



## **PUBLIC TRANSPARENCY REPORT**

**2023**

**Sarasin & Partners LLP**

Generated 15-12-2023

# About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2023 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

# Table of Contents

Module	Page
SENIOR LEADERSHIP STATEMENT (SLS)	4
ORGANISATIONAL OVERVIEW (OO)	7
POLICY, GOVERNANCE AND STRATEGY (PGS)	21
LISTED EQUITY (LE)	61
FIXED INCOME (FI)	68
SUSTAINABILITY OUTCOMES (SO)	77
CONFIDENCE-BUILDING MEASURES (CBM)	97

# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Responsible investment is at the very core of how our clients' assets are managed. We believe that responsible entities are best-placed to create enduring value over the long term. Specifically, 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 seek to avoid issuers whose success depends on imposing material adverse impacts on society and/or the environment, which cannot be addressed through active engagement.

Our investment approach consists of three pillars:

A global thematic investment process focused on long term value drivers

We implement a thematic investment process in equities.

We look for companies that are well-positioned to deliver value through the provision of goods and services that align with long-term societal trends such as the transition to a low-carbon world, digitalisation, automation, ageing and evolving consumption. In fixed income we seek issuers that will deliver sustainable income streams and capital preservation.

Across all asset classes, we undertake rigorous bottom-up analysis to identify leaders that offer long-term return prospects. We examine ESG characteristics as core elements of the investment process and these are incorporated into our valuation analysis.

We undertake stress tests for climate risks, as well as regular reviews when concerns arise.

Active ownership

Once we have bought an issuer's security on behalf of our clients, we monitor the entity's performance. We seek regular dialogue with board members and management to articulate our concerns and monitor progress. In the case of shares, we vote thoughtfully, based on our Corporate Governance and Voting Guidelines.

Where necessary, we escalate our engagement using tools such as building investor coalitions, making public statements, filing shareholder resolutions or voting against management resolutions.

#### Thought leadership and policy outreach

Where we find harmful market practices or policy failures that result in materially adverse impacts on the environment or particular stakeholder groups, and we believe we can contribute to positive change, we will speak out. We engage with other investors, non-governmental organisations, policymakers, regulators and market influencers – such as auditors or standard setters – to deliver a market environment in which sustainable behaviours are properly rewarded and harmful activities penalised.

## Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

We have made significant progress on several stewardship goals in 2022. We highlight three below.

#### Net zero alignment

As a founding signatory of the Net Zero Asset Management (NZAM) initiative, we aim to align our investment strategy with the Paris Climate Agreement's goal of keeping temperature increases to well below 2C above pre-industrial times, and ideally to 1.5C. We published our NZAM Action Plan in February 2022.

Our over-riding priority is to promote real-world emission reductions, rather than simply decarbonising individual portfolios.

Key achievements in 2022 included:

1. Establishing policies and procedures to drive implementation in asset management, operations and client outreach.
2. Ongoing climate risk analysis and stewardship work within asset management. In total we held 173 engagement activities, achieving positive outcomes in 29 instances. We participated in the Climate Action 100+ initiative, where we were a lead or co-lead engager on 8 companies.
3. Enhancing our client reporting on climate-related activities through quarterly reports and via our website. We also submitted our first NZAM report following the TCFD guidelines in September 2022 via the CDP platform.
4. Market outreach. We continued to co-chair the Climate Accounting and Audit work stream and the Net Zero banking initiative supported by the IIGCC. In 2022, we have continued to see the impacts from our climate accounting initiative, with increased climate-related disclosures within company financial statements.

Several UK and European companies included some form of a well below 2°C or 1.5°C sensitivity analysis within the Notes to their financial accounts (e.g. Shell, BP, Glencore, Rio Tinto, Equinor, Air Liquide). A number of UK and European oil and gas companies have also adjusted critical accounting assumptions (specifically long-term commodity price assumptions) explicitly linked to decarbonisation. This has provided shareholders with improved visibility of potential risks to capital from accelerating decarbonisation. We were pleased to see our engagement explicitly recognised in Shell's 2022 Annual Report and Accounts by both the Audit Committee and the auditor, EY.

**Responsible technology.** AI has become an important part of our everyday life and companies' business success. However, there are risks associated with the development of these technologies, including data manipulation, suppression of fair competition, discrimination or other violations of human rights. In April 2022 we co-signed the World Benchmarking Alliance's investor statement on ethical AI. We also joined the Digital Inclusion Collective Impact Coalition (CIC) of 30 investors – representing \$6.4 trillion in AUM – and focused on ethical AI. The CIC has prioritised engaging with 40 of the most powerful digital companies who failed to commit to ethical AI principles. We are a co-lead engager on Amazon and a support investor on PayPal and Apple. We encouraged these companies to publish commitments to ethical AI and develop governance structures and associated plans of action.

#### Diversity & inclusion.

Investors' focus on ethnic diversity has continued to increase since the Parker Review was published in 2017. This report found that only 1.5% of FTSE 100 British board directors were from ethnic minority backgrounds, despite ethnic minorities being 14% of the UK population. We believe that by improving ethnic diversity in boardrooms, companies would strengthen corporate governance, financial performance and reputation, as well as provide equal opportunities for employees from ethnic minority backgrounds. We have led the race equity workstream of the 30% Club UK Investor Group since mid-2022 and drafted the 30% Club UK investor statement on race equity published in March 2022. We lead collective outreach that encourage UK-listed companies to achieve the 30% Club's targets. This relates to representation of women of colour in senior executive and board roles, as well as the Parker review guidelines. Under our leadership, the collaboration launched collective engagement with 21 FTSE 250 companies to drive faster progress. These companies represented Phase 1 of a list of 71 companies that had not satisfied the Parker review recommendations as at March 2022. By the end of 2022, eight Phase 1 companies satisfied the guidelines and a further six were working towards complying. During 2023 we have continued engagement with other shortlisted companies.

### Section 3. Next steps

#### ■ What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

Over the next two years, we will continue our engagement activities and responsible voting, focusing on the following seven priority initiatives:

- **Paris alignment:** Promoting alignment with a 1.5°C-pathway agreed under the Paris Climate Agreement. We also undertake policy advocacy work where we find harmful market practices or policy failures that result in materially adverse impacts on the environment or particular stakeholder groups, and we believe we can contribute to positive change.
- **Responsible accounting:** Promoting accounting standards and practices that are consistent with long-term capital protection and enhancement.  
We expect prudence to prevent overstatement and contain excessively risky behaviour. We look for transparency on dividend sustainability and a strong capital maintenance commitment.
- **Robust and independent audit:** Promoting robust and independent audit as a key line of defence against misleading accounting. We expect strict policies to prevent conflicts of interest, regular audit firm rotation and meaningful disclosures by auditors to investors.
- **Circular economy:** We aim to accelerate the transition to a sustainable circular economy with a particular focus on plastics (overall reduction, virgin plastic reduction, recycling, reuse, etc.).
- **Social value chain:** Ensuring that the companies in which we invest act responsibly with respect to the welfare of their stakeholders, including their employees, suppliers, customers and the communities in which they operate.

We currently focus on Diversity, Equity & Inclusion (DEI), human and labour rights.

- Responsible tech: As digital technology has become part of our lives, we need to ensure technology companies act in society's long-term interests. Issues include anti-competitive behaviours, tax avoidance, biases and disinformation, excessive influence on children, as well as privacy and security of the data.

#### Section 4. Endorsement

**'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.**

Name

Guy Matthews

Position

Managing Partner

Organisation's Name

Sarasin & Partners LLP

☒ A

**'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.**

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## ORGANISATIONAL OVERVIEW (OO)

### ORGANISATIONAL INFORMATION

#### REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

**What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?**

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2022

## SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- ☒ (A) Yes  
☐ (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2.1	CORE	OO 2	OO 2.2	PUBLIC	Subsidiary information	GENERAL

Are any of your organisation's subsidiaries PRI signatories in their own right?

- ☐ (A) Yes  
☒ (B) No

## ASSETS UNDER MANAGEMENT



## ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 22,100,000,000.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

## ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

(1) Percentage of Internally managed AUM

(2) Percentage of Externally managed AUM

(A) Listed equity

>75%

0%

(B) Fixed income

>10-50%

0%

(C) Private equity	0%	0%
(D) Real estate	0%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	>0-10%	0%
(J) Off-balance sheet	0%	0%

**(I) Other - (1) Percentage of Internally managed AUM - Specify:**

Commodities

## ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

**Provide a further breakdown of your internally managed listed equity AUM.**

(A) Passive equity	0%
(B) Active – quantitative	0%
(C) Active – fundamental	>75%
(D) Other strategies	>10-50%

**(D) Other strategies - Specify:**

Investment trusts

## ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 FI	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed fixed income	GENERAL

**Provide a further breakdown of your internally managed fixed income AUM.**

(A) Passive – SSA 0%

(B) Passive – corporate 0%

(C) Active – SSA >10-50%

(D) Active – corporate >50-75%

(E) Securitised 0%

(F) Private debt 0%

## GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

**How much of your AUM in each asset class is invested in emerging markets and developing economies?**

### AUM in Emerging Markets and Developing Economies

(A) Listed equity (2) >0 to 10%

(B) Fixed income – SSA (2) >0 to 10%

(C) Fixed income – corporate (2) >0 to 10%

## STEWARDSHIP

### STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

	(1) Listed equity - active	(3) Fixed income - active	(11) Other
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

**(1) Listed equity - active**

(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input checked="" type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

**For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?**

**Percentage of your listed equity holdings over which you have the discretion to vote**

(A) Listed equity – active	(9) >70 to 80%
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## ESG INCORPORATION

### INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

**For each internally managed asset class, does your organisation incorporate ESG factors into your investment decisions?**

	(1) Yes, we incorporate ESG factors into our investment decisions	(2) No, we do not incorporate ESG factors into our investment decisions
(C) Listed equity - active - fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(D) Listed equity - other strategies	<input checked="" type="radio"/>	<input type="radio"/>
(E) Fixed income - SSA	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income - corporate	<input checked="" type="radio"/>	<input type="radio"/>
(V) Other: Commodities	<input checked="" type="radio"/>	<input type="radio"/>

## ESG IN OTHER ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 15	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG in other asset classes	1

**Describe how your organisation incorporates ESG factors into the following asset classes.**

Internally managed  
(C) Other

They are subject to the same firmwide ESG screening guidelines where relevant.

## ESG STRATEGIES

### LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?**

**Percentage out of total internally managed active listed equity**

(A) Screening alone	0%
(B) Thematic alone	0%
(C) Integration alone	0%
(D) Screening and integration	0%
(E) Thematic and integration	0%
(F) Screening and thematic	0%
(G) All three approaches combined	>75%
(H) None	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1

**What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?**

**Percentage coverage out of your total listed equity assets where a screening approach is applied**

(A) Positive/best-in-class screening only	0%
(B) Negative screening only	>75%
(C) A combination of screening approaches	0%

## FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 FI	CORE	OO 5.3 FI, OO 11	Multiple, see guidance	PUBLIC	Fixed income	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active fixed income?**

	(1) Fixed income - SSA	(2) Fixed income - corporate
(A) Screening alone	0%	0%
(B) Thematic alone	0%	0%
(C) Integration alone	0%	0%
(D) Screening and integration	0%	0%
(E) Thematic and integration	0%	0%
(F) Screening and thematic	0%	0%
(G) All three approaches combined	>75%	>75%
(H) None	0%	0%



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 FI	CORE	OO 17 FI	N/A	PUBLIC	Fixed income	1

**What type of screening does your organisation use for your internally managed active fixed income where a screening approach is applied?**

	(1) Fixed income - SSA	(2) Fixed income - corporate
(A) Positive/best-in-class screening only	0%	0%
(B) Negative screening only	0%	0%
(C) A combination of screening approaches	>75%	>75%

## ESG/SUSTAINABILITY FUNDS AND PRODUCTS

### LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

**Do you explicitly market any of your products and/or funds as ESG and/or sustainable?**

☒ **(A) Yes, we market products and/or funds as ESG and/or sustainable**

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

>75%

- ☐ (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- ☐ (C) Not applicable; we do not offer products or funds

**Additional information: (Voluntary)**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

**Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?**

● **(A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications**

Provide the percentage of AUM that your labelled and/or certified products and/or funds represent:

>75%

- (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.2	CORE	OO 18.1	N/A	PUBLIC	Labelling and marketing	1

**Which ESG/RI certifications or labels do you hold?**

- ☐ (A) Commodity type label (e.g. BCI)
- ☐ (B) GRESB
- ☐ (C) Austrian Ecolabel (UZ49)
- ☐ (D) B Corporation
- ☐ (E) BREEAM
- ☐ (F) CBI Climate Bonds Standard
- ☐ (G) DDV-Nachhaltigkeitskodex-ESG-Strategie
- ☐ (H) DDV-Nachhaltigkeitskodex-ESG-Impact
- ☐ (I) EU Ecolabel
- ☐ (J) EU Green Bond Standard
- ☐ (K) Febelfin label (Belgium)
- ☐ (L) Finansol
- ☐ (M) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- ☐ (N) Greenfin label (France)
- ☐ (O) Grüner Pfandbrief
- ☐ (P) ICMA Green Bond Principles
- ☐ (Q) ICMA Social Bonds Principles
- ☐ (R) ICMA Sustainability Bonds Principles
- ☐ (S) ICMA Sustainability-linked Bonds Principles
- ☐ (T) Kein Verstoß gegen Atomwaffensperrvertrag
- ☐ (U) Le label ISR (French government SRI label)
- ☐ (V) Luxflag Climate Finance
- ☐ (W) Luxflag Environment
- ☐ (X) Luxflag ESG
- ☐ (Y) Luxflag Green Bond
- ☐ (Z) Luxflag Microfinance
- ☐ (AA) Luxflag Sustainable Insurance Products
- ☒ **(AB) National stewardship code**

Specify:

UK Stewardship Code

- ☐ (AC) Nordic Swan Ecolabel
- ☐ (AD) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic)
- ☐ (AE) People's Bank of China green bond guidelines
- ☐ (AF) RIAA (Australia)
- ☐ (AG) Towards Sustainability label (Belgium)
- ☐ (AH) Other

## THEMATIC BONDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20	CORE	OO 17 FI	FI 15, FI 17	PUBLIC	Thematic bonds	1

**What percentage of your total environmental and/or social thematic bonds are labelled by the issuers in accordance with industry-recognised standards?**

	Percentage of your total environmental and/or social thematic bonds labelled by the issuers
(A) Green or climate bonds	0%
(B) Social bonds	0%
(C) Sustainability bonds	0%
(D) Sustainability-linked bonds	0%
(E) SDG or SDG-linked bonds	0%
(F) Other	0%
(G) Bonds not labelled by the issuer	>75%

# SUMMARY OF REPORTING REQUIREMENTS

## SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) Listed equity – other strategies	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) Fixed income – SSA	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

## SUBMISSION INFORMATION

### REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- ☐ (A) Publish as absolute numbers
- ☒ (B) Publish as ranges

## POLICY, GOVERNANCE AND STRATEGY (PGS)

### POLICY

#### RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- ☒ (A) Overall approach to responsible investment
- ☒ (B) Guidelines on environmental factors
- ☒ (C) Guidelines on social factors
- ☒ (D) Guidelines on governance factors
- ☒ (E) Guidelines on sustainability outcomes
- ☒ (F) Guidelines tailored to the specific asset class(es) we hold
- ☒ (G) Guidelines on exclusions
- ☒ (H) Guidelines on managing conflicts of interest related to responsible investment
- ☒ (I) Stewardship: Guidelines on engagement with investees
- ☒ (J) Stewardship: Guidelines on overall political engagement
- ☒ (K) Stewardship: Guidelines on engagement with other key stakeholders
- ☒ (L) Stewardship: Guidelines on (proxy) voting
- ☐ (M) Other responsible investment elements not listed here
- ☐ (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

**Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?**

- ☒ (A) **Specific guidelines on climate change (may be part of guidelines on environmental factors)**  
☐ (B) Specific guidelines on human rights (may be part of guidelines on social factors)  
☒ (C) **Specific guidelines on other systematic sustainability issues**

Specify:

NZAM sets out approach to climate change; Governance & Voting Policy outlines approaches across a range of ESG topics, such as pay equity- gender and ethnicity; pay for performance; board independence; shareholder rights; accounting & audit; and other governance issues. We also publish detailed position papers and policy submissions on specific topics, e.g. Russia-Ukraine conflict.

- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

**Which elements of your formal responsible investment policy(ies) are publicly available?**

- ☒ (A) **Overall approach to responsible investment**

Add link:

[https://sarasinandpartners.com/wp-content/uploads/2023/05/00114\\_Framework-for-implementing-responsible-stewardship.pdf](https://sarasinandpartners.com/wp-content/uploads/2023/05/00114_Framework-for-implementing-responsible-stewardship.pdf)

- ☒ (B) **Guidelines on environmental factors**

Add link:

[https://sarasinandpartners.com/wp-content/uploads/2023/05/00102\\_Sarasin-Stewardship-Report.pdf](https://sarasinandpartners.com/wp-content/uploads/2023/05/00102_Sarasin-Stewardship-Report.pdf)

- ☒ (C) **Guidelines on social factors**

Add link:

[https://sarasinandpartners.com/wp-content/uploads/2023/05/00102\\_Sarasin-Stewardship-Report.pdf](https://sarasinandpartners.com/wp-content/uploads/2023/05/00102_Sarasin-Stewardship-Report.pdf)

- ☒ (D) **Guidelines on governance factors**

Add link:

[https://sarasinandpartners.com/wp-content/uploads/2023/05/00102\\_Sarasin-Stewardship-Report.pdf](https://sarasinandpartners.com/wp-content/uploads/2023/05/00102_Sarasin-Stewardship-Report.pdf)

- ☒ (E) **Guidelines on sustainability outcomes**

Add link:

<https://sarasinandpartners.com/wp-content/uploads/2020/05/CSR-report.pdf>

☒ **(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)**

Add link:

<https://sarasinandpartners.com/wp-content/uploads/2022/02/NZAM-report-2022.pdf>

☒ **(H) Specific guidelines on other systematic sustainability issues**

Add link:

[https://sarasinandpartners.com/wp-content/uploads/2023/05/00102\\_Sarasin-Stewardship-Report.pdf](https://sarasinandpartners.com/wp-content/uploads/2023/05/00102_Sarasin-Stewardship-Report.pdf)

☒ **(I) Guidelines tailored to the specific asset class(es) we hold**

Add link:

[https://sarasinandpartners.com/wp-content/uploads/2023/05/00102\\_Sarasin-Stewardship-Report.pdf](https://sarasinandpartners.com/wp-content/uploads/2023/05/00102_Sarasin-Stewardship-Report.pdf)

☒ **(J) Guidelines on exclusions**

Add link:

<https://sarasinandpartners.com/wp-content/uploads/2020/05/guide-to-ethical-restrictions.pdf>

☒ **(K) Guidelines on managing conflicts of interest related to responsible investment**

Add link:

[https://sarasinandpartners.com/wp-content/uploads/2023/05/00102\\_Sarasin-Stewardship-Report.pdf](https://sarasinandpartners.com/wp-content/uploads/2023/05/00102_Sarasin-Stewardship-Report.pdf)

☒ **(L) Stewardship: Guidelines on engagement with investees**

Add link:

[https://sarasinandpartners.com/wp-content/uploads/2023/05/00102\\_Sarasin-Stewardship-Report.pdf](https://sarasinandpartners.com/wp-content/uploads/2023/05/00102_Sarasin-Stewardship-Report.pdf)

☒ **(M) Stewardship: Guidelines on overall political engagement**

Add link:

[https://sarasinandpartners.com/wp-content/uploads/2023/05/00102\\_Sarasin-Stewardship-Report.pdf](https://sarasinandpartners.com/wp-content/uploads/2023/05/00102_Sarasin-Stewardship-Report.pdf)

☒ **(N) Stewardship: Guidelines on engagement with other key stakeholders**

Add link:

[https://sarasinandpartners.com/wp-content/uploads/2023/05/00102\\_Sarasin-Stewardship-Report.pdf](https://sarasinandpartners.com/wp-content/uploads/2023/05/00102_Sarasin-Stewardship-Report.pdf)

☒ **(O) Stewardship: Guidelines on (proxy) voting**

Add link:

<https://sarasinandpartners.com/wp-content/uploads/2020/06/Voting-policy-update-FINAL.pdf>

- (Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

**Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?**

- **(A) Yes**

Elaborate:

At Sarasin and Partners, we consider ourselves long-term stewards of our clients' assets. We invest according to a set of core underlying principles, which are covered in our policies including Our Stewardship Framework, Ownership Discipline, and Principles for Engaged Ownership. These principles highlight the link between our responsible investment activities and our commitment to deliver enduring value to our clients.

Our core stewardship principles aim to deliver enduring value for our clients in a way that is aligned with society. We favour sustainable companies that create more durable economic value than companies that impose adverse impacts on society or the environment.

Specifically, we prefer businesses that articulate compelling long-term strategies, and take seriously their responsibilities to their customers, staff, suppliers, local communities, and the environment, alongside their shareholders and creditors.

Once we have bought a stake in a company, our clients become owners of that company. Ownership confers important rights to select the company's leadership, approve major transactions, the auditor, and senior executives' pay amongst other things. But ownership also entails responsibilities to exercise these rights with due care and consideration.

Whether we have purchased an entity's shares or debt, we act as engaged owners on behalf of our clients, fulfilling oversight responsibilities including voting and challenging the companies' leadership where concerns arise. While the tools for pressing for change often differ between shareholders and creditors, engagement is important in both cases.

Our core investment principles guide our approach to investment and stewardship, but we avoid hard and fast rules in implementation.

We believe that our clients' long-term interests are not best served by a narrow focus on shorter-term relative performance against a market index. Our stewardship work starts with our clients' needs and takes a holistic view of how to deliver long-term sustainable performance. Alongside our focus on finding high-performing long-term investments, we seek to promote more sustainable government policies and market practices that reward responsible businesses and lay the foundation for enduring prosperity for all stakeholders.

- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?

- ☒ (A) Overall stewardship objectives
- ☒ (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- ☒ (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- ☒ (D) How different stewardship tools and activities are used across the organisation
- ☒ (E) Approach to escalation in stewardship
- ☒ (F) Approach to collaboration in stewardship
- ☒ (G) Conflicts of interest related to stewardship
- ☒ (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- ☐ (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?**

- ☒ (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- ☒ (B) Yes, it includes voting principles and/or guidelines on specific social factors
- ☒ (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- ☐ (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

**Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?**

- ☐ (A) We have a publicly available policy to address (proxy) voting in our securities lending programme
- ☐ (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- ☐ (C) We rely on the policy of our external service provider(s)
- ☐ (D) We do not have a policy to address (proxy) voting in our securities lending programme
- ☒ (E) Not applicable; we do not have a securities lending programme

## RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

**What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?**

## Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment  
 (B) Guidelines on environmental factors  
 (C) Guidelines on social factors  
 (D) Guidelines on governance factors

(7) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

**What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?**

### AUM coverage

(A) Specific guidelines on climate change

(1) for all of our AUM

(C) Specific guidelines on other systematic sustainability issues

(1) for all of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?**

### ☒ (A) Listed equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%

- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

(2) If your AUM coverage is below 100%, explain why: (Voluntary)

We have an institutional client that retains voting and engagement functions and are therefore covered by their own voting and engagement guidelines.

☑ (B) Fixed income

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

☑ (I) Other

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?**

☑ (A) Actively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

## GOVERNANCE

### ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

**Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?**

- ☒ (A) Board members, trustees, or equivalent  
☒ (B) Senior executive-level staff, or equivalent

Specify:

Head of Asset Management oversees implementation of Responsible Investment activities, reporting into Managing Partner

- ☒ (C) Investment committee, or equivalent

Specify:

Stewardship Steering Committee reporting into Executive Committee

- ☒ (D) Head of department, or equivalent

Specify department:

Head of Stewardship; Head of Asset Management

- ☐ (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

**Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?**

	(1) Board members, trustees, or equivalent	(2) Senior executive-level staff, investment committee, head of department, or equivalent
(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Guidelines on sustainability outcomes	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(K) Stewardship: Guidelines on overall political engagement	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(L) Stewardship: Guidelines on engagement with other key stakeholders	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)

○

○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

● (A) Yes

Describe how you do this:

Policy outreach is one of our three Stewardship pillars and is subject to the same governance framework that covers all our stewardship activities.

