

MODERN SLAVERY STATEMENT

31 DECEMBER 2022

RATHBONES GROUP PLC

MODERN SLAVERY STATEMENT FOR THE FINANCIAL YEAR 2022

Section 54, Part 6 of the Modern Slavery Act 2015 requires us to assess and report on the risks of modern slavery practices and human trafficking in our business operations and supply chain and the measures we have taken to address these risks. This statement provides an update on our progress for the financial year ending 31 December 2022. This statement covers all entities that sit under Rathbones Group Plc*, as the legal parent entity and was approved by the board of directors on 3 May 2023.

ABOUT US

Rathbones provides individual investment and wealth management services for private clients, charities, trustees and professional partners. As at 31 December 2022 we have £60.2 billion of funds under management on behalf of our clients. We have been trusted for generations to manage and preserve our clients' wealth. Our tradition of investing and acting responsibly has been with us from the beginning and continues to lead us forward. The business has 2,170 employees in 14 locations across the UK and in Jersey.

OPERATING RESPONSIBLY

We are committed to investing for everyone's tomorrow. This commitment stems from our purpose and is built our values. It guides our actions and drives us to pursue our strategy with consistency and resilience, year after year. It also keeps us on course as we adapt and respond to the challenges that the world faces.

As a business we recognise our responsibility to respect those who work within Rathbones and those who are in our broader stakeholder network, including but not limited to those who work within our supply chain. We support the International Labour Organization's standards and the Universal Declaration of Human Rights. We remain a signatory to the United Nations Global Compact. Our commitment to investing for everyone's tomorrow not only supports an objective that aligns with our own fiduciary duty as a business to help build a better world for future generations, but also recognises our position as stewards and allocators of capital.

As a firm, we are committed to maintain and improve our practices so that we identify and mitigate any instances of modern slavery in our own operations and in our supply chain. In addition, we recognise the role we can play through the investments we make on behalf of our clients, and in the engagement we have with the management teams of those companies that we invest in. Our stewardship team is working actively with partners such as Find it, Fix it, Prevent it, where we are on the advisory panel and engagement on the modern slavery policy bill with Unseen UK, Justice & Care and Anti-Slavery International, to support broader change.

OUR APPROACH

As a UK-based financial services business, Rathbones has a relatively low risk of modern slavery within its employee base and direct supply chain. Indirect suppliers further down our supply chain however present a potential elevated risk. Whilst we recognise there may be risk further down our supply chain at this time our approach focuses on those where we have direct control.

Our own business operations

Our people team continues to ensure Rathbones is an equal opportunity employer and review our processes regularly so that we can be confident that external recruitment agencies understand and partner with us to constantly assess and improve our commitment to responsible and transparent employment processes. The salary and benefits we offer are attributed based on the level of the role and are always comparable with others in similar roles. We carry out pre-employment checks to make sure that anyone we employ has the right to work in the UK or Jersey, including a disclosure and barring (DBS) check. Once initial employment checks are satisfactorily completed employees receive a contract that clearly stipulates their expected working pattern. All employees can apply to alter this by following the steps laid out in our flexible working policy. Furthermore, all employees have access to a dedicated employee relations team, through which they can confidentially escalate any concerns.

Our supply chain

As a UK based financial services business, we assess the risk of modern slavery in our own operations as low. Our assessment of our direct supply chain suggests that the risk here is also low. The majority of our 2022 spend was UK focused. Our top three suppliers by spend were UK based, the majority of spend outside the UK was in the US and represented spend on IT and financial and professional services. Of the remaining purchasing one country India is identified as a higher risk country **. Here we purchase software supply and support services representing 0.3% of our total spend. Our main procurement activities in 2022 included:

- Building equipment and services (IT, facilities and facilities services)
- Professional and ancillary services such as accounting, audit and HR.

It should be noted that our continued investment in our strategic change programmes, focused on IT and infrastructure, meant that we saw a further increase in spend in these categories in 2022. We will regularly review our spend and suppliers in these sectors going forward to ensure we have an accurate assessment of the risk of modern slavery in these areas of expenditure.

Our investments

One of the focal points of our stewardship programme and engagement with investee companies is around modern slavery. Non-compliance by any company with modern slavery legislation poses a serious risk to its long-term performance. In 2022, Rathbones continued to lead a votes against slavery campaign. Supported by 122 investors representing £9.6 trillion and partnering with a respected international NGO the engagement targeted 44 laggard companies with the aim of full compliance to the Act by the end of the engagement process. At the end of 2022 41 companies were compliant, with the remaining three committing to becoming compliant before their financial year-end. This engagement won the Stewardship Initiative of the Year at the 2022 PRI Awards.

You can read more on our engagement on modern slavery in our [2023 engagement action plan](#) and the [article](#) on the votes against slavery initiative.

RISK ASSESSMENT AND MANAGEMENT

As a financial service business, Rathbones does not have significant physical inputs into its business operations, as we primarily purchase professional services and technology rather than commodities. However, no supply chain is risk-free, and we recognise that greater risk may be present further down the supply chain with indirect suppliers (those businesses who supply goods and services to our direct suppliers). We continue to follow a risk-based approach to our supply chain and focus on those suppliers with whom we have a direct link.

