

SARASIN  
& PARTNERS



# Tomorrow's World

Henry Boucher



# Ethical investing



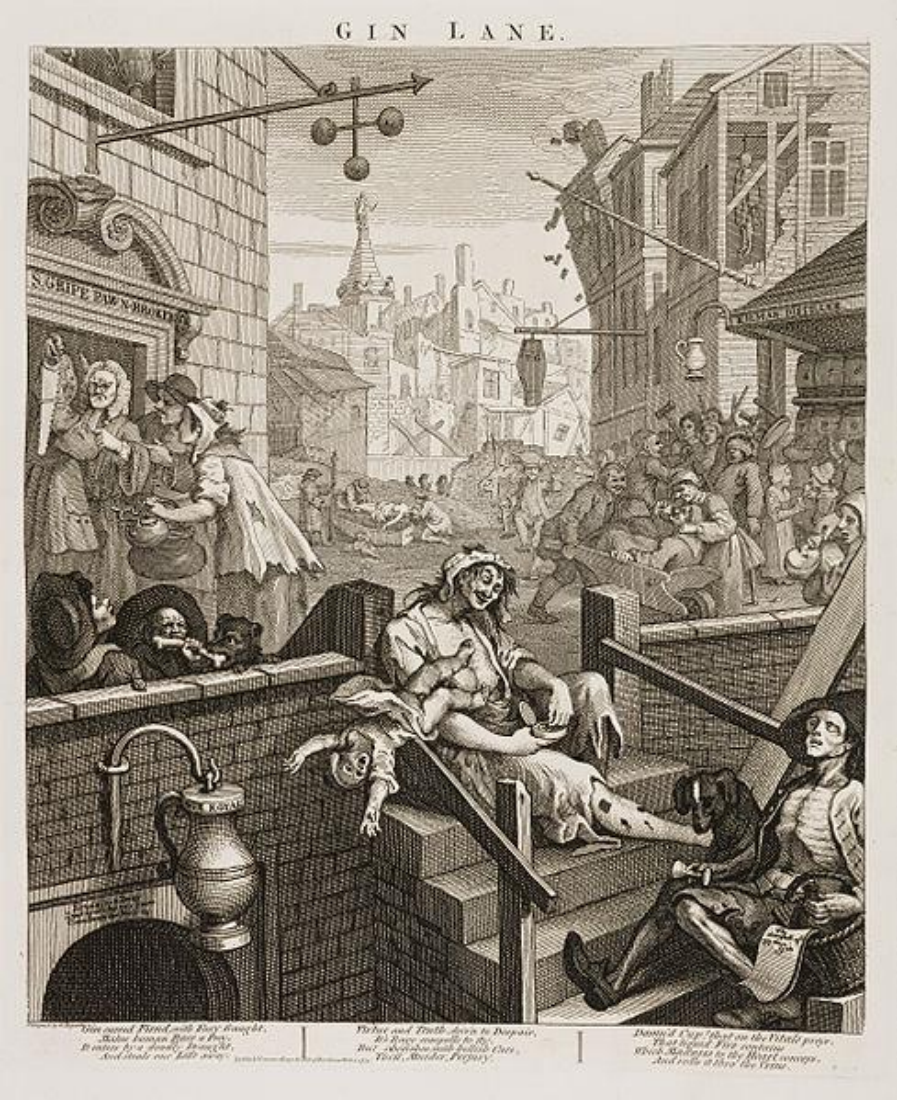
ALCOHOL



TOBACCO



GAMBLING



Source: Gin Lane, Wikipedia



ARMAMENTS



CIVILIAN FIREARMS



ADULT ENTERTAINMENT

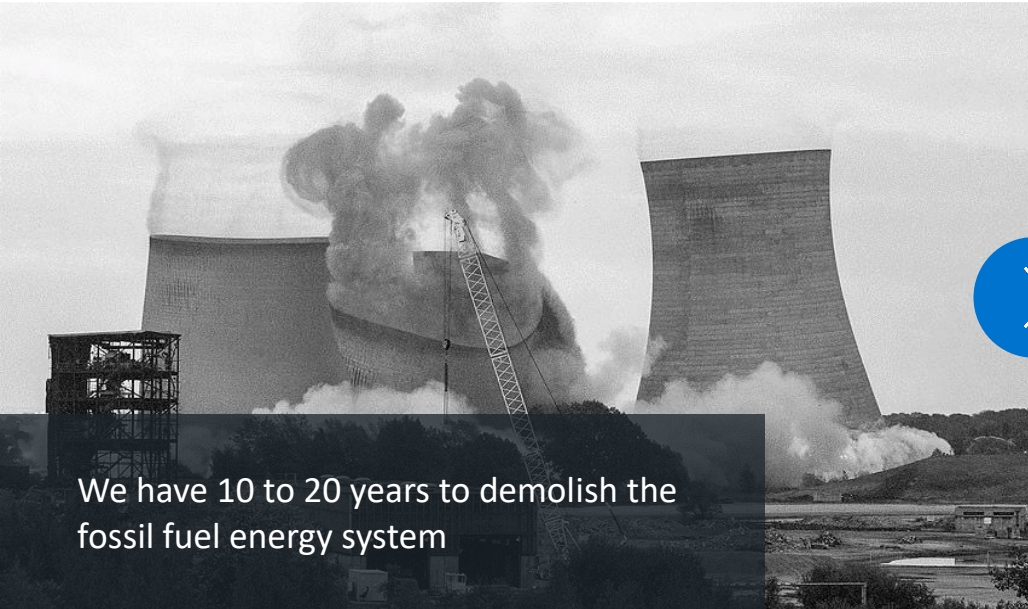
# Governance

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# Climate Change

Be cool to be kind



We have 10 to 20 years to demolish the fossil fuel energy system



And replace it with new technology

# 'Negative Externality'





# There are multiple impacts from companies' activities

It is not just climate change – people are increasingly concerned about many other 'harms'



