

OUR APPROACH TO STAKEHOLDER ENGAGEMENT

SECTION 172 STATEMENT



Section 172 of the Companies Act 2006 requires the directors to act in a way they consider will promote the success of the company for the benefit of its stakeholders as a whole.

THE LIKELY CONSEQUENCES OF ANY DECISION IN THE LONG TERM

The Group operates within a corporate governance framework whereby responsibility for day-to-day decision-making is appropriately delegated. In considering its duty under section 172, the Board aims to ensure that the consideration of stakeholder interests and the Group's long-term success is embedded across its business. The Board sets the strategy, culture and values, and develops and oversees the Group's framework of governance, risk management and internal controls to promote and safeguard the Group's long-term success. The strategic goals and objectives it sets are focused around developing the Group's proposition and service to fulfil the long-term needs of its clients.

The identification, management and mitigation of risks to the Group's business is key to ensuring the delivery of its strategy over the longer term, and the consideration of risk plays an important part in decision-making. The Group's Board and committee paper templates encourage paper authors to consider and highlight the impact on the Group's stakeholders of the matters covered. This acts as an aid to the Board in discharging its duties and facilitating focused debate, and is intended to provide an additional layer of comfort that paper authors have properly considered and taken into account the interests of stakeholders.

➔ **Our strategic priorities:** [See page 19](#)

➔ **Risk management:** [See page 58](#)

MAINTAINING A REPUTATION FOR HIGH STANDARDS OF BUSINESS CONDUCT

The Board supports the Chief Executive and the Group Executive Committee in embedding a culture that encourages the Group's colleagues to live our values and help the Group deliver on its strategic objectives and purpose. The Board approves and oversees the Group's adherence to policies that promote high standards of conduct and receives regular updates on the Group's culture through KPIs that form part of the Chief Executive's business performance update.

➔ **Our culture and values:** [See page 17](#)

➔ **Corporate governance:** Chair: [See page 92](#)

ENGAGING WITH OUR KEY STAKEHOLDERS

Our aim is to maintain an open and transparent approach to stakeholder engagement based on building constructive relationships with our key stakeholders and ensure there is a two-way dialogue.

Across the firm, there are many examples of stakeholder engagement influencing both day-to-day actions and strategic initiatives. The key strategic developments set out on [pages 26 to 32](#) illustrate some of our significant stakeholder considerations that informed the Board's decision-making during the year.






➔ **Read more about the Board's key decisions this year:** [See page 95](#)

OUR APPROACH TO STAKEHOLDER ENGAGEMENT

OUR STAKEHOLDER FRAMEWORK

The firm has identified the following key stakeholder groups and by considering their perspectives, insights and opinions, the Board seeks to ensure outcomes of operational, investment or business decisions that are more robust and sustainable.

Our stakeholder framework

OUR STAKEHOLDERS	INPUT RECEIVED FROM OUR ENGAGEMENT	RESPONSE TO OUR ENGAGEMENT
 CLIENTS	Engagement allows us to understand our clients' evolving priorities and requirements, including feedback on service, technological needs and products, enabling us to evolve our proposition.	<ul style="list-style-type: none"> — Deliver bespoke and relevant products for the future — Ensure ongoing high quality service — Develop client centric propositions — Support clients with intergenerational wealth management — Communicated about our client migration programme.
 OUR PEOPLE	Engagement helps us attract, retain and develop our people – with a particular focus on DE&I issues – helping us to create a sustainable employee model.	<ul style="list-style-type: none"> — Provide an inclusive and talented workforce to service client needs — Ensure continuing strong engagement with colleagues — Offer a benefits package that supports our people — Deliver relevant learning and development programmes for all employees to ensure ongoing support.
 SHAREHOLDERS	Engagement allows us to understand key shareholder issues, informing our strategic and investment direction.	<ul style="list-style-type: none"> — Ensure sustainable long-term shareholder returns through our business model — Maintenance of our progressive dividend policy — Provide ongoing updates on the IW&I integration and other strategic objectives.
 SOCIETY AND COMMUNITIES	Engagement allows us to understand how we can have a positive impact on wider society and the communities we operate within.	<ul style="list-style-type: none"> — Completed a review of our responsible business framework — Maintained our levels of community investment, having updated our approach — Engaged community partners — Progress on our net zero programme, including work to reset our near-term targets.
 PARTNERS AND REGULATORS	<p>Engagement with regulators provides feedback on ongoing collaboration and informs our regulatory preparedness.</p> <p>Engagement with partners allows us to build sustainable relationships, many of which are long-term delivery stability for our partners, people and allowing engagement to deliver good value to our shareholders.</p>	<ul style="list-style-type: none"> — Respond to evolving regulatory requirements and standards in order to maintain the firm's high standards — Work with our supplier partners to ensure ongoing business resilience.