Based on work undertaken by a third party in 2020 to assess modern slavery risk in our supply chain, we consider that the majority of our supply chain retained a low risk of modern slavery. However, a few areas were considered to carry a higher risk and these were identified as follows:

- Direct risk
 - UK construction
 - Indian software supply and services
- Indirect risk
 - UK soft services (cleaning, hospitality)
 - UK retailers (procurement of products)

These four areas represent a small proportion of our total third-party expenditure and across the categories we have requirements in place to minimise any likely risk. We have a number of measures, through our due diligence

considerations, to tackle our direct risks particularly regarding UK construction, including ensuring any contractor we employ has policies and standards in place that comply with and ensure their supply lines are compliant with the Modern Slavery Act and its principles.

DUE DILIGENCE

Through the identification of the procurement areas with elevated risk of modern slavery, we are embracing the opportunity to strengthen oversight, control and due diligence processes within our procurement practices, including through increased supplier engagement. In 2022 we updated our supplier onboarding process and broadened our engagement, on environmental and social issues beyond our critical, strategic and preferred suppliers. This engagement covers all key suppliers to Rathbones (excluding Saunderson House suppliers). This engagement included an assessment of their documented approach to modern slavery and publication of statements. At the end of 2022, 69% of Rathbones key suppliers surveyed had responded. This represents 79% of key supplier spend. Where a response was not received the request has been factored into the annual supplier review to support completion. In 2023 we will work to integrate the Saunderson House suppliers into our approach and increase the coverage of our reviews. We will engage with any supplier whose response raises concerns. Conversations will be integrated into our standard contract review process, allowing us to regularly engage with our supply chain to deliver on our common ambitions.

To further manage our indirect risk, we include steps in our due diligence to support supplier selection such as our requirement to procure Forest Stewardship Council (FSC) certified paper stationery products. Whilst the FSC certification is more commonly understood to focus on environmental requirements it also incorporates core labour requirements into its certification system.

TRAINING

Work was undertaken in the last quarter of 2022 to produce an online procurement hub to support all supplier-based activities. To be launched in the first quarter of 2023 this will share updated policy documents, how to guides and assessment forms alongside a Q&A and the ability to engage our supplier manager or responsible business manager for support on modern slavery related factors. In addition, a training module on procurement and supplier management is completed and available for all Rathbones employees on the e-learning directory.

GOVERNANCE AND POLICIES

Day-to-day responsibility rests with all employees who interact with our third-party suppliers. Operational responsibility for reviewing our approach to modern slavery sits with our responsible business committee, which reports into the board twice a year via our Group Chief Executive Officer who co-chairs the committee with the Managing Director of Rathbones Investment Management. In addition, the senior managers function (SMF24) is delegated to Rathbones Group Chief Operating Officer by the board. Our oversight and control director oversees our supplier management framework, supported by our group supplier manager and the responsible business manager on modern slavery specific risks.

For employees, suppliers, clients and third parties our whistleblowing policy encourages and enables reporting on items of concern and sets out how these concerns can be reported confidentially. Concerns can be raised through several channels, including contacting our Chief Internal Auditor, the Non-Executive Director of the Audit Committee who acts as our whistleblowing champion or by emailing whistle@rathbones.com.

As part of our commitment to upholding the highest standards of governance and risk management we have a set of policies and principles in place that are relevant to managing the risk of modern slavery and the promotion of wider decent working practices. These policies are reviewed regularly and updated to reflect any material changes that impact our business. The relevant policies are set out below, with links where these statements are publicly available.

- Outsourcing and third-party supplier risk management policy
- [Whistleblowing policy](#)
- Travel policy
- Recruitment policy
- Equal opportunities policy
- Flexible working policy
- [Responsible investment policy](#)

Our approach reaches beyond our direct employees to those who work for us on a contracted basis and sub-contractors. We are a “Living Wage” accredited employer and this commitment extends to requiring sub-contractors, such as cleaners, to be paid at least the Living Wage level.



MEASURING EFFECTIVENESS

To support our reporting and planning the group uses the following key performance indicators to measure the effectiveness of our approach and compliance with the Act 2015:

- Annual reviews of the Act and any updated guidance to ensure compliance
- Completion of due diligence procedures undertaken on key suppliers
- Ongoing monitoring of key suppliers
- Effective avenues for employees and/or suppliers to escalate modern slavery issues and concerns.

FUTURE PLANS

We continue to build capacity within Rathbones to manage the risk of modern slavery, and understand risk exposure within our operations, our supply chain, and our services. During 2023, our focus will be on the integration of Saunderson House suppliers into our review process and expanding coverage of our environmental and social review, alongside the continued strengthening of our supplier due diligence processes. We believe that these actions will support the strengthening of our framework as we await the outcome of the proposed new mandatory requirements.

Paul Stockton,
Group Chief Executive Office

3 May 2023

* For a list of the company’s subsidiary undertakings please see p235 of our 2022 Report and Accounts

**Global slavery index <https://www.globalslaveryindex.org/>