# ESG Integration

Harmful activities are not only undesirable but can result in investment risk



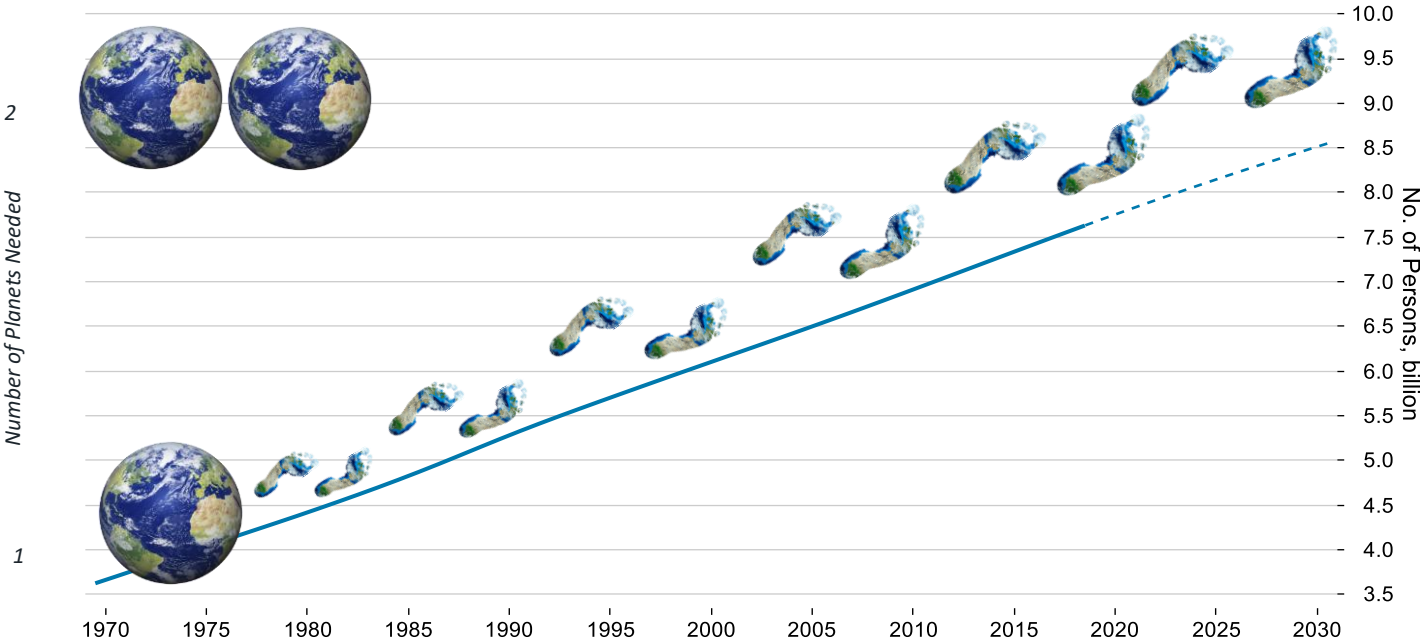


# The heart of the problem: People and planet out of balance





We will have to reduce our consumption of natural resources

 A growing population and increasing ecological footprints are unsustainable


We are using the resources of nearly two planets



The 'American Dream' is too resource intensive for everyone to enjoy

-  USA  
8.22 ha/person
-  Europe  
5.57 ha/person
-  China  
3.38 ha/person
-  India  
1.16 ha/person

Sources: United Nations Population Data; Global Footprint Network; Macrobond

 The Ecological Footprint is measured in global hectares per person, or in "Number of Earths", which represents how many Planet Earth's it would take if everybody had this Footprint

# To return to balance will require shifts in consumption trends



# The momentum is inexorable

FCA Market Study on Asset Management and Discussion Paper on Climate Change

