

SARASIN
& PARTNERS

CSR & STEWARDSHIP
**SECURING
TOMORROW**

2024



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OUR CORPORATE SOCIAL RESPONSIBILITY



We believe in securing tomorrow, through our thematic investment approach, our commitment to stewardship, and our long-term relationships with our clients. We strive to place stewardship at the heart of everything we do: how we invest, how we interact with clients, how we treat our staff and suppliers and how we conduct ourselves in the wider community.

We seek to hold ourselves to the same high standards we expect from our investee companies. In particular, we aim to reduce our impact on the environment, act responsibly with respect to the welfare of our stakeholders and have a positive impact on our wider community.

OUR VALUES

Our values
are at the
core of
everything
we do



PARTNERSHIP

We look after our clients' interests as if they are our own.



PEOPLE

We believe in the power of teamwork. We recognise that we are stronger together than as individuals. Diversity in all forms strengthens us.



STEWARDSHIP

We are long-term investors, committed to acting as responsible owners to secure enduring value for our clients.

CSR: GOVERNANCE AND STRUCTURE

Our Executive Committee has established the Corporate Responsibility Committee to define, monitor, oversee and enact our policies and processes with regards to our corporate responsibility.

Tim Temple, our Chief Operating Officer, oversees the committee as chair.

The committee:

- Aims to ensure the business lives up to its stated corporate values and monitors how we align with what we ask of our investee companies.
- Undertakes routine gap analyses that consider governance and voting guidance, as well as stewardship policies.
- Identifies how we might apply these to internal operational policies and procedures.
- Recommends targets and steps for implementation.

OUR CLIMATE COMMITMENT

> APPROACH

In line with our 2019 Climate Pledge, we have made a commitment to maintain net zero emissions for our business operations. This covers scope 1 and 2, as well as scope 3 greenhouse gas emissions associated with business travel.

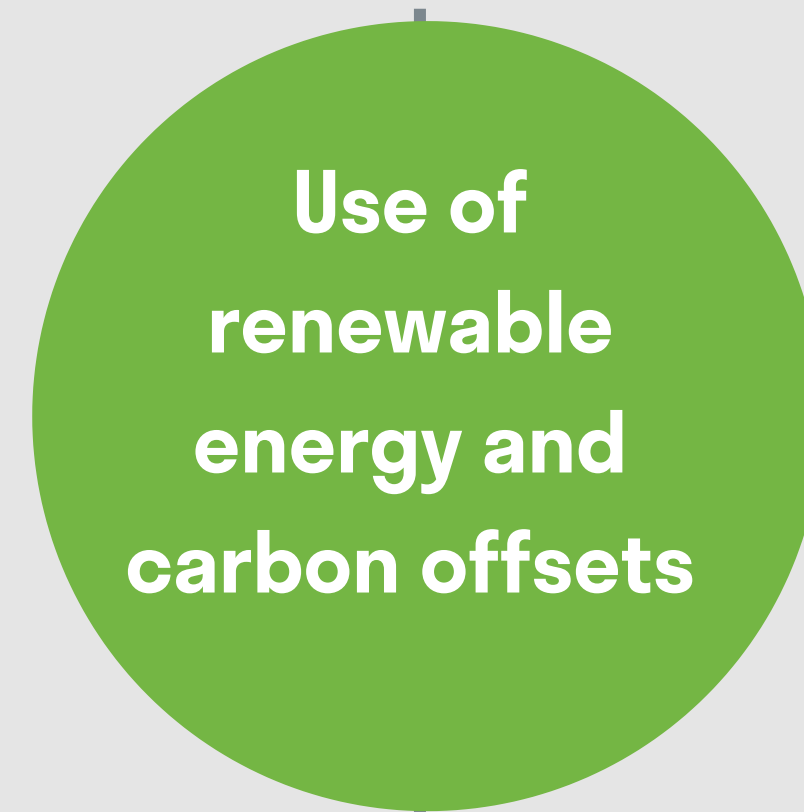
We achieve this primarily through the use of renewable energy and, for activities where carbon-free alternatives are not yet available, carbon offsets.



MISSION ▶



METHOD ▶



> OPERATIONAL DATA

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

Air travel – business travel is our largest source of emissions, so this is a priority area for reduction targets. As there are no viable zero-carbon airline options at present, we are working on a plan to cut back air travel. Specifically, we are exploring an internal carbon trading scheme with rolling-year reductions.

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

Supply chain – we have not historically covered our scope 3 supply chain emissions, due to complexity and a lack of data. Over the past couple of years we have updated our supplier onboarding processes to ensure they meet expected standards, and increased engagement with existing suppliers regarding their Paris alignment. We have also started calculating the related scope 3 emissions and will include them in our carbon footprint for 2024.

Staff commuting – as with our suppliers, historically, commuting numbers have not been included in our carbon tracking. In the absence of a market-agreed methodology, we have developed one internally which we believe is appropriate and will include these emissions, as well as home working emissions, in our carbon footprint for 2024.

