may involve voting against management to help drive positive change

4. TRANSPARENCY

We are committed to being transparent about our approach to responsible investment. We will actively report on the progress of our responsible investment activities to our clients, shareholders and other stakeholders.

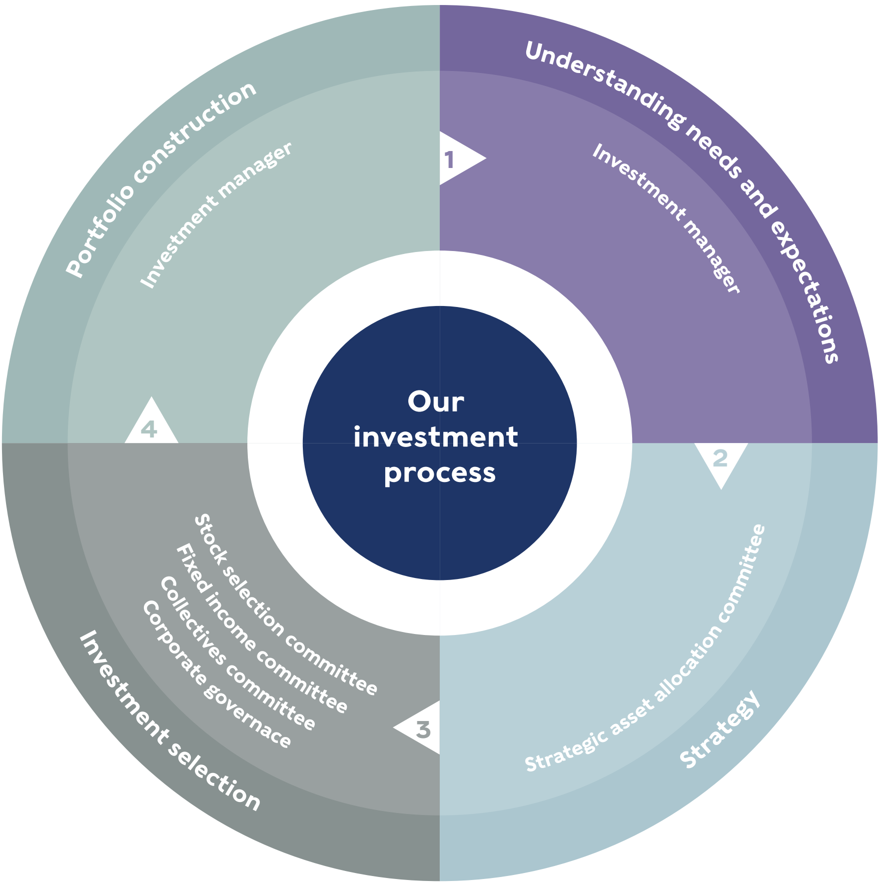
We have continued to invest in our responsible investment proposition across all business areas and have expanded our stewardship approach to further incorporate ESG integration, deepening our analysis of direct equities, direct fixed income and fund holdings. The overarching responsible investment principles are consistent and resources complementary across business areas - for example, leveraging information and data and collaborating in our engagement activity. However, the application of the integration approach is tailored to fit the relevant investment service or mandate so that the investment manager or fund manager is accountable for interpreting ESG and stewardship information to inform investment decisions in the context of the mandate or client objective.

In the period April 2024-March 2025, we can point to several key developments as evidence of this ongoing commitment:

- Developed a new and dedicated responsible investment (RI) governance structure for our Rathbones Asset Management (RAM) funds business, fleshing out in detail our approach to engagement and voting and ESG integration.
- Renewed and refreshed membership of all Responsible Investment Committees following the integration of Rathbones and IW&I, running a competitive process for new members who could bring new perspectives and experience. This included expanding the remit of the Voting Committee to cover Corporate Governance more broadly, drawing together existing work streams into a new, streamlined governance arrangement.
- The development of a specialist group of experts dealing with governance issues at UK investment companies
- Further calibration and enhancements to our processes and data to track engagements and monitor the ESG characteristics of our investment holdings
- An evolution of our methodology for incorporating climate scenarios into our capital markets assumptions.

Within our Wealth Management business (which, when combined with the private client assets of IW&I accounts for the majority of our funds under management and administration, or FUMA), our investment managers seek to understand each client's situation and objectives, proposing an investment strategy tailored to clients' needs. When constructing client portfolios our investment managers draw on recommendations and guidance from our investment committees. At these committees we seek to pool the insights and expertise of a hybrid team. This incorporates financial analysts and investment managers as well as stewardship and engagement specialists and ESG integration and data analysts.

The graphic below summarises the RIM investment process.



Greenbank

A team within Rathbones Investment Management has created bespoke ethical, sustainable and impact portfolios for clients since 1997. Since 2004 it has traded under the Greenbank name. Fundamental to Greenbank's approach is the belief that those companies providing positive solutions for a changing world, while also demonstrating strong social and environmental management and good corporate governance, are likely to be sound long-term investments.

Where clients have particular ESG preferences or enhanced ESG requirements, Greenbank is able to service those needs. Its team comprises ethical, sustainable and impact investment specialists, whose expertise caters to clients who aim to go the extra mile in the consideration of ESG and sustainability factors. Greenbank implements broader sustainability considerations across its investment universe, providing a wider range of impact and sustainable investment solutions across asset classes.

Rathbones Asset Management

RAM encourages its managers to think as individuals. RAM uses specialist third-party analysis to ensure it has access to a wide breadth of ESG risk information. RAM's investment risk team reviews holdings on a weekly basis to look at the overall ESG rating, as well as any exposure to high risk or laggard companies or any controversies from an ESG perspective. The fund manager portfolios are scrutinised by the RAM Chief Executive Officer bi-annually, when the rationale for investments with adverse ESG factors is reviewed. ESG risk data is reviewed monthly by RAM's Performance and Risk Committee, with escalation where necessary to the Product Governance Committee, to ensure investments remain suitable for the funds' target markets and in line with the funds' mandates as described in their prospectuses.

Our fund managers regularly meet with company executives of holdings to discuss ESG issues and opportunities. In addition, RAM has dedicated engagement resource to speak with companies we hold on engagement priorities as well as ad hoc ESG issues that arise.

As a default, RAM votes in line with the sustainability voting policy of Institutional Shareholder Services (ISS). When ISS and RAM management have differing views, the fund manager will consider the analysis alongside the engagement resource and vote according to their respective mandate and in the best interest of the unitholders of the fund.

How we have served the best interests of clients

Effective and appropriate stewardship means recognising clients' interests and taking an active approach to the ownership of investments. Implementing effective stewardship is integral to our investment process, to protect and enhance value for our clients. We offer opportunities for clients to learn about ESG and responsible investment topics through regular publications and online content. We actively monitor the actions, policies and decisions of the Boards of companies we invest in and vote at many of their annual and extraordinary general meetings.

As stewards of our clients' wealth, we actively engage with the management teams and Boards of the companies and securities we invest in. This gives us the opportunity directly to raise issues that are important to our clients or might impact portfolio performance. We also recognise that ESG factors can have a material impact on a company's performance, as is also the case with financial factors. We engage to drive operational improvements and press companies to address ESG risks. Just as we stand by our beliefs and vote against management when we think it is appropriate, as an extension of our active investment approach we may reduce holdings in companies that present unmanaged, material ESG risk over time.

We know that industry collaboration can lead to more impact, so we strive to share our knowledge and help build a universal understanding of ESG issues and sustainable investing (see Principle 10). We partner with other bodies in the responsible investment community, with the aim of collectively driving positive change on diverse social and environmental issues.

We have made good progress in integrating ESG considerations into investment decisions. However, we observe that data coverage from external sources may have gaps. For this reason, our analysis is being extended to the use of other tools to enable a robust assessment even where data on securities is limited or unavailable from external sources. We continue to deepen our ESG integration approach across the asset classes we hold (see Principle 7).

We are seeking ways to understand better our clients' expectations in this area. Each year we ask bespoke responsible investment questions for the sample group of our client base covered by the UK CX Benchmark. The 2024 version of this survey indicated that our clients place a high priority on an effective engagement with portfolio companies. This is why we dedicated significant resource to stewardship activities.[2]

[2] Clients were asked 'In the context of Responsible Investment, which of the following areas would you like to see Rathbones focus on? Portfolio company engagement, Employee well-being, human rights, carbon reduction, societal impact & DE&I.' Respondents were asked to rank each responsible investing focus in order of importance from 1st to 6th (with 1st being most important to them and 6th being least important). Portfolio Company Engagement had the lowest average score (2.6) putting it in first place).

PRINCIPLE 2

Signatories' governance, resources and incentives support stewardship.

The governance structure of our Group Responsible Investment Committee has evolved, with enhancements approved and implemented in 2024. These changes are designed to ensure effective execution of our responsible investment vision and its evolution. The Responsible Investment Committee has accountability for formulating policy, establishing standards of best practice and monitoring implementation and oversight of ESG integration, engagement and voting. This committee is attended by Elizabeth Savage, co-CIO for Rathbones Investment Management (RIM), the CEO of RAM, the Head of Charities (RIM), the Head of Greenbank and the Stewardship Director, as well as other representatives from across the business. Since January 2023 it has been chaired by the RIM Co-CIO.

An assessment of progress against the principles of the Responsible Investment Policy is a key accountability for the committee. The Responsible Investment Committee provides direction to and oversees the output of the Voting and Engagement Committees. The Corporate Governance and Voting Committee is focused on proxy voting at investee companies in RIM and RAM and responsible for the development and maintenance of our bespoke Group Voting Policy. The Engagement Committee manages the multi-year engagement plan, tracks progress against objectives, proposes new engagement priorities and coordinates direct and collaborative engagement activity. The ESG Integration Committee updates the Group Responsible Investment Committee on the coverage and management of ESG factors across our investment universe and the results of periodic screening against specified standards.

Resources

We have a deep resource supporting the delivery of our responsible investment practices. It is the responsibility of all of our investment practitioners to take into account responsible investment considerations in their investment decision making. They are supported by a deep resource of specialists who support the delivery of specific parts of our business and processes. The headcount of these specialist resources is outlined below.

Responsible Business	2
Stewardship and engagement	7
Ethical, Sustainable & Impact Research	8
ESG Integration, Policy and Data	7

Incentives to integrate stewardship into investment decision-making

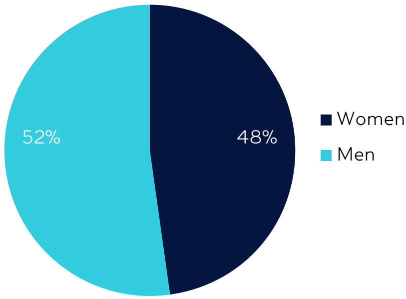
Rathbones creates an open and transparent working environment. We want our colleagues to feel empowered to make decisions that are in the best interests of our company, our clients and other stakeholders, and the world around us. All colleagues are required to act responsibly. Driving forward our responsible investment strategy is incorporated into the objectives of several executive and senior-level roles[3]. Senior-level accountability for overseeing and implementing responsible investment has been assigned and incorporated into job descriptions and key objectives, against which performance is assessed. Where ESG risks form a key part of an employee's role, these considerations are incorporated into their appraisal discussions, performance assessments and remuneration.

Inclusion

We champion a transparent and evidence-led investment culture, where the testing of ideas and sharing of diverse perspectives is encouraged in an open, inclusive and collaborative environment. The investment committees and the research and stewardship teams are made up of individuals across a range of backgrounds, experience, academic disciplines and career history. Group gender breakdown data is provided below.

Summary of Rathbones Group gender breakdown December 2024 (based on 100% data in the system) (excluding IW&I data)

Rathbones Group Gender Balance
(as at December 2024)



Rathbones collects demographic data in SuccessFactors, our human capital management system. On an annual basis, we will request that all employees check and update their data where they have voluntarily provided this to us. We collect data on:

- service in the armed forces
- caring responsibilities
- disability
- ethnicity
- gender identity
- religion or faith
- sexual orientation
- socio-economic background.

During 2025 we will be migrating all of the IW&I colleagues' data onto SuccessFactors, which will provide the opportunity to better understand our combined data across all the demographics that we collect. IW&I has historically not collected all of the same demographics as Rathbones. The completion rate of data varies according to the demographic question. For the Rathbones population we have 61% of ethnicity data and close to this for caring responsibilities, disability, sexual orientation and religion. However, we have less for the other demographic questions, which have been added more recently. Rathbones maintains the complete confidentiality of this data and no one will be identified by their demographics. All data will be aggregated and anonymised when reported, with groups of less than 10 not being reported on. Rathbones intends to be more transparent about what its demographic profile is – in short, who we are. We recognise the importance of this data to our clients, stakeholders, regulators and prospective talent whom we wish to attract. This data will also inform our Inclusion Strategy going forward, as well as other areas that impact the employee experience: the wellbeing benefits that we provide, the learning and development programmes we create and our ability to respond to employee needs.

Our workforce is approximately 50% female and 50% male. However, we have a higher proportion of men than women in senior roles and more women than men in mid-level and junior roles. We are making progress in reducing our gender pay gap. The downward trend of this gap in recent years, with mean hourly gaps of 40.1% in 2020, 37.1% in 2021, 36.4% in 2022, 32.3% in 2023 and 31.2% in 2024, reflects the impact of our ongoing efforts to create a more balanced Rathbones.

We continue to take action to grow the talent of the future. For example, we are members of 'Future Assets', a Scottish organisation working to encourage girls in high school to consider the world of investments as a career choice. And we have been working with the charity 'GAIN - Girls Are Investors', similarly helping young women and young non-binary people in England to begin their investment management careers.

We are signatories to the Women in Finance Charter, a commitment to HM Treasury by signatory firms to work together to build a more balanced and fair industry, with gender balance at all levels. As part of this, we committed to women holding 35% of senior management roles by September 2027. As of September 2024, we had 30.4% female representation in senior management.