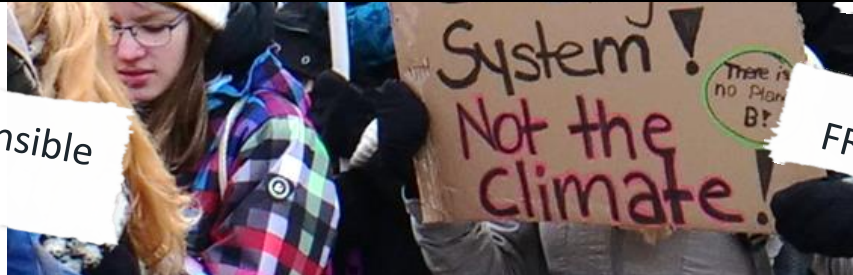
The European Commission Action Plan on Sustainable Finance

The EU Shareholder Rights Directive

The Department for Work and Pensions (DWP) clarification on pension trustees' investment

The OECD Guidelines for Responsible Business Conduct

RESPECT EXISTENCE



The UN Global Compact (UNGC)

The UN Principles for Responsible Investing (UN PRI)

The UN Sustainable Development Goals (SDG's)

The Task Force on Climate-related Financial Disclosures (TCFD)

European Commission High-Level Group on Sustainable Finance

FRC Stewardship Code

EU 'Taxonomy'

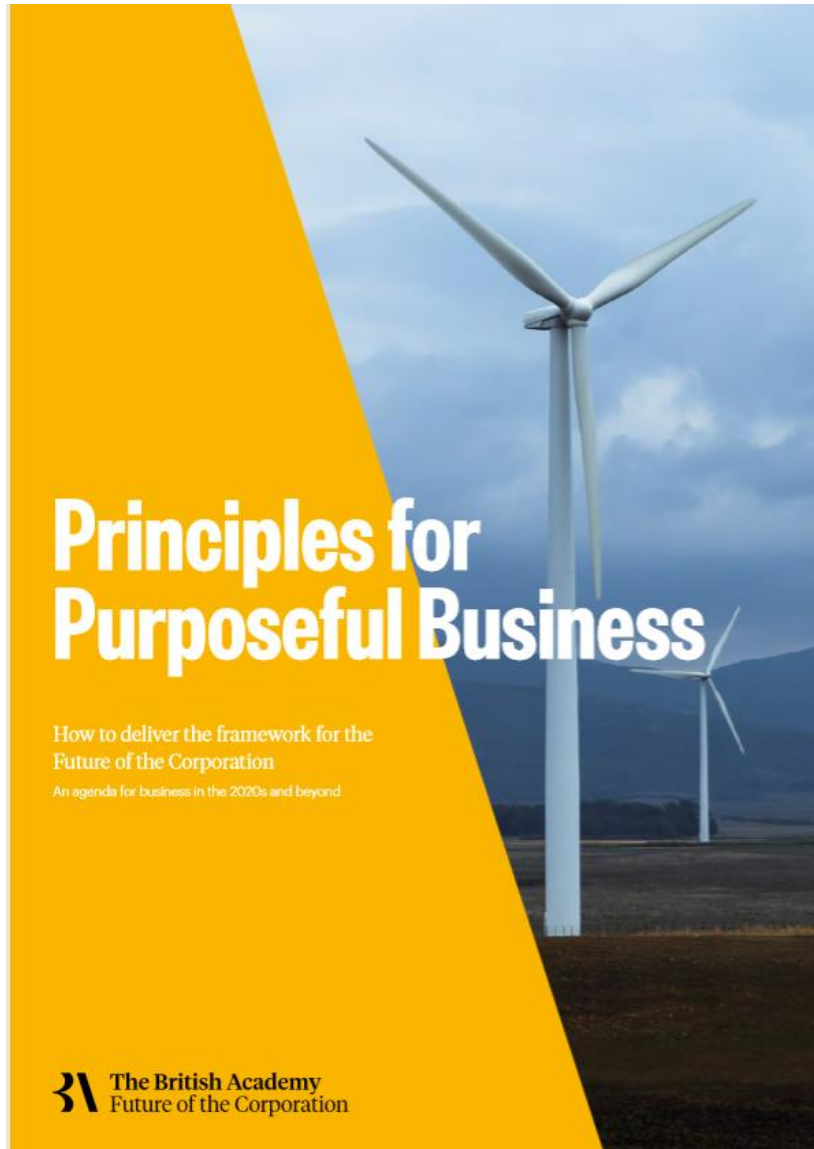
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*“Sustainable development is development that meets the need of the present without compromising the ability of future generations to meet their own needs”*

