SARASIN
& PARTNERS

THE TRIANGLE TRUST 1949 FUND

YOUR STEWARDSHIP REPORT
2023

If you are a private investor, you should not act or rely on this document but should contact your professional adviser.

CONTENTS

FOREWORD

AN INTRODUCTION TO YOUR STEWARDSHIP REPORT

WHY INCORPORATE ESG FACTORS

We believe investors have the power to grow and protect capital in a way that benefits society. We take a global, long-term, thematic approach to investing – with engaged stewardship at its core. Through integrated environmental, social and governance (ESG) considerations, active ownership and impactful policy outreach, we aim to improve financial outcomes and help secure tomorrow.

We commit to:

- Rigorous ESG analysis;
- A proactive ownership discipline which promotes sustainable behaviour in investee companies; and
- Pressing for changes in the market that support sustainable growth.

These elements are mutually reinforcing. They create a virtuous cycle of research, capital allocation and influence working together towards positive change.

RECENT DEVELOPMENTS

As a founding signatory to the Net Zero Asset Managers' Initiative (NZAM), we aim to align our investment approach with the Paris Climate Agreement's goal of keeping temperature increases to below 2°C and ideally 1.5°C. We published an NZAM Action Plan in 2022, which describes how we use the levers at our disposal to achieve this goal. At the time of writing, NZAM represents $59 trillion of assets under management from global asset managers.

Overall, the past year has seen a significant up-tick in our engagement activities across a range of issues. These include climate change, human rights, labour rights and diversity – with 450 engagements in 2022 versus 281 in 2021.

THE IMPORTANCE OF REPORT AND ACCOUNTS

In the process, we have made encouraging headway in our multi-year engagement and policy outreach effort calling for net-zero aligned accounting and audit. This is vital for making stakeholders aware of how low-carbon transition could materially affect businesses.

In particular, we would draw readers' attention to positive results from our collaborative engagements with Shell, BP and Total on accounting and audit, as well as with HSBC on the financing of fossil-fuel intensive activities.

LOOKING AHEAD

In a new development that acknowledges the dependence of financial capital on natural capital such as clean air, land and water, we have launched the Sarasin Natural Capital Working Group. This initiative explores how we can deepen our understanding and refine our investment processes to reflect environmental issues.

We hope that this stewardship report demonstrates that we go above and beyond expectations in implementing our stewardship and ESG-related policies.

OUR SUSTAINABILITY IMPACT MATRIX

A key part of our investment process is understanding investment impacts. 'Impact' can be interpreted in a number of ways. In this report we focus on two: first, the external adverse impacts that a company has on the environment and society in the course of its operations. Secondly, we consider the impact from a shareholder perspective, examining these adverse impacts' consequences for investment risk.

EXTERNAL ADVERSE IMPACTS

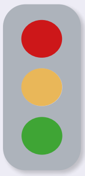
Financial capital cannot exist in isolation from the social and natural capital on which it depends. A critical first step in putting a higher value on social and natural capital is to measure it better. The costs of human suffering or damage to the environment are not reflected in economic growth and other measures of national accounts, nor are they reflected in the financial accounts of most companies. The absence of information leads many to ignore the problems.

With companies often not disclosing, or submitting incomplete, data on externalities, we do our own comprehensive analysis of the external impacts that businesses have on the planet, society and their stakeholders. We do this through Sarasin's Sustainability Impact Matrix (SIM). It uses the quantitative and qualitative information available from multiple different sources, considering over 160 different questions. For more details on the considerations in the SIM process, please see the appendix.

SARASIN SUSTAINBILITY IMPACT MATRIX

See the appendix for more information on the individual SIM factors

The SIM assesses 15 key environmental, social and governance factors. From the analysis, each factor is given a red, amber or green traffic light to reflect the severity of the external impact:



Red – Significant adverse impact

Amber – Material adverse impact

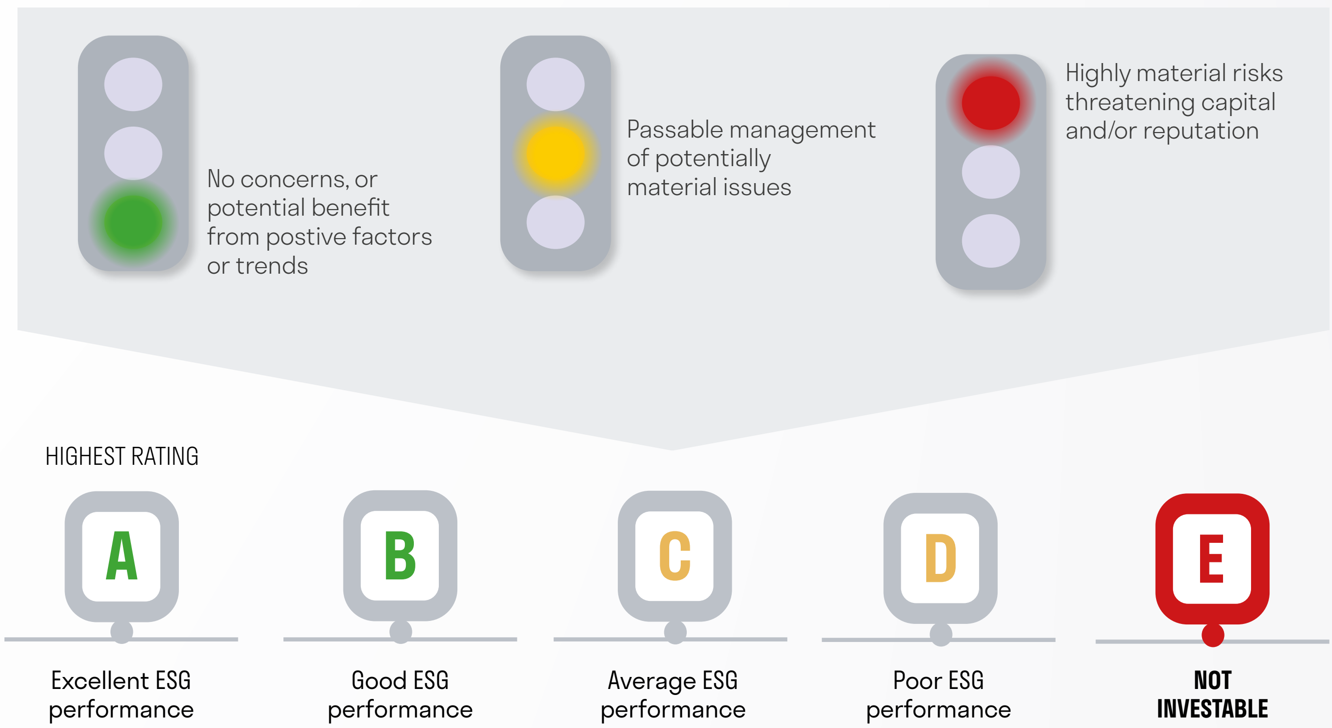
Green – Low adverse impact

A red score in one of the 15 categories does not necessarily rule out an investment in a company, unless specified by a particular investment strategy. In the case of each red traffic light, and many of the amber traffic lights, we will engage with the companies to understand how each of the adverse impacts are being addressed.

FINANCIAL IMPACTS

With a greater understanding of the external adverse impacts, we are in a more informed position to judge the financial risks that the company's operations may generate. Importantly, these are absolute judgements of risks to capital, not relative to sector peers.