Following the combination of Rathbones and IW&I in late 2023, we have worked on aligning our diversity and inclusion programmes. We combined and elevated our Inclusion Networks sponsorship by aligning members of our Group Executive Committee to each of the networks. We are also developing our ability to be much more data-led in our approach, being clear about accountability, targeted in tracking progress and better at understanding the impact inclusion has on our organisation.

Support for stewardship processes

We utilise data and professional services to support our stewardship approach. We employ a third-party proxy voting consultant, ISS, to help us build and execute our bespoke voting policy. The service includes features supplementary to the standard service levels. This includes the implementation of our bespoke voting framework for RIM and subscription to ISS's sustainability-focused voting policy recommendations as a sidelight to our own bespoke policy. It also includes our vote disclosure website. We also pay for the services of an engagement activity tracking platform, which has enhanced the efficiency of our engagement tracking process in both RIM and RAM.

We source ESG data from a number of vendors, including MSCI, Sustainalytics and SASB. This data is incorporated into a number of our internal databases and systems. We have enhanced our research templates to incorporate a dedicated section on ESG and responsible investment information. In addition, we have acquired further data and tools to assess the climate impact and risk embedded in our portfolios. Further information can be found under Principle 7.

Outcomes

Our Group Responsible Investment Committee has had another productive year. We provide below some highlights of the reporting period to show how these structures enhance and improve our stewardship activities:

- Drafted our first set of sectoral ESG standards, to help produce a more consistent approach to the assessment and management of ESG risks in specific sectors. The first sector covered was oil & gas.
- Conducted a thorough review and rewrite of our group bespoke voting policy following our combination with IW&I.
- Developed a tool to show TCFD data on a portfolio level for clients.
- Further developed our approach to managing exposure to thermal coal assets in our portfolios, developing a new set of guidance for our approach to the providers of finance to industries covered by our plan to phase out thermal coal in accordance with our SBTi commitments.

We submitted responses to various policy consultations in the reporting period, either directly or through our industry association, PIMFA.

PRINCIPLE 3

Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.

All employees are covered by our general Group Conflicts of Interest Policy, which also came to apply to the IW&I part of the business during the reporting period.

We reproduce our specific policy for managing conflicts of interest in the voting and engagement process below:

Conflicts of interest policy (stewardship) – Rathbones Group Plc

We have a clear responsibility under UK regulation to maintain a robust internal conflicts of interest policy.

With regard to the oversight of voting of shares in priority companies and the undertaking of engagements with those companies on ESG issues, we have identified the following potential conflicts of interest:

a. For proxy voting, it is our preference to amalgamate all votes on a particular issue into a unified stance. Corporate Governance and Voting Committee members have an opportunity to shape our voting stance. This could lead to a potential conflict, should the interests of shareholders diverge from those of connected persons

b. Different clients may have different needs and requests on voting issues. For example, a vote may be offered on the issuance of new shares and clients may wish to vote differently from our central recommendation. Clients may have different risk appetites or income requirements, so votes on approval of the dividend could give rise to conflicts between clients

c. We may be required to direct our votes at RIM on governance issues at RAM. This could present a conflict between commercial and client outcomes.

d. Rathbones' employees may serve as Non-Executive Directors on Boards of companies or investment companies. A conflict may arise when a committee member is either directly employed by a listed company or could be pressured by colleagues internally to determine pay and conditions for Board members.

e. A conflict could arise where a client serves as a director, CEO, Chair or other senior employee of a company and may place undue pressure on the stewardship team to follow a particular course of voting action that may be in conflict with the best interests of clients.

Internal controls to mitigate conflicts of interest in the stewardship process:

a. Declaration: Voting and Engagement Committee members are required to complete a declaration form each year in order to disclose and manage their conflicts of interest. When a stock is discussed in the committee to which the members have disclosed a connection, members are required to recuse themselves.

b. Public voting policy and voting record: High levels of transparency help reduce the likelihood of conflicts arising. We publish our voting policy and make our voting record on listed companies public. External actors are therefore able to track our voting in line with our stated policy and note any divergence.

c. Client register of interests: We recognise that clients with a large high net worth may dominate our holdings of a particular stock. A conflict would arise where that client may, as a Director, CEO, Chair or other senior employee, place undue pressure on the stewardship team to follow a particular course of voting action that may be in conflict with the best interests of our other clients. We therefore maintain a register of such client holdings, flagging such exposures. We allow split voting to manage such conflicts (i.e. where we vote a client's shares one way and the rest of our discretionary holding in conflict with the wishes of the larger client).

d. Client voting requests: We have a clear process for allowing clients to request that voting for their shares be instructed in a particular way without changing the implementation of our wider voting policy. Any debate on a proposed course of action is discussed by the Responsible Investment Committee, with one of the co-CIOs holding the casting vote in the event of a tied decision.

e. Firewalls/structure: The approach to voting is designed to keep it free from undue external interest. Only committee members can see the voting recommendations, and they must declare conflicts of interest before contributing.

The most common situation in which a conflict arises is where a client also serves on the Board of a company or other listed vehicle, and the personal relationship is potentially in competition with the necessary governance issues at hand. For example, on one occasion during the reporting period we were recommended to vote against the report and accounts of a smaller company where our voting policy flagged some issues with the remuneration policy and arrangements. This company's Chair was a client in our Rathbones Investment Management business and their shares were held in our nominee account.

In practice, our processes work well to manage the conflict. Firstly, as per the policy above, we track all such potential conflicts. In the case discussed above, from the moment the 'vote against' recommendation was issued we knew about the potential conflict. Secondly, this triggered detailed engagement with the company via the investment manager whose client was the Chair. The manager was made aware of the potential conflict and warned the Chair that Rathbones may vote shares in our nominee against the acceptance of the report and accounts. In the event, we deemed the company's performance significantly better than benchmark expectations to such a degree that we did not agree with our proxy voting consultant's analysis of the issue, and we supported management on all items. However, the Chair was made aware that we would vote against management where guided by established corporate governance best practice.

PRINCIPLE 4

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

How we identify and respond to systemic risks

The identification of systemic risks falls within our central research process. Our Asset Allocation Committee schedules meetings every quarter as a matter of course. It routinely and systematically assesses market-wide and systemic risks. These include developed and emerging market macroeconomic, liquidity, financial stress, portfolio and contagion risks.

To support this process, our Research department provides top-down analysis of these risks through proprietary and third-party quantitative indicators. For example, we monitor credit-to-GDP 'gaps' because in common with the European Central Bank, we believe these to be among the best predictors of a banking crisis. We maintain our own forward-looking measures of the global economic cycle and of recession risk, grounded in statistical evidence, which are designed to provide warning of turning points in the economic cycle. To help identify significant interest rate risks, we monitor forward-looking indicators of components of inflation (food, energy, goods, services) across the largest advanced economies, as well as measures of underlying trends in inflation and proprietary Dashboards on the health of labour markets.

We have added climate scenarios to our long-term country-level forecasts for inflation and GDP growth, leveraging the Network for Greening the Financial System's Phase V modelling to capture the estimated impact of physical and transition risk under a range of assumptions about climate policy. Our economic forecasts then feed directly into the long-term asset return forecasts that inform our strategic asset allocation.

We also monitor and respond to geopolitical events insofar as they have a material impact on the economic and market risks outlined above. This is complemented by bottom-up observations from our equity and bond analysts, who speak to company management teams frequently as they model future profits. Learning from the experience of the invasion of Ukraine, in 2023 we implemented a new systematic framework to help us identify, monitor and respond to major geopolitical shocks (such as a China-Taiwan crisis, direct military conflict between Israel and Iran or a significant escalation of the war in Ukraine) in much greater depth than previously. This framework is refreshed annually.

Our starting point for identifying the most significant geopolitical risks is the Preventive Priorities Survey (based on the evidence of hundreds of academics, foreign policy experts and policymakers) conducted by the US Council on Foreign Relations. Having identified key risks, we work with external geopolitical experts from the consultancy BCA to help us monitor key 'red flag' events that could be precursors to these shocks or would signal that the chance of them being realised had greatly increased. Finally, we have prepared plans to adjust our portfolios should any of the most significant risks be realised, based both on quantitative analysis of historical shocks and the specific features of the individual risks.

How we have worked with other stakeholders to promote continued improvement of the functioning of financial markets

We consider the active integration of ESG issues into the investment process as key in delivering a healthy financial system. We have formally articulated this firm belief since we first publicly stated our support for the Principles for Responsible Investment in 2009.

In order to help shape the UK financial industry's responses to these issues, we have contributed our time to two important industry organisations:

- Rathbones has been a member of the UK Investment Association's Sustainability Committee (NB We were rotated off this committee in December 2023, having served a full five-year term. We remain active in the group, but no longer serve as committee member).
- Rathbones serves on the ESG Advisory Committee of the International Regulatory Strategy Group (IRSG), co-sponsored by TheCityUK and the City of London Corporation.
- In December 2024 we joined the Personal Investment Management & Financial Advice Association (PIMFA) Sustainable Finance Working Group.

Through our membership of these committees, we have contributed to a number of important interventions in the UK financial system.

Recent examples include:

- IRSG's technical comments on the draft legislation for the regulation of ESG ratings providers
- IRSG joint letter with TheCityUK's Green and Sustainable Finance Group covering key priorities for our industry in sustainable finance. The letter was addressed to key ministers following the result of the general election.
- PIMFA sustainable finance working group submission on the consultation regarding use of taxonomies.
- PIMFA sustainable finance working group submission the FRC consultation on the UK Stewardship Code

Our ESG integration process encompasses our consideration of material, systemic ESG risks, chiefly through the development of our own in-house ESG ratings methodology and via frameworks that facilitate the identification and assessment of sustainability-themed investments. We are developing capabilities that will allow us to monitor, report and manage the climate impact of securities holdings and manage the risk they may pose to investment outcomes and global climate goals.

We provide examples of how we have researched and planned interventions on market-wide and systemic risks below:

1. CLIMATE CHANGE

In our 2024 climate report we state:

"We understand our role as stewards of capital, and have a responsibility to our clients, stakeholders, and future generations to drive meaningful change while delivering long-term value. The pace of that change on climate matters will inevitably vary based upon political will together with the economic and technological developments that create opportunities for investment and advancement.

The cause however has never been so pressing with 2024 being the first year that global average temperatures rose above 1.5°C compared to pre-industrial levels. With more extreme weather events exposing vulnerabilities and the devastating effects of climate change, it underscores the ongoing need for concerted action from the financial services industry to limit further warming.

We therefore reaffirmed our commitment to being a net zero business by 2050 as recognition of this responsibility."

Though this stance is relatively recent, it reflects a more longstanding belief. This is shown by the fact that Rathbones first became a corporate supporter of the Carbon Disclosure Project (now CDP) in 2004. Our climate statement is being updated in 2025 to reflect our broader coverage of nature and climate.

Since that time we have also become members of the Institutional Investors Group on Climate Change (IIGCC). We play a significant role in the IIGCC's corporate programme. Within Climate Action 100+ (CA100+), a sister initiative to the IIGCC, we are lead investor in engaging with one of the UK's biggest carbon emitters, SSE. We commit significant staff time to these initiatives and believe our work is highly valued. This is illustrated by our Stewardship Director being regularly requested to support IIGCC member engagement and training sessions.

As a business we have continued to support CDP, both as an investor and as a business – responding by disclosing our own carbon footprint. In 2024, our score dropped slightly from a B to a B-, reflecting a change in the questionnaire, which made the calculation of several data points through the use of auto calculation. Unfortunately, this did not support the granularity of disclosure we had previously shared, as a discretionary wealth manager.

2. MODERN SLAVERY

Modern Slavery is a pervasive risk to society and supply chains, affecting millions of people. The International Labour Organization (ILO) estimates that forced labour and human trafficking is worth $150 billion annually, a cost to the formal economy and a major systemic risk to business across many sectors. Businesses have a huge role to play in eradicating modern slavery, and the UK's landmark 2015 Modern Slavery Act sought to bring the business community into the fight. Rathbones was the leading UK investment firm calling for the inclusion of transparency in supply chains reporting in the Act.

For example, Greenbank gave evidence to the parliamentary joint committee on the draft Bill.

Despite good intentions, the modern slavery reporting regime set out in Section 54 (S54) of the Act was left lacking in enforcement powers. Among the biggest companies in the UK, compliance was poor. In this vacuum of enforcement, investors have a crucial role in advancing the respect of fundamental human rights. Since 2020, Rathbones has led an investor coalition called Votes Against Slavery which has grown from 20 investors in 2020 to 154 in 2024.

Signatories sign up to the coalition with the understanding that they will consider voting against the adoption of the target's annual report and accounts if a company is non-compliant by the time of its AGM.

We run the latest version of Votes Against Slavery within each calendar year. In 2024, by the year end:

- Among companies previously non-compliant, 31/32 FTSE 350 companies and 81/126 AIM listed companies had become so
- 10 AIM companies had committed to become compliant
- Meetings were held with 15 FTSE 350 and AIM companies.

The success of the engagement has highlighted many areas of good practice, and provided increased confidence in these investments, making them more suitable for client portfolios.

The initiative will enter its sixth year in 2025 and will be undertaking two strands of work:

- It will continue to assess compliance within the FTSE 350
- It will continue to engage with non-compliant businesses on AIM.

3. CORPORATE HUMAN RIGHTS

We believe investors should consider the interaction between business and human rights as this may directly impact the long-term sustainability and reputation of the companies they invest in. Companies committed to human rights are more likely to maintain positive relationships with stakeholders, contributing to managing risks like the potential for legal disputes, regulatory challenges and reputational damage.

During the reporting period, our responsible business team began work to formalise our approach to human rights by bringing together the different strands of our work in this critical area into a human rights statement. Rathbones has long been committed to operating in a way that respects human rights, and this statement will set out our approach both in our own operations and in our investment process. As part of this work, we are exploring the steps needed to introduce a human rights framework that will among others establish a human rights due diligence process for the investments we hold, and we hope to share more details of this work in future reports. Human rights is also an engagement priority for Greenbank for 2025.