The Stewardship Steering Committee has oversight of setting the engagement and policy priorities. The Head of Stewardship leads our public policy positioning, with stewardship experts driving the identification and prioritisation of stewardship issues

The policy activities we focus on are determined based on the following criteria:

- Materiality: we aim to work on issues that will have the greatest impact for our clients in terms of protecting and enhancing their capital, taking into account our view that harmful externalities imposed on society and/or the environment ultimately puts financial performance at risk.

- Potential for impact: since many issues are material, we focus on those where we can drive demonstrable sustainable change. This will tend to be in areas where we have particular expertise and insight and a clear vision for what needs to change. We also look for instances where we can have a ripple effect throughout the market.

- Client preference: we seek input from clients on their areas of interest/concern through regular meetings, conferences and other ongoing communications.

○ (B) No

○ (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?

☒ (A) Internal role(s)

Specify:

Asset Management, including the Stewardship team

☒ (B) External investment managers, service providers, or other external partners or suppliers

Specify:

An external proxy voting service provider implements our voting according to our voting guidelines and instructions.

- ☐ (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?

- ☐ (A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent
- ☒ (B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Explain why: (Voluntary)

The Board has ultimate responsibility for our Responsible Investment approach but, as a Partnership, is not answerable to external shareholders and is fully focused on strategic oversight of the Business. Ensuring we meet regulatory and client requirements is central to the Board's interest and focus. Quarterly reports are presented to the Board on stewardship and ESG work.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?

- ☒ (A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicate whether these responsible investment KPIs are linked to compensation

- ☒ (1) KPIs are linked to compensation
- ☐ (2) KPIs are not linked to compensation as these roles do not have variable compensation
- ☐ (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?**

	(1) Board members, trustees or equivalent	(2) Senior executive-level staff, investment committee, head of department or equivalent
(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="checkbox"/>	<input type="checkbox"/>



## EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- ☒ (A) Any changes in policies related to responsible investment
- ☒ (B) Any changes in governance or oversight related to responsible investment
- ☒ (C) Stewardship-related commitments
- ☒ (D) Progress towards stewardship-related commitments
- ☒ (E) Climate-related commitments
- ☒ (F) Progress towards climate-related commitments
- ☒ (G) Human rights-related commitments
- ☒ (H) Progress towards human rights-related commitments
- ☒ (I) Commitments to other systematic sustainability issues
- ☒ (J) Progress towards commitments on other systematic sustainability issues
- ☐ (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- ☒ (A) Yes, including all governance-related recommended disclosures
- ☒ (B) Yes, including all strategy-related recommended disclosures
- ☒ (C) Yes, including all risk management-related recommended disclosures
- ☒ (D) Yes, including all applicable metrics and targets-related recommended disclosures

- ☐ (E) None of the above

Add link(s):

[https://www.cdp.net/en/formatted\\_responses/responses?campaign\\_id=79520704&discloser\\_id=991095&locale=en&organization\\_name=Sarasin+%26+Partners+LLP&organization\\_number=44631&program=Investor&project\\_year=2022&redirect=https%3A%2F%2Fcdp.credit360.com%2Fsurveys%2F2022%2F6wz4wms4%2F202979&survey\\_id=78646008](https://www.cdp.net/en/formatted_responses/responses?campaign_id=79520704&discloser_id=991095&locale=en&organization_name=Sarasin+%26+Partners+LLP&organization_number=44631&program=Investor&project_year=2022&redirect=https%3A%2F%2Fcdp.credit360.com%2Fsurveys%2F2022%2F6wz4wms4%2F202979&survey_id=78646008)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?**

- ☐ (A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)
- ☐ (B) Disclosures against the European Union's Taxonomy
- ☐ (C) Disclosures against the CFA's ESG Disclosures Standard
- ☒ **(D) Disclosures against other international standards, frameworks or regulations**

Specify:

The UK Stewardship Code

Link to example of public disclosures

[https://sarasinandpartners.com/wp-content/uploads/2023/05/00102\\_Sarasin-Stewardship-Report.pdf](https://sarasinandpartners.com/wp-content/uploads/2023/05/00102_Sarasin-Stewardship-Report.pdf)

- ☐ (E) Disclosures against other international standards, frameworks or regulations
- ☐ (F) Disclosures against other international standards, frameworks or regulations
- ☐ (G) Disclosures against other international standards, frameworks or regulations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?**

- ☒ **(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement**

Add link(s):

[https://sarasinandpartners.com/wp-content/uploads/2023/05/00102\\_Sarasin-Stewardship-Report.pdf](https://sarasinandpartners.com/wp-content/uploads/2023/05/00102_Sarasin-Stewardship-Report.pdf)

- ☐ (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- ☐ (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

# STRATEGY

## CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

### Which elements do your organisation-level exclusions cover?

- ☒ (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- ☐ (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- ☒ (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- ☒ (D) Exclusions based on our organisation's climate change commitments
- ☐ (E) Other elements
- ☐ (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

### How does your responsible investment approach influence your strategic asset allocation process?

- ☒ (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
  - Select from dropdown list:
    - ☒ (1) for all of our AUM subject to strategic asset allocation
    - ☐ (2) for a majority of our AUM subject to strategic asset allocation
    - ☐ (3) for a minority of our AUM subject to strategic asset allocation
- ☒ (B) We incorporate climate change-related risks and opportunities into our assessment of expected asset class risks and returns
  - Select from dropdown list:
    - ☒ (1) for all of our AUM subject to strategic asset allocation
    - ☐ (2) for a majority of our AUM subject to strategic asset allocation
    - ☐ (3) for a minority of our AUM subject to strategic asset allocation
- ☒ (C) We incorporate human rights-related risks and opportunities into our assessment of expected asset class risks and returns
  - Select from dropdown list:
    - ☒ (1) for all of our AUM subject to strategic asset allocation
    - ☐ (2) for a majority of our AUM subject to strategic asset allocation
    - ☐ (3) for a minority of our AUM subject to strategic asset allocation
- ☒ (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
  - Select from dropdown list:
    - ☒ (1) for all of our AUM subject to strategic asset allocation
    - ☐ (2) for a majority of our AUM subject to strategic asset allocation
    - ☐ (3) for a minority of our AUM subject to strategic asset allocation

Specify: (Voluntary)

Please see Principle 7 of our 2022 Stewardship Report: [https://sarasinandpartners.com/wp-content/uploads/2023/05/00102\\_Sarasin-Stewardship-Report.pdf](https://sarasinandpartners.com/wp-content/uploads/2023/05/00102_Sarasin-Stewardship-Report.pdf)

- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

## STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?**

	(1) Listed equity	(2) Fixed income
(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?

- ☒ (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- ☐ (B) We collaborate on a case-by-case basis
- ☐ (C) Other
- ☐ (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Rank the channels that are most important for your organisation in achieving its stewardship objectives.

- ☒ (A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff

Select from the list:

- ☒ 1
- ☐ 4
- ☐ 5

- ☐ (B) External investment managers, third-party operators and/or external property managers, if applicable
- ☐ (C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers

- ☒ (D) Informal or unstructured collaborations with investors or other entities

Select from the list:

- ☒ 3
- ☐ 4
- ☐ 5

- ☒ (E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar

Select from the list:

- ☒ 2
- ☐ 4
- ☐ 5

- ☐ (F) We do not use any of these channels

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?**

☒ **(A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes**

Select from the below list:

- ☒ **(1) in all cases**
- ☐ (2) in a majority of cases
- ☐ (3) in a minority of cases

☒ **(B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear**

Select from the below list:

- ☒ **(1) in all cases**
- ☐ (2) in a majority of cases
- ☐ (3) in a minority of cases
- ☐ (D) We do not review external service providers' voting recommendations
- ☐ (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How is voting addressed in your securities lending programme?**

- ☐ (A) We recall all securities for voting on all ballot items
- ☐ (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting
- ☐ (C) Other
- ☐ (D) We do not recall our securities for voting purposes
- ☒ **(E) Not applicable; we do not have a securities lending programme**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
  - (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
  - (C) We vote in favour of shareholder resolutions only as an escalation measure
  - (D) We vote in favour of the investee company management's recommendations by default
  - (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- ☐ (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- ☒ (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
 

Add link(s) to public disclosure:

<https://sarasinandpartners.com/stewardship/how-we-vote-for-you>
- ☐ (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
  - (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
  - (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

● (A) Yes, for all (proxy) votes

Add link(s):

<https://sarasinandpartners.com/stewardship/how-we-vote-for-you>

- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(1) for all votes	(1) for all votes
(B) Yes, we privately communicated the rationale to the company	(3) for a minority of votes	(3) for a minority of votes



(C) We did not publicly or privately communicate the rationale, or we did not track this information

○

○

(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year

○

○

**(A) Yes, we publicly disclosed the rationale - Add link(s):**

<https://sarasinandpartners.com/stewardship/how-we-vote-for-you>

## STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

**For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

### (1) Listed equity

(A) Joining or broadening an existing collaborative engagement or creating a new one

☑

(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal

☑

(C) Publicly engaging the entity, e.g. signing an open letter

☑

(D) Voting against the re-election of one or more board directors

☑

(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director

☒

(F) Divesting

☒

(G) Litigation

☐

(H) Other

☒

(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings

☐

**(H) Other - (1) Listed equity - Specify:**

Publicly pre-declaring our votes.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 37	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

**For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

- ☒ (A) Joining or broadening an existing collaborative engagement or creating a new one
- ☒ (B) Publicly engaging the entity, e.g. signing an open letter
- ☐ (C) Not investing
- ☒ (D) Reducing exposure to the investee entity
- ☒ (E) Divesting
- ☐ (F) Litigation
- ☐ (G) Other
- ☐ (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- ☒ (A) Yes, we engaged with policy makers directly
- ☒ (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- ☒ (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
  - (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- ☒ (A) We participated in 'sign-on' letters
- ☒ (B) We responded to policy consultations
- ☒ (C) We provided technical input via government- or regulator-backed working groups

Describe:

We supported the As You Sow Investor letter to the UN Environment Agency calling for a Global Treaty on Plastic Pollution, published in March 2022. The goal is to work with other investors to promote stronger government action in support of a circular economy in anticipation of a global treaty to eradicate plastic pollution in 2022.

As chair of the Climate Accounting and Audit working stream at the IIGCC we continued our work to drive companies that are dependent on carbon intensive activities to provide visibility in their financial statements on the impact of a transition to a 1.5°C-pathway on their accounts.

We submitted a detailed response to the Securities & Exchange Commissions' (SEC's) Consultation on Climate-related reporting, and inputted into the response submitted by the International Corporate Governance Network.

We co-signed the 'Find it, Fix it, Prevent it' Investor Statement on the UK Seasonal Workers Scheme, published in December 2022. As signatories, we committed to calling on retailers and firms in, and those who directly source from, the UK agricultural supply chain to: Undertake an independent investigation on the scale of recruitment fees and related costs that have been made by workers recruited through the UK Seasonal Workers Scheme and work with them to agree and implement a fair process to repay UK seasonal workers; Implement the Employer Pays Principle and ensure ethical or responsible recruitment in their own businesses and supply chains and Encourage the government to bring the UK Seasonal Workers Scheme in line with international commitments such as Principles for Tackling Modern Slavery in Supply Chains and the Global Compact for Safe, Orderly, and Regular Migration, to reduce risks of exploitation and forced labour.

☒ **(D) We engaged policy makers on our own initiative**

Describe:

We have led a coalition of primarily UK investors over several years, calling for more prudent accounting and greater focus on capital maintenance through public position papers, submissions to government consultations, private audiences with regulators, participation on government panels and advisory boards. In 2022 our primary concern has been around the establishment of the UK Endorsement Board (UKEB). It was established following Brexit to vet IFRS for consistency with UK Company Law as a precursor for them being rolled out. In response to our concerns, we published a statement on our website in February, and raised our concerns directly with the FRC, other investors and Members of the House of Lords.

We also have ongoing discussions with the UK Financial Reporting Council over ensuring financial statements are properly reflecting material climate factors.