COMMITTED TO NET ZERO



> CARBON EMISSIONS

Offsetting – The project we have chosen for this years' offsetting activities is: Trees for Global Benefits, Uganda. The project aims to combine community-led activities to increase carbon sequestration, encourage sustainable land-use practices, and provide farmers with performance-based payments.

Understanding global emissions –

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

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

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

Scope		2018	2019	2020	2021	2022	2023
Scope 1	Gas	49	31	21	42	24	14
Scope 2	Electricity (market based)	3	3	2	1	0	0
Scope 3	Air Travel	352	421	70	13	228	283
Scope 3	Rail Travel	5	6	2	2	7	8
Scope 3	Personal car use - rental	17	24	8	10	13	9.3
Scope 3	Taxi	2	3	1	0	1	1.8
Scope 3	Hotel*	-	-	-	-	6	12.4
Total CO₂e tonnes		428	488	104	67	279	331

(*) after improvements in the data and methodology available, we have been including hotel related emissions from H2 2022. Source: Sarasin & Partners, 31.12.23

DIVERSITY AND INCLUSION

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

Towards a more equal workforce


As an asset manager that actively engages for positive change with the companies we invest in, we understand the importance of diversity targets.

TOWARDS GREATER EQUALITY

Gender pay gap overview %

Metric	2017	2018	2019	2020	2021	2022	2023
Mean gender pay gap in hourly pay	33	29	28	27	30	27	24
Median gender pay gap in hourly pay	34	33	31	29	32	27	28
Mean gender bonus gap	69	59	57	66	65	60	53
Median gender bonus gap	67	64	65	70	65	59	53

Source: Sarasin & Partners, 31.12.23

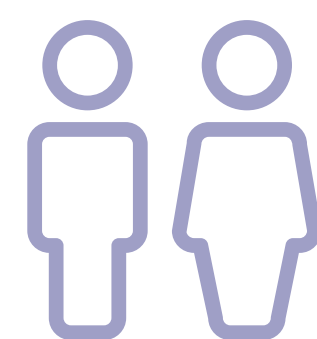
By **2030** 

30% female representation at senior management level

50% female representation among total employees

EXAMPLES OF HOW WE ARE SUPPORTING THE NEXT GENERATION

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



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



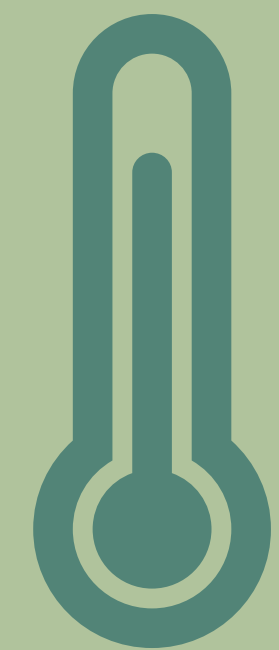
Sarasin has partnered with upReach, an organisation that helps disadvantaged students realise their potential by providing personalised support and access to opportunities. Through this partnership, we contributed to expanding career pathways and enhancing professional success for underprivileged students.

OUR STEWARDSHIP FOCUS

We prioritise our engagement and policy outreach work according to our key stewardship initiatives. We determine these on an ongoing basis, ensuring we can respond to changing market and societal trends promptly and flexibly.



PARIS ALIGNMENT



Promoting alignment with a

1.5°C PATHWAY

under the Paris Climate Agreement

ROBUST AND INDEPENDENT AUDIT & RESPONSIBLE ACCOUNTING



A key line of defence

AGAINST MISLEADING ACCOUNTING

CIRCULARITY



Acceleration of

SUSTAINABLE CIRCULAR ECONOMY

SOCIAL VALUE CHAIN



Ensuring companies

ACT RESPONSIBLY

towards their stakeholders

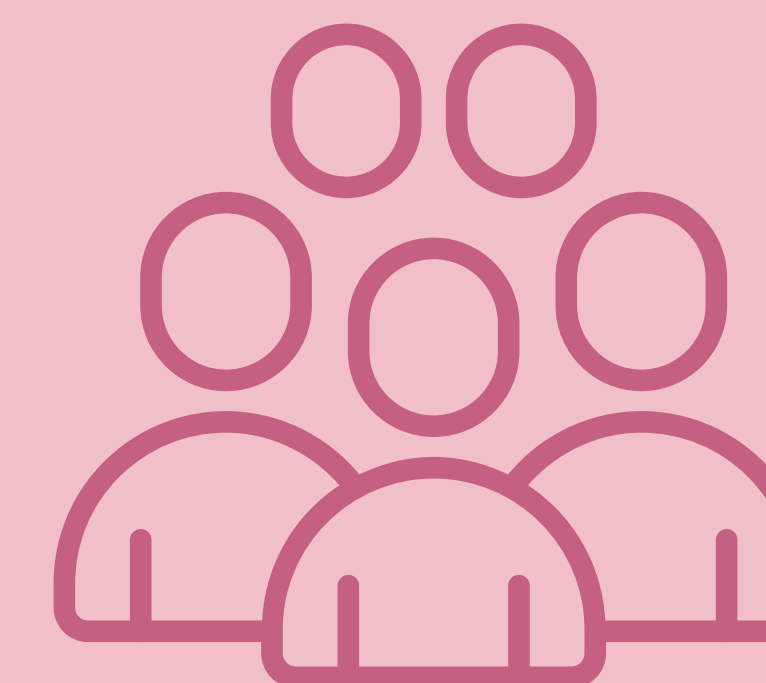
Accounting standards and practices that are consistent with