Most businesses have an opportunity to positively impact on a wide range of human rights. Finding the right target therefore requires careful thought. In December 2022, Rathbones decided to join the PRI Advance Human Rights engagement. Advance describes itself as “a collaborative stewardship initiative where institutional investors work together to take action on human rights and social issues. Investors use their collective influence with companies and other decision makers to drive positive outcomes for workers, communities and society.”

During the previous reporting period we played our part in engaging directly with one of the 39 target companies. We are now ‘endorsers’ of the engagement. There are some 265 endorsers with $35 trillion in AUM.

There is a clear link to systemic risk – as per the investor statement linked to the Advance human rights project:

“Human rights encompass a range of social issues which are both urgent and systemic in nature. These issues, from inequality and discrimination to labour rights violations, undermine not just individual rights but also the societal infrastructure which the global economy relies on for delivering sustainable long-term growth. Prioritising common goals – that is, systemic sustainability issues – in our stewardship activities to advance human rights is not only our responsibility, as set out in international standards, but it is also of primary importance to safeguard the common societal assets on which returns rely.”

4. NATURE AND BIODIVERSITY

We set biodiversity as a key engagement theme for the first time in 2022 and continued with this theme in 2023 and 2024.

In 2024, we continued our work on encouraging companies to protect and restore nature and biodiversity through the lenses of ambition, assessment, targets, implementation, governance and engagement with external parties. We did this through membership of NA100. We joined and took a proactive role in engagement teams for a number of companies. We also restated, in letters, our nature-related expectations for companies which we had engaged with in 2023 and were writing to on other issues. We joined the World Benchmarking Alliance (WBA) Nature Collective Impact Coalition (CIC), which allows multistakeholder discussions and varied engagement options; in 2024, this included signing a Public Endorsement and Investor Statement. In addition, we became an ‘Endorser’ of PRI Spring, indicating our recognition that investor stewardship can play a key role in halting and reversing forest loss and land degradation (key drivers of biodiversity loss).

In 2024, Rathbones expanded its Climate Working Group to include Nature. The Stewardship Team is represented on this group, alongside other experts from across the business. This formulates our approach to managing and disclosing climate and nature-related risks and opportunities.

Collaborative efforts on systemic risks: policy engagements

Although we often lead on ESG engagements, we see value in adding our weight to the efforts of others, including in the area of policymaking, where the combined efforts and shareholder power of collective engagement can produce results. In previous years we have reported work with the accountancy and audit profession on their management of climate risk in company audits and work with energy regulators. However, there were fewer opportunities through these initiatives in the last reporting period.

In 2024 we were signatories to the 2024 Global Investor Statement to Governments on the Climate Crisis. This letter stated that effective policies are essential at all levels of government to accelerate the private capital flows needed for a climate-resilient, nature-positive, just net zero transition. Therefore, we encourage a whole-of-government approach to implement policies in line with countries' nationally determined contributions (NDCs) and a 1.5°C scenario, recognising common but differentiated responsibilities and respective capabilities between emerging and developed economies. We think this is the best way to accelerate private sector action and large-scale investment.

In order to achieve these goals, the statement calls on governments to:

1. enact economy-wide public policies
2. implement sectoral transition strategies, especially in high-emitting sectors
3. address nature, water and biodiversity-related challenges contributing to and stemming from the climate crisis
4. mandate climate-related disclosures across the financial system
5. mobilise further private investment into climate mitigation, resilience and adaptation activities in emerging markets and developing economies.

Assessing effectiveness

Where we respond to market-wide and systemic risk through engagement, the effectiveness of the project is reviewed periodically by the Engagement and Responsible Investment Committees. An annual assessment of engagement work is conducted by the Responsible Investment Committee when approving the next year's engagement plan, and an assessment of progress against last year's goals is made public in our annual engagement action plan. This assessment looks at various factors, including the quality of responses to letters or statements and the general uptake of ideas generated. With regard to policy consultations, the assessment also considers the quality of commitments made by issuers and the degree to which our engagement goals have been delivered.

The annual engagement plan is based on a review of a number of factors, including an assessment of ESG risk in our portfolios. As explained below under Principle 9 , issues with more severe and widespread ESG risks are prioritised for action. Individual actions are suitable for such detailed review, but it is not possible to conduct a meaningful assessment of a FTSE 350 asset manager's role in advancing global acceptance of human rights, for example. This is because the advancement of human rights is a large undertaking, involving every aspect of society – and one that is hard to measure.

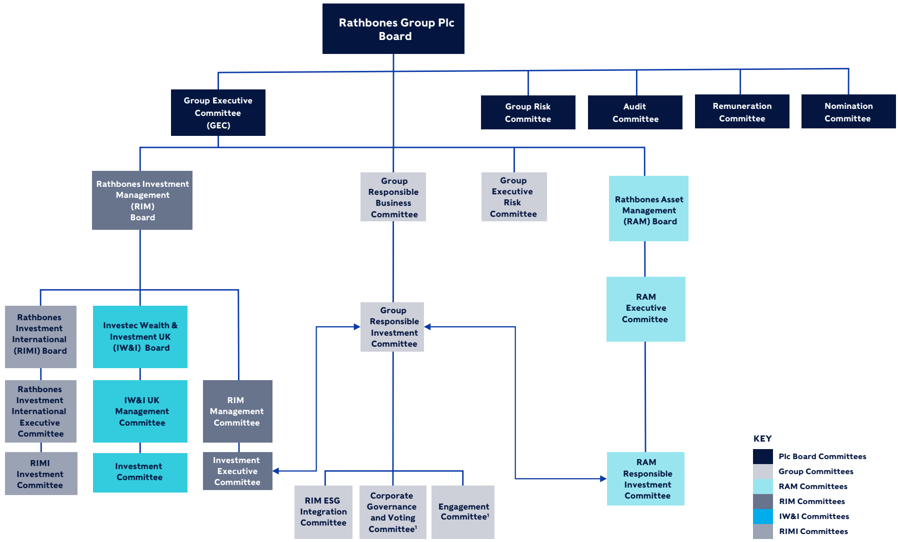
PRINCIPLE 5

Signatories review their policies, assure their processes and assess the effectiveness of their activities.

Policy review

Our stewardship process and its outcomes are overseen by the Responsible Investment Committee. This reports formally into the RIM Investment Executive and RAM Executive Committees and the Responsible Business Committee. For IW&I, this came into effect in February.

Responsible Investment– Governance



A rolling agenda item is to review and assess our Responsible Investment and Stewardship Policies. In the reporting year we concentrated efforts on aligning policies between legacy Rathbones and IW&I. As part of our integration work plan, a detailed comparison of the two firms' responsible investment policies was conducted, and a gap analysis reviewed by our Responsible Investment Committee. This led to several improvements in the Rathbones Group Responsible Investment Policy, specifically around clarity on use of third-party providers.

Assurance
Operating a multi-layered reporting structure provides assurance through high levels of accountability and senior management review of our activities. While we do not pursue formal external assurance of our stewardship arrangements, in previous reports we have disclosed the detailed, consultant-driven projects undertaken to arrive at our current level of governance of responsible investment and stewardship.

We have regularly reported to the PRI[4] and FRC on the detail behind our stewardship activities and have transparency as one of our responsible investment principles. Understanding our approach relative to peers in wealth management through seeking external benchmarking helps us identify areas for future work.

Assessing the effectiveness of our activities
If stewardship is to be understood as using rights and influence to work towards better outcomes for clients and society – in line with the FRC's definition – then the work of our Corporate Governance and Voting and Engagement Committees is important in delivering an assessment and ongoing critique of the effectiveness of our stewardship activities.

Both committees are constituted of investment professionals and specialist ESG and stewardship employees from across the Group.

The Engagement Committee meets monthly to discuss engagement activities across the Group, consider new opportunities and provide updates on current activity. A detailed management information pack is sent round to the Engagement and Responsible Investment Committees, covering both our voting activity and our performance progress on our stated thematic ESG engagement projects for the year. This provides accountability and assurance by rating project status and reporting progress towards agreed milestones and targets. Furthermore, the stewardship team holds its own quarterly engagement review meetings, at which each project is assessed for progress against its agreed milestones.

[4] The PRI made reporting optional for signatories in the 2024 cycle. We intend to report in full as a combined business in the 2025 cycle.

The Corporate Governance and Voting Committee meets at least three times a year and assures the effectiveness of our proxy voting. Firstly, it sets out our bespoke voting policy, based on feedback from companies, analysts, clients and investment managers. Secondly, it reviews voting, and makes recommendations regarding the voting process at both RIM and RAM. IW&I was not covered during the reporting period, but as clients' assets are migrated, they will be covered. The Corporate Governance Voting and Engagement Committees both have their activities assessed by the Responsible Investment Committee. In this way we operate multi-layered accountability to provide an adequate framework within which the effectiveness of our stewardship is assessed.

We provide high-level summary responsible investment reports that cover the most important issues and interventions, supplemented by more bespoke reporting embedded in our client meeting packs and portfolio reviews. Our production of responsible investment material is overseen by the work of our responsible investment comms and advisory group. As of 2023, each publication is reviewed to check compatibility with rules against greenwashing, including the Competition and Markets Authority's Green Claims Code, to try and ensure that stewardship and responsible investment brochures and materials are 'fair, balanced and reasonable', in the words of the Code, or 'clear, fair and not misleading' in the words of the FCA handbook. The author must submit and substantiate every claim made about the sustainability feature mentioned in the document.

Within RAM, specific funds have sought external verification, notably for the European Sustainable Investment Forum (Eurosif) disclosure frameworks. Our reporting processes reflect the nature of the services and portfolios that we manage. For products that are managed to clear ESG and sustainability-led mandates the governance, oversight and reporting processes are tailored to these needs In March 2025, Rathbones Asset Management announced that the Rathbone Greenbank Global Sustainability Fund and the Rathbone Greenbank Global Sustainable Bond Fund would from 2 April adopt the 'Sustainability Focus' voluntary label under FCA's Sustainability Disclosure Requirements (SDR).

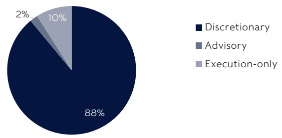
PRINCIPLE 6

Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

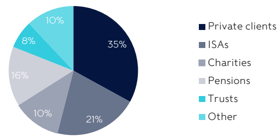
INVESTMENT MANAGEMENT CLIENT BASE

Analysis of funds under management[1]

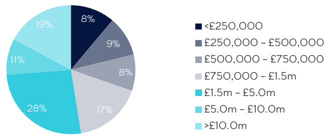
Service level by FUM



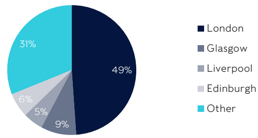
Fund type by FUM



Size of client relationship by FUM



FUM by location



[1] As a percentage of total funds under management as at 31 December 2024 (including IW&I)

Rathbones provides individual investment and wealth management services for private clients, charities, trustees and professional partners. The profile of our client base has not changed materially since our combination with IW&I.

FUMA totalled £109.2 billion as at 31 December 2024:

– £93.4 billion in the Wealth Management segment (£99.3 billion prior to the elimination of Wealth Management FUMA invested in the Asset Management segment of £5.9 billion).

– £15.8 billion in the Asset Management segment.

Rathbones Investment Management, incorporating Investec Wealth & Investment (UK)

Rathbones Investment Management (RIM) and IW&I provide investment management solutions to a range of private clients, charities, trustees and professional partners. Clients are offered a tailored investment strategy that meets individual objectives, backed by an investment process that aims to provide risk-adjusted returns to meet clients' needs today and in the future.

Our investment and stewardship process works to a range of different time horizons to cater to the needs of our client base. We manage portfolios for a range of different client types, including individuals, families, charities, endowments and pension funds. Our process allows us to consider and understand how stewardship and ESG factors may influence or be impacted by the economy, market dynamics and investment outcomes over multiple time horizons. We recognise that the environment, society and financial stability are connected.

We have a fiduciary responsibility to our clients: investing for their long-term goals. This focus on the long term should enable us, as stewards of our clients' wealth, to deliver good financial outcomes and create value for them while also making a positive contribution to society.

A final important point to note is the proportion of RIM assets by type of service. As the chart shows, some 88% of assets are discretionary. The remaining 12% are either execution-only or advisory.

Rathbones Asset Management

RAM is a UK active fund manager with £15.8 billion under management, providing a range of specialist and multi-asset funds designed to meet core investment needs in the retail client market. These funds are distributed primarily through financial advisers in the UK. We vote on every company held in a RAM fund, whenever it is possible for us to vote.

How we seek our clients' views: RIM & IW&I

Our business model itself is the biggest expression of our compliance with Principle 6, which covers direct communication between client and investment manager. Bespoke, segregated portfolios based on this communication form our core offering. As managers of predominantly discretionary retail clients on a segregated portfolio basis we are obliged to collect, process and assess the suitability of our investment offerings for our clients. For new clients a full suitability assessment is carried out, including a client's views on ESG. This can include both exclusions and broader responsible investment requirements. For existing private clients, information is updated via periodic reviews. More institutional mandates such as pension funds and charities often have investment policy statements (IPSs) that express their responsible investment views. This is the most effective way to gather the nuanced information required for discretionary segregated mandates, where each client can have individual requirements.

All information is played back as part of our 'Your Investment Mandate' document, which is sent to clients, confirming our understanding of their investment needs (including responsible investment). A combination of conversations, formal IPSs and playback with clients ensures we understand client responsible investment needs properly.

Suitability is an ongoing process and a key fiduciary duty – part of the obligation to act in the client's best interests. Formally, suitability is reviewed at least every three years for RIM and every two years for IW&I, but in reality more often for most, through our pattern of regular direct contact between investment managers and clients. This includes responsible investment, a mandatory part of the suitability review process for existing clients. The same information-gathering and playback process operates as with new clients.

We have a well-embedded quality control and investment risk process. The quality control and investment risk process teams regularly check that portfolios are being managed to mandate.

