

CORPORATE SOCIAL RESPONSIBILITY REPORT 2023

WALKING THE TALK

If you are a private investor you should not rely on this document but should contact your professional adviser.





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WHAT WE STAND FOR



INTRODUCTION FROM MANAGING PARTNER GUY MATTHEWS

We aim to secure tomorrow, through our thematic investment approach, our commitment to stewardship, and our long-term relationships with our clients.

We strive to place stewardship at the heart of everything we do: how we invest, how we interact with clients, how we treat our staff and suppliers, and how we conduct ourselves in the wider community.

Like previous years, this report serves as a way for us to measure our activities against these aims. Last year we published a standalone Net Zero Action Plan to outline our strategy for alignment with a 1.5°C-pathway, in line with our commitment to the Net Zero Asset Managers Initiative (NZAM). We also enhanced our engagement and policy outreach efforts with our investee entities, as we aim to protect and enhance our clients' capital for the long term.

Practising what we preach, we have announced various measures in our own business to align us with the industry initiatives we support. We explain more about these in the pages ahead.

There are other areas where we have room to grow and improve. By evaluating our choices and behaviours today, we hope to play our part in securing tomorrow.

We welcome your scrutiny.

A handwritten signature in black ink, appearing to read 'G. Matthews'.

CSR IN PRACTICE

We engage with businesses to keep global temperature increases to ideally below

1.5°C

in line with the Paris Climate Agreement's goal.

OUR CORPORATE SOCIAL RESPONSIBILITY GOALS

Our approach

We seek to hold ourselves to the same high standards we expect from our investee companies. In particular, we aim to reduce our impact on the environment, act responsibly with respect to the welfare of our stakeholders and have a positive impact on our wider community. Our engagement with our investee companies on climate change is well-established. We engage with businesses to implement practices consistent with keeping global temperature increases well below 2°C and ideally 1.5°C, in line with the Paris Climate Agreement's goal. As a business, we align our operations on the same basis.

Diversity and inclusion (D&I) is another key focus for our business. We have engaged with numerous investee companies to encourage greater gender and racial diversity at a senior level. Similarly, we actively promote diversity and equal opportunities amongst staff and in our governance structures.

These goals form the basis of how we measure our approach to corporate responsibility. This report is our opportunity to highlight what we have achieved in each of these areas, as well as what we are working towards.

Governance and structure

The Executive Committee has established the Corporate Responsibility Committee to define, monitor and oversee, and enact where necessary, the firm's policies and processes with regards to its corporate responsibility. Our Chief Operating Officer, Tim Temple, oversees the committee as chair.

The committee aims to ensure the business lives up to its stated corporate values. It also monitors whether we are aligned with what we expect of investee companies and the public positioning we adopt through our stewardship activities.

With this in mind, the committee undertakes routine gap analyses that consider existing governance and voting guidance, as well as stewardship policies. It identifies how these might be applicable to internal operational policies and procedures. Where necessary, it will recommend targets and steps for implementation.

The committee also oversees delivery of the annual Corporate Social Responsibility report, where it reports on the firm's performance on environmental, social and governance matters to key stakeholders.

HOW WE DO STEWARDSHIP

We take a global, long-term, thematic approach to investing, with engaged stewardship at its core. Through integrated environmental, social and governance (ESG) considerations, active ownership and impactful policy outreach, we aim to improve financial outcomes for our clients and help secure tomorrow.

Our approach to responsible investment and stewardship is rooted in certain beliefs, namely:



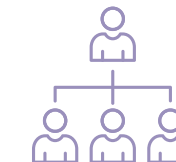
We look to the long term.

Our thematic investment approach guides us towards markets and activities that will benefit a sustainable society, and thus offer long-term growth opportunities.



Responsible and sustainable entities create more enduring value.

We favour entities that articulate compelling long-term strategies, and take seriously their responsibilities to their customers, staff, local communities, the environment and their investors.



We add value by engaging with the leadership of investee entities that our clients hold,

supporting their long-term value-enhancing action, whilst challenging unsustainable behaviour where it exists.



It is important to apply judgement.

We avoid rigid rules and are instead guided by a focus on our goal of delivering enduring value in a manner that promotes a sustainable society.



We take a holistic approach.