OUR APPROACH TO STAKEHOLDER ENGAGEMENT



CLIENTS

Clients are at the heart of our strategy and their interests are a key consideration in everything that we do.

STRATEGIC PRIORITY

1

HOW THE BOARD ENGAGED

The Group Executive Committee and the Board regularly receive updates on client proposition, investment performance outcomes and service levels.

HOW THE FIRM ENGAGED

We engaged with our clients through a variety of different methods including:

- focus groups and targeted surveys
- participated in the @Alpha 2024 client experience benchmark survey
- regular meetings held between investment managers, financial planners and clients
- user experience testing of our digital solutions and propositions
- virtual and in-person conferences held for private clients, intermediaries and IFAs.

KEY TOPICS RAISED

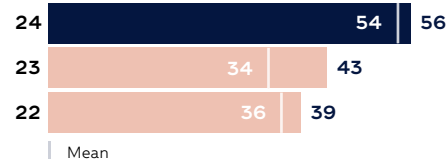
- Clear communication on the impact of the consolidation
- Practical help on how to achieve their financial goals in challenging markets
- Frameworks and guidance to help make the best financial decisions and ultimately achieve good outcomes.

HOW THE FIRM RESPONDED

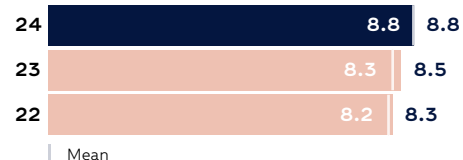
- Regular CEO letters and research notes issued to clients to update them on the firm, client migration and our investment proposition
- Nine financial awareness courses held virtually
- Around 20 sessions for entrepreneurs as part of Rathbones Inspire
- Reviewing our services and distribution to meet current and future client needs
- Continued development of our digital offering including MyRathbones with over 61% take up by clients
- Welcomed our Chief Client Officer and Head of Distribution.

NET PROMOTER SCORE^{1,2}

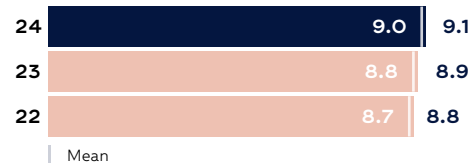
Client likelihood to recommend Rathbones (-100% to 100%)

OVERALL SATISFACTION^{1,2}

Overall satisfaction with Rathbones (0 to 10)

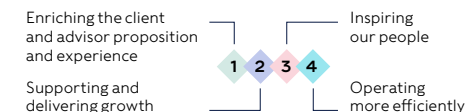
SATISFACTION WITH THEIR INVESTMENT MANAGER^{1,2}

Overall satisfaction with their primary investment manager (0 to 10)



1. The Benchmark is the average score of the eight firms who participated in the 2024 Alpha client survey. It is also the average from historic, NMG and AON benchmark client surveys
2. Data excludes IW&I

Our strategic priorities



OUR SURVEY RESULTS

Rathbones partnered with Alpha FMC to conduct a client experience survey alongside seven of our Peers in the UK CX benchmark for 2024.