SARASIN TRAFFIC LIGHT SCORING



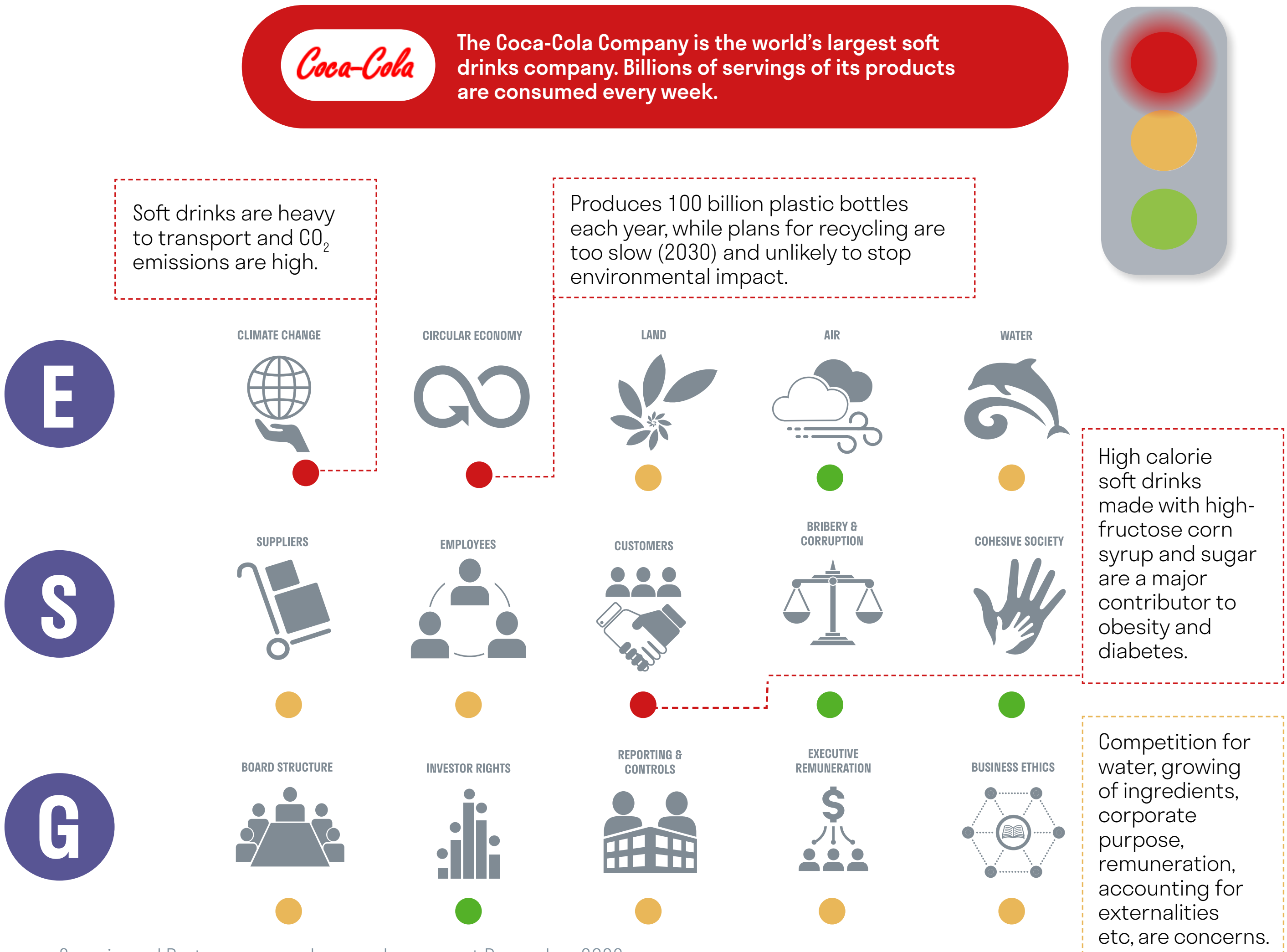
To summarise the ESG risks of an investment, we assign an ESG rating of A to E which reflects the overall risk for the entity concerned.

UNDERSTANDING YOUR REPORT
HOW WE SCORE COMPANIES

The lead analyst on a company, working alongside a stewardship team member, forms the ESG rating as part of bringing a stock idea to the team. The wider investment team then scrutinises the ratings as part of our stock approval process to ensure consistency. In the event of diverging views, the stewardship lead makes the final decision.

Materiality of the risks are modelled based on an understanding of the economics, not rules. The materiality of specific ESG issues depends on each company, its business model and sector. Therefore we do not adopt a formulaic link between the 'traffic light' assessment and overall ESG rating. Instead, the stock initiation note illustrates how our assessment of material ESG issues (structured by the 'traffic lights') has informed our view of a company's ESG risk and materiality, which is captured by the letter rating.

THE TRAFFIC LIGHT ASSESSMENT OF THE ESG RISKS

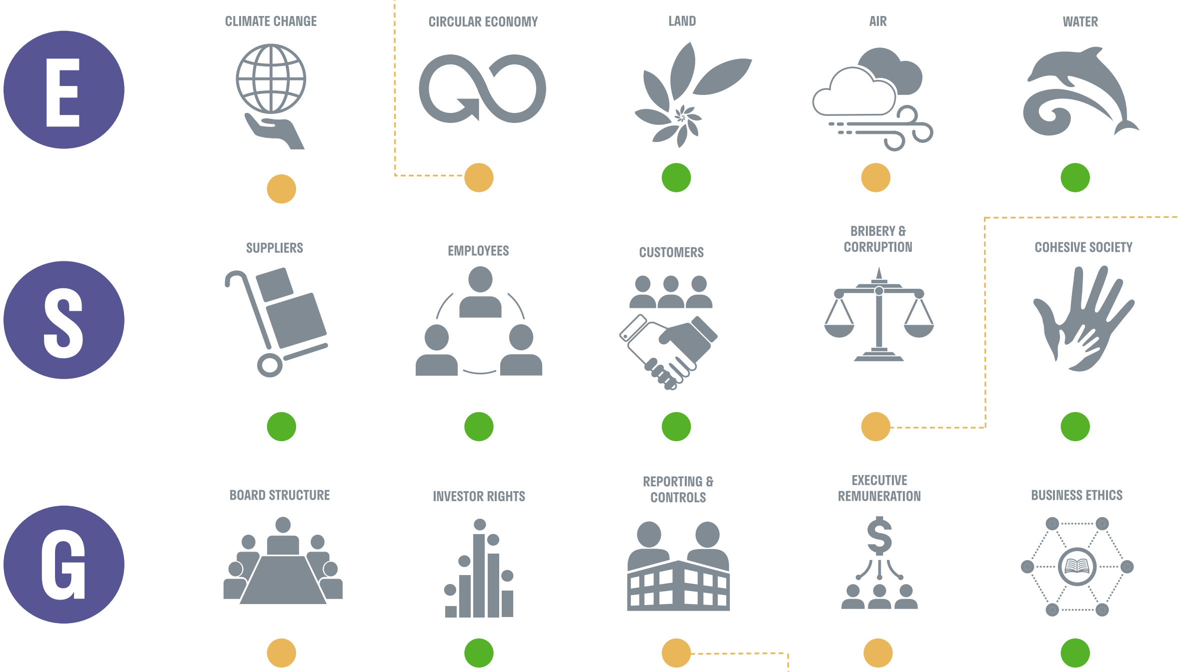


Source: Sarasin and Partners, examples are shown as at December 2022

Schneider Electric

Schneider is an automation component, system and service provider

Despite having industry-leading circular economy targets in place, the company's electrical power products remain challenging to recycle.