We believe our clients' interests are best served by contributing to a sustainable market environment. Where we see policies, practices or behaviours that are contrary to long-term sustainable growth, and we believe we can catalyse a positive change, we will engage with key market influencers to press for change.

We implement our approach to **stewardship through three pillars**

- 1

**SUSTAINABLE
VALUE DRIVERS**
 - Align with long-term societal trends
 - Proprietary fundamental ESG analysis
 - Ongoing monitoring
- 2

**ACTIVE
OWNERSHIP**
 - Impactful engagements
 - Thoughtful voting
 - Robust escalation
- 3

**THOUGHT
LEADERSHIP AND
POLICY OUTREACH**
 - Speaking out
 - Collaborating with industry partners
 - Helping shape the policy landscape to promote sustainable returns

POLICIES AND PUBLICATIONS

Our commitment to stewardship in investment activities is detailed in various reports, available on our website, among which:

Net Zero Action Plan: As a founding signatory of the Net Zero Asset Managers Initiative, we aim to align our investment approach with a 1.5°C pathway. Our action plan describes how we use the levers at our disposal to achieve this goal. View the plan [here](#).

Annual stewardship report: The UK Stewardship Code sets high stewardship standards for asset managers, asset owners and service providers. In our annual submission, we explain how we comply with the Code on behalf of our clients and stakeholders. View the latest report [here](#).

PRI Assessment Report: We are signatories to the United Nations' Principles for Responsible Investment. We have been graded A+ for Strategy and Governance. View our report [here](#).

For more information on our stewardship publications, policies as well as voting and engagement records, visit sarasinandpartners.com/stewardship.



587
goal-linked
activities

102
companies
engaged

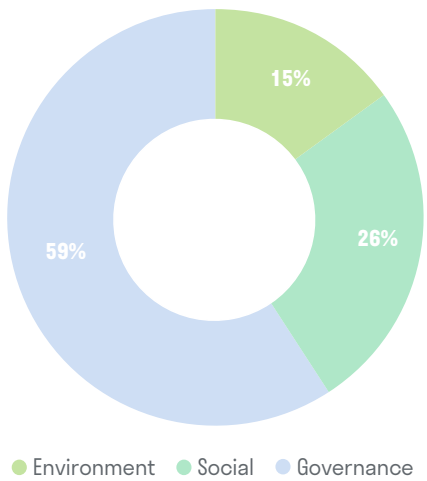
22
stewardship
goals covered

**A SUMMARY OF OUR 2022
ENGAGEMENT ACTIVITY**

We provide quarterly reports on our stewardship activities to our clients. During 2022 we rolled out an engagement reporting tool that gives summary statistics on our company interactions and their results at a portfolio level.

We record our engagement activities as goal-linked activities (GLAs). This represents any type of interaction with a company on a single goal. In cases where we have an interaction with a company that covers more than one goal, we record this as the relevant number of GLAs.

**BREAKDOWN OF GOAL-LINKED ACTIVITIES
BY ESG PILLARS (%)**



Source: Sarasin & Partners, period 01.01.22-31.12.22

WALKING THE TALK

OUR APPROACH

In line with our 2019 Climate Pledge, we have made a commitment to maintain net zero emissions for our business operations. This covers scope 1 and 2, as well as scope 3 associated with business travel. We achieve this primarily through the use of renewable energy and, for activities where carbon-free alternatives are not yet available, carbon offsets.



Sarasin & Partners
2019
Climate Pledge

MISSION



Net zero emissions for our business operations

METHOD



Use of renewable energy and carbon offsets

Over time, we aim to bring down our absolute emissions, normalised for growth of the business. We will also work to reduce our reliance on carbon offsets.

What we measure

Reflecting our existing commitment to net zero operational emissions, our strategy for implementation involves:

- **Carbon footprint mapping**
We update our carbon footprint data annually, to track performance against targets. We intend to expand the scope to ensure we cover scope 3 emissions wherever possible. Through engagement with our travel management company and an enhanced carbon reporting platform, we have been able to track our emissions related to hotel bookings as of 2022. We also anticipate including our supplier and staff commuting emissions in our footprint, as soon as market-agreed methodologies have been set.
- **Approach to offsets**
We favour reductions in emissions over the use of offsets. At the moment we only use offsets to cover our hard-to-abate emissions and we plan to bring down absolute emissions in the future. At the same time, as we expand the coverage of our carbon tracking, we will naturally see a jump in our reported emissions. Consequently, we will continue to use offsets over the short term, ensuring these are externally verified.
- **Monitoring implementation**
We will monitor our efforts through routine meetings with relevant departments and internal reporting to the COO. Progress will be discussed with the CSR Committee, chaired by the COO.
- **Reporting**
We will continue to gather data on carbon emissions annually and report this publicly through this CSR report. We will also incorporate this into our forthcoming Task Force on Climate-Related Financial Disclosures (TCFD) report.

