

RATHBONES
ASSET MANAGEMENT

Engagement Policy 2026

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Introduction

Rathbones Asset Management is part of Rathbones Group Plc (Rathbones). At Rathbones, we believe its our responsibility to be good, long-term stewards for our clients investments. Responsible investment (RI) is one of our four responsible business principles, alongside our own treatment of the environment, our community and our staff. Our RI Policy is built upon four pillars covering our commitment to environmental, social and governance (ESG) integration, company engagement, voting and transparency.

We signed up to the Principles for Responsible Investment (PRI) back in 2009, a United Nations supported network of investors, and to the UK Stewardship Code more recently. Rathbones aims for best practice in corporate engagement and responsible ownership, and regularly reports to relevant bodies on our processes and progress.

For more information on our Group wide engagement policy, please visit Rathbones Group Engagement Policy.



Our stewardship team

The Responsible Investment Centre of Excellence is responsible for delivering proxy voting, engagements for Rathbones Group as well as research and screening for holdings within Greenbank bespoke and managed portfolios and for the Rathbones Asset Management sustainable funds and funds that integrate sustainability characteristics.

As Rathbones Group we are members of several investor initiatives, including:

- **UN PRI:** Members since 2009 with full use of the PRIs collaboration platform, engaging with other members on a wide range of ESG issues
- **Institutional Investors Group on Climate Change:** Full members since 2019, we sit on the resolutions subgroup and co-lead engagement with utilities companies
- **Science-Based Targets Initiative (SBTi):** The climate effects auditor has approved our near-term 1.5°C-aligned targets, including a commitment to engage with our investee companies on net zero
- **Climate Action 100+:** Committed to engaging with companies earmarked as important to the transition to a net zero global economy
- **Nature Action 100:** Pressing to reverse nature and biodiversity loss by 2030
- **Votes Against Slavery:** Rathbones runs this investor coalition highlighting businesses awareness of modern slavery in supply chains and taking steps to prevent it
- **Find it, Fix it, Prevent It:** Founder members of this investor coalition, set up to encourage companies to find any existing slavery within their supply chains, support victims and put measures in place for prevention
- **World Benchmarking Alliance:** A non-profit working with stakeholders to hold 2,000 of the worlds most influential companies accountable for helping the world achieve the UN Sustainable Development Goals



Our approach

Our boutique structure means our engagement specialists sit alongside investment teams, enabling quick decision-making and consistent communication with companies.

We follow one engagement process across Rathbones Asset Management, while giving each fund franchise the flexibility to focus on the issues they find most relevant to their strategy and holdings. To guide our work, we combine external ESG data with in-house analysis to identify the risks that matter most.

Our approach blends:

Targeted, in-house engagement on issues where we have deep expertise

Collaborative engagement with other investors to amplify our influence and reach companies or markets that are harder to access

Regular dialogue through meetings, calls, letters and emails – enabling us to raise expectations, understand progress and encourage best practice

We recognise that consequential change takes time. Our aim is always to work constructively with companies to address material ESG risks and support long-term value creation.

Identifying engagement opportunities

Our long-term overarching engagement themes are set at group level with a three-year horizon, recognising that the themes we engage on will typically be long-term in nature. For more information, please see here.

Every year, we review and update our themes and target companies to ensure they remain relevant and material for Rathbones Asset Management. We use hard data and our own judgement in a way thats repeatable, transparent and measurable, to ensure we can track progress. Our priorities consider:

- **Our AUM exposure** across Rathbones Asset Management
- **Materiality insights** from internal and third party research (e.g., MSCI, Sustainalytics)
- **Severity of the issue**, particularly where risks are immediate or significant

We conduct this analysis using extensive quantitative data received from third parties, which we then review using our judgement and experience. We work collaboratively with other asset managers and asset owners, both informally and through a dedicated network of partners.

In addition to long term themes, we run **ad-hoc engagements** triggered by:

- **Changes in ESG ratings** flagged in our weekly risk discussions
- **News** events or controversies
- **AGM**-related developments
- **Internal research** insights
- These tactical engagements highlight changes or events that we should research further to understand if its an opportunity to engage. Our engagement team then speaks with our fund managers to understand if the ESG risk is material to their holdings and the best way forward.