The survey covered industry key performance indicators such as overall satisfaction, Net Promoter Score (NPS) and deeper dive questions across areas like financial planning, digital, communication and Consumer Duty. Of those clients invited to participate we had a 13 % response rate, from Rathbones clients. Given the scale of communication with IW&I clients as permission to migrate has been sought, it was decided not to include IW&I clients in the 2024 full survey. A shorter pulse survey was shared with a smaller IW&I client group.

The results found that key metrics have improved since 2022. Rathbones ranked near middle of the benchmark on most instances, but encouragingly above peers on the likelihood to recommend (coming second on NPS with score of 56 up from 43 in 2023), digital and client support.

Looking ahead, the results point to making marginal improvements with keener focus on particular client segments, rather than substantial changes. Finally, despite the high levels of client advocacy, analysis of clients that are detractors points to issues with communication, engagement and value for money for products and services. In this respect, there is a clear need to ensure client, Relationship Manager and firm expectations are fully aligned to improve overall perceptions of Rathbones.



Stakeholder interests and engagement:

[See page 25](#)

OUR APPROACH TO STAKEHOLDER ENGAGEMENT



OUR PEOPLE

Understanding the needs of our people is essential in developing a workplace and culture in which they can reach their full potential and, in turn, ensure the long-term success of the Group.

STRATEGIC PRIORITY



HOW THE BOARD ENGAGED

The Board gets employee feedback through multiple channels. Our Chief People Officer (CPO) provides regular reports on colleague skills and readiness, succession planning, development programmes, engagement and inclusion, based on extensive KPIs. Feedback also comes from our non-executive director workforce engagement programme, led by Iain Cummings and Dharmash Mistry. Read more about the key themes on the [next page](#). We also gather views via regular colleague surveys, with detailed results shared with the executive committee and key issues escalated to the Board.

HOW THE FIRM ENGAGED

We engaged with our people through the following activities:

- day-to-day interaction with our people by our line-managers, supported by our People Business Partners and the broader people team
- regular colleague opinion surveys to measure engagement, wellbeing and opinions

- ongoing and regular virtual and in-person departmental and Group-wide townhalls to discuss performance and the firm's progress on the strategic plan
- peer recognition scheme to identify colleagues who demonstrated outstanding behaviours and conduct aligned to our values.

KEY TOPICS RAISED

- How are we supporting our people through the integration?
- What impact, opportunities and ways of working should our people expect following the combination?
- How does the firm help our colleagues develop their careers?
- The continued importance of diversity equality and inclusion (DE&I).

HOW THE FIRM RESPONDED

- Frequent engagement on the combination process and integration plans to support clear communication and regular engagement opportunities to raise questions
- Announced new senior leadership appointments and team structures that will bring our teams together
- Appointed employee representatives to support our colleagues whose roles are impacted by the integration process
- Leading through change toolkits for managers and colleagues, resilience toolkits and resilience training
- Continued work to develop our recruitment and development processes as part of our commitment to attract, cultivate and retain diverse talent
- Involved all leaders and teams in the development of our new People Strategy
- Roll out of our DE&I strategy across the firm.

72%

EMPLOYEE RESPONSE RATE

2023²: 76%

7.3/10

OVERALL ENGAGEMENT

2024: Benchmark¹ 7.92023²: 8.0 (Benchmark¹: 7.9)

14

EMPLOYEE NET PROMOTER SCORE

Employee likelihood to recommend Rathbones

2024: Benchmark¹ 262023²: 37 (Benchmark¹: 26)

6.9/10

I FEEL WELL COMMUNICATED WITH

2024: Benchmark¹: 7.62023²: 7.7 (Benchmark¹: 7.6)

8.4/10

MY MANAGER CARES ABOUT ME AS A PERSON

2024: Benchmark¹ 8.62023²: 8.7 (Benchmark¹: 8.6)

1. Benchmarks are set by Peakon and relate to the broader financial service sector clients
2. 2023 data excludes IW&I

➔ **Responsible business review:** [See page 69](#)

➔ **Culture and values:** [See page 17](#)

⊕ **Gender Pay Gap Report**

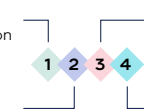
Our strategic priorities

Enriching the client and advisor proposition and experience

Inspiring our people

Supporting and delivering growth

Operating more efficiently



UNDERSTANDING HOW OUR PEOPLE FEEL

Our colleague engagement survey is a primary driver for understanding and improving how our people feel about working at Rathbones, and we encourage all colleagues to give their anonymous feedback so we can continue to enhance their experience.