As we manage portfolios on a discretionary basis, clients entrust us to implement their investment needs as we see fit. Once we have responsible investment information as part of our suitability process, investment managers are then empowered and supported in implementing these needs. Any negative restrictions are embargoed within our investment management systems, preventing purchases of excluded stocks. Further information on securities is displayed within the system, such as ESG ratings. This supports investment managers in managing in line with the mandate. Clients are made aware of our approach to voting and engagement and managers are equipped to explain what we do and why. As set out in our terms of business, where clients express a view different to our own, we are able to incorporate bespoke voting instructions. This further helps to ensure that we manage to mandate from a responsible investment perspective.

Investment managers have the ability to view portfolios through the lens of climate and ESG metrics. This enforces a virtuous circle of implementation, reporting, client discussions and further implementation, with changes made as required. Any changes in how we manage a client's portfolio are informed by their feedback. Investment managers undertake regular communication with clients. This enables us to respond to specific requests, such as a tailored client voting instruction. The ability of investment managers to conduct client portfolio specific ESG research was enhanced with the launch of a new information sharing tool in the year, Portfolio X-Ray (Port XR). Port XR is an in-house analytical tool that allows investment managers to view portfolios across a range of traditional financial and non-financial criteria. It includes a conduit for ESG ratings and research to be accessed at a client portfolio and stock specific level.

However, we appreciate that there is a need for ongoing sampling of views of our client and potential client base, so that we can ensure our stewardship programme covers the issues and activities which most people agree with.

How we seek our clients' views: RAM

RAM fund managers have a fiduciary duty to engage and vote on behalf of their clients. It is very difficult in practice to seek the views of all of unit holders since the funds are mainly distributed through UK investment platforms, and those platforms do not provide RAM with any data on who the underlying holders are. We have therefore made our engagement stance as clear as possible and are transparent about our voting record.

How the firm engaged with clients in the reporting period

We engage with our clients through a variety of channels, including:

- personal contact with our investment teams, which is a feature of our service. We don't employ relationship managers. Regular meetings are held between clients on the one side and their investment managers and financial planners on the other
- virtual and in-person conferences held for private clients, intermediaries and IFAs.

Evaluating our engagement with clients

In 2024/25 we have once again included questions on ESG and Stewardship in our regular client survey. The latest results confirm that for most clients, their chosen priority for our stewardship activities is portfolio company engagement at a general level, rather than looking to us to emphasise a particular aspect of E, S or G. This survey also asked questions about the form and content of information sent to clients on sustainable investing, which will help shape our client engagement in the future. For example, the survey showed that while for some aspects of our client base ESG themed investment is not a priority, for others they remain unaware of the information we already provide but would be interested in receiving more background.

Communication with clients

As stated above, given the bespoke nature of our core service, our Group-level responsible investment and stewardship reporting is high-level, covering the most important and pressing issues which we consider, for most of our clients, to be the most relevant to them. We publish our voting record for RIM and RAM in full on our website, and published this quarterly in our legacy IW&I business, until convergence during the reporting period. We offer enhanced reporting on stewardship where the client requires it or where this is required by regulation. This includes, for example, detailed information in the following ways:

- voting reports for pension schemes covered by the Pensions and Lifetime Savings
- Association reporting requirements
- portfolio-specific engagement reports on request
- TCFD aligned portfolio data available on request, fund reports available from the RAM website.

We make our PRI transparency report public on request. In addition, a monthly stewardship update is sent to all fund managers for inclusion in their regular day-to-day communications with clients.

PRINCIPLE 7

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.

We recognise that the environment, society, and financial stability are intertwined and may have an impact on our client's long-term wealth. For this reason, the consideration and integration of such factors, known as ESG integration, is a core principle of our Responsible Investment Policy. We have enhanced our investment process by adding an additional ESG lens to our financial analysis.

While ESG integration across Rathbones Group is based on common foundations and is overseen by the Responsible Investment Committee, the practical integration of ESG factors within investment decision-making is tailored to fit the relevant investment service or mandate.

ESG integration: RIM

We have developed our own models to analyse third-party data alongside insights from our specialist financial, ESG integration and stewardship analysts. This enables us to compare investments across sectors and to determine the degree of a company's effect on the environment and society. Our models and process are designed to consider the following:

- international frameworks and relevant UK and EU legislation
- market-led initiatives and Rathbones responsible business commitments
- materiality, sectoral and thematic issues
- quantitative ESG data from third-party providers
- qualitative insights from our stewardship, ESG integration and financial analysts.

We also include in our investment process analysis of sustainability alignment - broadly, how a company's intentions translate into real outcomes. In 2024, we applied model-driven ESG classifications to investments not covered by our central research team, enabling greater uniformity of ESG analysis across our investment universe.

Insights from our ESG models are made available to our research analysts to support their analysis of a company for investment purposes. Investment research recommendations include ESG drivers as part of the summary and investment case, providing research analysts with the opportunity to summarise their findings by explaining how material ESG issues may impact the investment thesis. This is made available to investment committees and investment managers.

In 2024, we further enhanced this process by creating a platform for investment managers to monitor portfolio-specific ESG information, including key climate metrics. In line with TCFD reporting requirements, we also launched client-level climate portfolio reporting.

Our core approach to ESG integration applies across equities, fixed income and collectives. In addition, for collectives, ESG questions are integrated throughout the due diligence questionnaire. In conjunction with a review of the response, collectives analysts verify answers with the fund's prospectus where possible. This part of our due diligence process encompasses the following considerations:

- an assessment of the valuation policy
- governance
- execution
- safeguarding of client assets
- external service providers
- conflicts of interest
- business continuity
- liquidity analysis.

Our recommended holdings are regularly reviewed.

The RIM ESG Integration Committee oversees methodologies and frameworks to facilitate ESG integration. Membership of the ESG Integration Committee comprises representatives from the ESG integration and stewardship teams, Greenbank and our asset class research teams. It also draws on the expertise of other specialists. The ESG Integration Committee provides quarterly updates to the Group Responsible Investment Committee on the coverage and management of ESG factors across our investment universe, as well as the results of periodic screening against specified standards.

Greenbank

Greenbank's investment philosophy is driven by a dual mandate to deliver both sustainability and good financial outcomes for its clients. A framework of eight sustainable development themes, closely aligned to the United Nations Sustainable Development Goals, forms the basis for Greenbank's sustainable investment approach. Minimum thresholds of sustainability performance must be met before adding any investment to Greenbank's investment universe, and ESG and sustainability considerations are integrated across all stages of the investment process. Greenbank has developed alignment frameworks for each of its sustainable development themes, reflecting both what a company does and also how it operates. These draw on a blend of quantitative and qualitative analysis to guide investment decision-making and identify engagement priorities.

ESG integration: Rathbones Asset Management

RAM has made significant progress in ESG integration. We use data from external providers and track each strategy's trajectory with regards to SBTi commitments and variance vis-à-vis group-level targets. Consideration of ESG factors is implicitly incorporated into our bespoke research process, which is specific to each strategy, and across all relevant asset classes, drawing on a close collaboration with Greenbank. We have added to our suite of sustainability-focused strategies with the launch of the Rathbone Greenbank Global Sustainable Bond Fund. We have also enhanced our Responsible Investment Committee structure to ensure input from all fund manager teams, as well as from the compliance and risk teams. We have also added dedicated engagement resource within RAM and clearly defined our engagement strategy. This leverages our relationships with RIM and Greenbank, while ensuring the most appropriate outcome for unit holders across our fund range.

IW&I

Our exposure to climate related risks is most material through the investments we make on behalf of our clients. The integration of ESG considerations into our investment process is a core principle of our responsible investment policy. Each of our asset classes has a differentiated ESG analysis and stewardship strategy, given the different requirements of each. Although we do not aim for a 'one-size-fits-all' strategy, there is alignment of our activities, and the team discusses this together, sharing best practice. We use engagement and ESG analysis as part of our due diligence before adding an investment to our centrally researched universe and we continue to use it as part of our ongoing monitoring. Our direct equity and fixed income ESG research is quality and cash-flow focused and incorporates ESG factors in a four-stage model as part of fundamental research. Our collective funds – which includes equity, fixed income, property and alternatives options – are assessed according to a qualitative framework which focuses on the quality of the management team and their execution; ESG analysis is one of the determinants of this quality. The above process applied to IW&I for the first part of the year prior to the launch of the combined (RIM and IW&I) asset class lists, which was phased in between July and October 2024.

Group approach to investing in thermal coal

Rathbones Group has committed to net zero carbon emissions by 2050 or sooner. Our near-term targets, which align with the SBTi, include a reduction of Scope 1 and 2 emissions by 42%, and 70% of suppliers by emissions having set targets by 2030. They also include a target for 55% of our in-scope FUMA to have set their own, SBTi-aligned targets by 2030.

As part of this commitment, Rathbones has developed a thermal coal phase-out plan, aiming for a phase-out by 2030.

In 2024, we began the initial stages of phasing out thermal coal from the Rathbones investment universe. As a first step we have introduced internal revenue thresholds covering thermal coal mining and power generation companies. We anticipate these thresholds will tighten over time. We regularly conduct screening to assess the thermal coal exposure of investments in the Rathbones universe. Investments that are flagged as breaching our internal thresholds may be subject to additional analysis or targeted engagement. If necessary, future purchases of such investments may be limited.

We also understand that a transition to net zero emissions requires system-wide change. In 2025, our net zero engagement will include dialogue with financial institutions that invest in or insure thermal coal projects. We'll encourage them to disclose more clearly their financial involvement in such activity, so that our analysts can better understand our exposures and the long-term transition risk they create.

We endeavour to continually monitor our progress against our net zero commitments and refine our approach to phasing out thermal coal over time.

ESG standards: applying a sectorial lens

Through our ESG integration activities, we understand that different sectors present different ESG risks and opportunities. For this reason, we have begun establishing ESG standards of performance for investments within the same sector. Acknowledging that companies within the same sector will likely face similar risks and opportunities. these standards provide insight into what companies ought to be doing to manage ESG risks and opportunities appropriately.

Given its higher ESG risk profile, we began this process with the oil and gas sector. We set out by first identifying which are the most material issues to this sector. We then established key indicators of a company's commitment to managing these issues. These standards help inform both our investment analysis and our engagement efforts.

Asset allocation: accounting for climate risk in our long-term forecasts

We account for climate risk in our long-term capital markets assumptions in two ways. Given the inherent uncertainty associated with quantifying climate risk, we think it makes sense to capture it with more than one methodology.

First, as of 2025, we account for it in the country-level long-run forecasts of economic growth and inflation that feed into our 10-year asset return projections. Using two independent sets of climate scenario modelling, one by Oxford Economics and another by NGFS, we amend our baseline forecasts. We combine three different climate scenarios, each of which includes a different mix of physical and transition risk. Overall, these changes result in lower growth and higher inflation forecasts, but the impact varies considerably by country.

[5] The UN SDGs encompass 17 goals. For further information, please visit http://www.un.org/sustainabledevelopment/sustainable-development-goals

Second, we use MSCI's Implied Temperature Rise (ITR) scores to inform our 10-year projections for equity valuations, which we compile for each sector in each major region. The scores, measured in degrees Celsius, are designed to show companies' alignment with global temperature goals, based on current emissions and a forward-looking analysis of their emissions reduction plans. Our approach is motivated by the idea that the most polluting companies and sectors are at greater risk of long-term policy-induced changes to their business models than the least polluting ones.

This approach leads us to penalise returns from the energy and basic materials sectors. Conversely, sectors such as health care and technology generally benefit. This quantitative approach provides a starting point, which we supplement with systematic qualitative judgments.

PRINCIPLE 8

Signatories monitor and hold to account managers and/or service providers.

We treat our commercial contracts with regard to ESG and stewardship service provision with the same rigour that we do for all commercial contracts. We have regular service meetings and provide feedback on possible enhancements to the quality of their data and service received. We also review competitor offerings to ensure that our process has access to the best possible tools for the benefit of clients.

Since we perform all investor engagement directly, voting advice (currently provided by ISS) is the main way in which we employ a third party to assist with discharging our stewardship responsibilities.

We also employ a third-party engagement activity tracking provider. The off-the-shelf system deployed by the current provider has been adapted to meet our specific client reporting needs. This ensures greater accountability to our stated goals and hence alignment with them.

How we monitor the work of our external voting consultant

In RIM all voting is executed by our corporate actions team, using the ISS voting platform.

Our primary activity is to monitor the provision of advice against our in-house proxy voting policy. A team member tracks ISS' voting recommendations against our policy every week, submitting regular feedback where our policy is not followed. We review the timely provision of bespoke advice on a monthly basis. In 2024/25 we found several occasions where we had reason to challenge the factual accuracy of the voting advice we had been given, which led to ISS making changes to our custom policy recommendations. Voting advice is also regularly reviewed at the regular meeting of the Corporate Governance and Voting Committee. As a discipline, we have an annual meeting with our service providers to review service levels. This applies to our proxy voting provider and ESG data and ratings providers.

For instance, in the 2024 proxy season, we reached out to our main proxy voting service provider on the provision of voting advice. We noticed that our custom policy report was recommending a vote against the approval of financial statements for a particular company, due to the company failing to meet the reporting requirements of S54 of the UK Modern Slavery Act. We noted that our provider should have recommended a vote against the entire Board as the company was in fact FTSE 250, not AIM listed. Our monitoring process flagged this issue well in advance of the AGM, and the advice was changed.

How we monitor the work of our engagement tracking provider

We hold regular calls with our account manager to ensure the system is fit for purpose, in addition to an annual review of the service when contracts are due for renewal.