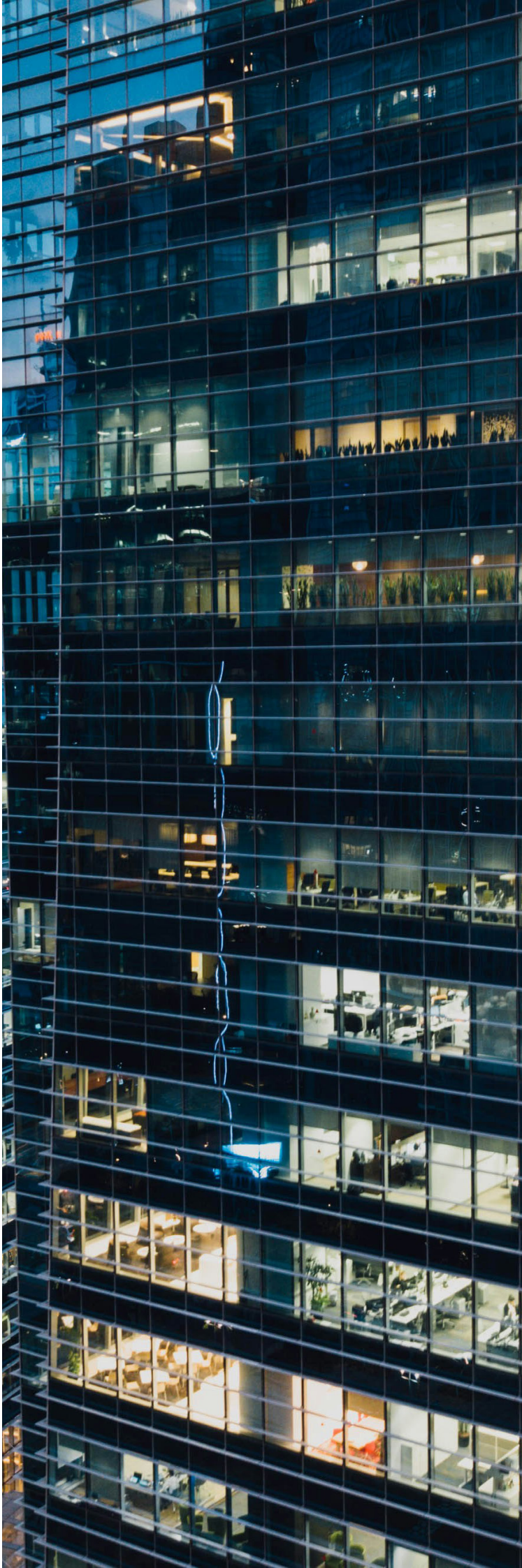
How we engage with companies

We tailor our communication to the complexity and urgency of the issue. That can include:

- **Emails** for routine queries
- **Virtual or in-person meetings** for deeper discussion
- **Formal letters** for escalated or strategic requests

We tailor our communication to the complexity and urgency of the issue at hand. We understand the time constraints and pressure companies can be under. Sometimes an email is appropriate for answering more routine queries and evaluating ESG risks. Sometimes meetings (virtual or in person) allow both us and the company to communicate more clearly and go into more depth. Formal letters to a company are used as an escalation to emails and meetings. They are usually addressed to a senior member of the company and set out specific concerns and actions we would like the company to take.

All our engagements are tracked for reporting and compliance purposes. Our engagement team sets a timeline and objectives for each engagement related to what is being asked of the company. We want to give each company enough time to demonstrate its ability to mitigate the ESG risk we have raised, while also holding them to account if progress stalls. The frequency of engagement depends on the priority of the engagement as well as the nature of the engagement.