Our overall engagement score was lower in 2024 than the previous year. 2024 was the first year of both IW&I and Rathbones colleagues contributing to the same survey and captured feelings from across the business associated with progressing through the integration. The decrease in overall engagement can be understood to have been driven by: increased workloads required to meet integration timelines; changes to our organisational structures across the organisation; and the potential of reduced job security for some of our people as we undertook consultation processes.

We continued to score highly in goal setting, management support, and peer relationships, putting us in a good position to successfully navigate the integration process and reaffirm our strong culture in our combined business in 2025.



OUR APPROACH TO STAKEHOLDER ENGAGEMENT

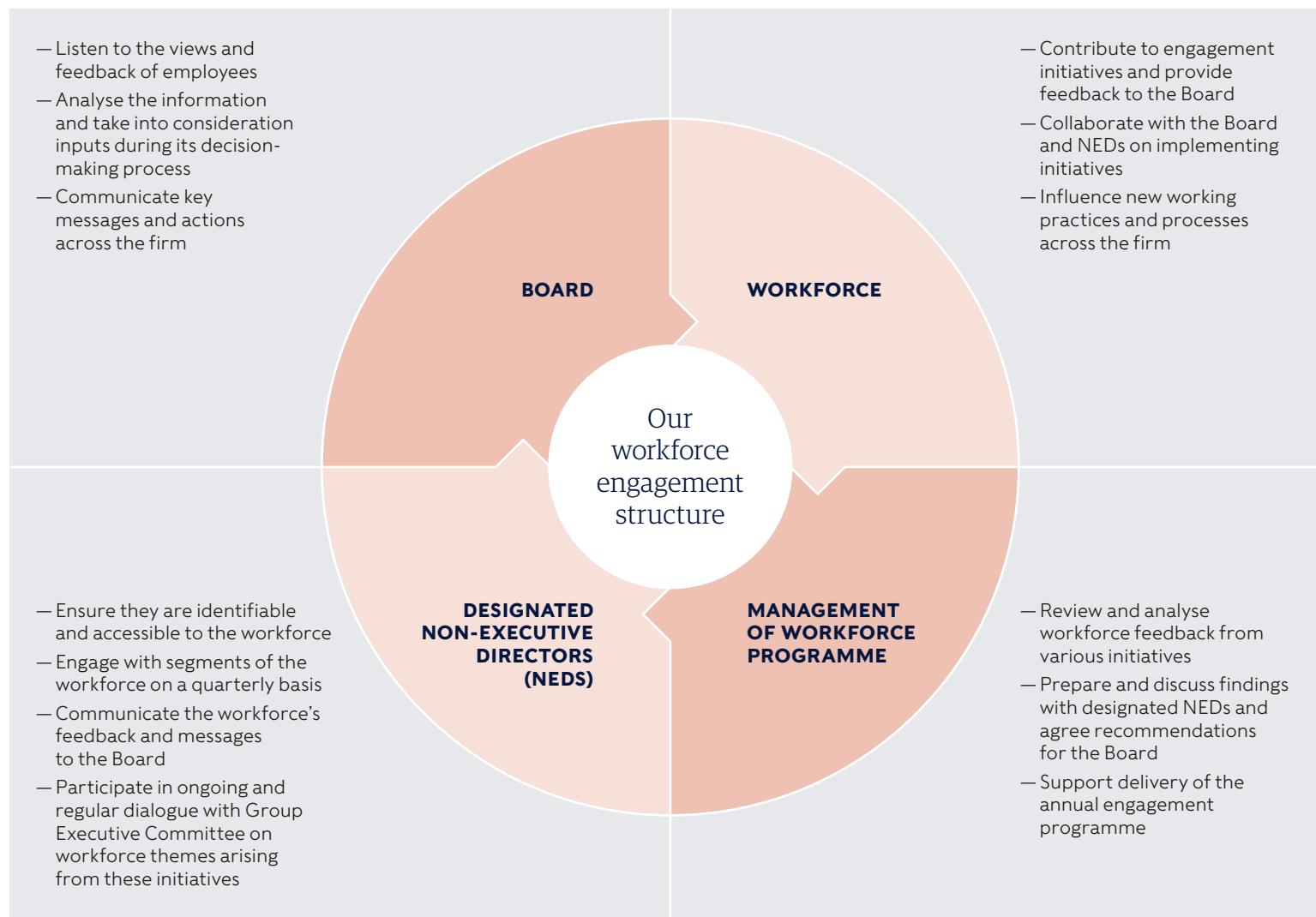
WORKFORCE ENGAGEMENT

In light of requirements in the Corporate Governance Code for boards to ensure effective workforce engagement, Iain Cummings and Dharmash Mistry are our two designated Non-Executive Directors responsible for gathering employee feedback.

A workforce engagement framework was developed using existing employee engagement activities already in place to provide a range of opportunities to engage directly with employees and receive feedback. The two-way dialogue between the Board and employees is facilitated by a combination of engagement methods, which would include face-to-face meetings, office visits and attendance at employee events. Our workforce are an essential stakeholder of our business, it is therefore vital that our Board members are exposed to their concerns and ideas and are able to consider these as they relate to Rathbones' culture and strategy.

In 2024, as a result of integration, for our people there was a real mix of excitement, challenge and hard work in supporting what has been an almost unprecedented level of internal and external change at Rathbones. Our workforce engagement plan will continue to be guided by our Board priorities for the year and tightly aligned