



# Our stewardship and engagement

Focus areas for charities

# Our approach to engagement

Stewardship is central to how we manage clients' capital. We believe active ownership not only helps mitigate risks but also creates opportunities for companies to deliver long-term value.

## Our engagement approach

We adopt a multi-faceted approach to engagement, combining both top-down and bottom-up methods to address material risks and opportunities within our portfolio.

Every project we pursue is selected based on a clear potential to drive meaningful outcomes, not engagement for its own sake.

Our selection process is guided by three core criteria:

- Relevance to fund holdings and the degree of exposure to associated risks
- Opportunity for deeper engagement on focused issues with identifiable positive outcomes
- Severity or immediacy of risks linked to the issue

We leverage our deep understanding of portfolio companies to foster open, ongoing dialogue with management teams. Our aim is to build long-term, constructive relationships, but we are never hesitant to ask challenging questions when needed.



## Measuring progress

It is important to measure the effectiveness of our stewardship and engagement activities. At the start of each engagement, we define objectives and track progress against these. This helps inform our decisions as to when and how we escalate engagement activity. We also track when the engagement has reached an outcome and whether this has been successful or unsuccessful.



To ensure effectiveness, we apply a flexible escalation framework, adapting our engagement methods to suit the context and the company's responsiveness. This allows us to tailor our approach on a case-by-case basis, increasing the likelihood of success.

## Voting

We commit to voting on all votable shares in line with our responsible investment principles. We follow our bespoke voting policy, which can be accessed in full [here](#)

We will aim to contact the company ahead of the AGM whenever the fund manager has concerns with the ESG risk management at the respective company.

We publish the full history of our voting activity on our website, available online at [www.rathbonesam.com/voting-disclosure](http://www.rathbonesam.com/voting-disclosure)