LONG-TERM CAPITAL ENHANCEMENT AND PROTECTION

RESPONSIBLE TECH

Ensuring technology companies act in



SOCIETY'S LONG-TERM INTERESTS

GOOD GOVERNANCE



Promoting robust

OVERSIGHT, CONTROL AND DISCLOSURE

STEWARDSHIP HIGHLIGHTS FOR 2023



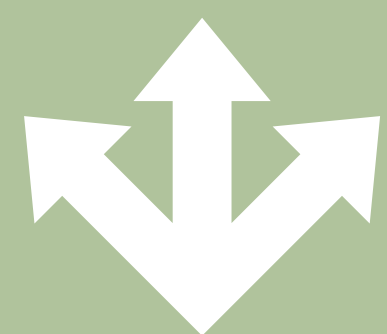
Our overriding commitment to our clients is to protect and grow their capital for the long term. This is why responsible stewardship is at the core of how we manage our clients' assets. We use in-depth ESG analysis alongside fundamental research.

In 2023 we increased our engagement activity, while continuing with thoughtful active ownership and policy outreach. Here we share some of the key developments from the past year. For a more detailed review of our stewardship initiatives, read our complete 2023 [Stewardship Report](#).

PROCESS IMPROVEMENT



Approved a web-based proxy voting dashboard



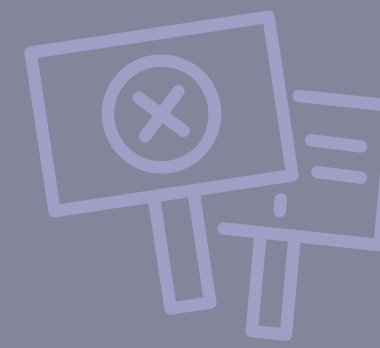
Added 3 ESG data providers



Enhancement of climate stress-testing framework

VOTING UPDATE

Voting against



727

companies directors (mostly on governance concerns)

Voted to improve **personal accountability** of chairs of key board committees, such as remuneration, audit and nomination committees