The company was the target of a probe into alleged cartel pricing of electrical goods in 2018. Although the company strongly refutes these allegations, we continue to monitor the story.

While its annual report is an exemplar of climate change disclosure and narrative, we have been unable to discern how climate change has been integrated into auditor methodologies.

Source: Sarasin and Partners, examples are shown as at December 2022

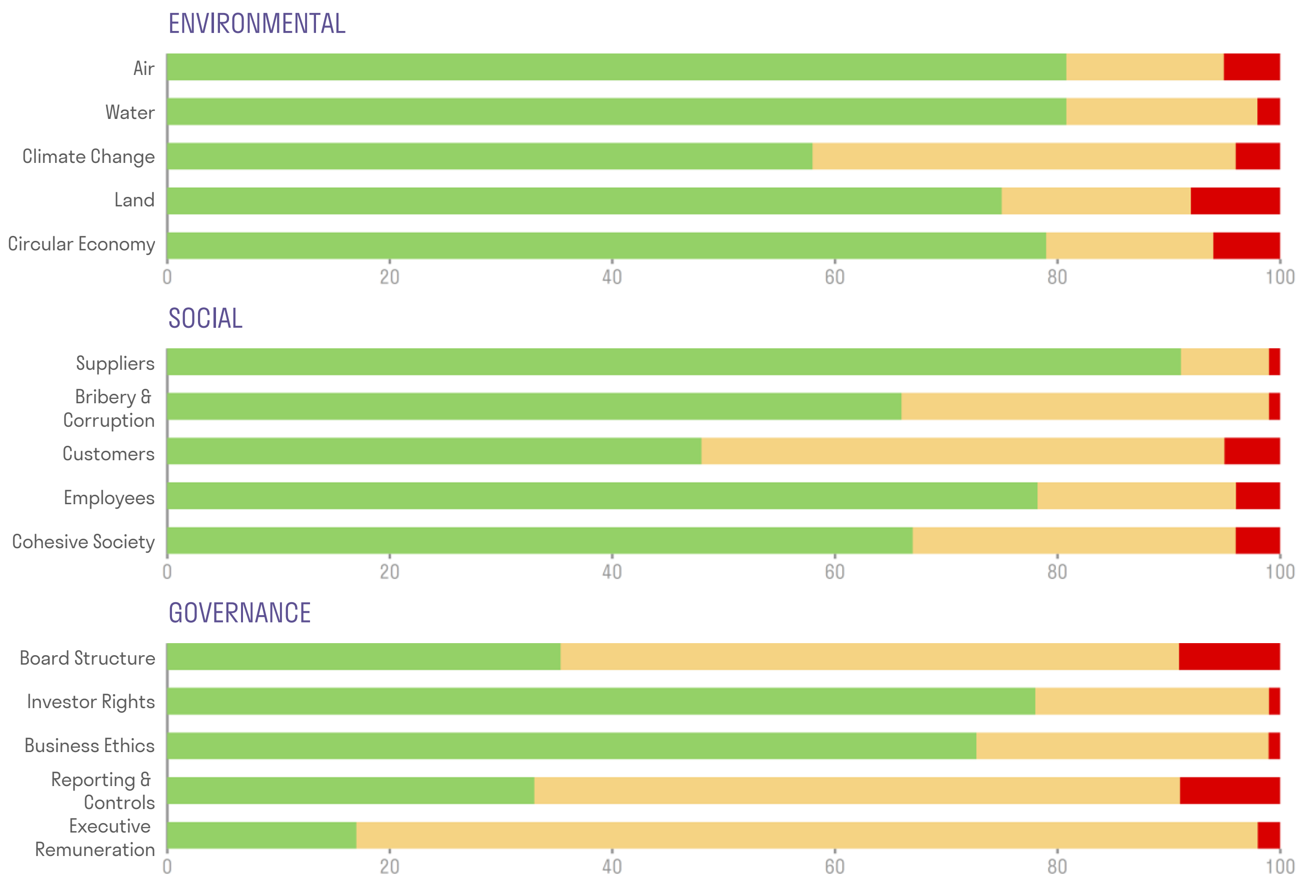
OVERALL ESG RISK ANALYSIS
AN ASSESSMENT OF YOUR PORTFOLIO'S ESG SCORE

THE TRIANGLE TRUST 1949 FUND

This chart below shows how your portfolio scores across the 15 ESG factors in our SIM. It shows the aggregate score for each of the factors.

To reiterate: a red score in any of the categories does not necessarily rule out investment, but we will engage with the company to understand how they are addressing each adverse impact.

SUSTAINABILITY IMPACT MATRIX ASSESSMENT (%)



Source: Sarasin and Partners internal ratings

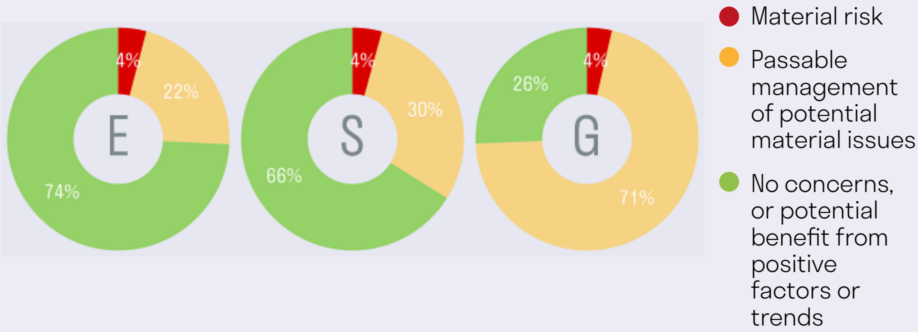
Please note that the above charts cover only Sarasin ESG rated stocks which constitute 98% of your portfolio's equity holdings

ESG TRAFFIC LIGHT ASSESSMENT (% OF PORTFOLIO)

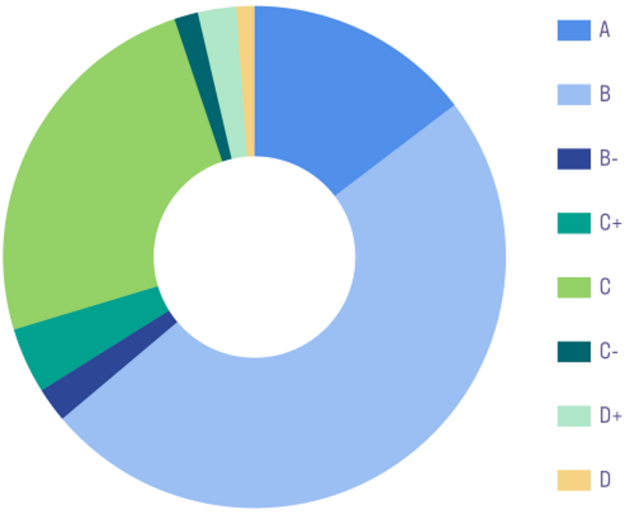
Based on the assessments of the 15 ESG sub-themes, we arrive at an overall traffic light for E, S and G.