to our four strategic pillars, enriching the client and advisor proposition and experience, supporting and delivering growth, inspiring our people, and operating more efficiently. In addition to our current engagement plan, we aim to encourage more board and GEC visits to our various offices in 2025 which will give us direct insight into integration progress.

Our engagement structure



OUR APPROACH TO STAKEHOLDER ENGAGEMENT

HOW WE ENGAGED WITH OUR WORKFORCE IN 2024

2024 engagement

Key themes

Feedback from employees

1

EMPLOYEE ENGAGEMENT SURVEY
(FACILITATED EXTERNALLY)

1

BOARD VISIT

8

NED DROP-IN SESSIONS
ACROSS VARIOUS OFFICES

16

CEO MEETINGS WITH
FRONT OFFICE TEAMS
(INCLUDING OFFICE VISITS)

4

GROUP TOWNHALLS HELD

13

CLIENT-FACING
TOWNHALLS HELD

23

VARIOUS FUNCTIONS
TOWNHALLS

INTEGRATION

The combination of two businesses was understandably an unsettling period for our colleagues. It was clear from these conversations that the workstreams around integration were as important for our colleagues as it was for the GEC and Board.

While it was initially difficult to get the right balance on internal communications regarding integration, this has been something we have been actively trying to improve over time.

STRATEGY

Colleagues were keen to understand how the combination would impact Rathbones' strategy going forward. It is promising to see this level of interest as we believe it will facilitate the successful implantation of our long-term strategy.

We host regular townhalls during which Group, and business specific strategy is discussed by the executive management team.

CULTURE

It was clear that maintaining the Rathbones culture during a period of change was important for colleagues.

We have always been proud of the culture we have fostered over the years and this is reflected in how we consider stakeholder impact in all decision making.

DIVERSITY, EQUALITY & INCLUSION

It was appreciated that the company takes employee views seriously, though there was call for increased focus on DE&I initiatives and this has been brought to the Board's attention.

