

SARASIN

STEWARDSHIP ACTIVITY

2022 IN REVIEW

This document is for residents of the US only and is not for onward distribution. If you are a retail investor, you should not act or rely on this document but should contact your professional advisor.



STEWARDSHIP HIGHLIGHTS IN 2022

We believe investors have the power to grow and protect capital in a way that benefits society. This is why engaged stewardship is at the core of how we manage our clients' assets. We use integrated ESG analysis in conjunction with fundamental research. This strengthens our ability to protect and enhance our clients' capital.

During 2022 we enhanced our stewardship efforts across our core initiatives in line with our ownership discipline. This saw increased engagement, thoughtful active ownership and continued policy outreach. Here we share some of the key developments from the past year.

PROCESS IMPROVEMENTS

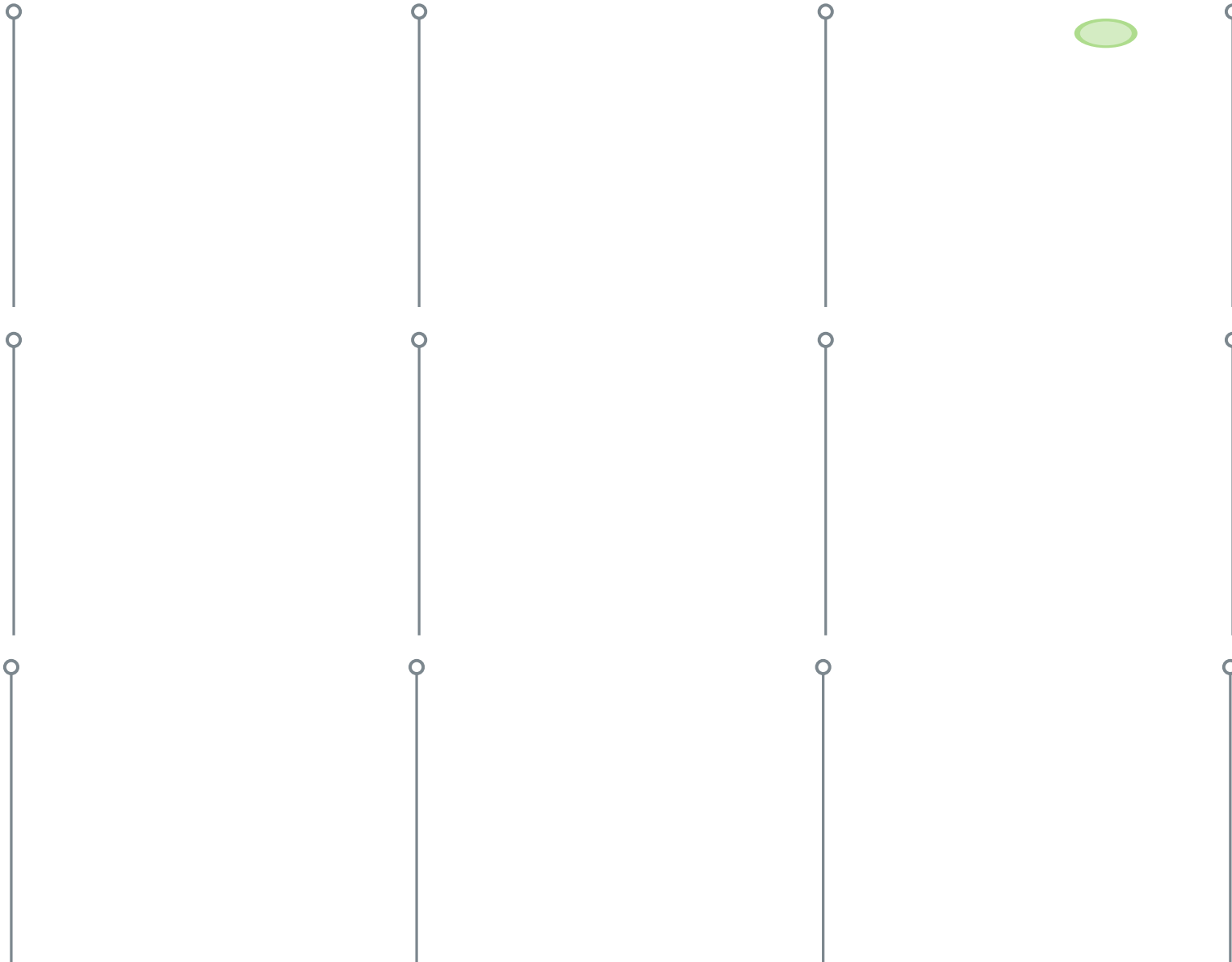
VOTING UPDATES

ENGAGEMENT UPDATES

POLICY OUTREACH

STEWARDSHIP PRINCIPLES IN BRIEF

Every year we report on the 12 principles of the UK Stewardship Code. This covers asset managers' strategy and governance, their investment approach, engagement activity and how they exercise their rights and responsibilities. [Click on each principle to find out more.](#)



WHAT WERE OUR KEY PRIORITIES?