We coordinated outreach to the UK's largest audit firms (KPMG, EY, PWC and Deloitte), copying in the FRC to ensure they were kept abreast of investor concerns.

Our work has contributed to a number of impacts over the year. This includes new audit market requirements in the EU and UK to strengthen independence, transparency and investor accountability, as well as the UK's decision to disband the FRC to set up a better resourced and more independent regulator. In May 2022, the most notable development in this regard was the government's final proposals to "Restoring Trust in audit and corporate governance", including recommendations to improve disclosure and auditor accountability to investors.

☐ **(E) Other methods**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?**

☒ **(A) We publicly disclosed all our policy positions**

Add link(s):

[https://sarasinandpartners.com/wp-content/uploads/2023/05/00102\\_Sarasin-Stewardship-Report.pdf](https://sarasinandpartners.com/wp-content/uploads/2023/05/00102_Sarasin-Stewardship-Report.pdf)

☒ **(B) We publicly disclosed details of our engagements with policy makers**

Add link(s):

- (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

## STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

**Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.**

(A) Example 1:

Title of stewardship activity:

(A) Example 1:

Title of stewardship activity: Deere & Co - climate change engagement

(1) Led by

☒ (1) Internally led

○ (2) External service provider led

○ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

☒ (1) Environmental factors

☐ (2) Social factors

☐ (3) Governance factors

(3) Asset class(es)

☒ (1) Listed equity

☐ (2) Fixed income

☐ (3) Private equity

☐ (4) Real estate

☐ (5) Infrastructure

☐ (6) Hedge funds

☐ (7) Forestry

☐ (8) Farmland

☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Deere is a leading agricultural equipment and advisory company. Aside from investing to deliver zero-carbon equipment, Deere has a unique opportunity to catalyse better carbon management amongst the farmers it serves, given how critical agriculture is for the climate. We have, therefore, been engaging with Deere over the past two years to encourage them to pivot more firmly to a 1.5°C-aligned strategy that puts carbon management at the heart of its future business proposition.

Deere was added to Sarasin's climate amber list in 2020, when we began applying our climate voting policy. Building on work undertaken since then, in 2022 we continued to speak with management and the Board. We wrote to the LID expressing our support for the substantial progress made, while highlighting areas for further action.

Notably these include seeking a long-term net-zero commitment, a more detailed transition plan and financial statement climate disclosures.

Since we began engaging with Deere, we have seen substantial progress.

The two key achievements in 2022 included:

- In February 2022 Deere launched its LEAP strategy, which embeds climate change goals. Sustainability is identified as a core element to grow and gain market share in the future. Critically, alongside investments to electrify and reduce emissions from its sales of farming equipment, it underlines Deere's role in supporting farmers' carbon management.

- In October 2022, Deere published 1.5°C Science Based Target Initiative (SBTi) -validated 2030 targets, which cover scopes 1-3 emissions (relating to category 1 and 11 for upstream suppliers and the use of its sold products, notably its agricultural and forestry equipment).

(B) Example 2:

Title of stewardship activity:

HSBC collaborative engagement- climate change

(1) Led by

- ☒ (1) Internally led
- ☐ (2) External service provider led
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☒ (1) Environmental factors
- ☐ (2) Social factors
- ☐ (3) Governance factors

(3) Asset class(es)

- ☒ (1) Listed equity
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Sarasin leads the Institutional Investors Group on Climate Change (IIGCC) Net Zero banking working group's collaborative engagement with HSBC. The goal is to gain greater clarity on the implementation of the bank's 2050 net-zero commitment and accounting alignment.

Specific actions in 2022 included communication with IR on HSBC's scoring against the pilot net-zero banking standard, a follow-up roundtable discussion on the framework and a call to explore alignment to accounting and lobbying dimensions in greater detail.

Following implementation of our climate voting policy, we wrote to the Chair to explain our votes against the Audit Committee Chair, the auditor, remuneration and the financial statements.

Impact: Published energy and updated thermal coal financing policies

(C) Example 3:

Title of stewardship activity:

Siemens AG – Social Value Chain engagement

(1) Led by

☒ (1) Internally led

☐ (2) External service provider led

☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

☐ (1) Environmental factors

☒ (2) Social factors

☐ (3) Governance factors

(3) Asset class(es)

☒ (1) Listed equity

☐ (2) Fixed income

☐ (3) Private equity

☐ (4) Real estate

☐ (5) Infrastructure

☐ (6) Hedge funds

☐ (7) Forestry

☐ (8) Farmland

☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Siemens is a German corporation involved in industry, infrastructure, transport and healthcare. Historic allegations of bribery and corruption, as well as their potential exposure to forced labour, led us to include them in our focus list for human rights and labour rights engagement.

We engaged with Siemens to get greater clarity over:

-The effectiveness of their internal controls and whistleblowing;

-Assessment and monitoring of higher risk areas for forced labour; and

-Workers' rights and pay equity in their global operations.

In 2022 we spoke with their Chief Compliance Officer and other senior members of the management team on issues related to their labour and human rights performance. This followed on from previous conversations with IR on controls regarding bribery and corruption.

We gained comfort that Siemens have learned from previous bribery and corruption scandals.

They implemented stronger controls in the form of a more comprehensive compliance management system, in addition to improved policies and procedures.

In terms of their supply chain, Siemens worked to comply with the new German Supply Chain Due Diligence Law, which came into effect in January 2023. This law touches on many environmental and human rights aspects. For example, it requires companies to produce policy statements and risk analysis; annual reports on the activities of their supply chain; and to rectify any violations identified.

Siemens felt that they are in a relatively strong position to comply, and we discussed the areas where they need to make further improvement.

Overall, our engagement provided reassurance, visibility and improved accountability for concerns relating to bribery and corruption, as well as human rights, amongst other things.

(D) Example 4:

Title of stewardship activity:

London Stock Exchange Group (LSEG) -governance engagement

(1) Led by

- ☒ (1) Internally led
- ☐ (2) External service provider led
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☐ (1) Environmental factors
- ☐ (2) Social factors
- ☒ (3) Governance factors

(3) Asset class(es)

- ☒ (1) Listed equity
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

LSEG is one of the pre-eminent capital markets globally. Over the years it has expanded its activities from providing a platform for issuing and trading securities to delivering market information and analytics. Its 2021 acquisition of Refinitiv was another major step in this direction. In the months following this acquisition, however, the company failed to gain investor confidence in their ability to deliver the synergies it had promised would flow from the combination.

We identified a number of governance concerns, as follows:

-Investor communication: The Board and IR were not sufficiently clear and proactive following the merger with Refinitiv, leading to confusion and weakening sentiment over the company's strategy.

In addition, the Board failed to respond to our correspondence over several months. This appeared to be linked to weaknesses in the IR team and processes, heightening a feeling of weak oversight.

-Board composition: we were keen to understand the role and alignment of the strategic shareholders' (who joined as part of the Refinitiv acquisition) director representatives with minority shareholder interests.

-CEO remuneration: we wanted to understand the justification for a substantial rise in compensation in 2021, given weak performance and little evidence of delivery of the promised benefits.



We set clear expectations addressing each of the above concerns, as follows:

- Investor communications: a change in the IR leadership to address poor market communication;
- Board composition: increased disclosure regarding board composition and the role of the strategic investors; and
- CEO remuneration: clearer justification for 2021 payouts and a commitment to ensuring tight links to performance going forward.

Following correspondence with the Chair, a meeting with the CFO and numerous follow-up attempts through IR, we met the Chair and the newly appointed Head of IR in December 2022 to discuss our concerns.

We followed up with clear proposals and requests for continued dialogue.

In line with our concerns raised in our letters, LSEG replaced the Head of IR in late 2022. Investor communications have also substantially improved. We were undoubtedly not the only shareholders who sought a change, but this was a key step forward towards restoring our confidence in the company.

We received evidence of an effective board composition corresponding to the current structure and needs of the company, as well as a plan for future change.

We received explanation of the change in the executive remuneration policy that happened in 2021. Most importantly, we received the assurance of a stronger investor consultation process to be used going forward.

The Chair showed interest in our ideas about a potential for LSEG to drive the net-zero transition in the market, and proposed further discussion with the executive.

(E) Example 5:

Title of stewardship activity:

Fixed Income: Housing Associations engagement

(1) Led by

- ☒ (1) Internally led
- ☐ (2) External service provider led
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☒ (1) Environmental factors
- ☐ (2) Social factors
- ☐ (3) Governance factors

(3) Asset class(es)

- ☐ (1) Listed equity
- ☒ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

The lack of disclosure amongst housing associations (HAs) in the UK and ongoing negative news-flow relating to mismanagement and ill-treatment of tenants is a priority concern for us.

We believe HAs should provide a valuable social benefit for disadvantaged communities, but that requires strong governance, accountability and proper internal controls. In order to assess this, we need proper disclosure by HAs, including disclosure under the Task Force on Climate-Related Financial Disclosures (TCFD), among others.

In 2022 we worked with the Investment Association (IA) to develop the updated 'Governance and Disclosure Guidelines for Housing Associations Seeking Capital Markets Funding'.

Our participation in the IA workgroup is core to the strategy for improving HAs' disclosure.

We also undertook internal assessments to identify indicators relating to ESG to enable better tracking of our holdings' performance and provide an input into our investment decision-making and also engagement.

In addition, we had six investor calls / management meetings – with H21, Golden Lane, Hightown HA, Peabody, Riverside, and Catalyst. To date, the focus of our dialogues with issuers has been to encourage better disclosure.

One of the focus areas is the quality of housing stock – with an aim to get a better understanding of the providers' carbon footprint. In addition, against the backdrop of the cost of living crisis, we have sent emails to various HAs with a request to provide more information on how the provider is addressing the risk of loan sharks and how they help tenants with financial issues.

In November 2022 the IA updated the Governance and Disclosure Guidelines for Housing Associations Seeking Capital Markets Funding. The guidelines press HAs for greater disclosures relating to ESG issues, including climate reporting in accordance with the TCFD Reporting Framework.

They cover emissions under scopes 1-3. They also cover wage gaps, tenant treatment, affordability, etc.

Further, we obtained a better understanding of the carbon profiles and quality of services that the HAs provide, including services on financial inclusion. We discussed opportunities for improvement, such as signposting to other advice and help (e.g. the Illegal Money Lending Team).

## CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

### Has your organisation identified climate-related risks and opportunities affecting your investments?

☒ **(A) Yes, within our standard planning horizon**

Specify the risks and opportunities identified and your relevant standard planning horizon:

The initial assessment of our climate-related scenario analysis focuses on identifying instruments (equities, fixed income, alternative assets) that are presented with transition, physical, or liability risks and/or opportunities. Risks to both the capital of firms and the ability of firms to generate returns are considered. Determining whether these instruments are exposed to these risk/opportunity factors is conducted via a combination of quantitative and qualitative filters.

Our analysis suggests that the implications of climate change risks and opportunities are increasingly evident in capital market asset pricing.

As such, we already actively integrate these considerations into our investment process and actions. The materiality of some factors will increase quickly while others will crystallise over longer timeframes. For example, capital market pricing of transition risks will manifest over different timescales for coal extraction relative to oil, natural gas, LNG, automotive, aviation, etc. Further, risks will become evident over different timeframes according to geographic distribution and the underlying emissions intensity of assets. By incorporating specific metrics and adjustments into our valuation models, based on either Paris aligned, or high climate change scenarios, we seek to ascertain the "Climate Value at Risk" (CVAR) for companies that captures the materiality and impact of climate risks and opportunities to each firm.

The CVAR is the potential downside or upside to capital valuation due to climate factors.

There is no standardised model to measure this impact on economic value, as it depends on specific exposures and business activities within each company. We believe this can only be analysed through rigorous bottom-up analysis to truly understand the extent of the risks within a portfolio. As such, we do not rely on Scope 1 & 2 carbon foot-printing to inform our risk/opportunity perspectives as we see this as too narrow to capture the complex economic interactions and company strategies.

Some factors that are examined to evaluate the economic impacts of physical and transition risks include: impact of higher carbon prices (Scope 1, 2 & 3 emissions); physical impacts for property, plants and equipment; changes in demand and/or pricing of commodities, goods and services; impairments / stranded assets; change in CAPEX requirements; and regulatory impacts for demand or supply (e.g. licenses).