Monitoring collective investments

We list several features of our fund research team's work, which seek to ensure that clients' long-term best interests are prioritised:

- We use quantitative tools rather than models. These tools are very helpful but are only one of many inputs into our decision-making process. We use proprietary screens to identify, monitor, and enhance our understanding of a fund's risk and return profile, and any style characteristics of the underlying securities held in the portfolio. The objective is to identify funds that have consistently outperformed or met their objectives with the most efficient use of their risk budget.
- We do not performance chase. But we do prioritise identifying funds with a long track record of consistently delivering strong risk-adjusted returns. We will source detailed performance attribution across the funds' history to understand how/why funds have under/outperformed, lessons learnt, and how the past has helped inform the investment process, going forward.
- We complement quantitative analysis with our qualitative assessment. This entails a deep-dive approach to understanding whether we feel the investment process, and the infrastructure surrounding it, is robust enough to support the investment proposal.
- We ask each fund to complete our detailed proprietary RFP. In conjunction with a review of the response, we verify answers with the fund's prospectus where possible. This part of our due diligence process encompasses an assessment of the valuation policy, governance, execution, safeguarding of client assets, external service providers, conflicts of interest, business continuity and liquidity analysis.
- Regular meetings are conducted with the investment managers of all funds and products on the list of recommended investments. A review meeting will include analysis of the underlying portfolio characteristics to ascertain our expectations for performance in different scenarios over the shorter term. This will also encompass the manager's macro views and portfolio activity.

It is important that we monitor excessive positive performance as well as negative performance versus the benchmark and our expectations, as it can indicate a change in risk-taking.

Moving onto the issue of ownership activities and the use of our influence and shareholder rights, for collectives, we engaged mainly with listed investment trusts. Our voting policy states that we will vote against the report and accounts of a listed investment trust where there is no ESG policy in place, for example. However, we know we can do more to engage with collectives managers about their own stewardship activities.

With regard to investment trusts, we try and meet with the Chair of recommended and large holdings at least once a year. Via the shareholder voting process, the Rathbones collectives team is consulted about specific trusts where there are ESG issues.

However, since 2022, we have expanded our governance and oversight of the stewardship approach taken by the managers of our most widely held collectives investments and open-ended funds in particular. We also have a watching brief to address any new governance issues that may arise across our holdings universe and to address these as appropriate via the Investment Process Resilience Committee. This may include an engagement escalation where appropriate. In 2025 this process was evolved to cover not only our managers of unlisted collectives, but fund managers where we have significant exposures on behalf of our clients. In these engagements we set out our expectations with regard to governance of the investment vehicles, and our ESG engagement priorities.

PRINCIPLE 9

Signatories engage with issuers to maintain or enhance the value of assets.

All engagement activity[6] at Rathbones is covered by our Responsible Investment Policy, which sets out 'engagement with consequences' as a core principle. This is fleshed out further in our Engagement Policy (renewed and refreshed in February 2025 to reflect convergence with IW&I:

9244_group_engagement_policy.pdf (rathbones.com)

This policy explains how we approach the selection and execution of engagement projects, our escalation methods and how we monitor effectiveness. We align with the FRC in defining engagement as "proactive interactions aimed at accomplishing a specific objective with an issuer or group of issuers". As previously mentioned, we conduct all engagement on our own behalf or through recognised coalitions. We do not contract out any engagement services beyond those of our voting research provider in the normal course of their research process. This approach is based on our corporate culture and purpose, as explained below.

Our core principle on engagement states:
We prioritise engagement where we can help make a difference in addressing systemic ESG challenges.

We are prepared to escalate our engagement activity or reduce our holdings in companies that continue to present an ongoing ESG risk.

As owners of the companies in which we invest on behalf of our clients, it is our responsibility to undertake dialogue with companies on a wide range of ESG issues. We believe that such dialogue can deliver benefits to our clients in a number of ways, not least through the potential for better disclosure of ESG risks. We also note academic evidence[7] that engagement with companies on ESG issues can lead to better investment outcomes.

We also believe that engagement on ESG issues with underlying companies forms part of our wider responsibility as a business to society. While the primary purpose of engagement is to enhance and protect assets in our portfolios, we also have a role to play in addressing and minimising systemic risks that may affect those assets.

[6] The assets of IW&I came into scope of this policy in H2 2024
[7] shareholder-engagement-and-its-effects-on-target-comp.pdf (hermes-investment.com)

As a manager with over £100 billion in funds under management and administration, we have to make choices about the application of our engagement activities, given that we do not have infinite resources. More detail is available in our engagement policy, but in summary we are more likely to engage after considering the following principles:

i. Exposure: we are more likely to engage directly where we hold a material stake in the company

ii. Severity: we are more likely to engage on issues that present an immediate or severe threat to the best interests of our clients, are material to our holdings or present ESG issues of a pressing and severe nature

iii. Location: we are more likely to engage directly with those companies where we have a deeper understanding of the local legal framework

iv. Expertise: we are more likely to engage where we have deeper experience of the issue at hand.

Given our large exposure to listed equities most of our engagement efforts focus on this asset class, though fixed income and open-ended funds are also covered by our engagement work.

Escalation
We are shareholders and not campaigners, so it makes sense to prioritise engagement efforts through our rights as shareholders and the opportunity this gives us to have a dialogue with companies. The mainstay of our engagement is formal correspondence with the Board of an investee company, followed by AGM voting and meetings with management. We write to every company where we issue a vote against management, and where we decide to support management but have issues to communicate to the Board. For more on our approach to escalation, please see Principle 11.

Rathbones has experience in co-filing shareholder resolutions in the European market – work pioneered by Greenbank. This started in 2006 with one of the first ESG shareholder resolutions, with Shell. We also participated in 2016 filings with Shell and BP. In January 2024 we were listed as official co-filers of resolutions at Shell and Barclays. There were fewer opportunities to co-file in the period April 2024-March 2025, and those which presented themselves did not pass our materiality thresholds.

We provide more detail on escalation under Principle 12.

How we track engagement

After formally tracking engagement for many years, in 2024 we moved our engagement tracking database onto a web-based data storage platform. This platform has enabled us to streamline further our tracking workflows, allowing us to incorporate custom milestones when we create an engagement, and input flags recording progress against these milestones. We are also now better able to record engagement success and failures. Subscription to the platform has also enabled members of the stewardship team more effectively to monitor progress related to each engagement they are responsible for leading.

We set clear goals where we consider them to be helpful and meaningful in making progress on a stewardship priority. Where we have an engagement focused on measurable outputs such as this we aim to use 'SMART' objectives (Specific, Measurable, Attainable, Realistic and Time bound). However, many engagements deal with intangible factors, such as corporate culture, less suited to such quantifiable targets. Our annual engagement action plan is drafted and made public on our website. In this we specify objectives for each thematic engagement. In the following year's report we make public an assessment of our progress against last year's goals.

No engagement is the same, and we have found that assigning a one-size-fits-all outcome status label to the engagements we carry out often doesn't quite tell the whole story. With this in mind, we've recently decided to implement a tiered outcome approach in our engagement tracking. The tiering approach allows us to define engagement outcome statuses more broadly, without being constrained by discrete categorisations such as 'inadequate response received,' or 'changes made.' We will assign each of our engagements a status outcome label of Tier 1 to Tier 4.

Below are broad definitions of what each tier intends to capture. These definitions are intended to be fluid and flexible:

- Tier 1 denotes engagements that are at the start of their lifecycle. For example, engagements where contact has been initiated but we have not received a response or have just received a holding response
- Tier 2 denotes engagements where we have received a response acknowledging all of our concerns, but the response does not provide an indication of intention to take any action as a result of our engagement
- Tier 3 denotes engagements whereby we have received a comprehensive written or verbal response to our engagement and there is evidence of intention or possibility of implementing changes in response to some or all of our engagement asks
- Tier 4 denotes engagements at the end of their lifecycle. This could be a situation where our engagement objectives have either been achieved in full, or where a clear timeline for implementing some or all of the changes we requested in our engagement has been communicated.

The extent to which we deem each engagement to be a success, failure, or somewhere in between can be captured using a separate success categorisation metric. Typically a Tier 4 will denote a successful engagement, or a partially successful engagement.

As of the start of 2025, we also introduced a multi-select feature that allows users to define, broadly, how the engagement objectives can be categorised. There are four categories:

1. Information gathering
2. Communication of information, views or expectations
3. Engagement for short-term change
4. Engagement for long-term change

Engagement activity in 2024/25

We carried out 679 engagements with 575 companies. We had responses to 78% of these engagements.

390 of these engagements related to AGM voting or other ESG concerns that required reactive engagement.

268 engagements were thematic, relating to our commitments set out in our Engagement Action Plan. These thematic engagements covered topics such as:

- compliance with the AIC Code
- ESG integration at collective holdings
- sustainable mining
- net zero
- modern slavery.

21 engagements were collaborative.

- Engagement stressing the importance of compliance with the AIC corporate governance code for those that follow its principles - 121/131 companies responded.
- ESG integration at fund houses - 11/25 responded.
- Sustainable mining - 7/10 responded.
- Votes Against Slavery - 72/88 companies responded.

Engagement in practice 2024/2025 - outcomes

In addition to the full list of engagements in links to our website, we provide summaries below of our flagship ESG-themed engagements in the reporting period.

ENVIRONMENTAL:

Climate change: net zero

In 2021, Rathbones Group Plc announced its own plans to achieve net zero emissions by 2050 or sooner. The majority of emissions we are responsible for are financed emissions: they are created by the companies that we invest in. We have established an engagement programme covering the highest-emitting companies within our holdings universe. We want to see our underlying holdings set climate targets validated by the SBTi by 2030. Failing that, we want them to have committed to this. Our net zero engagement strategy and voting policy reflect the urgent need for escalation with companies not yet aiming for their own net zero future.

In 2024/25 we wrote to 40 companies, outlining our expectations for the management of climate risk and the features of a sound climate transition plan. We had a 90% response rate to our letters and were successful in meeting directly with 15 of the target companies.

Our near-term SBTI-aligned targets have been rebased following the combination with IW&I. The revised baseline data for 2023 shows that 23% of portfolio companies have set SBTi-approved targets, with a further 3% having set targets not aligned to the SBTi methodology. At the end of 2024 this had risen to 24% having set SBTi aligned near-term targets.

Although we cannot claim direct influence in all cases, the statistic is nonetheless encouraging. However, clear examples of real-world change by companies, in terms of physical reductions in emissions, were less forthcoming.

This project has adopted a different reporting schedule for 2025. We will be contacting companies after their AGMs in order to facilitate a better dialogue, and to give us more time to integrate out combined holdings.

Outcome: National Grid

As of the start of 2025, National Grid was the only company from our list of 40 priority engagement companies to have improved its ranking under our Net Zero alignment staircase, moving from 'committed to aligning' to 'aligning.' Our alignment staircase measures companies' alignment with six core criteria set out in the Net Zero Investment Framework (NZIF) guidance. National Grid's advancement was on account of improvements to its quantified plans to deliver on its greenhouse gas reduction targets, as defined by MSCI data.

Two other companies, Aptiv and McDonald's, moved down on our alignment staircase: they had regressed, compared with 2024.

Biodiversity

Natural ecosystems provide the foundations for economic growth, human health and prosperity. These benefits are sometimes known as 'ecosystem services'. As economic activity depends on ecosystem services, the degradation of nature and reduction in biodiversity are financially material. The World Economic Forum ranks biodiversity loss and ecosystem collapse as one of the top five economic threats humanity will face in the next ten years.

In 2024, we continued our work on persuading companies to protect and restore nature and biodiversity, through the lenses of ambition, assessment, targets, implementation, governance and engagement with external parties. We did this through our involvement with Nature Action 100 (NA100), as we had determined the benefits of this global investor initiative as establishing a common high-level agenda for corporate ambition and action. We took a proactive role in engagement teams for four target companies at NA100, including holding meetings, in addition to being represented for all 100 companies in the initiative. We also restated our nature-related expectations already made in letters to companies with which we engaged in 2023. We became a signatory to the WBA Nature Collective Impact Coalition public endorsement and investor statement and endorsed PRI Spring, a nature stewardship initiative focusing on deforestation.

Hazardous chemicals

Hazardous chemicals find a use in many different consumer products, but their persistence in the environment poses risks to human health and the environment. Specifically, a class of chemicals known as PFAs does not degrade after use. Their durability increases the risk of cancer in humans and damages plant and animal life. Working with the non-profit organization ChemSec, we began engaging with 54 of the world's largest chemicals companies in the reporting period. We are advocating for increased efforts to phase out harmful persistent chemicals in favour of alternatives that are more sustainable because they are less harmful. We are also requesting greater transparency, including disclosure of all hazardous chemicals produced.

We renewed our commitment to the Investor Initiative on Hazardous Chemicals for the third year running in 2024.

SOCIAL:

Modern slavery

Modern slavery is a pervasive risk to society and supply chains, affecting millions of people globally, as discussed under Principle 4. In this section we describe the outcomes of our 2023 modern slavery engagement programme.

Rathbones launched the fifth version of Votes against Slavery in 2024, convening a collaboration of 154 investors with nearly £2 trillion in assets under management to challenge 158 FTSE 350 & AIM companies that had failed to meet the reporting requirements of S54. By the end of the year 31/32 FTSE 350 companies had become compliant and 81/126 AIM companies had become compliant. We held engagement meeting with 15 FTSE 350 and AIM companies.

The success of the engagement has highlighted many areas of good practice, and provided increased confidence in these investments, making them more suitable for investment in client portfolios.

When re-running the data for the 2025 version of the project, compliance levels at AIM companies have improved significantly. We attribute this improvement in part to our intervention in the market.

Outcome: Eco Animal Health Group

We wrote to the company to notify them that the company's modern slavery statement was outdated and missing clear sign-off by a director. The company thanked us for our engagement and worked on a new modern slavery statement, which included information regarding the company's training provided to all staff on modern slavery. The statement also included statistics from the company's regulatory team for the auditing and training undertaken since the previous statement in October 2022.We had a follow-up meeting with the company to discuss the company's approach to tackling slavery within its supply chain and provided suggestions on how the company could strengthen its modern slavery reporting. We commended the company for the disclosure provided and believe it is in a better place to deal with the risks posed by modern slavery.

Outcome: AB Dynamics

In 2024, we had a meeting with the General Counsel for the company to discuss its approach to tackling slavery within its supply chain. We recommended various actions that the Board could take to reduce the risk of slavery occurring within its supply chains, such as enhanced training for staff and senior management, assessing the efficacy of the company's whistleblowing policy and improved auditing of its suppliers. In January 2025, the General Counsel said that following our meeting, the company had been investigating the idea of some specific training for their senior managers and procurement teams. They asked if we could connect them with a training provider that delivered modern slavery training. We connected them with an experienced human rights NGO, which has agreed to produce a bespoke training programme for the company.