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

- **PARIS ALIGNMENT**

- **SOCIAL VALUE CHAIN**

- **CIRCULAR ECONOMY**

- **RESPONSIBLE ACCOUNTING**

- **GOOD GOVERNANCE**

- **RESPONSIBLE TECH**

- **ROBUST AND INDEPENDENT AUDIT**

OUR KEY ENGAGEMENTS IN 2022

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.

2022 ENGAGEMENT ACTIVITY

Our Engagement Tracker enables us to record different outcomes associated with our engagements.

CHART 1: BREAKDOWN OF GLAs BY INITIATIVES (%)

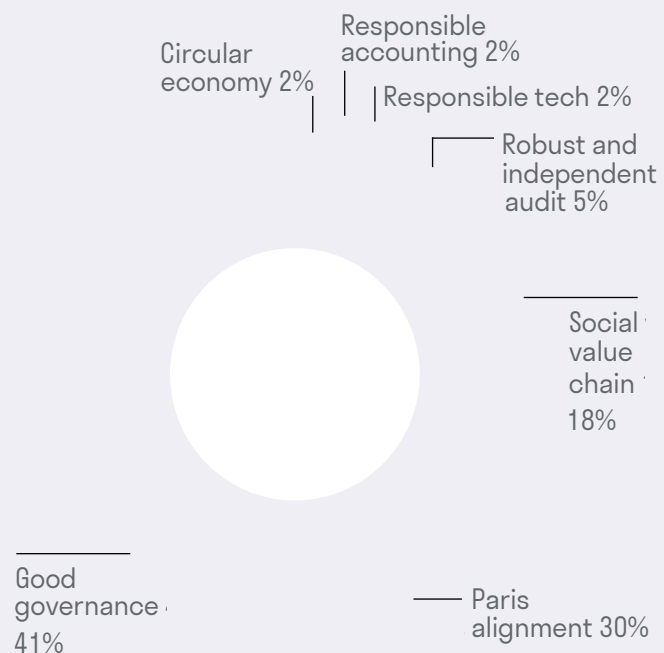
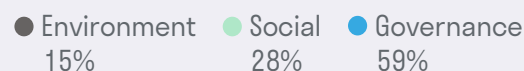


CHART 2: BREAKDOWN OF GLAs BY ESG PILLARS (%)



OUTCOMES SUMMARY

We record any type of engagement interaction with a company on any single goal as a goal-linked activity (GLA).

¹Goal-linked activity (GLA) is any type of engagement interaction with a company on a single goal. Where we have an interaction that covers more than one goal, we record this as >1 GLA.

HOW WE VOTED IN 2022

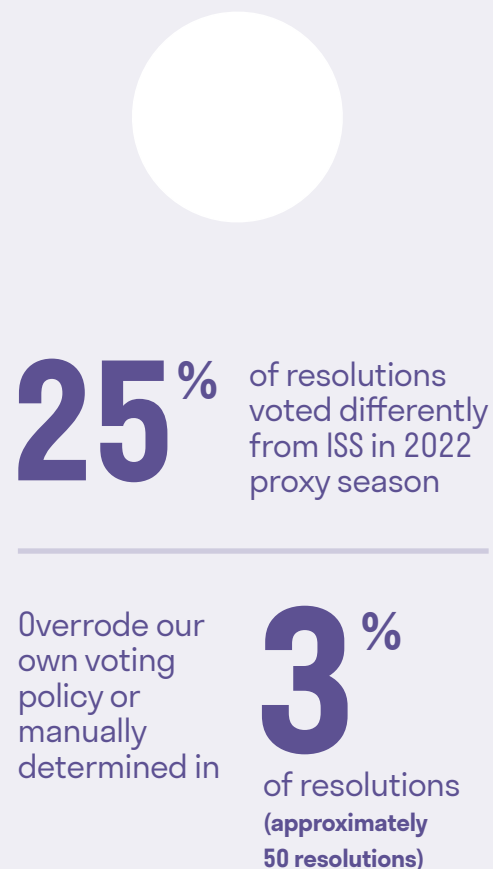
Voting is a key part of our ownership discipline. It enables investors to fulfil their responsibilities in monitoring and holding executives to account

We use our votes actively, to reinforce key asks we make of companies.

Our Corporate Governance and Voting Guidelines (available on our website) outline our perspectives on common governance 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, in line with our perspectives on governance issues.

As thoughtful voters, we do not rigidly apply our voting policy and we may override our 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 CONCERN

We voted **AGAINST** management in

22%
of total resolutions

We actively vote on behalf of our clients.