For physical risks, our risk/opportunity analysis combines qualitative and quantitative (from physical risk data provider 427) factors. We consider the footprint of the respective company's activities (not restricted to physical footprint, rather considering the broader geographical exposure) and then plot these footprints against physical manifestation of high climate change scenarios (e.g. sea level rise, water stress, heat stress). Crucially, it is worth noting that our transition risk assessment is predicated on Paris-aligned scenarios (analogous with RCP 2.6), while our physical risk assessment is generally predicated on non-Paris aligned scenarios (analogous with RCP 8.5 impacts). This ensures we take a prudent view in understanding climate risks.

Our long-term mind-set ensures that we consider climate change impacts (both physical and transition) beyond "conventional" investment time horizons.

This is evidenced by our climate scenario analysis, engagement and policy work, which focuses on net-zero carbon pathways (i.e. 2050 and beyond) and objectives.

This net zero mind-set is critical to keeping pace with the rapid development of market expectations on those sectors that were once considered "hard to abate". Such sectors (e.g. shipping, aviation, cement, steel) were until recent history considered near immune from the decarbonisation debate. However, with market participants in these sectors setting net zero targets (e.g. Maersk and Heidelberg Cement), the need to focus on cross-sector transition risks and opportunities is critical.

Similarly, on physical risks, we continue to look beyond "conventional" investment time horizons. As example, it is highly unlikely that sea-level rises will impact certain jurisdictions within the next decade but if we identify assets that are exposed to this risk, it will form part of our risk and opportunity consideration for this instrument and be integrated into our valuation approach accordingly.

- ☐ (B) Yes, beyond our standard planning horizon
- ☐ (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

**Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?**

- ☒ (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

Given our commitment to stewardship and public commitment to support the Paris Climate Agreement in 2019, it was natural that we would become a founding signatory to the Net Zero Asset Managers' Commitment (NZAM), launched in December 2020. This commits us to: "support the goal of net-zero greenhouse gas emissions by 2050, in line with global efforts to limit warming to 1.5°C...[and] to support investing aligned with net-zero emissions by 2050 or sooner."

Specifically, Sarasin & Partners is committed to:

- a) Work in partnership with asset owner clients on decarbonisation goals, consistent with an ambition to reach net-zero emissions by 2050 or sooner across all assets under management.
- b) Set an interim target for the proportion of assets to be managed in line with the attainment of net-zero emissions by 2050 or sooner.
- c) Review our short-term target annually, with a view to ratcheting up the proportion of AUM covered until 100% of assets are included.

Central to this commitment is the integration of climate considerations into our investment and stewardship work. Details on how we are putting these commitments into practice can be found here: <https://reporting.unpri.org/file/4243890f-a262-428f-835f-57ed1808c14b/>. At the heart of our strategy is a focus on driving real-world emission reductions, not simply selling carbon-intensive securities from portfolios.

In brief, our strategy to address climate-related risks and opportunities includes three main elements:

- Top-down thematic analysis to identify investment opportunities relating to climate mitigation and adaptation;
- Bottom-up company specific climate risk analysis; and
- Stewardship: engagements to drive net zero alignment in companies and also the broader market.

To target our climate risk analysis, we focus on those holdings we consider to be high risk from a climate perspective. This means their business would be materially impacted by climate change and/or decarbonisation, and/or their business has a large impact on climate change. We follow NZIF guidance to include: TPI high-risk sectors. In addition, we consider entities in the following sectors to be high risk: financial sector, agriculture, real estate and companies identified on the CA100+ focus list not covered elsewhere.

For the materially held securities that are high risk, we apply the following strategies:

- Net-zero assessment: we examine plans for transition to net zero, targets for reduction and a feasibility / credibility assessment (e.g., considering validated Science Based Targets and capex allocation)
- Climate stress-testing assessment: we use qualitative and quantitative metrics to evaluate how these risks might translate into economic impacts for a company using our internal climate value at risk (CVAR – please see previous question) modelling. This examines how a company's outlook would be impacted by a transition to a 1.5C pathway, and may include evaluating changes in carbon pricing, stranded assets, physical asset risk, cost of capital assumptions amongst others.
- Stewardship activities: our climate investment analysis gives us a company-specific understanding which provides a strong foundation for company engagement and voting work to promote net zero alignment. For entities exposed to material climate risks, we apply our net-zero voting policy.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

### Which sectors are covered by your organisation's strategy addressing high-emitting sectors?

#### ☒ (A) Coal

Describe your strategy:

In recognition of the growing focus on thermal coal and tar sands, we wish to be clear that these will be captured by our overarching policy. We will not provide fresh capital to activities not aligned with a 1.5°C temperature pathway, unless we can present a compelling case that this investment would permit us to catalyse net-zero alignment in the entity, and thus wind down these activities. Any such investment would be accompanied by a time-limited engagement window for achieving demonstrable impacts.

In addition to our overall risk management system, for certain clients that seek exclusionary investment policies, we implement formal exclusion on investing in companies that derive a material proportion of their revenue from harmful industries, such as thermal coal, oil and gas extraction, production and refining.

#### ☒ (B) Gas

Describe your strategy:

Gas is covered by our overarching strategy (see above)

In addition, we have set out a commitment to avoid providing fresh capital for fossil-fuel extraction or energy generation principally powered by fossil fuels, unless they are verifiably carbon neutral (for instance due to use of carbon capture and storage), or an engagement target with clear time-bound 1.5°C-alignment objectives. This includes investment in any new issue of shares or bonds. We further commit not to purchase such bonds in the secondary market which might encourage future issuance of these securities

#### ☒ (C) Oil

Describe your strategy:

Oil is covered by our overarching strategy (see above)

In addition, we have set out a commitment to avoid providing fresh capital for fossil-fuel extraction or energy generation principally powered by fossil fuels, unless they are verifiably carbon neutral (for instance due to use of carbon capture and storage), or an engagement target with clear time-bound 1.5°C-alignment objectives. This includes investment in any new issue of shares or bonds. We further commit not to purchase such bonds in the secondary market which might encourage future issuance of these securities

#### ☒ (D) Utilities

Describe your strategy:

Utilities is covered by our overarching strategy (see above)

In addition, we have set out a commitment to avoid providing fresh capital for fossil-fuel extraction or energy generation principally powered by fossil fuels, unless they are verifiably carbon neutral (for instance due to use of carbon capture and storage), or an engagement target with clear time-bound 1.5°C-alignment objectives. This includes investment in any new issue of shares or bonds. We further commit not to purchase such bonds in the secondary market which might encourage future issuance of these securities

#### ☒ (E) Cement

Describe your strategy:

Cement is covered by our overarching strategy (see above)

☒ **(F) Steel**

Describe your strategy:

Steel is covered by our overarching strategy (see above)

☒ **(G) Aviation**

Describe your strategy:

Aviation is covered by our overarching strategy (see above)

☒ **(H) Heavy duty road**

Describe your strategy:

Heavy duty road is covered by our overarching strategy (see above)

☒ **(I) Light duty road**

Describe your strategy:

Light duty road is covered by our overarching strategy (see above)

☒ **(J) Shipping**

Describe your strategy:

Shipping is covered by our overarching strategy (see above)

☒ **(K) Aluminium**

Describe your strategy

Aluminum is covered by our overarching strategy (see above)

☒ **(L) Agriculture, forestry, fishery**

Describe your strategy:

Agriculture is covered by our overarching strategy (see above)

☒ **(M) Chemicals**

Describe your strategy:

Chemicals is covered by our overarching strategy (see above)

☒ **(N) Construction and buildings**

Describe your strategy:

Buildings and real estate are covered by our overarching strategy (see above)

☐ **(O) Textile and leather**

☐ **(P) Water**

☒ **(Q) Other**

Specify:

Financials, and particularly banks, are also covered by our overarching strategy (see above)

Describe your strategy:

See above

- (R) We do not have a strategy addressing high-emitting sectors

**Provide a link(s) to your strategy(ies), if available**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

- ☐ (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- ☐ (B) Yes, using the One Earth Climate Model scenario
- ☐ (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- ☒ **(D) Yes, using other scenarios**

Specify:

We are clear that, despite the inherent uncertainties, climate change represents a structural shift to the world's economic condition. The main way we seek to ensure our investment process takes account of climate risks is through bottom-up stress testing of our most exposed holdings to reflect both decarbonisation and the physical impacts from climate change. Our approach was described in PGS 41. In brief, we consider downside risks to companies' outlooks from accelerated decarbonisation aligned with a 1.5C pathway as well as exposure to physical risks from worsening climate change using a combination of qualitative and quantitative metrics, including a Climate Value at Risk scenario analysis.

At a macro level, we initiated work in 2022 to examine how we can best integrate climate factors into our GDP forecasting work. This work has been expanded and we expect to undertake more detailed scenario analysis in 2023, and publish this in 2024.

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

**Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?**

- ☒ **(A) Yes, we have a process to identify and assess climate-related risks**
- (1) Describe your process

Our process for managing climate-related risks is detailed in our NZAM Action Plan, published in February 2022 and described in PGS 41.1. This involves three core elements:

- Top-down thematic analysis to identify investment opportunities relating to climate mitigation and adaptation;
- Bottom-up company specific climate risk analysis; and
- Stewardship: engagements to drive net zero alignment in companies and also the broader market.

Critically, we do not view a divestment policy as the singular mechanism for reducing climate risk.

While we will divest where we perceive capital to be at risk, we believe it is important to combine investment tools with robust engagement with companies and policy makers to drive action on climate change. In the end what will provide the greatest protection to climate change is reducing real-world emissions not just investing in carbon-free portfolios.

To target our climate work, we focus on those holdings we consider to be more carbon-intensive. We follow NZIF guidance to include: TPI high-risk sectors. In addition, we consider entities in the following sectors to be high risk: financial sector, agriculture, real estate and companies identified on the CA100+ focus list not covered elsewhere.

For the materially-held securities that are high risk, we apply the following strategies:

- Net-zero assessment: we examine plans for transition to net zero, targets for reduction and a feasibility / credibility assessment (e.g., considering validated Science Based Targets and capex allocation)
- Climate stress-testing assessment: we use qualitative and quantitative metrics to evaluate how these risks might translate into economic impacts for a company using our internal climate value at risk (CVAR – please see previous question) modelling. This examines how a company's outlook would be impacted by a transition to a 1.5C pathway, and may include evaluating changes in carbon pricing, stranded assets, physical asset risk, cost of capital assumptions amongst others.
- Stewardship activities: our climate investment analysis gives us a company-specific understanding which provides a strong foundation for company engagement and voting work to promote net zero alignment. For entities exposed to material climate risks, we apply our net-zero voting policy.

## (2) Describe how this process is integrated into your overall risk management

We are continuing to develop metrics to enable us to monitor portfolio and firm-wide carbon risks.

As noted elsewhere, we are tracking scope 1, 2 and 3 data (where available), but we do not see carbon footprint data as an accurate measure of climate risks. At an investee level we are using qualitative and quantitative measures. The plan is to build this into portfolio level risk management, such that it forms part of reports used in the monthly CIO/Risk Review Meetings and Investment Risk Committee.

Alongside our bespoke climate risk metrics, we will track portfolio carbon footprints, and establish alerts where financed emissions move away from the expected downward trajectory, or where specific commitments (e.g. thermal coal or tar sands exposure) are breached. In these cases, explanations would be sought from the investment team, and if engagements were underway, evidence presented on adherence to the NZAM.

## ☒ (B) Yes, we have a process to manage climate-related risks

### (1) Describe your process



See response to (A) above. We manage identified climate risks using two core tools:

- Investment decision – reducing exposure where capital is at risk, and in certain cases divesting entirely from holdings; and
- Stewardship – engaging with exposed entities to press for more urgent action to decarbonise.

We also view our outreach to policy makers and key market influencers, such as auditors, rating agencies and proxy agencies) as a key part of our risk reduction effort. Climate change is a system-wide challenge and thus requires a systemic shift in market behaviours. This will ultimately be best achieved by broad-based policy action..

(2) Describe how this process is integrated into your overall risk management

Please see response (A)(2) above

- o (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and disclose?