Our operational data

We carry out carbon footprint mapping and implementation according to the main sources of carbon emissions. We plan to follow UK government guidance for measuring carbon emissions, though we note that data availability remains a key challenge. At present, we have identified the following main categories:



AS THERE ARE NO VIABLE ZERO-CARBON AIRLINE OPTIONS

WE ARE WORKING TO CUT BACK AIR TRAVEL

Air travel

Business travel is our largest source of emissions, so this is a priority area for reduction targets. Through the use of enhanced travel management tools we are able to select lower intensity flight options. We also ensure that air travel is only undertaken when necessary. We encourage more sustainable travel options and are exploring an internal carbon trading scheme with rolling-year reductions.

OUR LANDLORD HAS COMMITTED TO PRIORITISE RENEWABLE ENERGY



Building

We operate from one building in central London, which we rent. Our electricity is renewable and the landlord has committed to prioritise renewable energy and green gas in future when renewing contracts.

IN 2021 WE REVIEWED OUR TOP SUPPLIERS




WE WILL ENSURE THEY ARE ALIGNED WITH OUR WIDER CLIMATE COMMITMENTS


Supply chain

We have not historically covered our scope 3 supply chain emissions, due to complexity and a lack of data. We plan to include these emissions as soon as a market-agreed methodology has been established. In 2021 we undertook an initial review of our top suppliers (by value of spend), and are developing a plan for engaging with suppliers to ensure they are aligned with our wider climate commitments.

WE WILL INCLUDE COMMUTING NUMBERS IN OUR CARBON TRACKING



WE ARE MONITORING INDUSTRY DEVELOPMENTS FOR STANDARD CALCULATION METHODS



Staff commuting

As with our suppliers, historically, commuting numbers have not been included in our carbon tracking. We will explore ways to incorporate these emissions and are monitoring industry developments for accepted standard calculation methods.

Offsetting

The partners which we used to offset our 2022 carbon emissions were:

- Carbon Footprint LTD, via the VCS certified Portel-Pará REDD project (VCS977). They also facilitate tree planting in the UK, which helps to prevent climate change and creates space for wildlife.
- South Pole, who invests in a climate protection project, Kariba Forest Protection Zimbabwe.
- REDD+, a UN-backed framework that aims to curb climate change by stopping the destruction of forests.

SARASIN CARBON EMISSIONS

Type	2018	2019	2020	2021	2022
Scope 1 - Gas	49	31	21	42	24
Scope 2 - Electricity (market-based)	3	3	2	1	0
Scope 3 - Air travel	352	421	70	13	228
Scope 3 - Rail travel	5	6	2	2	7
Scope 3 - Personal car use + rental	17	24	8	10	13
Scope 3 - Taxi	2	3	1	0	1
Scope 3 - Hotel	-	-	-	-	6
Total CO2e	428	488	104	68	279

Source: Sarasin & Partners, as at May 2023


Understanding carbon emissions

Scope 1: direct emissions that our business owns and controls.

Scope 2: indirect emissions that we own, relating to the source of the energy we use.

Scope 3: indirect emissions that we do not own, but which are caused due to our operations, e.g. business travel.

BY 2035



WE AIM TO REDUCE ABSOLUTE EMISSIONS FROM AIR TRAVEL BY 50% COMPARED TO 2019

DIVERSITY AND INCLUSION

We are committed to promoting a culture where all stakeholders are accepted as individuals and treated equitably and respectfully. We believe in the importance of diversity and equal opportunities, both within our firm and across the asset management industry. To achieve these goals, we have established a comprehensive framework and implemented various initiatives under our Diversity and Inclusion (D&I) Taskforce.

Inclusion is at the core of our framework. We strive to create an environment where all employees feel their identity and background are accepted and valued. Our goal is to foster a sense of belonging, empowering individuals to achieve their full potential at Sarasin & Partners. In pursuit of this, we have implemented initiatives that aim to improve the overall culture and working environment within our organisation.