Investors have a shared responsibility to in holding the board to account for the management of the business.

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, we speak out if we believe we can contribute to positive change.

Over the course of 2022, we increased our policy outreach priority list to cover six areas. [Click to read more.](#)

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
2022
we participated in
147
collaborative goal-linked
activities (GLAs)¹ with
40 companies.
We led
106
of these GLAs.

Key collaborative engagements last year included those with:

- **Rio Tinto**
- **Equinor**
- **Compass Group**
- **NextEra Energy**
- **Air Liquide**
- **Amazon**

¹Goal-linked activity (GLA) is any type of engagement interaction with a company on a single goal.

CASE STUDIES

We practice what we preach. Here are some examples of our stewardship activities in 2022.

RELIABLE ACCOUNTING TO SUPPORT LONG-TERM CAPITAL MAINTENANCE

For several years we have been at the forefront of efforts calling for proper enforcement of capital maintenance rules in the UK and EU. The accounting system should prevent companies from hiding bad news that could put solvency at risk.



WHAT WE DID

In early 2022, we voiced concern about the establishment of the UK Endorsement Board and raised it with policymakers and other stakeholders.



WHAT WE ACHIEVED

PARIS-ALIGNED ACCOUNTING AND AUDIT

Companies that depend on carbon-intensive activities should give visibility of how they expect their financial position to be impacted by the effects of climate change and a transition to net zero.



WHAT WE DID

We submitted to the US Securities and Exchange Commission's proposed new rule for companies to give detailed climate-related disclosures in their financial statements. We also interacted with the UK's Financial Reporting Council to support continued supervisory scrutiny.



WHAT WE ACHIEVED

COMPANY CASE STUDIES

We practice what we preach. Here are some examples of our stewardship activities in 2022.

WEYERHAEUSER

Weyerhaeuser is one of the world's largest timberland managers and a leading supplier of low-carbon construction materials.



WHAT WE DID

In 2022, we engaged with the Board to align the company's strategy more strongly with delivering a zero-carbon future. We also asked for improved disclosure on Weyerhaeuser's climate change mitigation plans in their financial



WHAT WE ACHIEVED

DEERE & CO

Deere is a leading agricultural equipment and advisory company, and has a unique opportunity to catalyse better carbon management, given how critical agriculture is in relation to climate change.



WHAT WE DID

We have been engaging with the Board since the implementation of our climate voting policy in 2020 - on three things: a net-zero commitment, a plan for farmers to manage carbon emissions, and climate-risk disclosures in financial accounts.



WHAT WE ACHIEVED

IMPORTANT INFORMATION

This document is for residents of the US only and is not for onward distribution. If you are a retail investor, you should not act or rely on this document but should contact your professional advisor.

This communication is sent on a confidential basis, and you are welcome to discuss the materials with our staff.

This information may not be circulated to others without our permission.

The information on which the document is based has been obtained from sources that we believe to be reliable, and in good faith, but we have not independently verified such information and no representation or warranty, express or implied, is made as to their accuracy. All expressions of opinion are subject to change without notice.

US Persons are able to invest in units or shares of Sarasin & Partners LLP funds if they hold qualified investor status and enter into a fully discretionary investment management agreement with Sarasin Asset Management Limited. US persons are U.S. taxpayers, nationals, citizens or persons resident in the US or partnerships or corporations organized under the laws of the US or any state, territory or possession thereof.

This document has been prepared by Sarasin & Partners LLP ("SGP"), a limited liability partnership registered in England and Wales with registered number OC329859, authorised and regulated by the UK Financial Conduct Authority and approved by Sarasin Asset Management Limited ("SAM"), a limited liability company registered in England and Wales with company registration number 01497670, which is authorised and regulated by the UK Financial Conduct Authority and registered as an investment adviser with the US. The information in this document has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training.

Please note that the prices of shares and the income from them can fall as well as rise and you may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. **Past performance is not a guide to future returns and may not be repeated.** Management fees and expenses are described in SAM's Form ADV, which is available upon request or at the SEC's public disclosure website, <https://www.adviserinfo.sec.gov/Firm/115788>.

For your protection, telephone calls may be recorded. SAM and/or any other member of the J. Safra Sarasin Holding Ltd group accepts no liability or responsibility whatsoever for any consequential loss of any kind arising out of the use of this document or any part of its contents. The use of this document should not be regarded as a substitute for the exercise by the recipient of his or her own judgment. SAM and/or any person connected to it may act upon or make use of the material referred to herein and/or any of the information upon which it is based, prior to publication of this document.

© 2023 Sarasin Asset Management Limited – all rights reserved. This document can only be distributed or reproduced with permission from Sarasin Asset Management Limited.

SARASIN

SARASIN ASSET MANAGEMENT

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

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

