

NET ZERO ASSET MANAGEMENT COMMITMENT

2024 UPDATE

Since our initial target disclosure in November 2021, and the publication of our NZAM Action Plan in early 2022, we have built new processes and systems to support our net-zero commitment. Our climate stress testing processes, including net zero alignment assessments and climate value at risk modelling, provide a foundation for targeted engagement with the most exposed companies held in our core strategies. We prioritise those companies that offer the greatest carbon emission reduction opportunities for our most intensive engagements.

From the time of our initial commitment three years ago, not only has the market evolved with changes to government policy, advancing clean technology and shifting economic incentives, but service providers have also improved their climate-related data and enhanced methodologies. Our business has likewise evolved, notably with the launch of an indirect private markets offering in 2024.

In light of these changes, we wish to reaffirm our commitment to supporting the Paris Agreement goals, and also extend its scope to our private markets strategy. We remain committed to extend our net-zero approach gradually over all assets for which we have full investment and stewardship discretion¹.

To date, the private markets space has been characterised by weaker climate-related disclosures and controls. Yet, given the growth in assets under management in this asset class, it is increasingly important to support a net-zero future. Consequently, we are committed to engage with the private markets fund managers with whom we work to press them to adopt a credible Paris-alignment commitment.

¹ In our 2022 NZAM Action Plan, we calculated that 71% of total AUM was in-scope for our commitment in August 2021. Sovereign debt requires a different approach and, currently, it is not in scope of this methodology.

To accommodate our private markets offering and challenges of working through external managers, we have updated our targets as follows:

- For all listed equities and listed bonds, we retain our existing commitment to apply our approach by 2025 across all material high-impact holdings in our core investment strategies. This means that such holdings are either net-zero aligned, or subject to efforts to drive Paris-alignment. In the case of the latter, we have a clear engagement methodology with defined time frames and disclosures on progress.
- For all listed and unlisted third-party funds, we are committed to engage with external managers to increase disclosure and drive alignment with our own NZAM commitments.

These changes update the targets in our original 2022 NZAM Action Plan, which will be fully reviewed by 2027. Our methodology otherwise remains unchanged and further details can be found [here](#).

SARASIN & PARTNERS LLP DECEMBER 2024

IMPORTANT INFORMATION

The value of your investments and any income derived from them can fall as well as rise and you may not get back the amount originally invested. Past performance is not a reliable indicator of future results and may not be repeated. Forecasts are not a reliable indicator of future performance.

Sarasin & Partners LLP is a limited liability partnership registered in England and Wales with registered number OC329859, and is authorised and regulated by the Financial Conduct Authority with firm reference number 475111.

© 2024 Sarasin & Partners LLP – all rights reserved.

Juxon House
100 St. Paul's Churchyard
London EC4M 8BU

T +44 (0)20 7038 7000
sarasinandpartners.com