The UN Brundtland Commission report ‘Our Common Future’ defined the term *sustainable development* in 1987

# The future of the corporation is being debated around the world

A purpose beyond pure profit



*“We concluded that the purpose of business is to solve the problems of people and planet profitably, and not profit from causing problems”*

# Red lights: causing significant harm

ESG analysis is integrated into our Stewardship approach for all funds

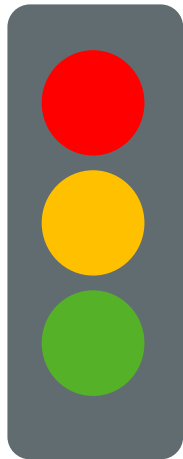
*Coca-Cola*

The Coca-Cola Company is the world's largest soft drinks company.  
Billions of servings of its products are consumed every week

X

Soft drinks are heavy to transport and CO2 emissions are high

Produces 100 billion plastic bottles each year and plans for recycling are too slow (2030) and unlikely to stop environmental impact



CLIMATE CHANGE



CIRCULAR ECONOMY



LAND



AIR



WATER



SUPPLIERS



EMPLOYEES



CUSTOMERS



BRIBERY & CORRUPTION



COHESIVE SOCIETY



BOARD STRUCTURE



OWNERSHIP RIGHTS



REPORTING & CONTROLS



EXECUTIVE REMUNERATION



BUSINESS ETHICS



High calorie soft drinks made with high fructose corn syrup and sugar are a major contributor to obesity and diabetes

Competition for water, growing of ingredients, corporate purpose, remuneration, accounting for externalities etc. are concerns

# Red lights: causing significant harm

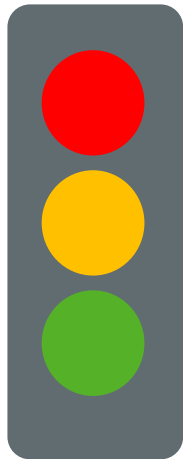
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Orsted is the largest offshore wind farm company in the world with a market share of 16%. Based in Denmark it operates in Europe and the US



Aims to be carbon neutral by 2040, but in the meantime emits CO2 from biomass and fossil fuels in some of its power generation



CLIMATE CHANGE



SUPPLIERS



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BUSINESS ETHICS



There can be problems in recycling materials from the turbine blades at end-of-life. The footprint of steel and other materials used to construct towers needs to be reduced

# New Sarasin Tomorrow's World Multi-Asset Fund

Next step in 'ethical' investing – *purposeful* companies that don't profit from causing problems



## Purposeful Companies

**Solving the problems of people and planet profitably,  
and not profiting from causing problems**



## Sustainable Outcomes

**Leaving Tomorrow's World in which future generations can meet their own needs**



# Important information

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