Voting against

94

directors on climate grounds

ENGAGEMENT UPDATE



58

Post-proxy letters sent

Engaged with

133

companies



POLICY OUTREACH

Supported or led

15

external initiatives



Climate Action

100+

inclusion of accounting and audit indicators

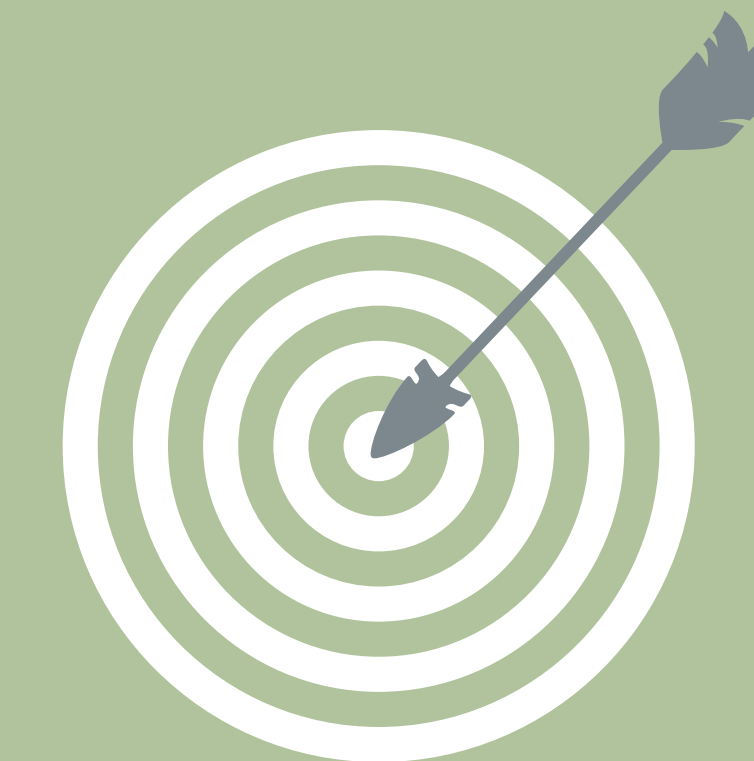


Paris-aligned accounting

\$100+

TRILLION

in investor support



663

goal-linked engagement activities covering

25

different goals linked to our stewardship priorities

OUR KEY ENGAGEMENTS 2023

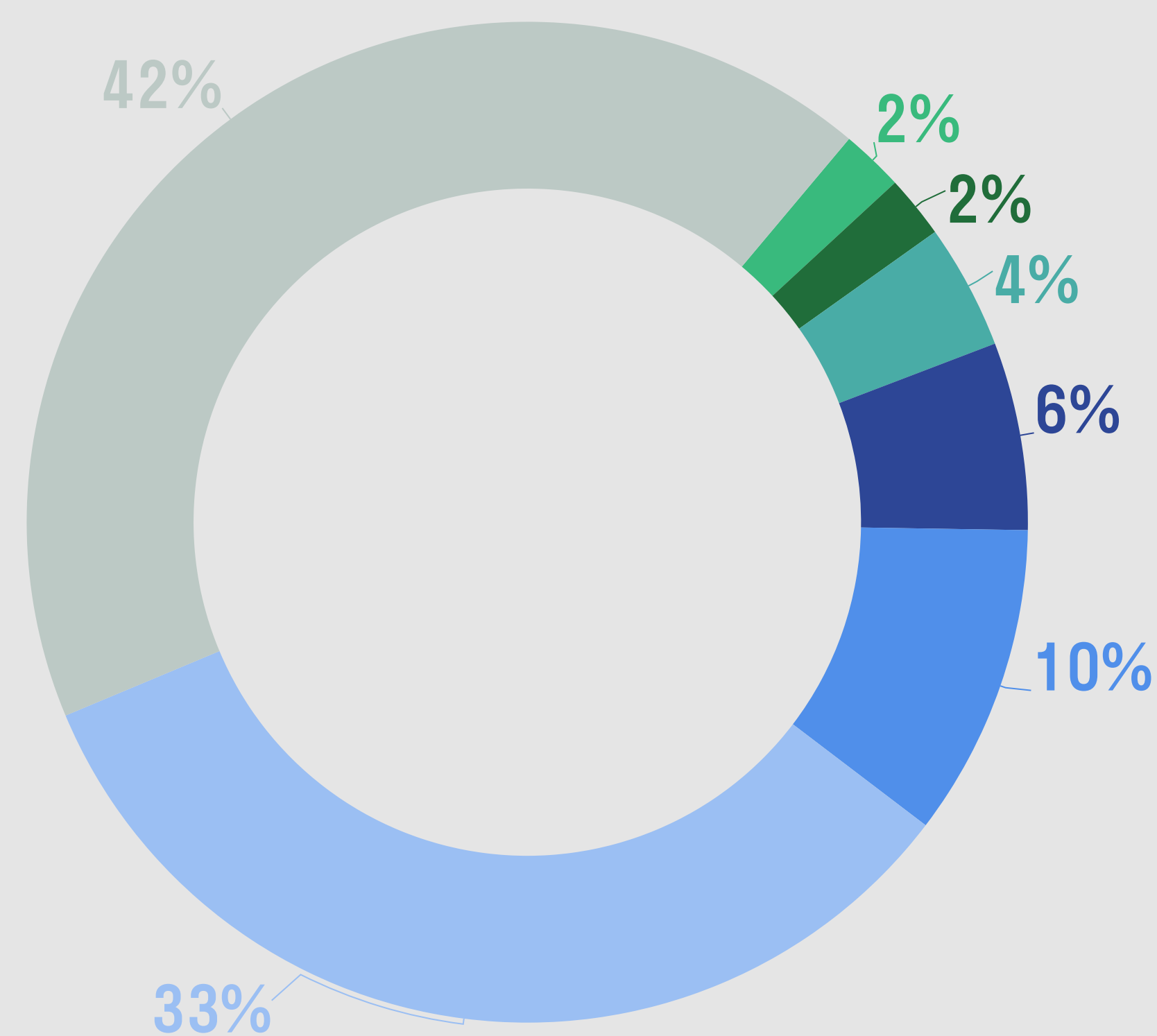


At a time of rising concerns over greenwashing linked to ESG and stewardship claims, it is increasingly important to report transparently on our stewardship work and its outcomes.

