RATHBONES

Engagement plan

2026–29

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What are stewardship and engagement?

What are stewardship and engagement?
Taking an active approach to stewardship and engagement is a core part of our service at Rathbones Group. It complements our investment analysis as we aim to fulfil our fiduciary duty to create, promote and preserve long-term value for our clients.

Stewardship is defined in the UK Stewardship Code 2026, published by the Financial Reporting Council, as "the responsible allocation, management and oversight of capital to create long-term sustainable value for clients and beneficiaries". Engagement and voting are two of the stewardship tools most widely used by investors. Engagement involves purposeful communication on financial and environmental, social and governance (ESG) issues. That includes communication between investors and the companies in which they invest. It can also include interactions with other investors as well as with policymakers and data providers.

At Rathbones we have a long track record of engaging on a wide range of issues that are financially material and issues that present enduring systemic risk. Past engagement topics include climate change, biodiversity and modern slavery. Rathbones is an approved signatory of the Stewardship Code.

Our engagement approach

Why do we engage?
Engagement is a key pillar of our Rathbones Group Responsible Investment Policy:

"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."

We believe that engagement, when targeted appropriately, can create value for our clients. This is because it can cover a broad range of financially material ESG issues that could affect the long-term value of an investment.

The exchange of information with the companies and funds in which we invest can improve our understanding of how they address topics. It can add another perspective to our investment analysis, including our understanding of how an investment may fare in different scenarios. Investment companies and funds can also derive insight from understanding the perspectives of investors and other key stakeholders. This helps inform investment strategies.

Where we see an opportunity to improve business practices for the benefit of clients, we'll use our rights and position to influence a company we invest in to make changes. In some cases, we engage with a company or fund to help it mitigate 'systemic risks'. These are risks that could affect the financial system, the macroeconomy, and the portfolios of large, diversified investors such as Rathbones.

We engage directly with companies and funds we invest in. We also engage collaboratively, alongside other investors, with a focus on specific sectors and themes. We may engage, as well, with policymakers and data providers. Public policy and data can play a powerful role in shaping and incentivising progress towards sustainable development.

Our activity is set in the context of long-term ownership, clear objectives and ongoing dialogue.

Selecting engagement projects
Our thematic engagement priorities are concerned with addressing sustainability and governance risks and opportunities that often require our commitment over many years to achieve the desired objectives.

We don't believe in engagement for its own sake. The projects we choose must present a clear strategy for achieving positive outcomes. We consider them in the light of factors such as:

- Our level of exposure across our holdings and the extent to which individual issues are important to clients
- The financial materiality of the issue to the companies or funds in which we invest
- Opportunities to address long-term systemic risks that impact our investments and the wider economy

As part of our ongoing research and monitoring activity, if we identify any new risks or opportunities to unlock value for investors, we'll often use engagement to do so. Rathbones has a team of stewardship and sustainability experts that support and drive forward this activity, to maximise both the impact and the effectiveness of our engagement.

How do we engage?
There's no one-size-fits-all approach to effective engagement. Generating the best outcomes for our clients requires us to be both strategic and adaptable, depending on the issues at hand. To guide our work and influence change, we have an engagement toolkit and an escalation framework.

We recognise the power of collaborative engagement and partnerships. So, where appropriate, we may work with other responsible investors and non-governmental organisations to increase the reach and impact of our engagement activities. This enables us to create change on a deeper or more widespread scale than we may be able to achieve individually.

Our 2026–29 action plan

Previously, our engagement action plans covered just one year. In 2026, for the first time, our plan stretches out over several years, and covers all business units. This reflects the fact that our programme of thematic engagements is long-term. It addresses risks and opportunities that require sustained commitment over a number of years, to achieve our desired objectives.

Our focus areas are climate change, nature, human rights and governance.

