



ENGAGEMENT PLAN 2025

**RATHBONES**  
**ASSET MANAGEMENT**

# CONTENTS

<b>4</b>	Introduction
<b>5</b>	Engagement priorities
<b>6</b>	Main engagement priority
<b>7</b>	Additional engagement priorities



# INTRODUCTION

**AS AN ACTIVE FUND MANAGER, WE BELIEVE IT'S IMPORTANT TO ENGAGE WITH COMPANIES SO THAT WE CAN ADVOCATE FOR BETTER PRACTICES, MITIGATE MATERIAL RISKS AND, HOPEFULLY, DELIVER BETTER RETURNS FOR OUR INVESTORS.**

This is core to how we manage money for our clients.

We recognise that we have a responsibility and a fiduciary duty to our clients to help address and minimise the environmental, social and governance (ESG) risks which may affect the financial returns of our clients' assets.

More information regarding our engagement approach can be found in our [engagement policy](#).

It's important to track the effectiveness of our engagement activities. Before engaging, we define our objectives to measure the success of our efforts. This is also useful to refer back to in cases where we may need to escalate our concerns.

Each year we review our progress against our priorities from the previous year alongside running our quantitative analysis to understand which areas are the most material to our holdings in the upcoming year. Many of our engagements could take place over multiple years, especially if they remain a high priority.

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# ENGAGEMENT PRIORITIES

**IT'S KEY TO HAVE ENGAGEMENT PRIORITIES SO WE CAN FOCUS OUR EFFORTS ON THE MOST MATERIAL AND IMPORTANT ISSUES TO OUR HOLDINGS, THEREFORE TO OUR PORTFOLIOS AND ULTIMATELY FOR OUR CLIENTS.**

Our primary priority applies to all our fund franchises. In 2025, our primary priority is Net Zero. We also have additional engagements that will apply to some but not all franchises. These include product governance, business ethics and environmental and social impact.

We will also reserve some of our resources to give us the flexibility to engage with issues that invariably arise unexpectedly. These tend to be driven by news events and it's important for us to spend time engaging with the company. These engagements will have clear objectives and outcomes, but will be decided on a case-by-case basis.

AGM season forms part of our engagement priorities each year. There will be proposals where we will vote differently from management. This naturally brings a chance to engage with management as we will want to inform them about the rationale for our voting instruction and try to garner further information from their perspective in return. If similar proposals have come up in prior years, then this will be a continuing dialogue. We aim to continue engaging with the company so that by the next AGM we feel even more informed about how to vote.

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# MAIN ENGAGEMENT PRIORITY

## OUR MAIN ENGAGEMENT PRIORITY FOR 2025 IS NET ZERO.

Our parent, Rathbones Group, has made a commitment to be Net Zero by 2050, please see the [Rathbones Group engagement policy](#) for more details. To achieve this goal, we need to ensure the companies we invest in are on a similar path. Not only this but we believe climate change can pose a systemic risk to businesses and economies and we need to understand what risk this poses to each of our holdings.

We are looking at the most material holding per fund or per suite of multi-asset portfolios that doesn't have a Net Zero target validated by Science Based Target Initiative (SBTi), often referred to as a science-based target.

### Objectives:

1

Increase the proportion of our holdings that have set their own science-based Net Zero targets

2

Understand rationale for not adopting science-based targets if applicable and understand how companies are validating their Net Zero targets

# 2050

**Rathbones Group, has made a commitment to be Net Zero by 2050**


# ADDITIONAL ENGAGEMENT PRIORITIES

## OUR ADDITIONAL ENGAGEMENTS FOR 2025 ARE PRODUCT GOVERNANCE, BUSINESS ETHICS AND ENVIRONMENTAL & SOCIAL IMPACT.

Product governance is a company's management of the entire lifecycle of its products and services to prevent and mitigate risks and consequences for its customers and users. Business ethics encompasses business practices that result in a financial benefit to an individual or company while having a negative impact on society or company stakeholders. How does the company manage risks related to unethical business conduct, e.g. bribery and corruption, money laundering etc. Environmental & social impact captures how a company manages the effects of its products and services on the world and the people living in it. This includes both inherent risks (e.g. tobacco) and those created by use (e.g. packaging waste).

We used third-party data to analyse all our holdings and looked at the top-three areas where management might not be adequately managing risk. These areas are where we will seek to influence our holdings to improve. The materiality of these different issues will vary across the fund strategies we manage and we will be focusing on the most material holdings which have the weakest management of risk in these areas.

### **Objective:**



Work with companies  
to establish how they  
can improve their  
risk management  
going forward





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 Rathbones Asset Management

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