2023 ENGAGEMENT ACTIVITY

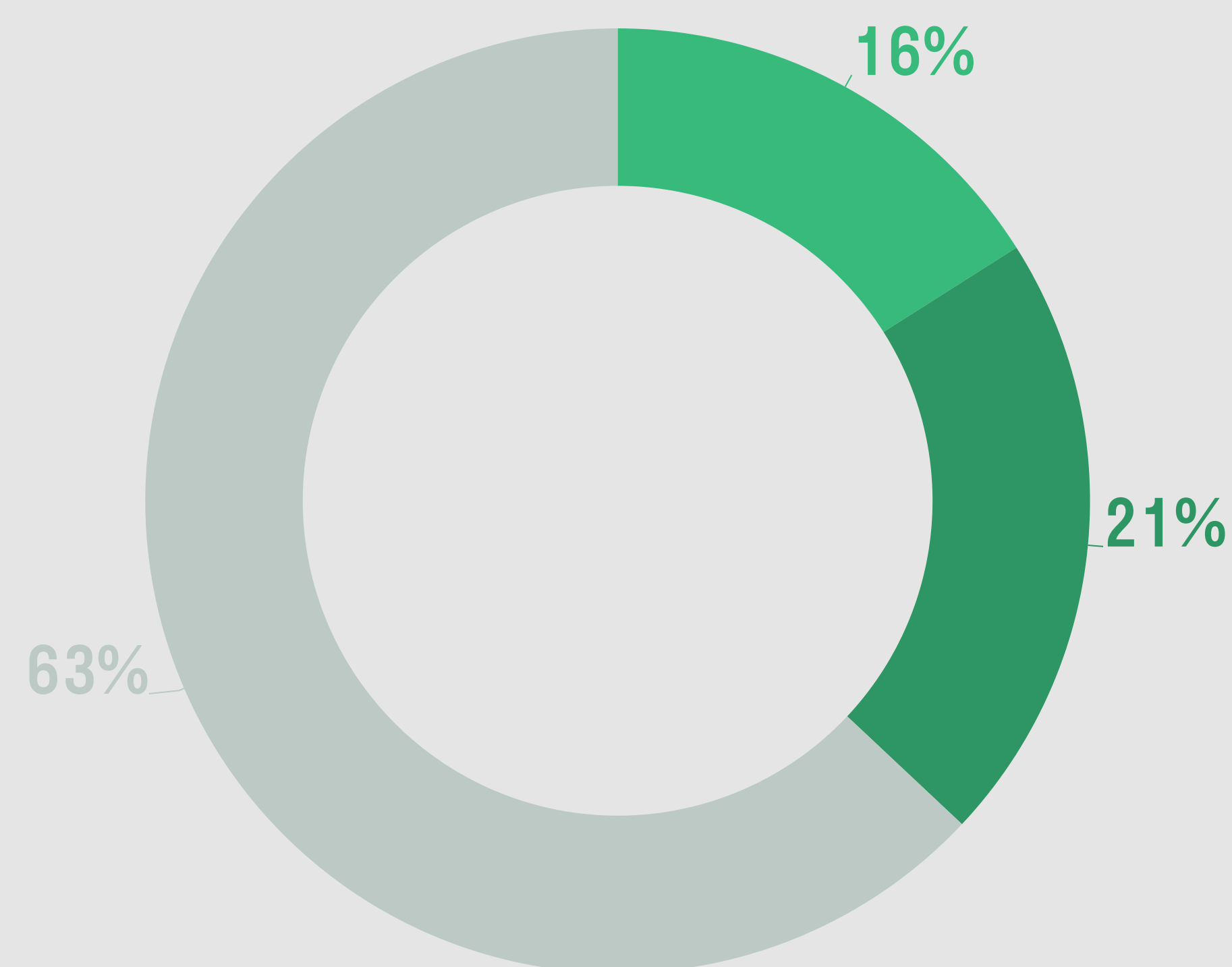
To keep our engagement focused, we have identified 25 goals across our stewardship priorities. We record any type of engagement interaction with a company on any single goal as a goal-linked activity (GLA). In cases where we have an interaction with a company that covers more than one goal, this will be recorded as the relevant number of GLAs*.

CHART 1: BREAKDOWN OF GLAs BY INITIATIVES (%)



- Circular economy
- Responsible accounting
- Responsible tech
- Robust and independent audit
- Social value chain
- Paris alignment
- Good governance

CHART 2: BREAKDOWN OF GLAs BY ESG PILLARS (%)



- Environment
- Social
- Governance

Source: Sarasin & Partners, for both pie charts, period 01.01.23, 31.12.23

OUTCOMES SUMMARY

Our engagement tracker enables us to record different outcomes associated with our engagements.

Outcome types*	Goals	Companies	Engagements	GLAs
ACTION	25	130	420	92%
MILESTONE	8	9	15	2%
IMPACT	17	15	30	6%
GRAND TOTAL	25	133	435	100%

Source: Sarasin & Partners, 31.12.23

One goal can have multiple outcomes associated with it. Similarly, engagement with companies can have one or more outcomes. An engagement is regarded as a number of activities with a specific company focussing on a specific goal. Where company-linked activities over two goals, it is recorded as two engagements.