Diversity, the second strand of our framework, is a crucial aspect of our commitment. We recognise the need to enhance diversity not only within our firm but also across the asset management industry. Our objective is to achieve measured and material improvements in diversity, ensuring fair representation and equality for all employees. Additionally, we aspire to become leaders in driving diversity improvements within our industry, moving beyond being a mere follower.

MISSION STATEMENT

Sarasin & Partners commits to promote a culture where all stakeholders are accepted as individuals and treated fairly and respectfully. We will aim to improve diversity both within the firm and across the asset management industry.

TWO STRANDS

INCLUSION

Sarasin & Partners commits to promote a culture where all stakeholders are accepted as individuals and treated fairly and respectfully.

DIVERSITY

We will aim to improve diversity both within the firm and across the asset management industry.

FOUR SUB- COMMITTEES

FOUR GOALS

INCLUSION

Make progress towards an environment where all employees feel their identity and background is accepted and valued at Sarasin & Partners.

EQUALITY

Make progress towards an environment where all employees feel they are treated fairly and respectfully and are empowered to achieve their potential at Sarasin & Partners.

REPRESENTATION

Achieve a measured, material improvement in diversity within the firm.

OUTREACH

Make significant contributions to improving diversity within our industry, becoming a leader rather than a laggard among peers.

How we are taking action

Since we established our D&I Taskforce in 2020, we have made significant progress in implementing our framework and working towards our goals. Here are some key activities and initiatives that we have undertaken.



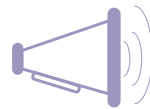
In recognition of **International Men’s Day**, we hosted a Men’s Health Talk breakfast event featuring Mike Woods, a Movember ambassador. This event emphasised the importance of men’s wellbeing.



Sarasin colleagues, along with their family members, joined over 350 individuals from the investment management industry for a pre-parade **Pride** reception in the West End hosted by LGBT Great.



We carried out a series of career profile interviews with colleagues around the business to celebrate and highlight the variety of different careers and career paths you can have at Sarasin & Partners. On **International Women’s Day**, we celebrated the theme of #EmbraceEquity by interviewing women across our business. These interviews showcased their careers, achievements and perspectives on embracing equity.



We provided inclusive hiring training to our hiring managers, **raising awareness** of individual and group biases and equipping them with practical ways to address these biases in the hiring process.



The **Sarasin Ethnic Minority Forum** provides a platform for employees from ethnic minority backgrounds to have their voices heard, ensuring equal representation. Through discussions and actions, the forum works towards effecting change and actively involves employees in the process. The forum also fosters a supportive community, allowing members to share insights, experiences, and provide mutual support. It facilitates networking opportunities, including access to external industry groups, and promotes engagement between ethnic minority employees and senior members.

Supporting and developing the next generation

Sarasin has formed ‘NexCo’, a Shadow Executive Committee. The NexCo initiative aims to promote diversity of thought and supports strategic decision-making within the firm. By fostering two-way communication between senior management and colleagues from across the firm, NexCo ensures diverse perspectives are represented in important discussions.

We support the Diversity Project’s ‘DP Pathway’ programme, which focuses on developing future female portfolio managers. This initiative aims to address the gender imbalance in money-managing roles and provides selected women with opportunities for professional growth and success.

Sarasin has partnered with upReach, an organisation that helps disadvantaged students realise their potential by providing personalised support and access to opportunities. Through this partnership, we contribute to expanding career pathways and enhancing professional success for underprivileged students.

OUR GENDER TARGETS

By
2030 

30% female representation at senior management level

50% female representation among total employees

As an asset manager that actively engages for positive change with the companies we invest in, we understand the importance of diversity targets. We are proud to publish gender diversity targets for Sarasin & Partners – committing to 30% female representation at senior management level by 2030 and to 50% female representation of the entire workforce by the same date. As of 31 August 2023, our senior management is 28.6% female, while we have 41% overall female representation across the business.

These targets align with our overarching diversity and inclusion commitments as a firm. In an industry that faces diversity challenges, it is important that our broad workforce is balanced and that we push to improve female representation at a senior management level.