Voting & AGM season

We vote on all eligible holdings across our funds, using voting policies aligned to each franchise's objectives. Depending on the fund, we use:

- **ISS's Sustainability Voting Policy:** For our sustainable funds
- **Bespoke voting policies:** For our charity funds
- **ISS Benchmark Voting Policy:** For all other franchise

Across our business, we are committed to actively voting on all votable stocks we hold in our funds, in line with our responsible investment commitments. This may involve voting against management to help drive positive change. Our voting activities apply benchmark voting policies for each of the Rathbones Asset Management funds.

ISSs Sustainability Voting Policy is used by all the sustainable funds and those fund franchises with sustainable funds. It covers corporate practices that align with recognised global standards for the environment, fair labour practices and human rights protections. The policy uses frameworks from international sustainability initiatives, including the United Nations Environment Programme Finance Initiative (UNEP FI), PRI, and the Global Reporting Initiative (GRI), among others.

Our charity funds follow a bespoke voting policy on key ESG matters. This policy is important to reassure our charity clients, who expect a higher level of corporate governance in their holdings. This policy is reviewed annually. More information on this policy can be found here. For issues not addressed by our bespoke policy, we adopt ISSs Sustainability Voting Policy.

All other fund franchises follow ISSs Benchmark Voting Policy. This covers four key tenets on accountability, stewardship, independence and transparency which underline ISSs approach to developing recommendations. This takes into account relevant laws, customs and best practice codes for each market and region.

We automatically follow the relevant voting policy unless a vote against management is suggested. At this point the issue is flagged to the fund managers by our engagement team. In these cases, the fund managers and engagement team discuss the best voting decision. Fund managers are given discretion to vote for their respective mandates. The nature of the issue at hand may also affect the voting intention for different funds – for example, a vote on dividend policy may garner different views from an income fund manager versus a growth fund manager.

We vote according to the respective views of our fund managers. We look to escalate our vote if weve seen insufficient progress or communication to our concerns. Our engagement team communicates with companies throughout the year, with a companys AGM being a key moment to raise any ongoing ESG concern with the board. The AGM may also be a useful opportunity for us to identify future engagement priorities.

Ahead of voting at a companys AGM, we will consider the voting policy analysis, how we have voted on the topic previously (if applicable) and if we have engaged on that topic previously to make an informed voting decision.

We aim to contact the company ahead of the AGM whenever a fund manager has concerns with a companys ESG risk management. This then allows the company to provide further information which may lead the fund manager to vote differently.

The voting history for each of our funds can be viewed on our voting disclosure tool.



Escalation

Even with constructive and consistent engagement, there are times when progress is too slow or where our concerns aren't adequately addressed. In these situations, we follow a structured escalation framework designed to help us express this responsibly and effectively.

Our framework allows us to move through more formal, and potentially public, ways of engaging with the company. This is based on what is most likely to be effective on a case-by-case basis. We understand that we may need to escalate our engagement differently depending on factors such as the nature of the engagement, the type of business and the communication we get from the company.

Depending on the situation, escalation tends to progress as follows:

- **Formal letters** addressed to senior leaders, outlining our concerns and expectations
- **Follow up engagement meetings**, often with more senior contacts or directors
- **Collaborative engagement** with other investors to strengthen the message
- **Escalated voting**, such as voting against relevant directors or resolutions during AGM season
- **Recommendation to sell the holding**, if risks remain unmanaged and our efforts do not drive progress

Suggested Escalation Framework





Sustainability

We have a range of funds with sustainable and ethical characteristics, including the Rathbone Greenbank Global Sustainability Fund, Rathbone Greenbank Multi-Asset Portfolios, Rathbone Ethical Bond Fund (and SICAV version) and Rathbone Greenbank Global Sustainable Bond Fund.

Their objectives include supporting sustainable development by investing in companies whose activities or ways of operating help deliver social or environmental benefits. Clients investing in these funds, therefore, not only want to maximise financial returns with their investments, but also wish to bring about positive change through how their money is invested. Engagement has a key role in achieving this goal.

As part of the larger Rathbones Group, were committed to achieving net zero emissions across our operations and our investments (known as Scope 3 emissions) by 2050 or sooner. This aligns with the need to limit global warming to no more than 1.5°C above pre-industrial levels as set out in the Paris Climate Agreement.