The Board receives updates on progress against our DE&I strategy and targets and will continue to engage with this topic.

“

I felt that we were all given the opportunity to answer NED's questions and add to comments that other participants made. We were all respectful, listened to each other.

“

Thank you to Iain and Dharmash for their time and engaging with us. Some of their comments and questions were very insightful.

“

I found it reassuring to hear that although we were essentially from three different teams who are only now coming together as one, we all covered the same topics, and our opinions were surprisingly similar too.

“

I thought coming into the session with a blank piece of paper and having an open and frank discussion was helpful.

“

I found that the small group setting was highly effective, as it facilitated active participation and constructive feedback from everyone.

➔ Strategic priorities: [See pages 19 to 23](#)

➔ Responsible business review: [See page 69](#)

➔ Key Board decisions: [See page 95](#)

⊕ Gender Pay Gap Report

OUR APPROACH TO STAKEHOLDER ENGAGEMENT



SHAREHOLDERS

Understanding the views of our shareholders is essential to us delivering long-term sustainable financial returns.

STRATEGIC PRIORITY

2

HOW THE BOARD ENGAGED

The Board gathers feedback from our investors, both directly, via our corporate brokers and through various conferences. Our AGM also provided an opportunity for all shareholders to ask questions of the Board.

HOW THE FIRM ENGAGED

We engaged with our shareholders through the following activities:

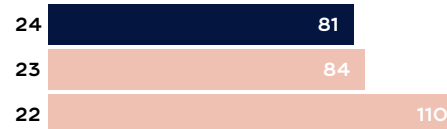
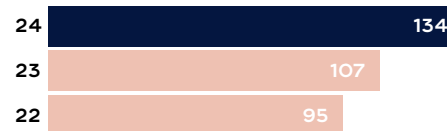
- We continued to expand sell-side analyst research coverage of the company
- Our Investor Relations team met with our shareholders, with members of our Group Executive Committee and senior leaders
- We commissioned an independent analyst perception study, to gain insight into our shareholder/investors' opinions. The results were presented to the Board.

KEY TOPICS RAISED

- How is the company progressing on combining with IW&I?
- How is the company navigating the challenging market conditions?
- How will the company improve organic growth?
- What is the progress update on client lifecycle management (CLM) in terms of budget and benefits?

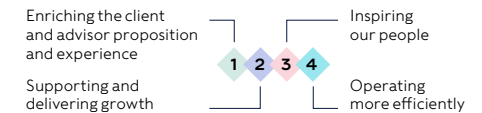
HOW THE FIRM RESPONDED

- Discussed progress on integrating IW&I with our top shareholders
- Provided regular updates on the company's financial and strategic performance, through our quarterly market updates and half-yearly results presentations
- Updated the market on strategic progress as part of result statements throughout the year
- Responded to several environmental, social and governance (ESG)-related questionnaires during the year and issued our Task Force on Climate-related Financial Disclosures (TCFD) report and responsible business report
- Restated our commitment to our progressive dividend policy which was maintained throughout the year
- Maintained meaningful dialogue with the sell-side analyst community.

NUMBER OF INVESTOR MEETINGS
HELD IN 2024¹NUMBER OF NEW INVESTORS IN 2024²

1. Calculation methodology was changed for number of meetings in 2023, with one group meeting counted as one rather than reflecting the number of investors who attended
2. Number of new investors includes both retail shareholders and institutional investors

Our strategic priorities



ANALYST PERCEPTION

The combination with IW&I has been well-received, with its success viewed as a potential driver for enhancing Rathbones' valuation. The migration of client assets is considered a key measure of the transaction's success, and analysts value the ongoing updates, appreciating management's strong leadership and communication.

Concerns about integration challenges, such as investment manager departures, have been largely mitigated.

Organic growth remains a focus, particularly the need to attract new clients and address generational wealth transfer to improve growth. Progress in digital investments is seen as a positive development.