☒ (A) Exposure to physical risk

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

☒ (1) Metric or variable used

- o (2) Metric or variable used and disclosed
- o (3) Metric or variable used and disclosed, including methodology

☒ (B) Exposure to transition risk

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

☒ (1) Metric or variable used

- o (2) Metric or variable used and disclosed
- o (3) Metric or variable used and disclosed, including methodology

☐ (C) Internal carbon price

☒ (D) Total carbon emissions

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- o (1) Metric or variable used
- o (2) Metric or variable used and disclosed

☒ (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

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☒ (E) Weighted average carbon intensity

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- o (1) Metric or variable used
- o (2) Metric or variable used and disclosed

☒ (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

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- ☐ (F) Avoided emissions
- ☐ (G) Implied Temperature Rise (ITR)
- ☐ (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals
- ☐ (I) Proportion of assets or other business activities aligned with climate-related opportunities
- ☐ (J) Other metrics or variables
- ☐ (K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, did your organisation disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?**

☒ **(A) Scope 1 emissions**

- (1) Indicate whether this metric was disclosed, including the methodology
  - ☐ (1) Metric disclosed
  - ☒ **(2) Metric and methodology disclosed**
- (2) Provide links to the disclosed metric and methodology, as applicable

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☒ **(B) Scope 2 emissions**

- (1) Indicate whether this metric was disclosed, including the methodology
  - ☐ (1) Metric disclosed
  - ☒ **(2) Metric and methodology disclosed**
- (2) Provide links to the disclosed metric and methodology, as applicable

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☒ **(C) Scope 3 emissions (including financed emissions)**

- (1) Indicate whether this metric was disclosed, including the methodology
  - ☐ (1) Metric disclosed
  - ☒ **(2) Metric and methodology disclosed**
- (2) Provide links to the disclosed metric and methodology, as applicable

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- (D) Our organisation did not disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

## SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

**Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?**

- ☐ (A) The UN Sustainable Development Goals (SDGs) and targets
- ☒ (B) The UNFCCC Paris Agreement
- ☒ (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- ☐ (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (E) The EU Taxonomy
- ☐ (F) Other relevant taxonomies
- ☐ (G) The International Bill of Human Rights
- ☒ (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (I) The Convention on Biological Diversity
- ☐ (J) Other international framework(s)
- ☐ (K) Other regional framework(s)
- ☐ (L) Other sectoral/issue-specific framework(s)
- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

**What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?**

- ☒ (A) Identify sustainability outcomes that are closely linked to our core investment activities
- ☐ (B) Consult with key clients and/or beneficiaries to align with their priorities
- ☒ (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- ☒ (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- ☒ (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- ☐ (F) Understand the geographical relevance of specific sustainability outcome objectives
- ☐ (G) Other method
- ☐ (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?**

- ☒ (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- ☐ (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

**Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?**

- ☒ (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- ☐ (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- ☐ (C) We have been requested to do so by our clients and/or beneficiaries

- ☒ (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- ☒ (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- ☐ (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- ☐ (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- ☐ (H) Other

## LISTED EQUITY (LE)

### OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?**

	(3) Active - fundamental	(4) Other strategies
(A) Yes, our investment process incorporates material governance factors	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(1) for all of our AUM	(1) for all of our AUM
(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period	(1) for all of our AUM	(1) for all of our AUM
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion	○	○

(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors

○

○

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?**

### (3) Active - fundamental

### (4) Other strategies

(A) Yes, we have a formal process that includes scenario analyses

(1) for all of our AUM

(1) for all of our AUM

(B) Yes, we have a formal process, but it does not include scenario analyses

(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion

○

○

(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies

○

○

**(A) Yes, we have a formal process that includes scenario analysis - Specify: (Voluntary)**

CVAR and NZAM alignment

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?**

	(2) Active - fundamental	(3) Other strategies
(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes	○	○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?**

	(3) Active - fundamental	(4) Other strategies
(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors	(1) in all cases	(1) in all cases
(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors	(1) in all cases	(1) in all cases
(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability	(1) in all cases	(1) in all cases
(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors	(1) in all cases	(1) in all cases



(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process

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## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?**

### (3) Active - fundamental

### (4) Other strategies

(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(1) for all of our AUM

(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(1) for all of our AUM

(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(1) for all of our AUM

(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process

(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 17.1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

**What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?**

- ☒ (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- ☐ (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- ☒ (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

**(2) Active - fundamental****(3) Other strategies**

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings



(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents



(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities



(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents



(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion



(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

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## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

**For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?**

- ☒ (A) We share a list of ESG screens
- ☒ (B) We share any changes in ESG screens
- ☒ (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings
- ☐ (D) We do not share the above information for all our listed equity assets subject to ESG screens

## FIXED INCOME (FI)

### OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your fixed income assets?**

	(1) SSA	(2) Corporate
(A) Yes, our investment process incorporates material governance factors	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(1) for all of our AUM	(1) for all of our AUM
(C) Yes, our investment process incorporates material ESG factors depending on different investment time horizons	(1) for all of our AUM	(1) for all of our AUM
(D) No, we do not have a formal process; our investment professionals identify material ESG factors at their discretion	○	○
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	○	○

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your fixed income assets?**

	(1) SSA	(2) Corporate
(A) Yes, we have a formal process that includes scenario analyses		(2) for a majority of our AUM
(B) Yes, we have a formal process, but does it not include scenario analyses	(1) for all of our AUM	
(C) We do not have a formal process for our fixed income assets; our investment professionals monitor how ESG trends vary over time at their discretion	○	○
(D) We do not monitor and review the implications of changing ESG trends on our fixed income assets	○	○

**(A) Yes, we have a formal process that includes scenario analyses - Specify: (Voluntary)**

We have developed a top-down climate risk premium scenario analysis for non-financial corporates. In addition, we have the ability to incorporate a bottom-up Black-Scholes Merton (BSM) stress test for publicly listed non-financials corporates.

## PRE-INVESTMENT

## ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**For the majority of your fixed income investments, does your organisation incorporate material ESG factors when assessing their credit quality?**

	(1) SSA	(2) Corporate
(A) We incorporate material environmental and social factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We incorporate material governance-related factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We do not incorporate material ESG factors for the majority of our fixed income investments	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**Does your organisation have a framework that differentiates ESG risks by issuer country, region and/or sector?**

	(1) SSA	(2) Corporate
(A) Yes, we have a framework that differentiates ESG risks by country and/or region (e.g. local governance and labour practices)	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, we have a framework that differentiates ESG risks by sector	(1) for all of our AUM	(1) for all of our AUM
(C) No, we do not have a framework that differentiates ESG risks by issuer country, region and/or sector	<input type="radio"/>	<input type="radio"/>

(D) Not applicable; we are not able to differentiate ESG risks by issuer country, region and/or sector due to the limited universe of our issuers

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How do you incorporate significant changes in material ESG factors over time into your fixed income asset valuation process?**

**(1) SSA**

**(2) Corporate**

(A) We incorporate it into the forecast of financial metrics or other quantitative assessments

(1) for all of our AUM

(1) for all of our AUM

(B) We make a qualitative assessment of how material ESG factors may evolve

(1) for all of our AUM

(1) for all of our AUM

(C) We do not incorporate significant changes in material ESG factors

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## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your security selection, portfolio construction and/or benchmark selection process?**



	(1) SSA	(2) Corporate
(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM
(B) Material ESG factors contribute to determining the holding period of individual assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM
(C) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM
(D) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM
(E) Material ESG factors contribute to our portfolio construction and/or benchmark selection process in other ways		
(F) Our security selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors	o	o

## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 11	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**How are material ESG factors incorporated into your portfolio risk management process?**

	(1) SSA	(2) Corporate
(A) Investment committee members, or the equivalent function or group, can veto investment decisions based on ESG considerations	(1) for all of our AUM	(1) for all of our AUM
(B) Companies, sectors, countries and/or currencies are monitored for changes in exposure to material ESG factors and any breaches of risk limits	(1) for all of our AUM	(1) for all of our AUM
(C) Overall exposure to specific material ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on the individual issuer or issue sensitivity to these factors	(1) for all of our AUM	(1) for all of our AUM
(D) We use another method of incorporating material ESG factors into our portfolio's risk management process		
(E) We do not have a process to incorporate material ESG factors into our portfolio's risk management process	o	o

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your fixed income assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

	(1) SSA	(2) Corporate
(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual fixed income holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for other fixed income holdings exposed to similar risks and/or incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for our stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(E) We do not have a formal process to identify and incorporate ESG risks and ESG incidents; our investment professionals identify and incorporate ESG risks and ESG incidents at their discretion

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(F) We do not have a formal process to identify and incorporate ESG risks and ESG incidents into our risk management process

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## THEMATIC BONDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 16	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Thematic bonds	1

**What pre-determined criteria does your organisation use to identify which non-labelled thematic bonds to invest in?**

- ☒ (A) The bond's use of proceeds
- ☒ (B) The issuers' targets
- ☒ (C) The issuers' progress towards achieving their targets
- ☒ (D) The issuer profile and how it contributes to their targets
- (E) We do not use pre-determined criteria to identify which non-labelled thematic bonds to invest in
- (F) Not applicable; we do not invest in non-labelled thematic bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 17	CORE	Multiple, see guidance	N/A	PUBLIC	Thematic bonds	1, 2, 6

**During the reporting year, what action did you take in the majority of cases when you felt that the proceeds of a thematic bond were not allocated appropriately or in accordance with the terms of the bond deal or prospectus?**

- ☐ (A) We engaged with the issuer
- ☐ (B) We alerted thematic bond certification agencies
- ☐ (C) We sold the security
- ☐ (D) We blacklisted the issuer
- ☐ (E) Other action
- (F) We did not take any specific actions when the proceeds of a thematic bond were not allocated according to the terms of the bond deal during the reporting year

● (G) Not applicable; in the majority of cases, the proceeds of thematic bonds were allocated according to the terms of the bond deal during the reporting year

## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

For all your fixed income assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

- ☒ (A) We share a list of ESG screens
- ☒ (B) We share any changes in ESG screens
- ☒ (C) We explain any implications of ESG screens, such as any deviation from a benchmark or impact on sector weightings
- ☐ (D) We do not share the above information for all our fixed income assets subject to ESG screens

## SUSTAINABILITY OUTCOMES (SO)

### SETTING TARGETS AND TRACKING PROGRESS

#### SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

- ☒ (A) Sustainability outcome #1
  - (1) Widely recognised frameworks used to guide action on this sustainability outcome
    - ☐ (1) The UN Sustainable Development Goals (SDGs) and targets
    - ☒ (2) The UNFCCC Paris Agreement
    - ☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
    - ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
    - ☐ (5) The EU Taxonomy
    - ☐ (6) Other relevant taxonomies
    - ☐ (7) The International Bill of Human Rights
    - ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
    - ☐ (9) The Convention on Biological Diversity
    - ☐ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

☒ (1) Environmental

☐ (2) Social

☐ (3) Governance-related

☐ (4) Other

(3) Sustainability outcome name

Net Zero Asset Management (NZAM) commitment

(4) Number of targets set for this outcome

☐ (1) No target

☒ (2) One target

☐ (3) Two or more targets

☐ (B) Sustainability outcome #2

☐ (C) Sustainability outcome #3

☐ (D) Sustainability outcome #4

☐ (E) Sustainability outcome #5

☐ (F) Sustainability outcome #6

☐ (G) Sustainability outcome #7

☐ (H) Sustainability outcome #8

☐ (I) Sustainability outcome #9

☐ (J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1:	Net Zero Asset Management (NZAM) commitment
(1) Target name	50% emission reduction interim target
(2) Baseline year	2019
(3) Target to be met by	2030

#### (4) Methodology

We follow the Net Zero Investment Framework. Our methodology is detailed in our NZAM Action Plan, and incorporates:

- top-down climate analysis in our macroeconomic modelling and thematic analysis;
- bottom-up climate stress testing and NZ alignment assessments
- Stewardship – engagement and voting to drive change
- Market outreach to promote net zero aligned policies and behaviours.

We apply our methodology to all material high risk holdings over which we have investment and stewardship discretion (i.e. oversight of voting and engagement activities). These include all those names that feed into our core investment strategies such that we have a meaningful holding (normally considered to be over £10 million). With regards to high risk entities, we start with NZIF guidance, to include: TPI high risk sectors, and add banks, real estate, and companies identified on the CA100+ focus list. We then make manual adjustments to remove low risk companies that are within these sectors, e.g. a renewables company under Utilities, or to include entities we view as high risk but sitting outside the above noted sectors. The goal is to focus our engagement efforts where there is greatest opportunity for emission reductions.

