

# RAYMOND JAMES

## RAYMOND JAMES INVESTMENT SERVICES LIMITED

### EXTRACT FROM STRATEGIC REPORT

For the year ended 30 September 2024

#### **Section 172 statement**

This section of the strategic report describes how the Directors have discharged their duties with due regard to the matters set out in Section 172(1) of the Companies Act 2006 and provides detail of how Directors have engaged with, and had regard to, the interests of the Company's key stakeholders. The Board considers that understanding the views and interests of its stakeholders helps the Company to make better decisions with the aim of generating positive outcomes for clients whilst contributing to wider society by building strong and lasting relationships with key stakeholders. The Board recognises that effective communication and stakeholder engagement are integral to build shareholder value.

Section 172(1) requires the Directors to act in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so, have regard (amongst other matters) to:

- the likely consequences of any decision in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, clients and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standard of business conduct; and
- the need to act fairly between members of the Company.

The Board has discharged its Section 172 duties.

The Directors are briefed on their duties as directors as part of the Company's induction programme and ongoing training is provided to the Board on a variety of subjects throughout the year. Each Director has access to the Company Secretary for advice on the application of the above noted duties. The Directors' awareness of their duties to the Company, coupled with the knowledge and insights they obtain on the views and interests of key stakeholders and the impact of the Company on wider society, enables them to make decisions that are in the best interests of stakeholders, particularly clients.

In practice, the Company operates within a Corporate Governance framework where responsibility for day-to-day decision-making has been appropriately delegated. The Board aims to ensure that the consideration of stakeholder interests and the Company's long-term success is embedded across its business, which is considered against the duties under Section 172 when setting the Company's strategy, values and framework of policies. The Board is cognisant that the impact of each decision it makes, and more widely in the Company's overall governance framework, will be different for each of its key stakeholders.

The Company has commenced the positive step of integrating with Charles Stanley. Throughout 2024, the Board spent a considerable amount of time evaluating the integration with RJF. The Board considered a range of topics that would impact key stakeholders, including its employees and clients, as well as ongoing engagement with the FCA. The Board promotes a culture across the Company of upholding the highest standards of business and regulatory conduct. It ensures these core values are communicated to the Company's employees and embedded in the Company's policies and procedures, employee induction and training programmes and its risk control and oversight framework.

# RAYMOND JAMES

The Board considered each of the specific matters provided for in Section 172, and examples of how those considerations have influenced decisions taken by the Company and more widely are set out below.

## **Clients**

The Company places clients at the forefront of its operations and their interests are the central focus of the Company. The continued success of the business is shaped around the Company's ability to listen to and understand client needs in a responsive manner. A holistic approach to wealth management enables the business to evolve in line with the changing financial needs of clients through the personal relationship service upon which the Company prides itself on, accompanied by the full suite of products and services available.

Client surveys are conducted regularly to analyse the close working relationships built with clients. These surveys enable the Company to gain insights into clients' requirements and continually enhance the quality of the service provided to them. Key areas on which the surveys gather feedback include the service itself, relationship and communication, and trust and reputation. The Board is conscious of its responsibilities as an FCA authorised and regulated firm, and so it regularly receives updates on client proposition, investment performance outcomes and service levels. The Executive Committee also manages the business through a suite of committees established under their authority, all of which have client interests at their heart. The Consumer Duty and Conduct Committee, established under the authority of the Chief Executive Officer, oversees the application of the Consumer Duty and focuses on delivering good outcomes for customers.

## **Employees**

The Directors recognise that our people are core to the long-term success of the Company. Engagement with staff takes place through various town hall events and an annual staff engagement survey. This is reviewed by the Executive Committee, with subsequent oversight of actions to address arising matters and escalate relevant matters to the Board for scrutiny. Over the course of the year, a number of virtual staff conferences took place to provide key updates to staff, and a variety of discussion panels were hosted to address current industry matters. The Chief Executive Officer provides ongoing staff communication through face-to-face interactions and email updates.

## **Suppliers**

The Board understands the need to foster good relationships with suppliers and third-party service providers to ensure that the Company can continue to service its clients effectively and efficiently over the long-term and the Company expects its suppliers to operate and behave in an environmentally and socially responsible manner.

The Company continues to develop, embed and enhance a supplier management framework across the business. All key suppliers are assessed via a comprehensive procurement process prior to onboarding and periodically thereafter, and regular engagement with suppliers ensures that good relationships are maintained. As part of its Procurement Policy, the Company engages annually with key suppliers and outsourcing providers to complete due diligence which helps the Company better understand its connections with these third parties.

## **Regulators**

The Company maintains continuous engagement and operates in an open and cooperative manner with the FCA. The financial services sector is recognised as a key contributor to the UK economy and therefore regulatory oversight of the sector is paramount to its efficiency. Continued compliance with these regulatory obligations and the views of the FCA are

# RAYMOND JAMES

primary considerations in decision-making within the Company. 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 and Risk Assessment ("ICARA"), the FCA's Investment Firms Prudential Regime and Consumer Duty. The Board also receives updates in respect of operational resilience, conduct risk and the management of culture, while the Enterprise Risk Committee, established under the authority of the Chief Executive Officer, undertakes regulatory-themed deep dives into the business alongside risk monitoring.

## **Community and Environment**

The Board is conscious of the impact of the Company's operations on both the Community and Environment and recognises the importance financial services have on the surrounding community. Therefore, it strongly endorses high levels of Environment, Social and Governance ("ESG"), Corporate Social Responsibility and Corporate Governance standards. The Board and its Risk Committee recognise ESG as an increasingly important consideration to many of its key stakeholders.

## **Climate-related disclosures**

The Company is exempt from complying with the Task Force on Climate-related Financial Disclosures ("TCFD"). Whilst TCFD is currently not applicable, the Company has produced a product level report in accordance with the FCA's rules and guidance regarding the disclosure of climate-related financial information consistent with TCFD Recommendations and Recommended Disclosures. The report is available on the Company's website <https://www.raymondjames.uk.com/our-company/corporate-responsibility/>