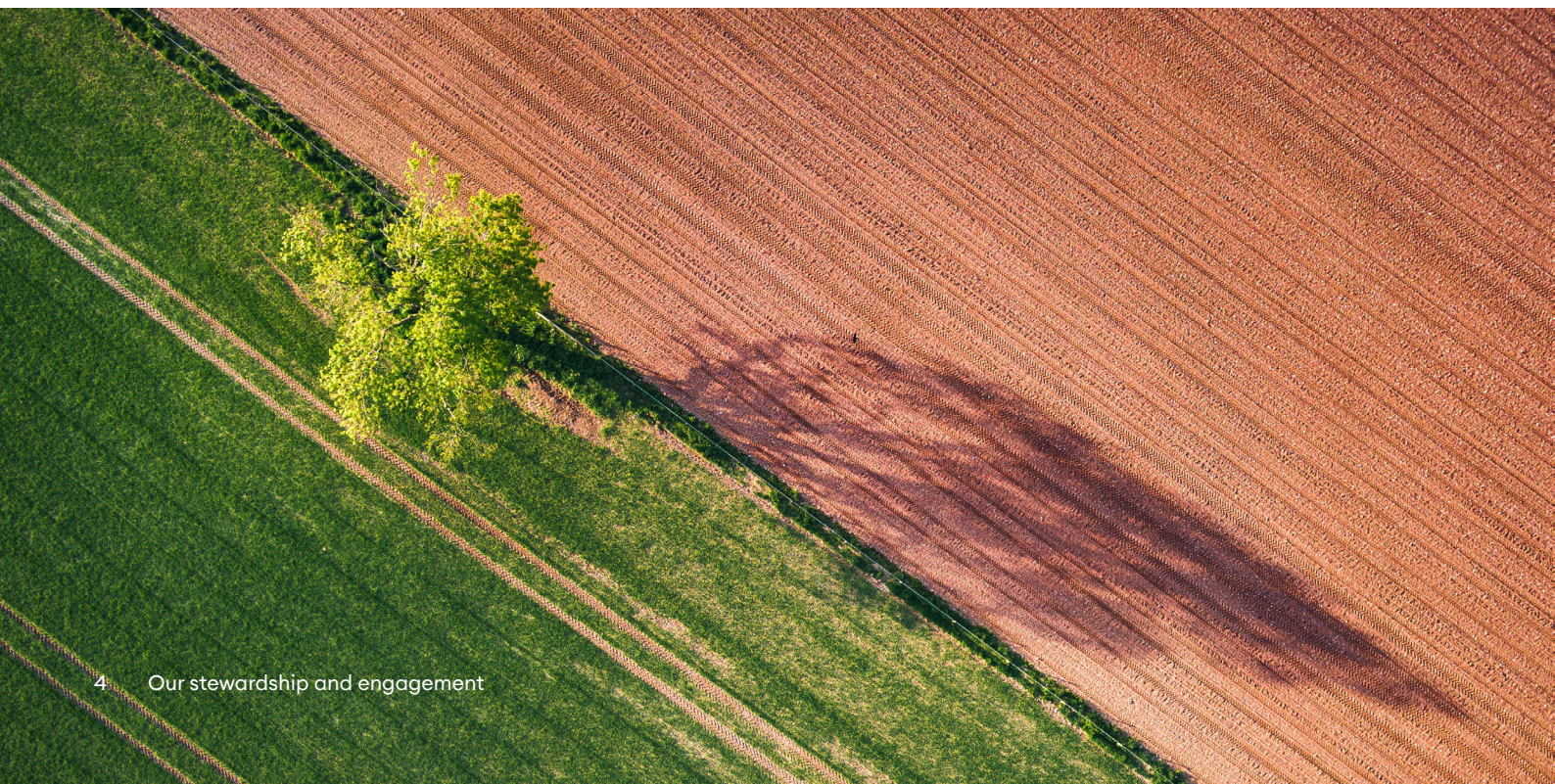
# Selecting engagement projects

Each year, we identify a set of priority areas for engagement, where we focus our engagement efforts. We take a thematic, system-wide view of these areas, often engaging with companies across multiple sectors in addition to policymakers, industry bodies and data providers.

Where appropriate, we may collaborate with non-governmental organisations (NGOs) and other members of the responsible investment community to increase the reach and impact of our engagement activities. This can enable us to create change on a deeper or more widespread scale than we may be able to achieve individually.

We also engage throughout the year on a tactical basis with the companies we invest in, in response to emerging issues or where we identify specific risks. In such cases, we seek to understand the circumstances in detail, assess the associated risks, and encourage appropriate management responses.

Most thematic engagements are long-term in nature given that they are concerned with addressing systemic risks and opportunities that often require our commitment over many years to achieve the desired objectives.





# Our priority areas



## Climate

Achieving net zero emissions by 2050 and limiting global warming in line with the Paris Agreement requires a dramatic shift in both corporate and investor behaviour. To manage climate-related financial risks (transition, physical, and systemic) and to support our net zero ambitions, we focus our engagement on encouraging companies to develop robust climate strategies aligned with the Net Zero Investment Framework (NZIF).

### Overview of our engagement activity

We monitor priority companies closely and escalate engagement where progress toward NZIF compliance is lacking. Our commitment also extends to collaborative efforts, including participation in Climate Action 100+ and the IIGCC's Net Zero Engagement initiative, amplifying our voice and impact across the investment community.



## Nature

Nature underpins nearly half of global GDP, yet its degradation poses significant risks to businesses and economies. Our engagement seeks to deepen understanding of nature-related risks and encourage companies to reduce and reverse nature loss across their operations and supply chains.

### Overview of our engagement activity

We advocate for progress in key areas outlined in Global Canopy's Finance Sector Roadmap, particularly around deforestation and land use. Our specialist sustainable investing team, Greenbank, plays a leading role in this space, actively contributing to the Finance for Biodiversity Foundation's working groups and maintaining membership in the Green Finance Institute's UK Financial Institutions Nature Group.



## Human Rights

Respect for human rights is fundamental to long-term business sustainability and reputation. While many companies have policies in place, proactive human rights due diligence remains rare. We believe investors have a responsibility to encourage stronger governance and oversight in this area.

### Overview of our engagement activity

Our Votes Against Slavery initiative, launched in 2020, continues to press companies to comply with the UK's Modern Slavery Act by reporting on steps taken to eliminate slavery from their operations and supply chains. We also engage on broader human rights governance, including digital human rights and ethical AI. In partnership with the World Benchmarking Alliance, we are working with companies to promote transparent principles and frameworks for AI oversight and human rights protections.

## Get in touch

Contact us today for a confidential, no obligation review of your charity's investments.

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