This represents our summary assessment of how material the adverse impacts identified are for each company's specific circumstances.

This chart shows the figures aggregated at the portfolio level.



OVERALL ESG SCORE



The score relates to equities held

To summarise the overall ESG risks of an investment we assign an ESG rating of A to E, which reflects the overall risk.

Your portfolio's overall score is B-.

Please note that the above charts cover only Sarasin ESG rated stocks which constitute 98% of your portfolio's equity holdings

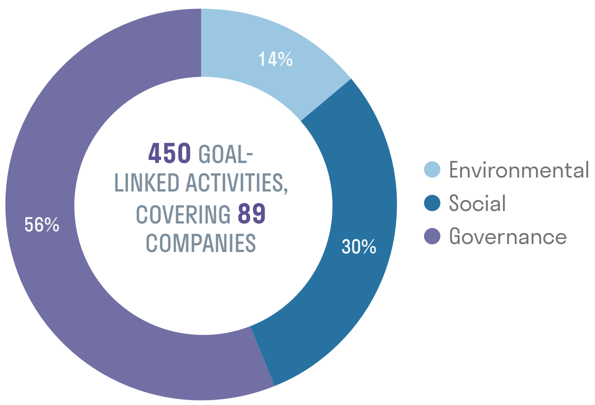
STRATEGIC ENGAGEMENTS

Our fundamental ESG analysis forms the basis of our company engagement strategy. We group all of our engagement activities by specific initiatives that we would expect to last for at least one year. Initiatives provide the umbrella for several goals that we run as individual projects but ultimately support the broader ambitions of the initiative.

We distinguish between engagement activities – meaningful interactions with the company such as letters, phone calls, or meetings – and goal-linked activities – which are interactions related to a specific goal. Indeed, single engagement activities often cover a range of engagement goals we would have identified as part of our SIM company assessment. In most cases we see both company and policy engagement linked to a single initiative, allowing us to press on different dimensions to promote a more sustainable outcome.

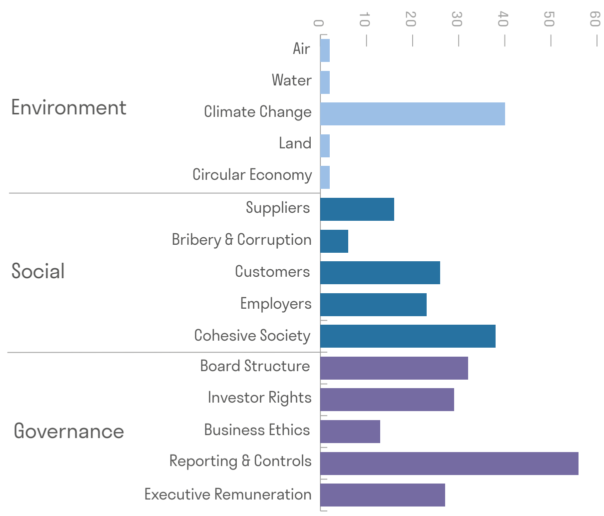
For example: under the initiative on "Paris alignment", we seek the following goals: "Net Zero accounting", "Net Zero audit", and "Net Zero commitment".

SUMMARY OF GOAL-LINKED ACTIVITIES OVER THE LAST 12 MONTHS (%) BY ESG THEMES AND SUB-THEMES

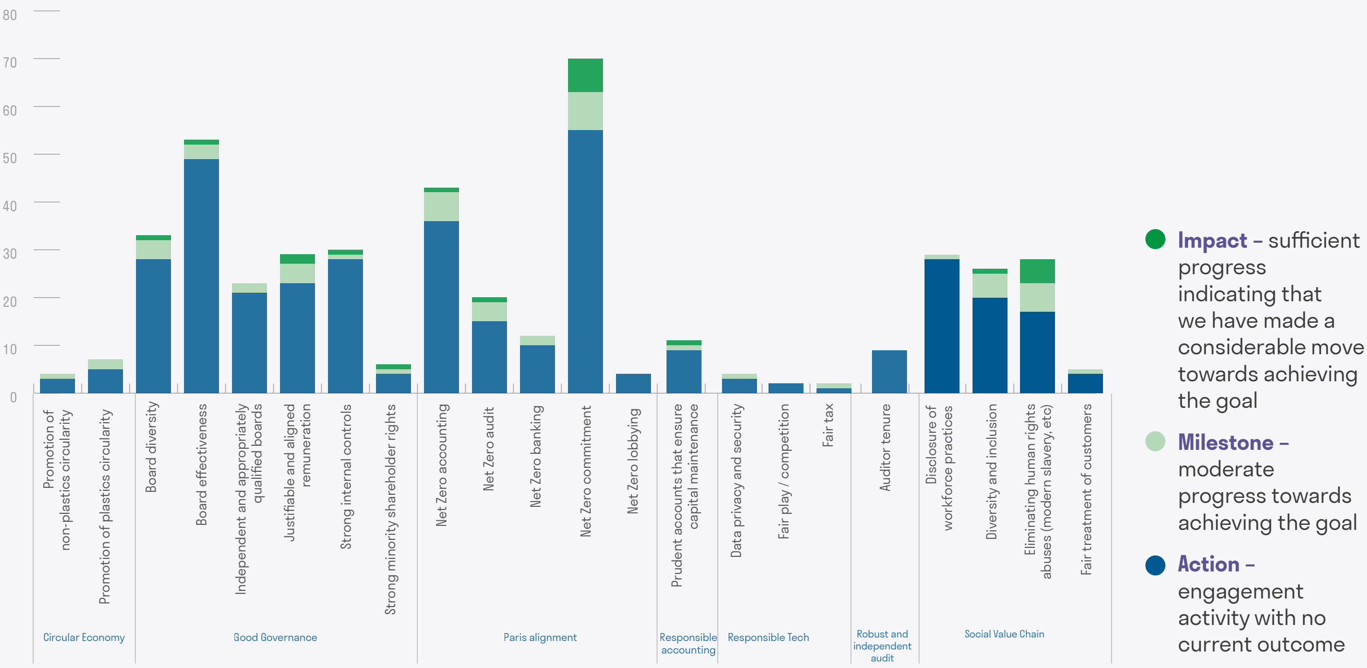


One goal-linked activity can be captured under several ESG sub-themes. For example, "Net Zero accounting" will be captured under "E, Climate Change" and "G, Reporting & Controls"

ENGAGEMENTS BY TYPE (%)



PROGRESS OF GOAL-LINKED ACTIVITIES OVER THE LAST 12 MONTHS (%) BY INITIATIVES AND GOALS



Source for all charts above: Sarasin & Partners, relating to all Sarasin engagements over 12 months to December 2022

Below are a few examples of the impact of our engagements:

PARIS ALIGNMENT

NEXTERA

June 2022 – NextEra published a 'Real Zero' goal to eliminate all scope 1 and 2 carbon emissions across their operations by no later than 2045.

DEERE & CO

March 2022 – The company published its scope 3 emissions data, incorporated climate risk and opportunity analysis in line with the Task Force on Climate-Related Financial Disclosures (TCFD) framework and announced net zero interim targets for 2026 and 2030.

October 2022 – Deere's interim net zero targets were independently validated by the Science-Based Targets Initiative as being consistent with keeping global warming below 1.5°C.