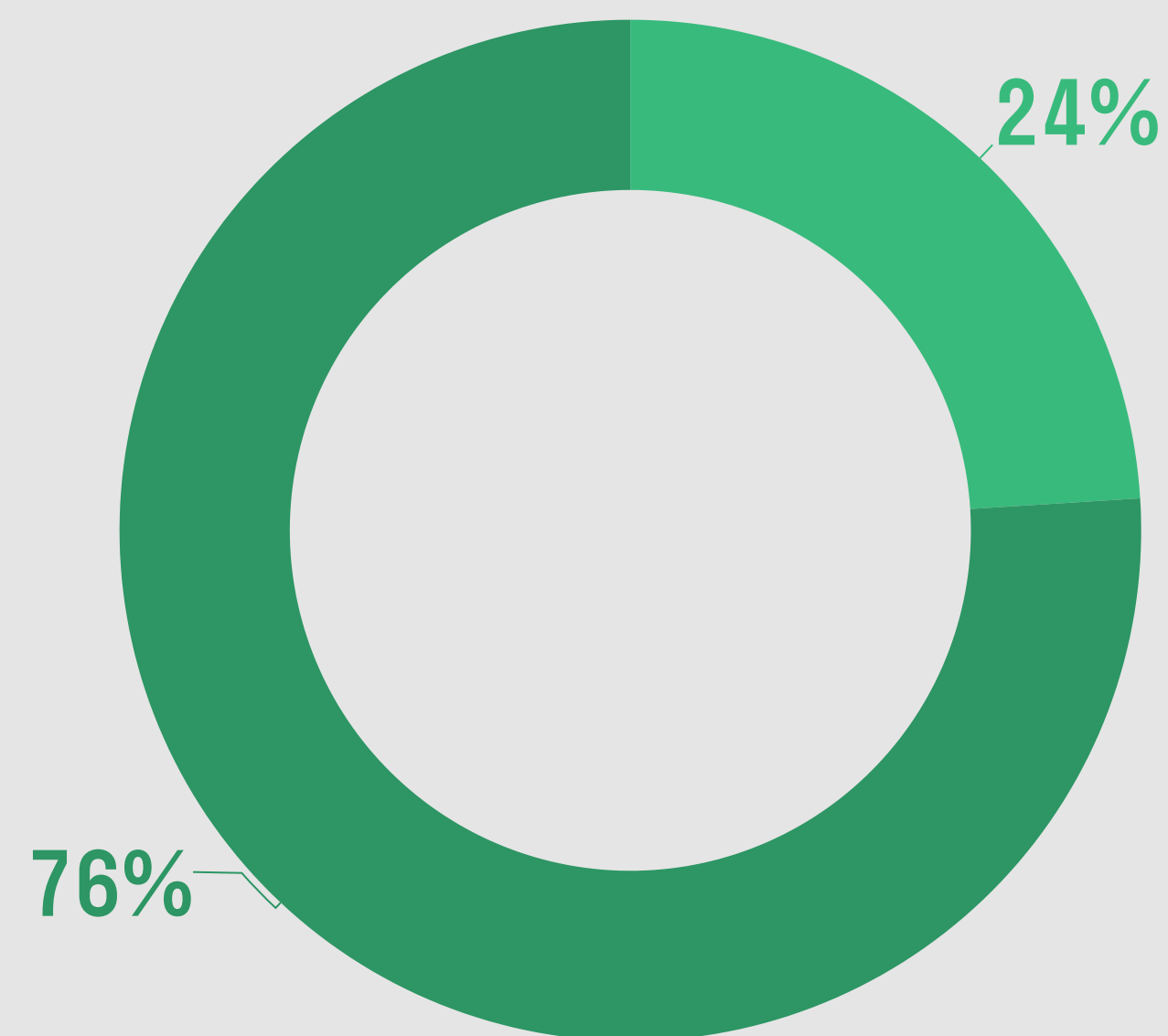
Note: The statistics of outcomes on the GLAs may not be fully correct due to an existing bug in our internal workflow system, whereby outcomes are assigned to engagement activities rather than individual GLAs.

* Goal-linked (GLA) is any type of engagement interaction with a company on a single goal activity.