Corporate human rights

Addressing human rights risks in supply chains and operations isn't just a moral imperative. It also makes financial sense because it helps preserve the well-functioning supply chains that in turn enable well-functioning companies.

In 2024 we wrote to 12 companies to encourage them to follow best practice on human rights. In July we met the Legal and Compliance Director and Head of Sustainability at one of these companies: UK clothing chain Next. Next told us they audit conditions themselves in the factories they use, rather than relying on a third party. This makes them more confident about the information they are receiving. They also told us they were rolling out an app that makes it easier for workers in their suppliers' factories to raise grievances with Next. In Pakistan, for example, about 200 grievances were raised in the first five months; most of these had been resolved.

GOVERNANCE:

Remuneration

Executive pay came back into the spotlight in 2023, especially in the UK, as a 'cost of living crisis' became front and centre of the public imagination, propelled there by the harsh realities of inflation and higher interest rates. Remuneration is a crucial issue for us to engage on. If executives' incentives are not aligned with the best interests of shareholders, this could jeopardise the prospect of sustainable long-term earnings growth. If a company's executive pay is regarded as unfair by wider society, this could put at risk a company's reputation.

In the 2024 proxy voting season, we engaged with companies on remuneration 207 times, amounting to 14.4% of all our engagement activity. This makes engagement on pay our single biggest area of engagement in that year.

Outcome: Thermo Fisher Scientific

We talked to Thermo Fisher Scientific, a US company that makes scientific equipment, about the pay of its senior management. We advocate for a stronger link between senior management's pay and company performance in businesses we invest in. By motivating them to do a better job, this benefits us as shareholders. So we were concerned that only about one-third of the share awards which senior management received were performance-based. Instead, the majority of share awards were given simply for staying at the company a long time. Thermo Fisher said that in response to shareholder feedback, it was changing the way senior management would be paid, with more share awards based on performance.

Outcome: Nippon Active Value Fund

We engaged with the Board ahead of the AGM as the proposed amount of its share repurchases exceeded the recommended limit of no more than 15% of the issued share capital. We felt it remained unclear why the Board had decided to exceed this limit.

The company said: "We have looked into the matter to which the letter refers, notably resolution 17 set out in the Company's notice of annual general meeting convened on 8 June 2024. Resolution 17 pertains to the authority to permit the Company to make market purchases of its own shares. While the resolution does state that the authority is in respect of shares up to a maximum of 14.99% of the Company's issued share capital, we have since realised that the numerical figure for the number of shares stated within the resolution text is incorrect as this exceeds 14.99%. The correct number should have been stated as 28,352,342, which is the number correctly stated in the explanatory wording within the Chairman's letter accompanying the AGM Notice.

Firstly, we apologise for this error and for the delay in responding. We are looking into how this error was not picked up as part of the review process. Secondly, I would like to reassure you that it is indeed the Board's intention to not exceed 14.99% for any repurchase of shares, should the Board determine that a buy-back should be implemented. It was never the Board's intention to exceed this limit."

Lobbying

Lobbying activities pursued by companies, either directly or through trade associations, are a use of shareholder funds, and help shape the world in which companies can succeed or fail. It is important that such activities are aligned with the best interests of long-term investors and (when funded through third parties like trade associations) consistent with the company's own stated policies.

Outcome: L3Harris

At this US defense contractor, we chose to oppose a shareholder proposal, Item 6, "Report on Lobbying Payments and Policy", owing to the improvements the company had made to its disclosures on this topic since the previous year's AGM. In particular, we noted that the company was named as one of the biggest improves for disclosure in 2023 by the CPA-Zicklin Index of Corporate Political Disclosure and Accountability. We commended the company for the improvements made.

Diversity

Outcome: Howdens Joinery Group

Our bespoke voting policy triggers votes against management where UK companies fall short of the expectations of regulators and society with regard to diversity at Board level. We wrote to the company around the time of its AGM reminding them of their responsibilities in UK rules with regard to maintaining adequate gender diversity. We highlighted that the Howdens Board had failed to meet the expected threshold in respect of the gender and diversity targets contained in the FCA Listing Rules, which call upon listed companies to have at least 40% female representation at Board level, a female CEO, CFO, Chair or SID and at least one member of the Board from an ethnic minority background.

The Chair responded that further to their commitment they had made two new NED appointments, which would bring the Board to 44% female. In addition, they stated their desire to continue our work to meeting the third target of having a female CEO, CFO, Chair or SID before the end of the reporting year.

Audit

The role of the auditor is crucial in corporate governance, since without their input investors cannot be assured about the quality of data pertaining to the long-term health of a company. While companies should rotate their audit firm on a regular basis to avoid the relationships becoming 'cosy' and conflicted, the relationship should also last more than a few years, so that the auditor can gain real depth of understanding of the business model. Sudden changes of auditor without explanation are a trigger for engagement with a company on the issue, as they may suggest a lack of comfort with external assessment.

Outcome: Serica Energy

We were contacted by a proxy solicitation advisory firm on behalf of the company, regarding the letter we sent to the company at the start of 2024 concerning compliance with the new QCA Corporate Governance Code. We flagged that the ISS report was incorrectly showing that directors were not subject to annual re-election. The company confirmed that it had adopted the best practice principle of the annual re-election of directors and explained that this had resulted from our letter, which led to the swift change. The advisory firm thanked us and said it would engage with ISS to correct this.

Fusion Antibodies

Rathbones are significant shareholders in a number of UK small-cap businesses. One such business is Fusion Antibodies, a company engaged in the research, development and manufacture of genetically engineered proteins and antibodies used to treat cancer and other infectious diseases. We have a good relationship with the management team at the company. Ahead of its AGM in October 2024, we got in contact to raise several concerns with the governance arrangements at the company. We had misgivings at the lack of an explanation provided for why it changed its auditor, and the fact that the Board was all-male and lacked the level of representation we expect to see from independent directors.

We wrote to the company to raise our concerns. We called on the company to provide us with an explanation as to why the company had decided to switch auditor, and we encouraged the Board to, over the long term, recruit female directors and independent directors. We expressed our appreciation that making any alterations to the make-up of the Board was not a short-term priority for the company, given the downturn in global life science spend that had been a significant headwind to the business.

The Chair of the Board responded to our letter, apologising for the oversight in not providing a more detailed explanation behind the change of auditor. He noted that PwC was looking to shift away from smaller company mandates. By making the company a lower-priority account for PwC, this led to a delay in the publication of its results. He said the company felt Kreston Reeves, its new auditor, would be a better fit. Regarding the issues we raised around diversity and independence, the Chair acknowledged our concerns, and explained that while the company strives to meet best practice under the QCA Corporate Governance Code, the Code does allow for a degree of flexibility. The Chair said that once the financial climate settled they would be in a better position to address both situations.

FIXED INCOME ENGAGEMENT

Eros Media World

Eros Media World, an Indian media company, has missed a number of repayments to bondholders, including some of our clients, in recent years. We have actively engaged with them since February 2024. This involved a series of meetings with the group's Indian management team and their London representatives, where we stressed the importance of maximising the recovery of bondholders' money.

Our analysts concluded that due to the breach of covenants, an attempt to force an accelerated payment would not be in the interest of holders of the bond, since the company's assets were hi illiquid. The company initially proposed a limited cash payment to bondholders, based on the limited assets available to them at the time. Our team advocated for the terms to include a further payment to be made to bondholders, should the company get access to additional funds from the sale of some of its assets. The company agreed to our proposal. Our discussions with the company led to the final offer being an initial limited cash payment, followed by a larger payment if the company realised proceeds from the sale of its assets.

We continue to be actively engaged with the company amid delays in its repayments to bondholders. Our focus continues to be on ensuring the company repays our clients that hold the bond.

PRINCIPLE 10

Signatories, where necessary, participate in collaborative engagement to influence issuers.

As we state in our public engagement policy: “Where appropriate, in line with our conflicts of interest policy, we will seek to engage on a collaborative basis.”

We recognise that in some situations our concerns will align directly with those of other shareholders. However, our overarching aim is to act in the best interests of clients. This takes precedence over collaborative action. We recognise that many ESG issues are systemic, and hence are more suited to coordinated, cross-sectoral action.

Following our combination with IW&I we conducted a review of the two businesses' memberships of external associations and collaborative engagements, with a view to improving efficiency and avoiding duplication. We have reset our membership of many as a newly combined Group, while allowing some memberships to lapse, as we did not perceive ongoing involvement to be in the best interests of our clients.

We take part in a number of collaborative initiatives. A full list is in the table at the bottom of this section.

Principles for Responsible Investment
Rathbones Group have been members since 2009 and make use of the PRI's collaboration platform, engaging with other members on a wide range of ESG issues each year. In the reporting period we once again used the platform to gain new signatories to our 'Votes Against Slavery' initiative and support for our policy work on modern slavery.

Institutional Investors Group on Climate Change
We have been full members of the IIGCC since 2019. Rathbones leads IIGCC engagement with a UK utility company, SSE, and since June 2023, with the mining company Glencore. IIGCC plays a significant role in Climate Action 100+ (CA100+), a global coalition engaging with the world's largest corporate emitters. It is difficult to say with precision exactly how much influence we have exerted through such large and complicated networks. However, our commitment is long-standing and we dedicate significant amounts of colleague time to IIGCC projects.

Nature Action 100
We have been part of Nature Action 100 since November 2023. We are in the dedicated engagement teams for four priority companies.

Global Commission on Mining 2030
Since May 2023 we have been formal supporters of The Global Investor Commission, a collaborative, investor-led initiative. It recognises the mining industry's important role in the transition to a low-carbon economy, and considers key systemic issues faced by the mining sector that currently challenge or could challenge existing good practice and the sector's social licence to operate.

The Investor Forum

IW&I have been members of The Investor Forum since 2021 and this is now a Group-wide membership. The Investor Forum is a not-for-profit, practitioner-led membership organisation. The Forum's purpose is to position stewardship at the heart of investment decision-making by facilitating dialogue and creating long-term solutions.

Cambridge Institute for Sustainability Leadership (CISL) - Investment Leaders Group

CISL is an institute within the University of Cambridge that brings together leadership globally to develop research, education and innovation across the realms of people, nature and climate. We are members of the Investment Leaders' Group, which is a voluntary initiative, facilitated by CISL and supported by academics in the University of Cambridge.

World Benchmarking Alliance (WBA)

We are an Ally of the WBA. The WBA "strongly believe that our multi-stakeholder Alliance plays a significant role in helping WBA become a truly effective global organisation and drive system transformation to achieve the SDGs."

The WBA Nature Collective Impact Coalition (CIC) focuses on pushing companies to assess and disclose their impacts and dependencies on nature. This is based on stakeholder consultation and the WBA Nature Benchmark results. These showed that less than 1% of companies assessed holistically assess and disclose their dependencies upon nature, and less than 5% are doing this for their impacts on nature. Without this assessment, it is difficult for companies to understand and transform their relationship with nature, to reduce negative impacts and increase positive ones. Disclosure of the assessment is important for investors because it helps them see if companies are taking the right actions. The CIC is a multi-stakeholder group ,which allows members to take coordinated actions; in 2024 this included our signing of a Public Endorsement and Investor Statement.

[8] Source: Climate Action 100+ Net Zero Company Benchmark 2.1 Page 8 here: https://www.climateaction100.org/wp-content/uploads/2024/10/2024_10_14-October-Final-Summary-Report-Slides.pdf

Climate Action 100+

Progress in CA100+ engagements is measured against issuers' achievements relative to a common benchmark. In 2024, 80% of companies on CA100+'s target list have set an ambition to reach Net Zero by 2050 or sooner on at least Scope 1 and 2 emissions - up from 51% in the first Benchmark assessments (March 2021); 90% of all companies assessed continue to disclose evidence of Board-level oversight of the management of climate change risks; and 88% of companies are publicly committed to implementing the recommendations of the Task force on Climate related Financial Disclosures (TCFD) or the International Sustainability Standards Board (ISSB).[8]

PRI Advance

The PRI has begun to establish its own, targeted global investor collaborations on key issues, supported by its staff team. One such effort is PRI 'Advance', launched in December 2022. Its objective is to advance human rights and positive outcomes for people through investor stewardship.

At a high level, investors set three key expectations for companies engaged through the initiative:

- Full implementation of the United Nations Guiding Principles on Business and Human Rights – the guardrail of corporate conduct on human rights.
- Alignment of their political engagement with their responsibility to respect human rights.
- Deepening of progress on the most severe human rights issues in their operations and across their value chains.

Engagement is underway with 35+ companies in the metals & mining and renewables sectors. Rathbones has supported the project since inception.

Find it, Fix it, Prevent It

Rathbones continued its involvement in this engagement, which calls on construction companies to find victims of slavery within their supply chains and support their rehabilitation. Rathbones also sits on the advisory committee for this engagement. We want to see hospitality companies develop better policies, processes and procedures for tackling modern slavery. Rathbones remains the co-lead investor for the engagement with Persimmon and is a supporting investor for the engagement with Bellway.

[8] Source: Climate Action 100+ Net Zero Company Benchmark 2.1 Page 8 here: https://www.climateaction100.org/wp-content/uploads/2024/10/2024_10_14-October-Final-Summary-Report-Slides.pdf

Votes Against Slavery

See Principle 4 for details of our award-winning investor collaboration project.

COLLABORATING FOR POLICY INFLUENCE

As previously mentioned, we have a clear policy that enables us to participate in collaborative demands for regulatory or policy changes on ESG best practice and responsible investment.

Climate policy engagement

In 2024, the best example of this type of engagement came with our involvement in “The 2024 Global Investor Statement to Governments on the Climate Crisis”. According to the organisers, this is “the most ambitious statement to date in terms of the policy recommendations contained within it, calling on governments to raise their climate ambition in line with the goal of limiting global temperature rise to 1.5°C”. 12 Rathbones was one of 534 global investors, with $29 trillion in AUM, to sign the statement. The full list of policy recommendations can be found in the statement.