Analysts recognise the challenging market conditions affecting net inflows and welcome the expansion of the proposition suite, particularly within the financial planning space.



➔ **Stakeholder interests and engagement:**
[See page 25](#)

➔ **Group Chief Executive Officer's review:**
[See page 10](#)

OUR APPROACH TO STAKEHOLDER ENGAGEMENT



SOCIETY AND COMMUNITIES

We are conscious of the impact of the Group’s operations on the community and environment and understand the importance of being a good corporate citizen.

STRATEGIC PRIORITY



HOW THE BOARD ENGAGED

The Group’s responsible business programme, which is sponsored by the chief executive, has continued to deliver on commitments that were made in 2021 relating to responsible investment, our people, society and communities and the environment. You can read more about our responsible business programme, including the results of our strategic review on [pages 69 to 78](#), our climate report and responsible business progress update. Details of how consideration of our wider community has shaped some of our recent initiatives can be found on [page 75](#).

HOW THE FIRM ENGAGED

- We engaged with society and the communities in which we operate through the following activities:
- We encouraged high standards of governance as an investment manager and frequently engaged with companies on environmental, societal, and corporate governance concerns
 - Used our community investment hubs to identify and agree charity partners and champion employee matching
 - Worked with industry bodies to understand and respond to the growing regulatory and reporting frameworks.

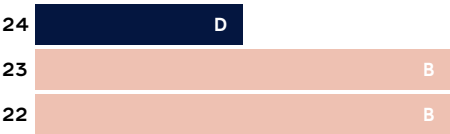
KEY TOPICS RAISED

- How can we use our financial knowledge to support our local communities?
- How did the combination impact our climate strategy and the environmental impact of our operations?
- How do we best support the communities in which we operate?

HOW THE FIRM RESPONDED

- We donated to the Disaster Emergency Committee Middle East appeal
- We expanded the reach of the Rathbones Group Foundation, increasing our investment to cover the expanded national presence. In 2024, we gave more than £699,000 (2023: £589,000)
- Shared our approach to managing climate risk. See our climate report for more information
- Published our net zero engagement action plan, sharing how the firm will engage with companies we invest in on behalf of our clients on their net zero ambition and deliver against their targets.

CARBON DISCLOSURE PROJECT (CDP) SCORE



In 2024 CDP updated the questionnaire fixing calculation of several data points through the use of autocalculation. Unfortunately as a discretionary wealth manager this did not support the granularity of disclosure we had previously shared

DIRECT ENGAGEMENT WITH INVESTEE COMPANIES¹



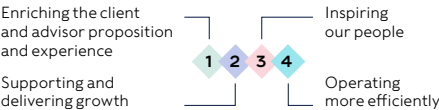
TOTAL AMOUNT DONATED



1. Data excludes IW&I

- ➔ Responsible business review: [See page 69](#)
- ⊕ Responsible Investment Report
- ⊕ Responsible Business Update

Our strategic priorities



EMBEDDING OUR COMMUNITY HUBS

Following the combination and expansion of our footprint across the UK and Channel Islands, we took the opportunity to review the structure of our community investment network.

Aligning to the structure used for our front office, we crafted five hubs. Each hub was allocated a portion of Foundation funding. Using the updated community investment toolkit, our colleagues identified potential local charity partners.

Following a clear due diligence process suitable projects were identified. These requests were then discussed at the Rathbones Group Foundation trustee meetings.

At the end of 2024, all hubs had allocated their funding to local partners. Partnerships varied from one year to three-year programmes. In 2024 charities supported included London Youth, FareShare South West, Every Child Our Future, The Inclusive Hub, FARE Scotland and Cornwall Young Carers.



OUR APPROACH TO STAKEHOLDER ENGAGEMENT

PARTNERS AND
REGULATORS

Engagement with our regulators and partners is fundamental to the running of the firm and servicing our clients.