HOW WE VOTED IN 2023

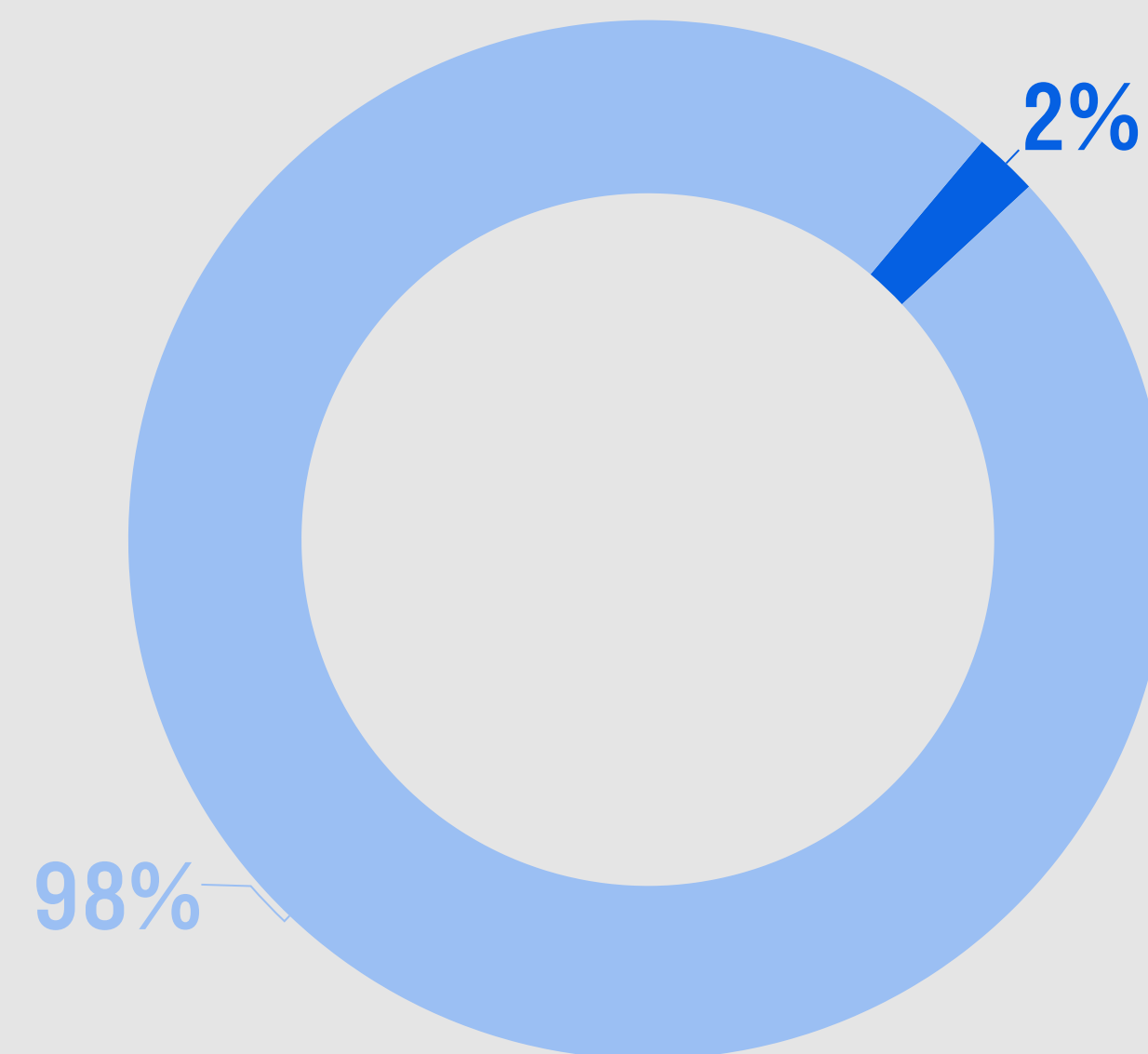


2023 VOTING ACTIVITY



24% of resolutions voted differently from ISS in 2023 proxy season

Our corporate governance and voting guidelines (available on our website) outline our perspectives on corporate governance and other ESG issues and inform how we vote. Our proxy advisory firm, ISS, implements our voting policy. Our voting policy tends to be more robust than ISS's default policy. We usually vote against board proposals more frequently, inline with our perspectives on



Overrode our own voting policy or manually determined **2%** of resolutions (approximately 30 resolutions)

governance issues. As thoughtful voters, we do not rigidly apply our voting policy and we may override our voting policy in certain instances. For example, at times the spirit of our voting policy requires a different approach. We always explain any divergence in our quarterly voting reports.