UK energy policy

In November 2024, we signed a letter sent to the Chair of the National Energy System Operator, expressing concern over policy and procedural weaknesses in the battery storage sector, which are undermining investor confidence. For investors like ourselves to channel capital towards the necessary infrastructure to support rapid decarbonisation, we require a supportive market environment. Above all, we are looking for the establishment of a level playing field for battery storage to compete fairly in the power system, regulatory transparency and predictability. The trouble is that when it comes to battery storage, the opposite has been true.

Over the past two years we have experienced deteriorating returns, rising volatility and increasing risks of insolvency in the very companies that the government needs to be investing for growth. Taking the three UK-listed battery storage operators (Gore Street Energy Storage, Gresham House Energy Storage and Harmony Energy Income), share prices have on average fallen by 21% a year over last three years, with shares declining a massive 47% in the year to date, at the time the letter was written in November 2024. This means that the sector sits at a substantial 53.5% discount to reported Net Asset Value today. While there are inevitably multiple factors driving share price performance for any company, these figures speak to the loss of confidence in the sector's future.

Under these conditions, the government is highly unlikely to achieve the required expansion of battery storage of four to five times (from 5 GW to 23-27 GW) by 2030, as envisaged under the National System Energy Operator's (NESO's) clean power pathways.

We highlighted that one of the most impactful actions NESO could take today would be to tackle uneconomic 'skipping' of batteries in the dispatch process. It makes no sense for cheaper battery power to be passed over in favour of more expensive carbon-intensive power. Aside from the unnecessary costs ultimately borne by customers, skipping undermines incentives to invest in battery assets, which are vital to achieving the government's carbon neutral power system in 2030. A lack of battery storage, in turn, exacerbates curtailment. This is where renewable power is lost as the system cannot absorb it in times of over-supply, reducing the economic viability of these projects and therefore the investment case for a Net Zero energy system.

The vital role of battery storage in delivering the government's 2030 clean power targets is not in dispute. What we feel is lacking, however, is a sense of urgency in addressing key regulatory impediments. Fixing battery 'skipping' in the dispatch system offers an obvious opportunity to generate early momentum in transforming the UK's power system. It can also be delivered relatively cheaply.

We received a reply and invitation to join roundtable dialogues between government and companies on the issue, to ensure it is addressed in the UK government's Clean Power 2030 Action Plan.

Financial Sector Statement for an ambitious Global Plastics Treaty

In November 2024 we joined more than 160 financial institutions and two industry stakeholders from around the world in calling on governments to negotiate an ambitious treaty to end plastic pollution, ahead of the final round of negotiation. In signing the Statement, financial institutions acknowledge that the finance sector has an important role in mitigating financial risks related to plastic pollution and is taking this opportunity to inform negotiators what a robust agreement would include from its perspective.

Joint industry statement on net zero ahead of the UK 2024 general election

In June 2024, we noted that the upcoming UK general election provided an opportunity to re-emphasise the importance of strong policy support for a comprehensive, well-executed net zero transition. This would require early action from the new government, including through the first King's Speech, and ensuring that sustainable finance policy progress was not further delayed. To this end, the PRI, IIGCC and the UK Sustainable Investment and Finance Association (UKSIF) worked on a statement, published after the election. This statement was purposefully high-level, apolitical and non-prescriptive, highlighting the need for a whole-of-government approach to the transition, underpinned by clear sectoral roadmaps, and setting out the benefits of doing so (including in avoided costs for taxpayers and businesses). The letter was sent in July 2024.

Personal Investment Management & Financial Advice (PIMFA) Sustainability Working Group

PIMFA is the main trade association for investment management and they run a Sustainable Finance Working Group. This is a forum for members to respond to incoming or current regulation concerning sustainability and ESG issues and seek to influence relevant sustainability/ESG regulatory and policy matters. Through our participation, we seek to come to a consensus with our peers and provide feedback to regulators and policymakers, where necessary. For example, this year we were part of a joint response to the Financial Reporting Council's consultation on amendments to the UK Stewardship Code. Through this working group, IW&I contributed to PIMFA's response to consultation on extending SDR to portfolio management.

Initiative / Organisation	Affiliation	Signatoryship	Membership	Engagement	Certification	Rathbones Group	RAM	RIM	Greenbank	RIMI	IW&I
#10,000 Black Interns		✓				✓					✓
Armed Forces Covenant		✓				✓					
Bright Network	✓					✓					
Building Research Establishment Environmental Assessment Methodology (BREEAM)					✓	✓					
Business Ambition for 1.5oC		✓				✓					
Business Disability Forum			✓			✓					
C19 Business Pledge		✓				✓					
Cambridge Institute for Sustainability Leadership (CISL) - Investment Leader's Group			✓			✓					
Carbon Disclosure Project (CDP)		✓			✓	✓					
Career Transition Partnership (CTP)	✓					✓					
ChemSec/ ChemScore Investor Initiative on Hazardous Chemicals (IIHC)						✓					
CA100+		✓		✓		✓					✓
Find it Fix it Prevent it		✓				✓					
FRC Stewardship Code		✓				✓					✓
FTSE4Good						✓					
Future Asset	✓					✓					
Girls Are Investors (GAIN)	✓					✓					
Glasgow Financial Alliance for Net Zero			✓			✓					
Global Investor Commission on Mining 2030			✓			✓					
Henpicked	✓					✓					
Hidden Disabilites Sunflower	✓					✓					
IIGCC Net Zero Engagement Initiative (NZEI)				✓		✓					
IIGCC UK Energy Policy Working Group				✓		✓					
Inclusive Companies			✓			✓					
IIGCC (Institutional Investors Group on Climate Change)			✓			✓					✓
International Regulatory Strategy Group - ESG Workstream				✓		✓	✓	✓			
International Regulatory Strategy Group (IRSG)	✓					✓					
LGBTGreat		✓				✓					
Living Wage Foundation					✓	✓					
Nature Action 100 (NA100)		✓		✓		✓					
Net Zero Asset Managers Initiative (NZAM)		✓				✓					
Payroll Giving Award					✓	✓					✓
PIMFA D&I Talent Committee			✓			✓					
PRI Advance				✓		✓					✓
PRI Spring				✓		✓					
Principles for Responsible Investment (UN PRI)		✓				✓					✓
Progress Together			✓			✓					
Science Based Targets Initiative (SBTi)		✓			✓	✓					
Task Force on Climate-Related Financial Disclosures (TCFD)		✓				✓					✓
Taskforce on Nature-related Financial Disclosures (TNFD) - Forum			✓								
UK Sustainable Investment and Finance Association (UKSIF)			✓			✓					
UN Global Compact Principles		✓				✓					✓
Votes Against Slavery			✓	✓		✓					✓
Women in Finance Charter		✓				✓					
World Benchmarking Alliance (WBA)	✓					✓					✓
World Benchmarking Alliance Ethical AI Collective Impact Coalition (WBA Ethical AI CIC)				✓		✓					
World Benchmarking Alliance Nature Collective Impact Coalition (WBA Nature CIC)				✓		✓					

PRINCIPLE 11

Signatories, where necessary, escalate stewardship activities to influence issuers.

Under our Responsible Investment Policy we are committed to pursuing engagement with consequences – an explicit endorsement of the necessity for escalation. Our stewardship team, together with our Engagement and Responsible Investment Committees, determines the process and tools to communicate openly with investee companies, understand the issues and raise concerns. We consider our engagement activities as successful when we see positive change. This policy mainly applies to our approach to engaging with listed equities and collectives, since these account for the majority of our FUMA.

However, we recognise that ESG issues are complex and may progress over a longer time horizon. We retain flexibility in our response to engagements that are not progressing in line with expectations, recognising that no one-size-fits-all escalation template is suitable for all issuers, sectors, or asset classes. When escalating our engagement with companies and issuers, we act with sensitivity, steadiness, and an eye towards our goal of achieving better outcomes, as long-term investors, for our clients, society, and the planet.

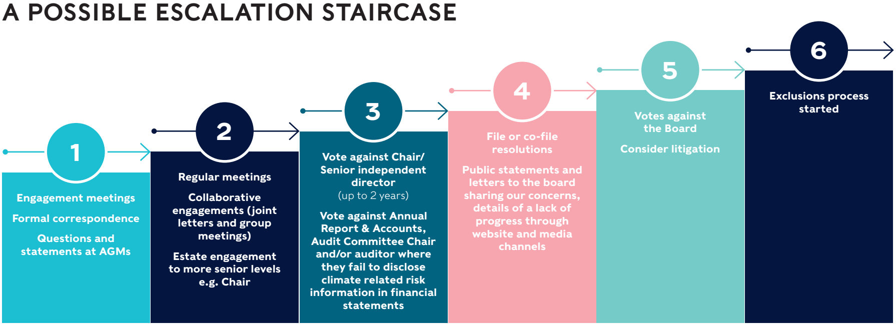
The exceptions to this flexible approach are high-profile, time-sensitive and highly material ESG issues, where the risks to our investee companies are well-defined - and the issues are often made more material by increasing regulation. The best example is climate change. Here, the risks are so well-defined and apply so directly to our pool of underlying securities that a consistent approach is necessary. In these areas, we push investee companies to make commitments within specific time frames and escalate our engagement in a manner that provides accountability to those commitments. To drive our escalation on these issues, we are developing internal frameworks specific to these priority issues, which will establish parameters and targets.

We are guided by our responsible investment principles to pursue 'engagement with consequences'. If we determine that our engagement on a particular issue or company is yielding an inadequate response or insufficient progress, we may employ a combination of the methods described in our engagement policy to escalate our concerns. Escalation may take the form of joining collaborative initiatives to apply greater pressure on companies, filing shareholder resolutions that, even if not passed, can provide a strong signal to company management if sufficient support is garnered from other shareholders, and voting against management on the matter. If, following sustained engagement and the setting of measurable targets for the company, we fail to achieve adequate progress, we will deploy our resources elsewhere. In such cases, we will recommend that the company be considered for divestment.

In 2024 we made a significant change to the way we formally track candidates for escalation. Our third-party engagement tracker now enables a company or engagement to be formally flagged as in need of escalation, ensuring better accountability and consistency.

IW&I adhered to a Stewardship Policy that covered voting, engagement and escalation, until they adopted the equivalent Group policies in February 2025. The legacy policies were well-aligned with Group policies and outlined the various methods of escalation employed, should engagement not yield a cooperative response from companies in which we have holdings.

A POSSIBLE ESCALATION STAIRCASE



ESCALATION EXAMPLES, 2024/25

BHP Group

At the 2023 AGM we communicated our decision to offer qualified support for the approval of the remuneration report. We raised concerns about the base salary increases that were granted to the CEO, the decision by the company to no longer disclose the ration of its CEO's pay relative to the median BHP worker, and the reductions to the ROCE target range in the STI PLAN. In 2024, we were disappointed by the lack of detail provided by the company in response to the concerns we had raised on these matters in our letter to the Board the previous year. We also noted that some of the same concerns raised previously remained unaddressed in the latest iteration of the remuneration report. We therefore decided to escalate our position to an abstention on the remuneration related vote at the 2024 AGM.

North Atlantic Smaller Companies Investment Trust

With regard to the AGM, which took place on 27 June 2024, we noted that the company was falling short of two of the new FCA Listing Rules for diversity targets, applying to listed companies for financial accounting periods starting from 1 April 2022.

These call on listed companies to have at least 40% female representation at Board level, a female CEO, CFO, Chair or SID and at least one member of the Board from an ethnic minority background. We remained concerned that the level of female representation on the Board has remained static at 14% since the previous AGM and there is currently no ethnic minority representation on the Board. Further, now that the company had become a FTSE 250 constituent, there is likely to be heightened investor and public scrutiny on the company's approach to diversity at Board and senior management level. This led us to escalate our position to abstain our vote on the Chair's re-election on this occasion.

Caterpillar
The company has had the same auditor since 1925. Under our bespoke voting policy, we usually vote against the re-election of the Chair of the Audit Committee when an external audit firm has exceeded twenty years tenure and no explanation has been provided on when the audit will next be put out to tender. While we acknowledge that the company is not required to follow UK rules on rotating auditors, we believe that all companies can benefit from refreshing audit tenure more regularly, as newer auditors are more likely to be free from potential conflicts of interest and may have less impediments to producing accurate, fair and transparent information for shareholders. We have raised this concern several times with the company in the past, but have not received a response, hence our decision to escalate to a vote against the re-election Director Daniel M. Dickinson on this occasion. We would welcome an explanation from the company as to how it has assessed the effectiveness of the external audit process.

TotalEnergies
We voted against the Financial Statements and Statutory Reports in 2023, as the Chair/CEO was not up for re-election that year. We warned that unless the roles were separated, we could not continue to support in 2024. The arrangements remained the same, so we escalated to a vote against the Chair/CEO and called for the roles to be separated again.

Fixed income
Our escalation process works well for listed equities, where formal voting rights have an important place. We find engagement with Boards works just as well for collective investments but is less effective for other asset classes, including fixed income. We continue to explore options for the development of robust escalation strategies in fixed income, starting with a more formal process of dialogue with Boards to make known the concerns of bondholders.

PRINCIPLE 12

Signatories actively exercise their rights and responsibilities.

How we exercise our rights and responsibilities

As investors we have rights – either voting rights as shareholders, or legal rights as owners of fixed income instruments. We also have a capacity to encourage issuers of these securities to achieve positive outcomes in the form of influence or soft power. A robust stewardship programme looks to make use of both aspects. Beyond rights, we have clear fiduciary responsibilities or 'duties'. At Rathbones we support a wider view of what this fiduciary duty means, beyond purely focusing on short-term returns. A wider attention to ESG factors is in fact a way to ensure that fiduciary duty is executed, since these can affect long-term returns.[9]

Since a significant portion of our investment exposure is listed equities and investment trusts, the main way we actively exercise our stewardship responsibilities is through active voting. Our engagement programme described above then seeks to use our capacity and power to influence.