In setting these targets, we carefully analysed our historical and current data and considered a number of different assumptions and models. While departments have different profiles – some may need to focus on development of current employees, while others may need to focus more on developing their pipeline - we believe these targets are realistic and achievable.

In our efforts to create a more equal workforce, we have been working on aligning our benefits package with the broader market.

GENDER PAY GAP OVERVIEW (%)

Metric	2017	2018	2019	2020	2021	2022
Mean gender pay gap in hourly pay	33	29	28	27	30	27
Median gender pay gap in hourly pay	34	33	31	29	32	27
Mean gender bonus gap	69	59	57	66	65	60
Median gender bonus gap	67	64	65	70	65	59

Source: Sarasin & Partners, as at May 2023

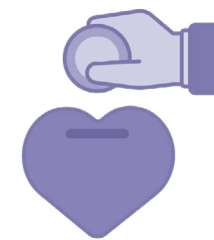
Creating change within the UK investment and savings industry

Sarasin & Partners is a member of Diversity Project, a network seeking to accelerate diversity and inclusion in the investment and savings industry. Managing Partner, Guy Matthews, sits on the Diversity Project’s advisory board with Sarasin staff members participating in Diversity Project’s workstreams and activity.

FUNDRAISING AND CHARITY

Since its inception in 2013, the Sarasin Fundraising team has raised money for many charities involved in a range of activities. These include helping the homeless, children's wellbeing organisations, as well as mental health charities.

In
2022
we raised
an amazing
£38,000



**gr'ef
encounter**

Fundraising and charity

We believe it is important to support our communities. We aim to do this in a way that involves the whole business, reflecting on our culture and ethos. Through multiple strands of fundraising and charitable support, we give back to the causes that our business supports, as well as those which our employees support in their personal capacity.

Charity of the year

Every two years we ask our staff to vote on the charity they want to support. The business currently supports Grief Encounter, an organisation that works with bereaved children.

Since inception in 2013, the Fundraising team has annually raised in excess of £10,000 for each chosen charity – an amount which has increased each year. In 2022 we raised an incredible £38,000. We raise money through various events, including charity auctions, raffles, cake sales and sponsored static bike rides.

In addition to the charity we focus on, we have also established other ways to support the causes we care about.



Payroll giving

We operate a Give As You Earn scheme where employees can donate to charities of their choice, taking advantage of tax breaks to ensure that the charities receive the most from our donations.



Donation matching

Further recognising the efforts of the fundraising team, Sarasin pledges to match any funds raised up to an additional £7,500 each year.



Volunteering

Sarasin offers staff two days of volunteering leave every year.

THREE PEAKS CHALLENGE

£8,000
raised for Sarasin
Charity of the year,
Grief Encounter

A team of Sarasin hikers - novices and experienced climbers - attempted the Three Peaks Challenge in aid of Grief Encounter, our charity of the year. They showed true grit and determination as they conquered Scafell Pike, Ben Nevis and Yr Wyddfa (Snowdon) on a day when the warmer temperatures gave way to more blustery conditions!

We could not be more proud of our team who raised more than £8,000, helping a charity that supports bereaved children and young people.





WITH OUR COMMITMENT
TO THE **NET ZERO ASSET
MANAGERS INITIATIVE**
WE CONTINUE TO TAKE
SIGNIFICANT STEPS FORWARD IN

**MANAGING
AND REDUCING
OUR CARBON
FOOTPRINT**



LOOKING AHEAD
**A NOTE FROM OUR
CHIEF OPERATING
OFFICER,
TIM TEMPLE**

In 2022, we continued to build out our approach to flexible working, exploring how these new capabilities could best help us meet the needs of clients and staff.

Our client portal, launched in 2021, has remained a focus in 2022, with the addition of a themes and stewardship functionality. This provides a look-through into the ESG profile of our clients' portfolios, key engagements and votes.

Our commitment to the Net Zero Asset Managers Initiative has seen us continue to take significant steps forward in managing and reducing our carbon footprint. As of 2022 we have also been able to track our emissions related to hotel bookings, thanks to engagement with our travel management company and an enhanced carbon reporting platform.

Ultimately, it is our philosophy of securing tomorrow – on behalf of our clients, staff, community and wider society – that both guides us and holds us to account.

We look forward to reporting on our progress once again next year.

IMPORTANT INFORMATION

If you are a private investor, you should not act or rely on this document but should contact your professional adviser.

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