LONDON STOCK EXCHANGE

August 2022 – The chair of the board demonstrated greater interest in exploring net-zero commitments as a requirement for companies to list the exchange.

DS SMITH

January 2022 – The company disclosed a science-based target which includes a 46% reduction in carbon emissions by 2030 (against a 2019 benchmark) and a commitment to reach net zero by 2050.

GOOD GOVERNANCE

SPLUNK

JUSTIFIABLE AND ALIGNED REMUNERATION

June 2022 – The company will require the CEO to hold shares worth a minimum of six times the value of their salary in order to better align interests with shareholders. They have also committed to avoid paying out discretionary bonuses to executives without transparent processes.

LONDON STOCK EXCHANGE

BOARD EFFECTIVENESS

August 2022 – The chair of the board has committed to improving their availability to meet investors, in addition to enhancing investor communication more broadly.

JUSTIFIABLE AND ALIGNED REMUNERATION

August 2022 – The company explained that in light of their acquisition of Refinitiv, the previously unsubstantiated increase in CEO pay has now aligned LSE with similar-sized companies.

SOCIAL VALUE CHAIN

DEERE & CO

DIVERSITY & INCLUSION

February 2022 – After the appointment of a new non-executive director, the board now meets our gender diversity expectations of being comprised of at least 30% women.

POLICY AND COMPANY ENGAGEMENT

Our engagement work with our investee companies and the broader market aims to address governance failures, strategic challenges and other market imperfections, with a view to protect and enhance shareholder value. We are pleased to share with you some of our stewardship-related reports, policy and engagement efforts. If you wish to delve into more detail, please refer to our website: https://sarasinandpartners.com/stewardship/

Sarasin becomes a signatory to the UK Stewardship Code

The Financial Reporting Council's (FRC) UK Stewardship Code sets higher stewardship standards for asset managers, asset owners and service providers. Our stewardship reports demonstrate how we comply with the Stewardship Code on behalf of our clients.

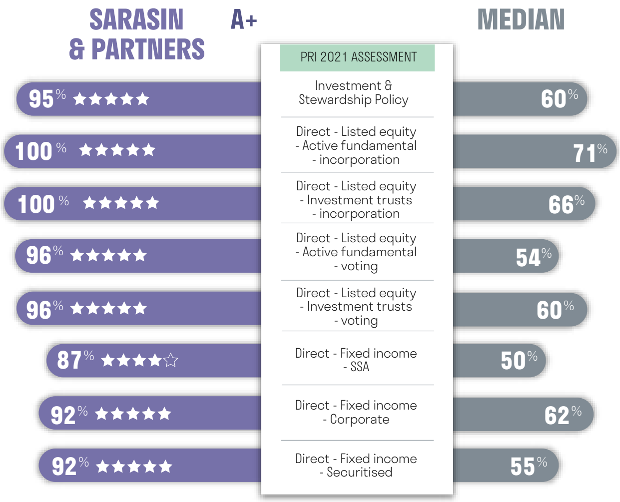
We have been a signatory to the UK Stewardship Code since it was introduced. You can read our reports on our website: https://sarasinandpartners.com/stewardship/

UK STEWARDSHIP CODE

Sarasin receives top rating in 2021 PRI reporting framework manager scores

Based on investor questionnaires submitted in 2021, the United Nations Principles for Responsible Investment (UNPRI) assessed investors' commitment to investing responsibly.

For the 2021 assessment, Sarasin & Partners received the top score – five stars – for seven out of eight modules. You can view our Assessment Report on our website: https://sarasinandpartners.com/stewardship/



Source: PRI 2021 Assessment – Published 8 September 2022

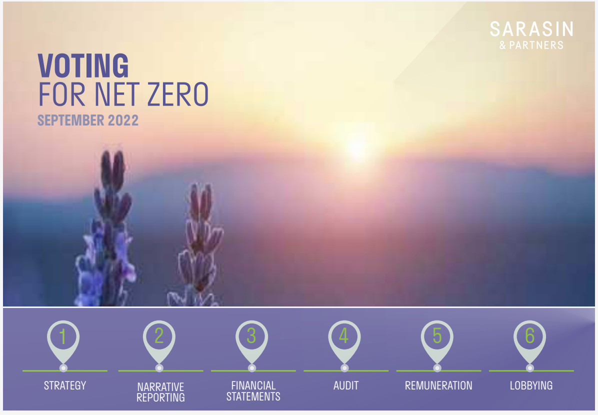
Sarasin publishes its Net Zero Voting Policy for 2023

Climate change has been a consideration in our voting policy since 2018, with the policy updated annually. In September 2022, we published a standalone Net Zero Voting Policy. It sets out how climate considerations are embedded into our voting on core items such as financial statements, auditor reappointment and remuneration, and particularly, director elections.

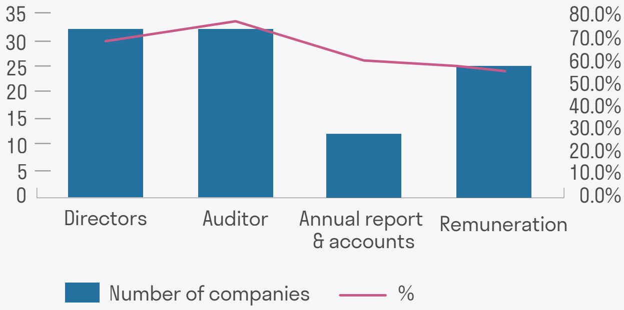
Through this policy we also aim to stimulate debate on the importance of ensuring that all our voting – including on director reappointment – takes climate risk management into account. The responsibility to vote in line with our clients' long-term interests demands that we do this. Aligning our vote with the achievement of a 1.5°C temperature pathway is also part of our Net Zero Asset Management (NZAM) commitment.

Our Net Zero Voting Policy applies to our climate amber list. These are companies whose future prospects are most materially exposed to climate change and the energy transition. It therefore needs to be a focus area for the board. Directors that fail to manage these risks should be held to account. Likewise, if auditors fail to sound the alarm on potential material mis-statements that stem from management ignoring accelerating decarbonisation, they should be replaced. Where remuneration is awarded for performance that makes climate change worse, we should reject it.

We call on our peers, and especially signatories to the NZAM initiative, to ensure their voting reflects this commitment.



Please see the chart below for the climate-related votes we implemented in 2022. It shows the number and percentage of amber list companies where climate was the key driver for voting 'against' or where we abstained from voting.



Source: Sarasin covering AGMs: 1st Jan 2022 through 7th Sept 2022

Collective action: 30% Club UK Investor Race Equity Group

The 30% Club UK Investor Group was established in 2011. It brings together more than 40 investors that represent approximately £11.7 trillion AUM to drive change with companies on inclusion and diversity.

In 2022, we assumed leadership of the newly created 30% Club's UK Investor Race Equity Working Group. We lead the workstream that press companies to achieve the 30% Club's targets. This relates to the 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 were instrumental in drafting the 30% Club's Investor Statement on addressing Racial Inequality and Call to Action.[1] We lead the collective outreach with FTSE companies to satisfy the Statement's asks.

We focus on those FTSE 250 companies that do not meet the Parker Review recommendations, based on the most recent update report as of March 2022[2].

To prioritise engagements, we stripped out the investment trusts and real estate investment trusts (REITs) from this list, as well as companies who were not surveyed by this update, due to being newly listed on the FTSE 250. The final target list totals 71 names, which we have split into three phases based on market capitalisation. We intend to contact them over the longer term.