We commit to a downward trajectory in emissions for all our assets in line with the IPCC 1.5°C pathway for achieving a 50% reduction by 2030, and ultimately reaching net zero by 2050.

We are clear, however, that our portfolio emissions pathway will not be linear as our focus is on driving reductions in emissions in the real world, not just taking emissions out of portfolios through divestment. This will inevitably lead to lumpiness. For example, if we hold a cement producer that is committed to net zero, early years may see investment into new technologies, with emissions coming later. In addition, rather than avoiding all high carbon entities, we will invest into high-carbon companies where we believe there are opportunities to press for net zero action. In this case, our portfolio emissions may rise in the short-term but the reduction in emissions we deliver will also rise.

Our focus is ensuring companies are aligning their strategies with a net zero goal, and taking steps to deliver it.

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(5) Metric used (if relevant)

CO2e/\$mn revenue

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(6) Absolute or intensity-based (if relevant)

(2) Intensity-based

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(7) Baseline level or amount (if relevant): 709k tonnes CO2e/\$1mn revenue

(8) Target level or amount (if relevant) 354.5k tonnes CO2e/\$1 mn revenue

(9) Percentage of total AUM covered in your baseline year for target setting 71%

(10) Do you also have a longer-term target for this? (1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2.1	PLUS	SO 1, SO 2	N/A	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your long-term targets.

	(1) Target name	(2) Long-term target to be met by	(3) Long-term target level or amount (if relevant)
(A1) Sustainability Outcome #1: Net Zero Asset Management (NZAM) commitment	50% emission reduction interim target	2050	Net zero emissions portfolio

## FOCUS: SETTING NET-ZERO TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 1	Multiple, see guidance	PUBLIC	Focus: Setting net-zero targets	General

If relevant to your organisation, you can opt-in to provide further details on your net-zero targets.

- ☒ (A) Yes, we would like to provide further details on our organisation's asset class-specific net-zero targets
- ☐ (B) Yes, we would like to provide further details on our organisation's net-zero targets for high-emitting sectors
- ☐ (C) Yes, we would like to provide further details on our organisation's mandate or fund-specific net-zero targets



- (D) No, we would not like to provide further details on our organisation's asset class, high-emitting sectors or mandate or fund-specific net-zero targets
- (E) No, our organisation does not have any asset class, high-emitting sectors or mandate or fund-specific net-zero targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
NZAM 1	PLUS	NZAM, SO 3	SO 3.1, SO 3.2	PUBLIC	Focus: Setting net-zero targets	General

Select the relevant asset class breakdown for your organisation to report on your net-zero targets.

- (A) PRI's standard asset class breakdown
- (B) Asset class breakdown as per the NZAOA's Target Setting Protocol

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3.1	PLUS	SO 3	N/A	PUBLIC	Focus: Setting net-zero targets	General

Provide details of your nearest-term net-zero targets per asset class.

- (A) PRI asset class breakdown
  - ☒ Listed equity

#### Target details

#### (A) PRI asset class breakdown: Listed equity

(1) Baseline year 2019

(2) Target to be met by 2030

(3) Emissions included in target

(1) Scope 1  
(2) Scope 2  
(3) Scope 3

#### (4) Methodology

We follow the Net Zero Investment Framework. Our methodology is detailed in our NZAM Action Plan, and incorporates:

- top-down climate analysis in our macroeconomic modelling and thematic analysis;
- bottom-up climate stress testing and NZ alignment assessments
- Stewardship – engagement and voting to drive change
- Market outreach to promote net zero aligned policies and behaviors.

We apply our methodology to all material high risk holdings over which we have investment and stewardship discretion (i.e. oversight of voting and engagement activities). These include all those names that feed into our core investment strategies such that we have a meaningful holding (normally considered to be over £10 million). With regards to high risk entities, we start with NZIF guidance, to include: TPI high risk sectors, and add banks, real estate, and companies identified on the CA100+ focus list. We then make manual adjustments to remove low risk companies that are within these sectors

, e.g.

a renewables company under Utilities, or to include entities we view as high risk but sitting outside the above noted sectors. The goal is to focus our engagement efforts where there is greatest opportunity for emission reductions.

We commit to a downward trajectory in emissions for all our assets in line with the IPCC 1.5°C pathway for achieving a 50% reduction by 2030, and ultimately reaching net zero by 2050.

We are clear, however, that our portfolio emissions pathway will not be linear as our focus is on driving reductions in emissions in the real world, not just taking emissions out of portfolios through divestment. This will inevitably lead to lumpiness. For example, if we hold a cement producer that is committed to net zero, early years may see investment into new technologies, with emissions coming later.

In addition, rather than avoiding all high carbon entities, we will consider investing in those high-carbon companies on a transition pathway and where we believe there are opportunities to press for net zero action.

In this case, our portfolio emissions may rise in the short-term but the reduction in emissions we deliver will also rise.

Our focus is ensuring companies are aligning their strategies with a net zero goal, and taking steps to deliver it.

(5) Metric used	(7) Intensity-based: tCO2e/Mn USD Revenue
(6) Baseline amount	708k tonnes CO2e/\$1mn revenue
(7) Current amount (if different from baseline amount)	658k tonnes CO2e/\$1mn revenue
(8) Targeted reduction with respect to baseline	50%
(9) Percentage of total AUM covered in your baseline year for target setting	66%
(10) If coverage is below 100% for this asset class, explain why	<p>AUM excluded from the NZAM initiative consist of:</p> <ul style="list-style-type: none"> <li>• non-discretionary assets (and including assets subject to restricted mandates, e.g. capital gain tax)</li> <li>• assets for which we do not have stewardship oversight (e.g. voting and engagement)</li> <li>• small holdings held outside our core strategies</li> </ul>
<input checked="" type="checkbox"/> <b>Fixed income</b>	
<b>Target details</b>	
<b>(A) PRI asset class breakdown: Fixed income</b>	
(1) Baseline year	2019
(2) Target to be met by	2030
(3) Emissions included in target	(1) Scope 1 (2) Scope 2 (3) Scope 3
(4) Methodology	<p>We follow the Net Zero Investment Framework. Our methodology is detailed in our NZAM Action Plan, and incorporates:</p> <ul style="list-style-type: none"> <li>• top-down climate analysis in our macroeconomic modelling and thematic analysis;</li> </ul>

- bottom-up climate stress testing and NZ alignment assessments
- Stewardship – engagement and voting to drive change
- Market outreach to promote net zero aligned policies and behaviors.

We apply our methodology to all material high risk holdings over which we have investment and stewardship discretion (i.e. oversight of voting and engagement activities). These include all those names that feed into our core investment strategies such that we have a meaningful holding (normally considered to be over £10 million). With regards to high risk entities, we start with NZIF guidance, to include: TPI high risk sectors, and add banks, real estate, and companies identified on the CA100+ focus list. We then make manual adjustments to remove low risk companies that are within these sectors

, e.g. a renewables company under Utilities, or to include entities we view as high risk but sitting outside the above noted sectors. The goal is to focus our engagement efforts where there is greatest opportunity for emission reductions.

We commit to a downward trajectory in emissions for all our assets in line with the IPCC 1.5°C pathway for achieving a 50% reduction by 2030, and ultimately reaching net zero by 2050.

We are clear, however, that our portfolio emissions pathway will not be linear as our focus is on driving reductions in emissions in the real world, not just taking emissions out of portfolios through divestment. This will inevitably lead to lumpiness. For example, if we hold a cement producer that is committed to net zero, early years may see investment into new technologies, with emissions coming later.

In addition, rather than avoiding all high carbon entities, we will consider investing in those high-carbon companies on a transition pathway and where we believe there are opportunities to press for net zero action. In this case, our portfolio emissions may rise in the short-term but the reduction in emissions we deliver will also rise.

Our focus is ensuring companies are aligning their strategies with a net zero goal, and taking steps to deliver it.

(5) Metric used	(7) Intensity-based: tCO2e/Mn USD Revenue
(6) Baseline amount	1k tonnes CO2e/\$1mn revenue
(7) Current amount (if different from baseline amount)	3k tonnes CO2e/\$1mn revenue

(8) Targeted reduction with respect to baseline 50%

(9) Percentage of total AUM covered in your baseline year for target setting 5%

(10) If coverage is below 100% for this asset class, explain why

AUM excluded from the NZAM initiative consist of:

- non-discretionary assets (and including assets subject to restricted mandates, e.g. capital gain tax)
- assets for which we do not have stewardship oversight (e.g. voting and engagement)
- small holdings held outside our core strategies

- ☐ Private equity
- ☐ Real estate
- ☐ Infrastructure
- ☐ Hedge funds
- ☐ Forestry
- ☐ Farmland
- ☐ Other

## TRACKING PROGRESS AGAINST TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

**Does your organisation track progress against your nearest-term sustainability outcomes targets?**

### (A1) Sustainability outcome #1:

(A1) Sustainability outcome #1: Net Zero Asset Management (NZAM) commitment

Target name: 50% emission reduction interim target

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

**During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?**

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1:	Net Zero Asset Management (NZAM) commitment
(1) Target name	50% emission reduction interim target
(2) Target to be met by	2030
(3) Metric used (if relevant)	CO2e/\$mn revenue
(4) Current level or amount (if relevant)	709k tonnes CO2e/\$1mn revenue That covers Scope 1, Scope 2 and Scope 3.

The focus of our NZAM is to reduce real world emissions, rather than simply take emissions out of portfolios, which we believe will have little impact on climate change.

To deliver our commitment, therefore, we are focused on promoting emissions reductions in our carbon-dependent holdings. These may be direct emissions (scope 1 & 2) or indirect emissions that the entity facilitates (scope 3 or even scope 4 – though the latter cannot yet be reliably measured).

Key progress in 2022 included:

- Detailed company net zero alignment assessments and climate value at risk analysis initiated for material high risk holdings;
- Targeted engagements, including through collaborative initiatives such as CA100+ (where we were co-leads for NextEra, CRH and Equinor)
- Net Zero voting, which saw us vote against a substantial number of directors, auditors, remuneration and financial statements in high risk entities due to inadequate focus on climate risks
- AGM action – including co-filing shareholder resolutions, predeclaring key votes and public statements]

We achieved 20 milestones and 9 impacts as a result of these engagements, recorded through our internal engagement tracker., .These reflect the achievement of desired goals, or steps towards these goals, such as an entity making an explicit net zero commitment for the first time, or publishing a detailed Transition Plan.

(5) Other qualitative or quantitative progress

(6) Methodology for tracking progress

We track emissions levels using Bloomberg and MSCI data.

We track progress with our engagements through our internal Engagement Tracker. This permits us to enter all engagement actions, milestones and impacts achieved.

## INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

### LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 2	Multiple	PUBLIC	Levers used to take action on sustainability outcomes	1, 2, 5

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- ☒ (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets
  - Select from drop down list:
    - ☒ (1) Individually
    - ☒ (2) With other investors or stakeholders
- ☐ (B) Stewardship: engagement with external investment managers
- ☒ (C) Stewardship: engagement with policy makers
  - Select from drop down list:
    - ☒ (1) Individually
    - ☒ (2) With other investors or stakeholders
- ☒ (D) Stewardship: engagement with other key stakeholders
  - Select from drop down list:
    - ☒ (1) Individually
    - ☒ (2) With other investors or stakeholders
- ☐ (E) Capital allocation
  - ☐ (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

### STEWARDSHIP WITH INVESTEEES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?



## (A) Across all sustainability outcomes

(1) Describe your approach	Stewardship is core to our investment philosophy and our NZAM commitment. We undertake company engagement and market outreach to drive action towards net zero. We work bilaterally and collaboratively, through initiatives such as IIGCC and CA100+. We have a detailed Net Zero voting policy to ensure to back up our engagements with voting. Further information on our approach can be found in our NZAM Action Plan (link: <a href="https://sarasinassetmanagement.com/wp-content/uploads/2022/02/SAM_NZAM-report-2022.pdf">https://sarasinassetmanagement.com/wp-content/uploads/2022/02/SAM_NZAM-report-2022.pdf</a> )
(2) Stewardship tools or activities used	<div>(1) Engagement</div> <div>(2) (Proxy) voting at shareholder meetings</div> <div>(3) Filing of shareholder resolutions or proposals</div>
(3) Example	<p>Key examples documented in our 2022 Stewardship Report, where we undertook more intensive company engagement in 2022 include:</p> <ul style="list-style-type: none"><li>- NextEra</li><li>- CRH</li><li>- Air Liquide</li><li>- Rio Tinto</li><li>- Equinor</li></ul> <p>In terms of market outreach, important examples include:</p> <ul style="list-style-type: none"><li>- Coordination of collaborative investor letter to Big Four audit firms in UK seeking more action to ensure audits full consider material climate risks</li><li>- Co-chair of IIGCC Net Zero Banking Initiative seeking to promote net zero financing by global banks</li><li>- Chair of IIGCC climate accounting and audit work stream, coordinating outreach to carbon-intensive companies throughout Europe. Undertook training for investors and company-specific support</li><li>- Publication of Net Zero Voting Policy to draw attention to the importance and potential approach to integrating net zero into routine votes alongside shareholder resolutions</li></ul>

## (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1: Net Zero Asset Management (NZAM) commitment

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 9	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

☒ **(A) We prioritise the most strategically important companies in our portfolio.**

Describe how you do this:

Once we have identified those investee companies that are exposed to climate risks and where our holding size is sufficiently material, we prioritise according to:

- The degree of carbon-intensity – more carbon-intensive companies will have greater priority;
- and the potential to generate a ripple effect throughout the broader market through a successful engagement.

Generally, the two are inter-linked since the ability to have a broader strategic impact will tend to be higher for more carbon-intensive entities. It is important to note that when we consider carbon-intensity, we are not only thinking about scope 1-3 emissions but we consider the broader emission reductions that are facilitated by the entity in question.

For instance, a stock exchange has relatively low scope 1-3 emissions but facilitates large carbon-intensive entities financing. They, thus, have the ability to drive down emissions beyond their own. For this reason, we would – and do – prioritise these entities.

We also prioritise some entities that we do not hold, where we can see a large strategic influence from this engagement. One example in 2022 was our continued engagement with Shell over their financial statements and the need to incorporate a 1.5C sensitivity analysis in the Notes to their accounts. This engagement was successful and now provides a valuable model to others to follow, offering improved visibility to investors on stranded asset risks.

Select from the list:

- ☒ 1  
☐ 3  
☐ 4

☒ **(B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.**

Describe how you do this:

(B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.

For example, signatories may engage with at least 20 of their highest-emitting investee companies or with companies in sectors known for widespread poor working conditions.

Describe how you do this:

See above as point (A) and (B) are both strategically important and significantly connected to the outcome. Although not possible on the platform, we would ranked both #1.

Select from the list:

☒ 2

☐ 3

☐ 4

☐ (C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.

☐ (D) Other

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 11	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, how did your organisation use engagement with policy makers to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Across all sustainability outcomes

(1) Describe your approach	We engage with policy makers and other market influencers to promote net zero alignment. In the same way we prioritise company engagements by considering the potential for having a ripple effect, we identify those market practices that could be most impactful if we were able to catalyse change. This is where we focus.
(2) Engagement tools or activities used	(1) We participated in 'sign-on' letters (2) We responded to policy consultations (3) We provided technical input via government- or regulator-backed working groups (4) We engaged policy makers on our own initiative (5) Other methods

(3) Example(s) of policies engaged on

In 2022, we had the following priorities:

- net-zero aligned financial accounting and auditing, which we believe is vital to align capital allocation with more sustainable future. We chair the IIGCC working group set up to coordinate investor action on this, and have led several collaborative engagements, including with the largest UK audit firms
- Net Zero banking initiative – we co-chair this initiative coordinated by IIGCC, which is seeking to promote net zero aligned financing by global banks.
- Net Zero voting – we published our Net Zero voting policy to put the spotlight on the need for asset managers and asset owners to use their routine votes at AGMs in line with their Net Zero commitments (notably director elections, auditor appointment, financial statement approval; remuneration approval)

#### (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:

Net Zero Asset Management (NZAM) commitment

(1) Describe your approach

(2) Engagement tools or activities used

(3) Example(s) of policies engaged on

## STEWARDSHIP: ENGAGEMENT WITH OTHER KEY STAKEHOLDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with other key stakeholders	2, 5

Does your organisation engage with other key stakeholders to support the development of financial products, services, research, and/or data aligned with global sustainability goals and thresholds?

## (A) Across all sustainability outcomes

(1) Key stakeholders engaged	(1) Standard setters (2) Reporting bodies (3) Stock exchanges (4) Credit rating agencies (5) Auditors (6) External service providers (e.g. proxy advisers, investment consultants, data providers) (7) Academia (8) NGOs
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(2) Provide further detail on your engagement	<p>In 2022 we have led a number of engagements with what we call market influencers – entities that have potentially catalytic impacts in the market due to the services they provide. Two examples where we have led engagements, include:</p> <ul style="list-style-type: none"><li>- Big Four audit firms in the UK – we have led a collaborative auditor engagement initiative for several years and this continued in 2022, with collective letters and meetings with KPMG, PWC, Deloitte and EY.</li><li>- Exchanges – Aside from being a shareholder in LSE, we have engaged with the board and executives to encourage them to consider how they could facilitate alignment of their customers with a net zero pathway. Steps by LSE to make net zero alignment or NZ-aligned accounting a criteria/guideline associated with accessing services would be catalytic.</li></ul>
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## (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:	Net Zero Asset Management (NZAM) commitment
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(1) Key stakeholders engaged

(2) Provide further detail on your engagement

## STEWARDSHIP: COLLABORATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 5	N/A	PUBLIC	Stewardship: Collaboration	2

**During the reporting year, to which collaborative initiatives did your organisation contribute to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Initiative #1

(1) Name of the initiative	IIGCC Climate Accounting and Audit working group
(2) Indicate how your organisation contributed to this collaborative initiative	<p>(A) We were a lead investor in one or more focus entities (e.g. investee companies)</p> <p>(B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)</p> <p>(C) We publicly endorsed the initiative</p> <p>(D) We provided pro bono advice, research or training</p> <p>(E) We supported the coordination of the initiative (e.g. facilitating group meetings) or provided other administrative support</p> <p>(H) We contributed to the development of the initiative's materials and/or resources (e.g. co-authored a report)</p> <p>(I) Other</p>
(3) Provide further detail on your participation in this collaborative initiative	<ul style="list-style-type: none"> <li>- We chair this initiative, having spearheaded work on climate accounting in 2018, and authored the IIGCC publication "Investor expectations for Paris aligned accounting" in 2020</li> <li>- We lead / co-lead a number of engagements with Audit Committee Chairs, calling for improved climate-related disclosures in financial statements, including: Equinor, CRH, Rio Tinto, and Air Liquide</li> <li>- We have led investor training on climate accounting, alongside Carbon Tracker</li> <li>- We have contributed to the development of the new climate accounting elements of the CA100+ benchmark</li> </ul>

## **(B) Initiative #2**

(1) Name of the initiative	IIGCC Net Zero Standard for Banks
(2) Indicate how your organisation contributed to this collaborative initiative	<p>(A) We were a lead investor in one or more focus entities (e.g. investee companies)</p> <p>(B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)</p> <p>(C) We publicly endorsed the initiative</p> <p>(E) We supported the coordination of the initiative (e.g. facilitating group meetings) or provided other administrative support</p> <p>(G) We were part of an advisory committee or similar</p> <p>(H) We contributed to the development of the initiative's materials and/or resources (e.g. co-authored a report)</p> <p>(I) Other</p>
(3) Provide further detail on your participation in this collaborative initiative	<ul style="list-style-type: none"><li>- We co-chair this initiative launched in 2021, alongside Hermes. It is coordinated by IIGCC</li><li>- We coordinated the development of the Net Zero Banking Standard and supported TPIs' development of a complementary Net Zero Banking Framework.</li><li>- We co-chaired investor and company roundtables to discuss the standard</li><li>- We have provided public commentary to the media in support of the standard</li><li>- We have led engagements with JPMorgan, Scotia Bank and HSBC in 2022</li></ul>

## **(C) Initiative #3**

(1) Name of the initiative	30% Club UK Investor Race Equity Working Group
(2) Indicate how your organisation contributed to this collaborative initiative	<p>(A) We were a lead investor in one or more focus entities (e.g. investee companies)</p> <p>(B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)</p> <p>(C) We publicly endorsed the initiative</p> <p>(E) We supported the coordination of the initiative (e.g. facilitating group meetings) or provided other administrative support</p> <p>(H) We contributed to the development of the initiative's materials and/or resources (e.g. co-authored a report)</p> <p>(I) Other</p>

(3) Provide further detail on your participation in this collaborative initiative

- Following the launch of the 30% Club's Investor Statement on Addressing Racial Inequality and Call to Action in March 2022, which we were instrumental in drafting, we now lead the working group's collective outreach with FTSE companies to satisfy the statement's asks.
- We press companies towards achieving the 30% Club's targets for representation of women of colour in senior executive and board roles in UK listed companies, as well as the Parker Review recommendations for ethnic diversity on FTSE Boards.
- We ask that companies, in addition to disclosing ethnic diversity data where permitted, establish a level of transparency on par with current gender diversity disclosure, and outline how they plan to increase ethnic diversity in their workforce.
- In 2022, we lead a number of engagements including Unite Group, SSP and 3i infrastructure.

#### (D) Initiative #4

(1) Name of the initiative

WBA Ethical AI Collective Impact Coalition

(2) Indicate how your organisation contributed to this collaborative initiative

- (A) We were a lead investor in one or more focus entities (e.g. investee companies)
- (B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)
- (C) We publicly endorsed the initiative
- (E) We supported the coordination of the initiative (e.g. facilitating group meetings) or provided other administrative support

(3) Provide further detail on your participation in this collaborative initiative

- We helped to co-found the WBA Ethical Artificial Intelligence (AI) Collective Impact Coalition (CIC) together with almost 30 investors.
- This collective engagement is looking to boost the extent to which the sustainable approach to design and use of any AI technologies by key tech sector companies is (a) in line with the UN Guiding Principles of Business and Human Rights, and (b) public. Companies are expected to assess and minimise their negative human rights impacts.
- In 2022, we became a co-lead on Amazon and a support investor on PayPal and Apple. We helped draft letters to all three and helped shape two of the engagements, including hosting an in-person meeting with Amazon's IR and Lead for Digital Rights Policy Engagement to discuss our concerns and expectations.



# CONFIDENCE-BUILDING MEASURES (CBM)

## CONFIDENCE-BUILDING MEASURES

### APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

**How did your organisation verify the information submitted in your PRI report this reporting year?**

- ☐ (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- ☐ (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- ☒ (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- ☒ (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- ☐ (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- ☐ (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- ☒ (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- ☐ (H) We did not verify the information submitted in our PRI report this reporting year

## INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

**What responsible investment processes and/or data were audited through your internal audit function?**

- ☒ (A) Policy, governance and strategy
  - Select from dropdown list:
    - ☐ (1) Data internally audited
    - ☒ (2) Processes internally audited
    - ☐ (3) Processes and data internally audited
- ☒ (C) Listed equity
  - Select from dropdown list:
    - ☐ (1) Data internally audited
    - ☒ (2) Processes internally audited
    - ☐ (3) Processes and data internally audited
- ☒ (D) Fixed income

Select from dropdown list:

- (1) Data internally audited
- **(2) Processes internally audited**
- (3) Processes and data internally audited

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 5	PLUS	CBM 1	N/A	PUBLIC	Internal audit	6

**Provide details of the internal audit process regarding the information submitted in your PRI report.**

This 2022 internal audit covered the stewardship framework (i.e. policies and procedures) managed by the Asset Management Department. Its scope consisted of corporate governance oversight framework, roles and responsibilities, annual Stewardship Report, first and second line controls and ESG Integration process. The latter only covered the equity asset class

## INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

**Who in your organisation reviewed the responses submitted in your PRI report this year?**

- ☐ (A) Board, trustees, or equivalent
- ☒ **(B) Senior executive-level staff, investment committee, head of department, or equivalent**

Sections of PRI report reviewed

- **(1) the entire report**
  - (2) selected sections of the report
- (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year