STRATEGIC PRIORITY

4

HOW THE BOARD ENGAGED

The Board is regularly briefed on regulatory developments and expectations, and the Board's Risk, Audit and Remuneration Committees receive detailed insights into specific areas such as the Internal Capital Adequacy Assessment Process and Internal Capital and Risk Assessment, Client Assets Sourcebook, Regulatory Activity (COBS, SYSC, DISP, SMCR) as well as managing FCA regulation including Consumer Duty and the Sustainable Disclosure Requirements.

The Board also receives updates in relation to specific matters, such as areas of interest to the FCA/PRA including operational resilience, conduct risk and the management of culture.

The Group maintains regular contact with the PRA, FCA and SRA to ensure awareness of its concerns, expectations and agenda, and this informs the prioritisation of activities within the Group's annual operating plan.

HOW THE FIRM ENGAGED

We engaged with our partners and regulators through the following activities:

- We held regular meetings with our regulators during the year and continue to have a proactive and transparent relationship with them. The number of meetings increased in 2024 given the IW&I integration
- The CEO held membership of the FCA Practitioner Panel
- We maintained ongoing relations with our key suppliers and partners during the year with the Board receiving regular updates on engagement with our existing partners.

KEY TOPICS RAISED

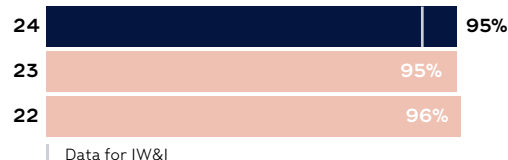
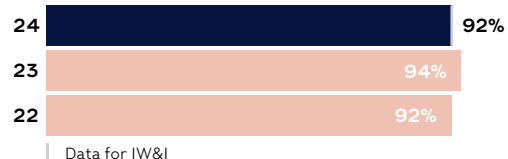
- How the planned combination of Rathbones with IW&I would create value for stakeholders
- How the company is managing the client migration programme
- Rathbones response to Consumer Duty regulation
- How we would negotiate the exit from leases as we consolidated our property footprint
- Do we provide fair and transparent terms with our suppliers?

HOW THE FIRM RESPONDED

- All responses to regulators have been made within the agreed deadline
- Trained our Board on key topics. See our [website](#) for more on Board training
- Worked in close collaboration with the firm's regulators, including through the integration period relating to IW&I
- Open and transparent engagement with landlords to support fair exit of leases
- Maintained a constructive relationship with HMRC

- Embedded a new supplier management system supporting the review of suppliers for their ESG policies and processes. See more on [page 76](#)
- Interacted with the industry bodies and associations we are affiliated with to ensure we were engaged with issues impacting our industry
- Engaged with our existing lending partner
- Adhered to payment terms with suppliers.

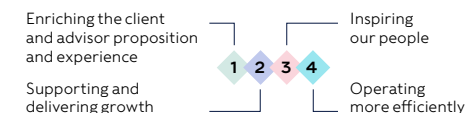
% OF SUPPLIERS PAID WITHIN 30 DAYS

% OF PAYMENTS MADE TO SUPPLIERS
IN AGREED TIMEFRAME

➔ **Stakeholder interests and engagement:** [See page 25](#)

➔ **Risk management and control:** [See page 58](#)

Our strategic priorities



ENGAGING WITH OUR REGULATORS

Interactions with our regulators such as the FCA (Financial Conduct Authority), PRA (Prudential Regulation Authority) and SRA (Solicitors Regulation Authority) play a crucial role in maintaining compliance and ensuring robust financial practices. Throughout 2024, Rathbones maintained proactive and transparent interactions with regulators, ensuring clear alignment with their expectations and priorities.

Rathbones engaged in discussions on emerging regulatory topics, including conduct risk, operational resilience, and culture management.

Notably, we intensified our interactions in 2024, given the IW&I transaction, increasing the number of meetings. Key areas addressed included the value creation of the Rathbones and IW&I combination, the firm's response to Consumer Duty regulation and ESG related regulations such as Sustainability Disclosure Requirements (SDR).