In 2022, we launched Phase 1, comprising 21 companies. Letters have been sent to the chairs of the boards at all of these companies, with each member of the working group taking ownership of specific companies. (Please note: the table below refers to all 250 companies, not just the 71 we are, or will be, engaging with.)

FTSE 250 companies already meeting the target (as of December 2021)	
Companies already meeting target	128
Companies not yet meeting target	105
Companies not responding	17
% Companies meeting the target*	55%

Source: Improving the Ethnic Diversity of UK Boards
— An update report from the Parker Review March 2022
*Base: Responding companies

As can be seen by the progress highlighted below, even at this early stage the outlook appears positive, and we expect to see further improvements in the coming months.

Source: 30% Club's UK Investor Race Equity Working Group – December 2022

[1] https://30percentclub.org/wp-content/uploads/2022/03/30-Club-Race-Equity-Investor-Statement-1.pdf

[2] https://assets.ey.com/content/dam/ey-sites/ey-com/en_uk/topics/diversity/ey-what-the-parker-review-tells-us-about-boardroom-diversity.pdf

2022 Firm-wide company engagements

Below are examples of how we engaged with firms over the last year. Some of these companies may not be held in your portfolio.

Taiwan Semiconductor Manufacturing Company

In 2022, we escalated our engagement with Taiwan Semiconductor Manufacturing Company (TSMC) on board gender diversity. We contacted TSMC in 2021 as part of our targeted outreach to 21 key companies with insufficient board diversity. Following our initial letter to the chair of the board, we received a response where the company highlighted its awareness of investors' focus on gender diversity, as well as its consideration of board diversity when evaluating director candidates.

However, following the company's 2022 AGM, there was no measurable improvement, with only one female board director in place. Additionally, this director had already served on the board for 11 years, which raised concerns that the length of her tenure could negatively impact her independence. We therefore wrote to the chair of the board in July 2022. We strongly expressed our concerns and indicated that improvement is crucial, in addition to noting that we would like to see progress before the next director elections.

The chair of the board responded that TSMC "will take these into consideration for our planning for the upcoming 2024 Board elections". We will continue to actively monitor their performance in this area.

Amazon.com

As one of the largest listed companies in the world, Amazon is surprisingly difficult to engage with. Despite several efforts to correspond with the board, both bilaterally and as part of broader investor coalitions, we have found it difficult to gain access and have only been able to speak with the investor relations (IR) team. This is troubling because we have identified several areas of concern that we believe the board needs to hear from shareholders on.

We had a call with IR in July 2022 following our email exchanges which spanned several months and our focused voting at Amazon's AGM in May 2022[3]. We had six items on the agenda:

- Data privacy and security
- Worker safety and labour rights
- Tax transparency
- Circular economy and pollution
- Competition / fair play
- Auditor rotation

On two of these items – **data privacy and security** and **fair play / competition** – the company was reluctant to provide comments due to the ongoing investigations by the European competition authorities. On **auditor rotation** we received pushback: Amazon is not planning on rotating its auditors in the near future. However, we did have a meaningful discussion on the remaining items on our list.

On **worker safety**, we raised concerns about the gaps in Amazon's Safety Report and our views about more comprehensive safety indicators, including injury rates by type of jobs and geography. There are advanced safety measures in place, such as safety vests that are embedded with intelligent chips, and AI- (artificial intelligence) based camera technologies. With that proving effective, Amazon and its shareholders should benefit from enhanced disclosure.

We further suggested increasing transparency around employee satisfaction rates and the effects of grievance mechanisms that are in place. We also articulated our opinion that protecting the rights of freedom of association and collective bargaining would present an opportunity for better management of risks relating to human and labour rights.

On **tax transparency**, we discussed the consequences of the 2021 regulatory changes. These include the agreement by 137 countries in favour of the OECD framework for global tax reform. Amongst others, this demands a minimum 15% tax rate for Multinational Enterprises (MNEs) from 2023 and a new EU directive that requires all large MNEs to publish country-by-country reporting (CbCR). Furthermore, we discussed the 2022 Amazon shareholder resolution asking to publish a Tax Transparency Report aligned with the Global Reporting Initiative standard. We supported it, and are engaging with other investors as part of the PRI Tax Reference Group. Amazon seems to be acceptive to the idea of CbCR, yet reluctant to adopt a formal global standard.

On **circular economy** and pollution, we discussed the steps Amazon has taken to bring down plastics use in packaging. We asked for better disclosure of the remaining volumes and reduction in absolute terms, as well as the percentage of recycled plastics. This would give investors a chance to quantify progress towards Amazon's goal of making all of its packaging recyclable. At the 2022 AGM, Sarasin supported the shareholder resolution asking to report on efforts to reduce plastic use, which received 49% of votes. We are particularly interested in seeing better quantitative disclosures related to these efforts.

[3] At the 2022 AGM, to highlight its concerns with Amazon's ESG performance, Sarasin voted against three of Amazon's directors based on remuneration, audit and independence concerns. We also voted against the auditor, EY, and executive compensation. We supported seven out of 14 shareholder resolutions and abstained on one.

Weyerhaeuser's Net Zero strategy

Following a long-standing engagement with Weyerhaeuser, one of the world's largest timberlands management companies, Weyerhaeuser announced a 2040 Net Zero commitment, and received Science-based Targets Initiative (SBTi)-approval for its medium-term emission targets. It also demonstrably pivoted its business strategy to focus on monetising the value it brings to society through both the forest-based carbon sequestration it is able to deliver, as well as its provision of a low-carbon construction material.

This marks a shift from the board's historical reluctance to emphasise these environmental benefits, relegating them to its corporate responsibility activities, rather than a future value driver. With this shift, and following a meeting with the CEO and CFO in our offices, we have upgraded their climate change rating internally, classifying them as a 1.5°C-aligned business. You can view our assessment summarised in the table below.

We will continue to monitor and support Weyerhaeuser's delivery of its strategy, press for improved climate-related accounting disclosures and seek better disclosure on their physical risks, which could have a profound impact on the business.

NZAM criteria	Our evaluation
Climate/Net Zero commitment by 2050	**Yes** – Net Zero Commitment by 2040 published[1]. This still excludes carbon sinks due to accounting complexities. Were this to be included, the company estimates it would make them net negative. Between 2020 and 2021 Weyerhaeuser has removed a net amount of 14 million metric tonnes of CO_2 from the atmosphere.
Medium and short-term targets – SBTi-alignment	**Yes** – The company has committed to reduce their scope 1 and 2 emissions by 42% and scope 3 emissions by 25% per tonne of production by 2030[2]. They are SBTi-approved, as they are 1.5°C-aligned.
Governance and risks disclosure – TCFD and climate accounting	**Partial** – TCFD reports have been published since 2019, and the company now includes scope 3 emissions targets for 2030. However, their financial statements lack any reference to the way in which climate considerations have been included.
Credible transition plan	**Yes** – Carbon emission reduction goals are embedded in the new strategy which was published in September 2021, which underlines a new Natural Climate Solutions Business led by the former CFO.

