

STATEMENT ON CORPORATE RESPONSE TO RUSSIAN WAR AGAINST UKRAINE

SARASIN
& PARTNERS

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OUR SUPPORT FOR COMPANY ACTION TO PROTECT HUMAN RIGHTS

The tragedy unfolding in Ukraine touches all of us in profound ways. While confronting Russian state-sponsored aggression is first and foremost the job of governments, companies are also rightly responding: halting commercial relations, pulling out staff when possible and stepping back from, in some cases, billion-dollar investments in Russia.

No doubt sanctions are a driver here, but companies are going further than demanded by regulators. They are distancing themselves from a regime that is demonstrably failing to uphold basic human rights¹.

We at Sarasin & Partners support such moves. To ignore the human rights violations in Ukraine would run contrary to our belief that one of the fundamental purposes of responsible investment is to allocate and steward capital in a way that benefits society and minimises harm.

We recognise the situation is complex and rapidly evolving. It is not always a simple decision to exit operations; in many cases there will be human costs for civilians in Russia and elsewhere (e.g. where Russia is vital in global food supply chains).

We support company efforts to respond dynamically, keeping the above principles in mind.

SARASIN & PARTNERS' ACTIONS

Our own risk assessment is ongoing, but as of 24 March 2022, we have no direct holdings of Russia-listed securities, and have identified only three companies whose securities are held in client portfolios that have exposure to Russia of between 5% and 10% of revenue and less than 15 corporates with sales exposures of between 3% and 5%².

Where companies have exposure, we are monitoring them to understand the actions they are taking, and how they have considered the human rights implications of these measures.

Beyond the immediate and over-riding focus on stopping any activity that facilitates human rights abuses in Ukraine, we are also considering the following issues:

- Worker treatment: Where action taken involves layoffs, how the company has ensured fair treatment, e.g. adequate pay-outs or relocation policies
- Supplier treatment: Whether compensation has been provided where appropriate, and checks to ensure this is not indirectly supporting continued Russian aggression
- Broader public impacts: Consideration of impacts for food access and safety, public health and poverty. This could be within the region and beyond
- Other potential impacts of departure: Consideration of how abandoned assets may be used to support the current regime, or where departure otherwise strengthens abusive political forces
- Disclosure: Transparency on actions taken and the rationale for action will send a clear message about entities' support for human rights and unwillingness to turn a blind eye where abuses occur.

¹ Please see full list of companies' announced withdrawals from Russia, updated daily [here](#)

² For an up to date list, please contact Client Affairs.



In our engagement with companies, we are seeking a robust risk management process, adequate disclosure and strong board oversight aiming to minimise not only operational and financial, but also humanitarian and reputational risks.

Finally, we recognise the broader macro-economic and geopolitical significance of this conflict. Both Ukraine and Russia are vital to global supply chains, in terms of energy, fertilisers, food, minerals and other inputs. The indirect exposure for companies and their investors is thus far greater

than the direct exposures. We are scrutinising these broader relationships and managing portfolio risks accordingly. Likewise, we will ensure our stewardship work takes into account these broader inter-linkages.

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IMPORTANT INFORMATION

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