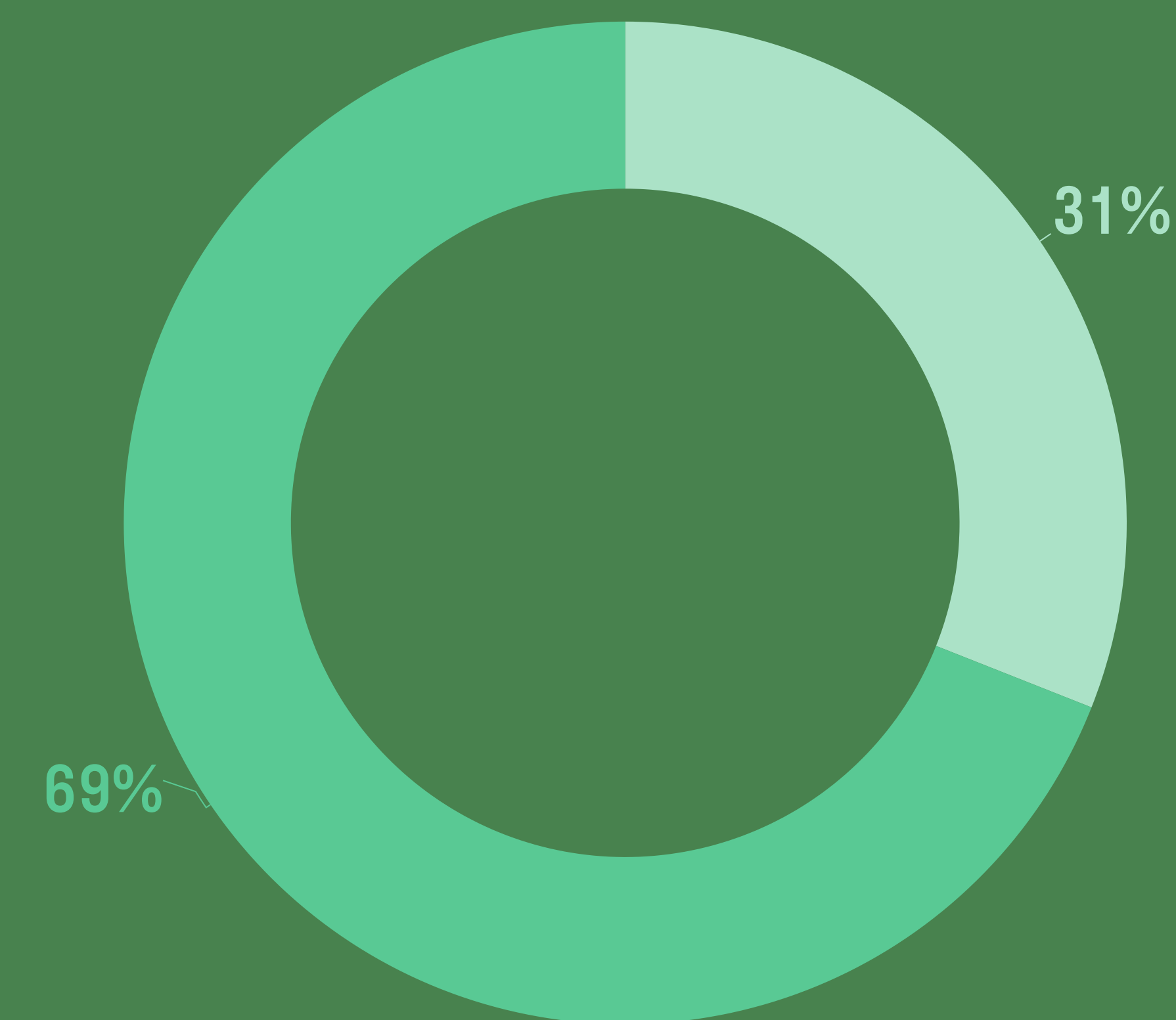
WILLINGNESS TO VOICE CONCERNS

WE VOTED AGAINST management in

31% of total resolutions

Investors have a shared responsibility in holding the board to account for the oversight of the strategic issues.

We actively vote on behalf of our clients



Source: Sarasin & Partners, January 2024. Data relates to our global equity buy list as at 03.01.2024 (100 companies) for the proxy season 2023 (1 January – 31 December 2023)

WORKING TOWARDS WELL-FUNCTIONING MARKETS



POLICY OUTREACH HIGHLIGHTS

Policy and market outreach is a core pillar of our stewardship approach. Where we find market practices or policies that result in adverse impacts on the environment or particular stakeholder groups, and where we believe we can contribute to positive change, we speak out.

In 2023 we have retained the six priorities from 2022.

1 ACCOUNTING REFORM

Long-term stewardship of capital

2 PARIS-ALIGNED ACCOUNTING AND AUDIT

To support the achievement of the 1.5°C-world

3 A RESPONSIBLE APPROACH TO TECHNOLOGY

To tackle harmful social consequences of technology

4 CIRCULAR ECONOMY

To reduce negative externalities from excessive resource use and inadequate recycling, particularly relating to plastics

5 RELIABLE AND TRANSPARENT AUDITS

To support corporate accountability

6 LABOUR RIGHTS AND HUMAN RIGHTS ACROSS THE VALUE CHAINS

To promote more productive, cohesive and sustainable economic growth

COLLABORATIONS

We collaborate with like-minded investors to amplify our voice in company engagements and policy outreach. Through collaboration we can enhance our ability to drive change.

In 2023

we participated in

165

collaborative goal linked activities (GLAs) with

65 companies.

We led

133

of these GLAs

Key collaborative engagements in 2023:

- Rio Tinto
- Equinor
- Air Liquide
- CRH
- Amazon
- US Solar Fund
- Unite Group
- Oxford Instruments

FUNDRAISING AND CHARITY

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

ENGAGING IN COMMUNITY SUPPORT

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

CHARITY OF THE YEAR

Every two years we ask our staff to vote on the charity they want to support. The business currently supports Cure Parkinson's, an organisation that aims to find new treatments to slow, stop or reverse the progression of Parkinson's disease.

Since inception in 2013, the Fundraising team has annually raised in excess of £10,000 for each chosen charity - an amount which has increased each year.

We raise money through various events, including charity auctions, raffles, bake sales and sponsored static bike rides. In addition to the charity we focus on, we have also established other ways to support the cause we care about.

Over the last 2 years,
we raised an amazing

£61,414

for Grief Encounter, a charity that supports bereaved children and young people.



PAYROLL GIVING

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



DONATION MATCHING

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



VOLUNTEERING

Sarasin offers staff two days of volunteering leave every year.



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