Outside of listed equities, we seek to influence those acting on our behalf towards the discharge of their rights and responsibilities (see Principle 8).

Our fixed income teams incorporate ESG factors in the selection of fixed income assets for recommendation and engage with Boards and company management teams where relevant.

INVESTOR RIGHTS – VOTING

Our voting activity

In the legacy business we instruct all votes through the ISS platform for RIM and RAM. No third party votes directly on our behalf (outside of our investments in collective vehicles). Our corporate actions team monitors on a daily basis which voting rights we have, providing the voting list to ISS.

In addition, they receive all paper AGM and EGM notices, which are circulated daily to investment management teams. Our full voting record for the last three years can be found at:

https://www.rathbones.com/about-us/investment-approach/responsible-investment/vote-disclosure

https://www.rathbonesam.com/voting-disclosure

[9] https://www.unpri.org/download?ac=9792

Following regulatory approval for the combination of Rathbones and IW&I in September 2023, work was undertaken to align our voting processes from February 2024 , pending the final migration of client assets due for H2 2025. Until that time, voting in the RIM business is running in parallel, with RIM using a third-party voting platform and legacy IW&I assets that have not yet come across to the Rathbones custody arrangements being voted manually through their custodians. However, the decision-making process and the ultimate voting outcomes have been aligned. We anticipate this parallel process to last into the second half of 2025, and for all voting to be processed through the Rathbones Group custody and ISS platform by 2026.

From January 2025, all RIM votes were assessed and debated using the one combined bespoke voting policy.

RIM

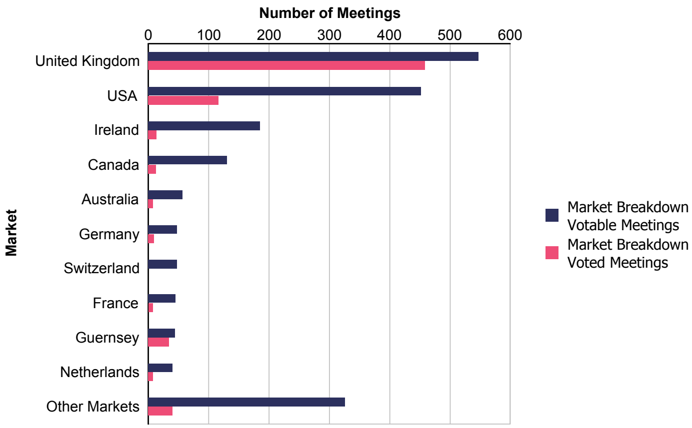
As a discretionary fund manager managing assets directly for clients, we own shares in thousands of companies. However, the vast majority of our assets by value are held in around 600-700 of these companies. It is not considered the best use of our resources to vote on all stocks we hold, since many are small holdings, are not listed and/or are limited to a single client. Instead, within RIM we commit to voting on over 90% of our votable assets by value each year.

This means that between April 2024 and March 2025 we voted at 706 of a possible 1,920 company meetings, or 37%. Some further detail is helpful. Most of these assets are in the UK, after establishing the actual value of these assets and how widely they are held across our client base. In the UK, we voted at 459 of a possible 547 meetings.

A final complication that applies to both RIM and RAM is the presence of operational and legal challenges that create a hurdle for voting in markets such as Switzerland and Norway.

As highlighted above, the formal migration of client assets following the merger with IW&I is scheduled for completion by the end of 2025, with the large majority of assets expected to be migrated by the end of H1. This will give a slightly different picture to the holdings universe, but our initial research does not show any major changes. We still expect a large proportion of assets by value to be held in a relatively concentrated list of companies.

RIM MARKET VOTING STATISTICS

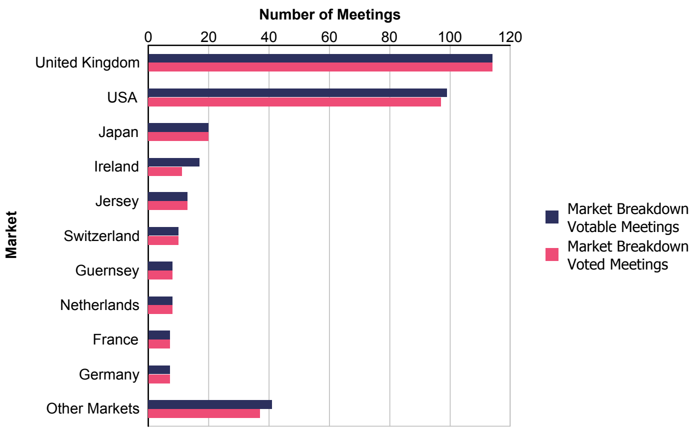


Corresponding numbers are not available for IW&I

RAM

For RAM we vote on everything we own where we are legally able to. This means that from April 2024 to March 2025 we voted at 332 of 344 meetings.

RAM MARKET VOTING STATISTICS



Our voting policy

In voting activity linked to our RIM business, we have developed a bespoke in-house voting policy to guide voting decisions, based on our conception of the priority ESG issues that are most material to clients' long-term best interests. This policy is updated annually and is publicly available on our website.

The latest version is the subject of a thorough re-write, following our combination with IW&I. This sees the policy notably enhanced in investment trust governance.

https://www.rathbones.com/sites/rathbones.com/files/literature/pdfs/2025-04/10700_voting_policy_2025-v1.pdf

For RIM, the exception is remuneration, where we are strongly aligned with the default benchmark policy of our service provider. Our bespoke policy therefore follows its benchmark on remuneration issues.

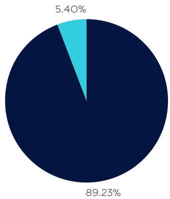
For RAM, we subscribe to the ISS benchmark sustainability policy, as it applies a thorough and more global lens to the assets held in this area of the business than our UK-focused RIM bespoke policy. This makes it more appropriate.

However, we do not follow either policy blindly. In RIM, voting decisions are made by the stewardship team, in conjunction with the relevant investment analyst and the top holders. In RAM, they are made by the stewardship team and the manager of the fund in question.

For RIM, we voted against the recommendations of our policy for 5.4% of resolutions in the period under review. For RAM, this was 3.3%. IW&I did not track this.

RIM

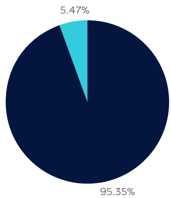
VOTING ALIGNMENT WITH POLICY



■ Votes with policy
■ Votes against poilicy

Numbers add up to less than 100 because RIM's policy recommends neither a vote for nor against.

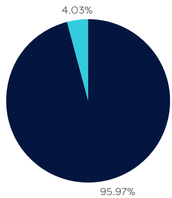
VOTING ALIGNMENT WITH MANAGEMENT



■ Votes with mgmt
■ Votes against mgmt

Number of votes against management's recommendations. Numbers add up to more than 100 because some votes are split.

IW&I VOTING ALIGNMENT WITH MANAGEMENT

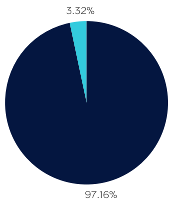


■ Votes with mgmt
■ Votes against mgmt

Number of discrete votes against management. This data includes a small proportion of votes executed on behalf of execution-only clients. Includes abstentions.

RAM

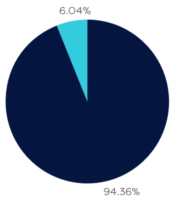
VOTING ALIGNMENT WITH POLICY



■ Votes with policy
■ Votes against poilicy

Numbers add up to more than 100 because some votes are split.

VOTING ALIGNMENT WITH MANAGEMENT



■ Votes with mgmt
■ Votes against mgmt

Number of votes against management's recommendations. Numbers add up to more than 100 because some votes are split.

Flexibility in our process to enable outcomes desired by specific clients

In RIM, we have set out a clear procedure for clients to submit specific voting instructions via their investment manager. In addition, investment managers routinely submit votes that deviate from the house view for specific client holdings based on their understanding of the clients' specific needs or interests. We allow for the submission of split votes through our nominee (with a mixture of votes for, against or abstain, if that is the wish of different clients). This applies to clients within our bespoke discretionary wealth management service, including our charity clients.

In RAM we are more limited in our ability to be flexible in response to individual beneficiary needs or interests, since we are restricted from knowing who our retail clients are by the platforms we trade these products on. This is an issue we are looking to address. It is therefore very important in the RAM businesses to be clear about how we intend to vote and to be transparent about how we have actually voted, so that there can be accountability. To this end, in both RIM and RAM we disclose our voting record on our websites, updated daily.

Rathbones is not involved in stock lending.

Voting - rationales
One of our core responsible investment principles is transparency. That has inspired us to make our voting rationales clear on our website. This applies to any vote against management.

WE SET OUT SOME EXAMPLES BELOW:

Exxon Mobil AGM, May 2024
We voted against the re-election of the entire Board of ExxonMobil, the US energy company, because we believe the company is mismanaging the risk of climate change. In particular, it's investing in new oil and gas production. We think this is at odds with both its own Net Zero commitments and the Paris Agreement's goal of limiting global warming to 1.5°C. Climate change is likely to hit the earnings and balance sheets of many companies in our portfolios - for example, through extreme weather events. It will also make the historical business models of fossil fuels companies less viable, as the global economy tries to move towards Net Zero. For example, the International Energy Agency warned in June of a "staggering" oil glut of more than 8 million barrels a day by 2030, as oil companies increase production but oil demand falls. The directors were all re-elected but there was double-digit opposition - 13% of shareholders - to Joseph Hooley, head of the Nominating and Governance Committee, which looks at ESG issues.

Plus500 AGM, May 2024

We joined almost two-thirds of shareholders in voting against the remuneration report of Plus500, a UK company that provides online trading services. This report sets out the pay and other benefits of senior management. We're concerned that they've received close to their maximum possible annual bonus and long-term incentive plan (LTIP) payouts since 2020, even though in the past two financial years revenue and earnings per share have fallen. We think the point of bonuses and LTIPs is to reward outperformance. We also think shareholders should be given a clearer picture of the performance conditions used to judge what this performance-related pay should be.

In November 2024, Plus500 committed to take into account this feedback and to incorporate it where feasible. The Board said it would continue to take shareholder views and feedback into consideration as part of its approach to achieving high governance standards and delivering long-term value for all stakeholders.

Netflix AGM, June 2024

At Netflix's annual general meeting (AGM) we supported a shareholder resolution calling on the US streaming service to produce a report explaining how it uses artificial intelligence (AI), how the Board oversees this, and any ethical guidelines Netflix follows for AI. We think AI poses several risks to the public – and for that reason to the company's reputation and financial position. For example, it makes it easier to spread false information through sophisticated "deep fake" images. It may also introduce bias in recruitment. Experts fear that, by picking applicants whose CVs read like those of existing employees, AI could accidentally favour ethnic groups already in a company in large numbers and reject ethnic groups who aren't.

Although the proposal failed, it won the backing of a large chunk of shareholders: 43%. We will be continuing our engagement with the company in 2025.

Woodside Energy AGM, April 2024

We joined a majority of shareholders in voting against endorsing Australian oil and gas company Woodside Energy's climate plan and 2023 climate progress report. We didn't feel the company was doing enough to move towards net zero carbon emissions. Companies in our portfolios that don't try hard enough to fight climate change present two risks to us as shareholders. They increase the physical risk that climate change poses to the revenue and assets of our clients' portfolios. For example, food companies in your portfolios will be hit by more droughts and other extreme weather. They also face the 'transition risk' of being caught out by the world's move to Net Zero. For example, if this means that oil demand falls from its peak, they could be left with uneconomic oilfields, hitting their share prices.

We praised the company for some improvements over the past year, including making a plan to invest in lower-carbon energy by 2030. But we were worried, among other things, that Woodside still had no concrete plans to reduce its Scope 3 emissions – the bulk of them – in the short to medium term. These are primarily emissions caused when Woodside's products are used – for example, when the oil it produces is refined and used in car engines.

Fixed income assets

For fixed income assets, signatories are expected to explain their approach to:

— seeking amendments to terms and conditions in indentures or contracts;

Our fixed income team tend not to have exposure to any private direct issued-to-client indentures and contracts. Where there are public deals we will review them on a case by case basis, but the majority of our work involves investment grade deals and standard documents.

— seeking access to information provided in trust deeds;

We are rarely involved in asset backed loans or loans in private placements, and so rarely have the need to seek access to information in trust deeds. On the isolated occasions where we are involved in asset backed deals, we will be given access to all information before or during any review to credit, post- issuance. This is explained by our main focus on dealing in highly liquid securities.

— impairment rights;

Our fixed income team would investigate impairment rights when they analyse bonds but once again most of our investments are in investment grade and not high yield, where an understanding of impairment rights is more valid. The fixed income teams do not deal in distressed debt so again impairment rights only impact us in the very rare occasions if a business gets in trouble.

— reviewing prospectus and transaction documents.

This is a core element of our activity. Prospectuses are key for analysis, for finding value and for protecting us from misunderstood risk. Understanding what covenants exist in bonds is helpful for us to understand their behaviour.

IMPORTANT INFORMATION

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We are covered by the Financial Services Compensation Scheme. The FSCS can pay compensation to investors if a bank is unable to meet its financial obligations. For further information (including the amounts covered and the eligibility to claim) please refer to the FSCS website www.fscs.org.uk or call 020 7892 7300 or 0800 678 1100.

Unless otherwise stated, the information in this document was valid as at 31 March 2025.

Rathbones Group Plc is independently owned, is the sole shareholder in each of its subsidiary businesses and is listed on the London Stock Exchange.

Rathbones and Rathbone Greenbank Investments are trading names of Rathbones Group Plc. Rathbone Financial Planning is a part of Rathbones.

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Rathbones Asset Management Limited is authorised and regulated by the Financial Conduct Authority. Registered office: 30 Gresham St, London EC2V 7QN. Registered in England No. 02376568.

Rathbones Investment Management and Rathbones Asset Management are wholly owned subsidiaries of Rathbones Group Plc.

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RATHBONES