We engage with the companies we hold in our funds to ensure theyre taking the crucial steps to manage the array of climate-related risks ahead of them to ultimately future proof and protect our clients capital. We use a series of frameworks such as SBTi and the Net Zero Investment Framework, recognising that there are multiple approaches that companies can take to achieve net zero.

Sustainability Disclosure Requirements (SDR) and labelling regime

Six of our funds now carry the FCAs Sustainability Focus label under the UKs Sustainability Disclosure Requirements (SDR). These funds invest predominantly in assets that contribute to better outcomes for people or the planet.

We work closely with our holdings in these funds to:

- Improve disclosure and transparency
- Encourage better sustainability related reporting
- Support our Responsible Investment Centre of Excellence's assessment for inclusion as a Focus asset

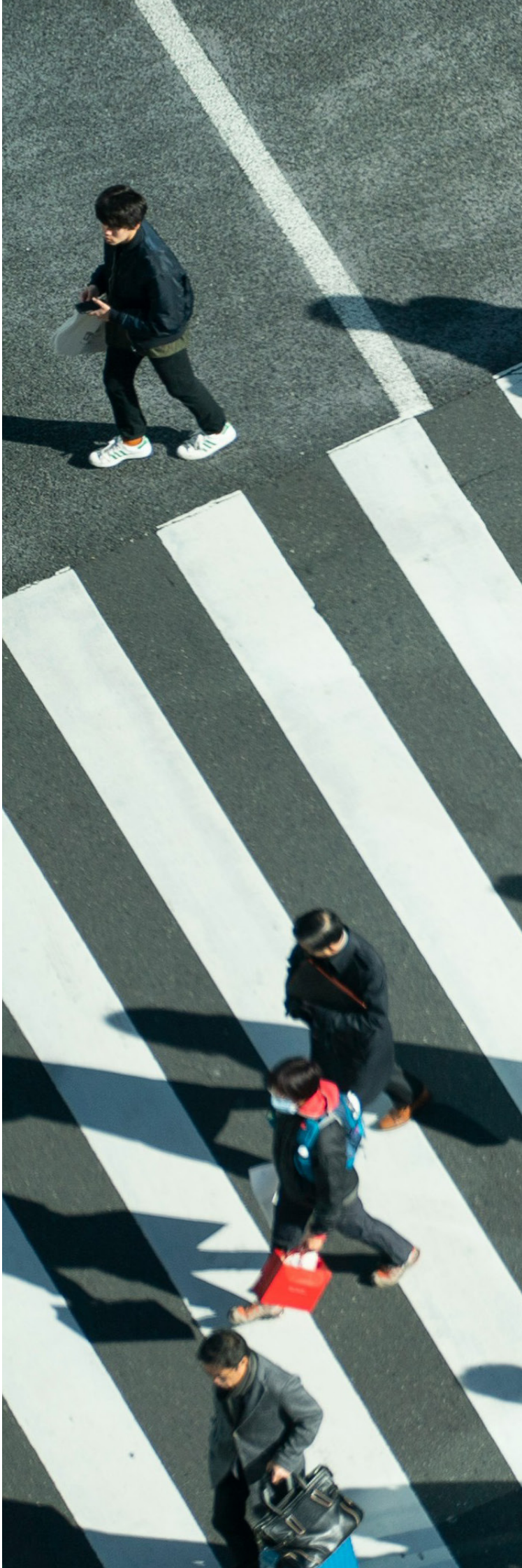
This ensures our labelled funds remain true to their objectives and meet the expectations of clients seeking clearly sustainable strategies.

Oversight

Strong governance underpins our responsible investment work. Our stewardship efforts are overseen by Rathbones Responsible Investment Committee to ensure were hitting our aspirations to be accountable, aligned with best practice and continually improving.

- The **Rathbones Responsible Investment Centre of Excellence** reviews this policy annually and guides our overall approach

- Ultimate responsibility for responsible investment sits with the **Rathbones Group Executive Committee**, ensuring that stewardship and ESG considerations are fully embedded across our business



Additional information

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