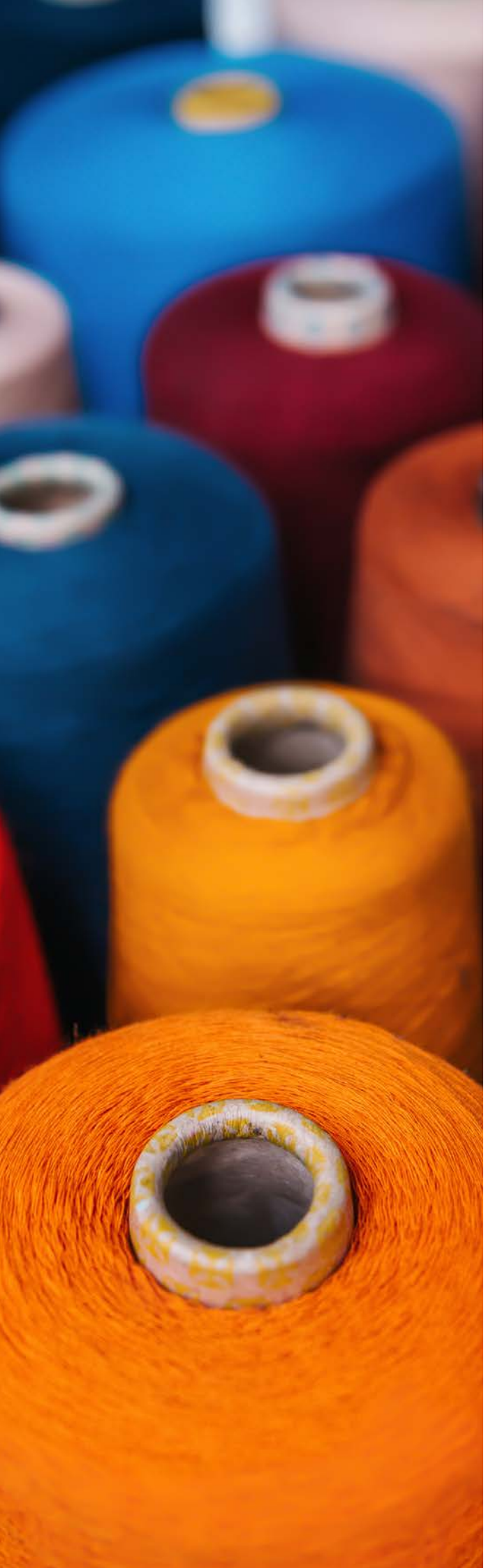
Theme	Climate change	Nature	Human rights	Governance
Purpose	To support the Rathbones Group target of being a net zero business by 2050 and Greenbank's target of becoming net zero by 2040	To encourage portfolio companies to mitigate their nature-related risks and to reduce or reverse their negative impacts on nature	To communicate the importance we place on human rights to portfolio companies and to encourage them to adopt the best practice as set out in the UN Guiding Principles on Human Rights	To promote high standards of corporate governance, the adoption of best practice and clear reporting at portfolio companies, and strong governance of their use of artificial intelligence
Why have we selected this?	To support us in managing our climate-related financial risks and opportunities (physical, transition and systemic), in line with our commitment to address risks and opportunities deriving from climate change and nature	To support us in managing our nature-related financial risks and opportunities (physical, transition and systemic), in line with our commitment to address risks and opportunities arising from climate change and nature	To support our commitment to respect human rights, as guided by the UN Declaration of Human Rights and other internationally recognised human rights frameworks. To address human rights-related risks in our investments.	Corporate governance is the way in which companies turn strategy into reality. Strong governance protects capital and enhances long-term value. It ensures accountability, transparency, and alignment between management and shareholders. This reduces the risk of mismanagement and value destruction.
Examples of engagement focus	• Net zero alignment • Climate resilience and adaptation • Methane emissions	• Deforestation • Water • Circular economy	• Modern slavery • Human rights due diligence in supply chains • Access to medicine and nutrition	• Shareholder rights • Board independence • Diversity, equity and inclusion • Digital governance

Engagement with policymakers and data providers

Purpose: To create an enabling environment for companies to address ESG risks and opportunities

Why have we selected these engagement routes? Public policy and the creation of appropriate ESG data for companies can play a powerful role in shaping and incentivising progress towards sustainable development by setting the rules of the game

Examples of engagement focus: Modern slavery regulation, Investor Coalition on Food Policy, regulation related to sustainability disclosure



Measuring progress

It's important to measure the effectiveness of our stewardship and engagement activities. At the start of each engagement, we define its objectives. We then track progress toward milestones on a regular basis. We also monitor whether we have had to escalate the engagement. We track final outcomes too, and whether or not the engagement was successful. We annually report the progress of our engagement activities.

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