[1] https://www.weyerhaeuser.com/sustainability/3by30/climate-change-solutions/; https://www.theclimatepledge.com/us/en/Signatories/weyerhaeuser [2] https://investor.weyerhaeuser.com/2021-12-20-Weyerhaeuser-Receives-Highest-Designation-for-Its-Greenhouse-Gas-Reduction-Targets

KEY VOTES
THE TRIANGLE TRUST 1949 FUND
Voting information between 1 January 2022 and 31 December 2022

Company	Date	Resolution	How we voted for you	Result
DEERE & CO				
	February	**Ratify Deloitte & Touche LLP as Auditors**	**Against**	**Approved**

Rationale : We voted against a resolution to reappoint the auditor Deloitte & Touche, as this auditor has been with Deere for more than a hundred years (since 1910). We do not consider the auditor independent if it has been with the company for more than 15 years.

In addition, we have been unable to gain comfort that climate risks have been considered in the audit procedures, or that climate risks have been appropriately reflected in the financial statements, despite Deere's exposure to both transition and physical climate risks. We voted against the auditor on these grounds in previous years as well. We articulated this concern in our 2021 post-proxy letter to the company's Lead Independent Director, and are taking forward our engagement on this matter.

Percentage of votes cast for the resolution: 94.7% for, 5.3% against.

Company	Date	Resolution	How we voted for you	Result
BRIDGESTONE CORP				
	March	**Elect Director Masuda, Kenichi**	**Against**	**Approved**

Rationale : We voted against this director in his capacity as Nomination Committee Chair due to concerns over insufficient gender diversity. We expect female representation of at least30% at board level. There are currently 16.7% of women on the board. We believe that boardroom diversity can contribute to improved corporate performance by helping to address 'group think' and encouraging internal challenge.

We sent a letter to the Nomination Committee Chair in August 2021 highlighting these concerns. We subsequently had a call with management discussing this topic and sent another letter in November. In our Post-proxy letter to the Chair in December, we again highlighted the need to take meaningful steps to improve board diversity.

Percentage of votes cast for the resolution: 97.2% for, 2.8% against

Company	Date	Resolution	How we voted for you	Result
WALT DISNEY CO/THE				
	March	**Advisory Vote to Ratify Named Executive Officers' Compensation**	**Against**	**Approved**

Rationale : We voted against this proposal because the CEO remuneration scheme did not include a material shareholding requirement. In the US, we expect CEOs to hold at least 600% of their base salary in shares to ensure alignment with long-term shareholders. Further, in the annual incentive program, two financial targets were set well below actual performance in the prior year, and there was no full disclosure about some of the long-term targets.

We have previously engaged Walt Disney on these topics, but made little progress. We voted against the Say on Pay proposal in previous years as well. As shareholder support for it was relatively low (68.5% in 2021 and 53.8% in 2020), the company has made certain improvements to address shareholders' concerns, including an increased emphasis on performance-conditioned equity awards. However, we would like to see further progress before we can support it.

Percentage of votes cast for the resolution: 85.1% for, 14.9% against.

Company	Date	Resolution	How we voted for you	Result
BANK OF NOVA SCOTIA				
	April	**Advisory Vote on Executive Compensation Approach**	**Against**	**Approved**

Rationale :

We did not support the remuneration policy due to concerns that bonuses/LTIP can be awarded even where financing is not aligned with net zero (NZ) commitment. We also withheld support for the RemCo Chair due to the same concerns. In our previous engagements, we have encouraged the board to consider introducing a NZ-underpin to protect against bonuses being paid for climate harm.

We engaged with the CFO following the vote. Bank of Nova Scotia had participated in the Bank of Canada's climate stress testing. However, there is still no disclosure of the results, and also there is no mention of how climate is considered in the credit provisioning in the financial statements. We will continue our engagement focusing on full alignment of the company practices with the NZ commitment including the executive remuneration policy and disclosure of financing profile.

Percentage of votes cast for the resolution: 93.6% for, 6.4% against.

Company	Date	Resolution	How we voted for you	Result
LONDON STOCK EXCHANGE GROUP				
	April	**Re-elect Don Robert as Director**	**Abstain**	**Approved**

Rationale :

Following our letter to the chair, Don Robert, in January2022 setting out a few of our concerns, we continue to await a reply and keep chasing the company. The lack of response is poor practice from the board chair. We also voted against three other directors, who are shareholder representatives appointed to the Nomination Committee, on concerns about the resulting lack of committee independence. Don Robert is also the chair of the Nomination Committee.

In our letter to the chair, we explained our concerns with the boards weak supervision of the company communications related to its strategic decision on acquisition of Refinitiv and its further integration. We would also like to see the board demonstrate a clearer sense of purpose in acting to promote Paris-alignment, for example, by setting 1.5C alignment as a condition for listing.

Percentage of votes cast for the resolution: 98.8% for, 1.2% against

Company	Date	Resolution	How we voted for you	Result
AIR LIQUIDE SA				
	May	**Approve Financial Statements and Statutory Reports**	**Abstain**	**Approved**

Rationale :

Notwithstanding high-level commentary on how climate change and decarbonisation have been considered in the financial statements, there is little quantitative information. We continue to lack visibility for 1) how material climate risks are reflected in critical accounting assumptions and what these are, 2) precisely how Air Liquide's own climate targets are integrated into its financial statements, and 3) the implications of a 1.5°C pathway for its financials, ideally presented in sensitivity analysis in the Notes. In light of ongoing constructive engagement with the company, we are abstaining on this resolution.

We are a lead engager with Air Liquide in Climate Action 100+ investor initiative. We had eight engagements with the company in 2021 and already four in 2022. Air Liquide has responded to the collective investor letter on climate accounting, but the major progress is yet to be seen.

We also voted against Auditor reappointment (PWC). Despite specific shareholder requests to the lead audit partners in 2020 and 2021, the auditors remain silent on how they have considered climate risks in their audit process, or evaluated management's assertion that there is no material impact for the financial statements.

We published a vote alert on Sarasin's website and circulated it to Climate Action 100+.

Percentage of votes cast for the resolution: 99.2% for, 0.8% against

Company	Date	Resolution	How we voted for you	Result
AMAZON.COM INC				
	May	**Publish a Tax Transparency Report**	**For**	**Defeated**

Rationale :

We supported a shareholder resolution asking to Publish a Tax Transparency Report. This resolution was coordinated by stewardship consultant PIRC and was specifically asking to adopt country-by-country reporting (CbCR) under the new GRI Tax Standard enacted in 2021. This standard however is not yet well established, and not so many companies report under it.

We have included Fair Tax as one of the priority focus areas in our Amazon Engagement Plan 2022. We have communicated in our email to the Investor Relations of the company that we are keen to see the standardised GRI-based CbCR rather than the piecemeal data on tax paid in specific countries that Amazon currently provides in its ARA and web site. We are planning to engage with Amazon on this.

Percentage of votes cast for the resolution: 17.5% for, 82.5% against.

Company	Date	Resolution	How we voted for you	Result
ALSTOM				
	July	**Approve Remuneration Policy of Chairman and CEO**	**Against**	**Approved**

Rationale :

We have had an extensive engagement with Alstom during the last two years, with at least five engagement activities in the past twelve months focusing on Paris alignment, social value chain issues and various corporate governance issues relating to internal controls and executive compensation. While we recognise the improvements that Alstom has made on certain aspects of the remuneration policy such as the introduction of a clawback and increased shareholding requirement, the policy still does not meet our shareholding guidelines of at least 400% of base salary. We are also concerned about the large number of metrics included in the LTIP.

Additional concerns include non-disclosure of achievements on non-financial criteria and the significant increase in the CEO award level following the acquisition of Bombardier Transport. We will continue engaging on these items.

Percentage of votes cast for the resolution: 91.6% for, 8.4% against.

Company	Date	Resolution	How we voted for you	Result
ALSTOM				
	July	**Approve Financial Statements and Statutory Reports**	**Abstain**	**Approved**

Rationale :

We are asking directors of our investee companies to explain in their Annual Report to shareholders and financial statements how the alignment of their strategies with the Paris Climate Agreement's goal of limiting temperature increases to 1.5C above pre-industrial levels will impact their financial indicators. Alstom's financial statements explicitly refer to climate disclosure regarding climate change consequences. And the company's Universal Registration document has extensive climate related disclosure. It includes Net Zero commitment and carbon reduction targets regarding specific elements of emissions. The company also provides extensive disclosure around climate adaptation and resilience. There is extensive coverage pertaining to TCFD integration.

However, there is no explicit disclosure of how critical accounting assumptions / estimates have considered climate-related factors (e.g. asset lives; commodity prices; contingent liabilities; etc) or disclosure of stress testing for Paris (1.5C) in notes to the accounts.

As this is the first year of voting on climate factors at Alstom, we decided to abstain rather than vote against. We will continue engaging with the company on climate-related disclosures.

Percentage of votes cast for the resolution: 99.9% for, 0.1% against.

Company	Date	Resolution	How we voted for you	Result
HALMA PLC				
	July	**Approve Remuneration Report**	**Against**	**Approved**

Rationale :

We had three reasons to vote against this proposal. First of all, Halma's executive remuneration policy lacks a requirement for material long-term shareholdings by the Chief Executive Officer (at least400% of base salary). We usually vote against remuneration report or policy where schemes do not require alignment of CEO's and shareholders' interests via material share-ownership.

We also paid attention to the increase in the fixed quantum of executive compensation that was not adequately explained by the company. We analysed the letter that the company sent to us later on explaining this decision. We accepted the Chair's argument that this was needed to secure new CEO Marc Ronchetti as the successor to the departing CEO Andrew Williams; however, we wanted to express our concern with the lack of disclosure at the time of the decision.

Finally, we voted AGAINST this proposal because pension contribution to the executives is not the same as that to the general workforce.

Percentage of votes cast for the resolution: 67.1% for, 32.9% against.

Company	Date	Resolution	How we voted for you	Result
DS SMITH PLC				
	September	**Re-elect Geoff Drabble as Director**	**Abstain**	**Approved**

Rationale :

We have a continued concern that the CEO, Miles Roberts, is on the Nomination Committee. Last year we considered abstaining on the reappointment of the Chair, who also chairs the Nomination Committee, but chose not to, as he was new to the post and we wanted to give him the chance to address this. Since nothing has changed, we decided to abstain this time.

We engaged with DS Smith three times in the last 12 months. The focus areas included board composition. This issue should be added to the list of engagement priorities and referenced in the post-proxy letter.

Percentage of votes cast for the resolution: 88.3% for, 11.7% against.

Company	Date	Resolution	How we voted for you	Result
RIO TINTO PLC				
	October	**Approve Proposed Joint Venture with China Baowu Steel Group Co., Ltd**	**Against**	**Approved**

Rationale :

At the Special General Meeting of Rio Tinto, management proposed two resolutions associated with the planned Joint Venture (JV) with China Baowu Steel Group Co., Ltd.

We consider corporate restructuring resolutions on a case-by-case basis. In this specific case, we were interested to see what analysis has been undertaken and published as to how Rio Tinto will ensure that it fulfils its 2050 net zero commitments in proceeding with this JV. These commitments also cover scope 3 emissions. We were particularly interested to understand what steps Rio was taking to reassure shareholders that it will be investing in carbon neutral R&D for steel production and any targets or goals that are being set in this regard.

We engaged with Rio Tinto on climate matters five times during 2022. These discussions were largely focusing on the company's analysis and disclosure of the risks associated with the low carbon energy transition in its financial accounts. However, in the case of the proposed JV we have not seen a rationale which would outline any degree of alignment of this new asset with the company's climate targets.

Rio Tinto's iron ore Scope 3 emissions in 2021 were 345Mt. This came from output of ~320Mt. As such this project will generate additional Scope 3 emissions of ~250Mt over 13 years. Rio Tinto mentioned low-carbon technologies being deployed with the US$10 million investment with Baowu, but that was (a) quite vague and (b) represented a small portion of the overall investment of US$2bn into this JV. Due to this, we opposed the proposed transation.

We will continue engaging with Rio Tinto on this and other matters.

Percentage of votes cast for the resolution: 99.7% For, 0.3% Against

Company	Date	Resolution	How we voted for you	Result
MEDTRONIC PLC				
	December	**Elect Director Denise M. O'Leary**	**Against**	**Approved**

Rationale :

Under the Sarasin Corporate Governance and Proxy Voting Guidelines, we vote AGAINST a resolution to appoint a non-independent director to committees dealing with audit, remuneration or nomination matters. Non-executive directors who have served on the Board for 12 years, or who have material links to the company or its executives are considered non-independent. Ms O'Leary has been on the board for 22 years by the time of the 2022 AGM. We believe that this lack of independence of the chair of the Audit Committee is a major negative governance factor.

In addition to that, according to our policy, we vote AGAINST the re-election of the Audit Committee Chair where we have voted against the appointment of the Auditor or the Report and Accounts for two or more years, and our concerns have not been adequately addressed. At Medtronic, we voted AGAINST the auditor, PricewaterhouseCoopers, during the last few years, as we believe that long tenure of the auditor hampers its independence of judgement. We define the threshold for independence as 15 years. PricewaterhouseCoopers has been the statutory auditor of Medtronic since 1963, i.e., for 58 years.

We will continue engaging with the company following up on our successful engagement on the gender diversity of the board and the issues related to product recalls.

Percentage of votes cast for the resolution: 91.4% For, 8.6% Against.

Company	Date	Resolution	How we voted for you	Result
MICROSOFT CORP				
	December	**Report on Tax Transparency**	**For**	**Defeated**

Rationale :

We are a member of the PRI reference group on tax transparency which is aiming at achieving enhanced country-by-country reporting (CbCR) of tax and profits by multi-national companies. This disclosure is often missing or piecemeal. We believe that shareholders can benefit from a better understanding of companies' tax practices and associated risks across geographies. The Global Reporting Initiative (GRI) has developed a standard (#207) specifically for this type of reporting, which we believe could be a good tool. Earlier this year we supported two other shareholder resolutions asking for the same disclosure, at Amazon and Cisco.

Microsoft's tax practices in various countries have been depicted as questionable and disclosure as insufficient in the report by the Centre for International Corporate Tax Accountability and Research (CICTAR) published in October 2022. The report argues that that Microsoft does not contribute fairly to funding the public services that its global workforce and customers depend on, and from which it earns enormous profits. The company "uses a vast network of subsidiaries around the world to game its taxes. It traces billions of dollars in financial flows between companies that have zero employees and claim residency in known secrecy jurisdictions including Luxembourg, Singapore, Bermuda, Ireland, and the Netherlands".

We are aiming to engage with Microsoft on these allegations and a possibility to improve its tax transparency.

Percentage of votes cast for the resolution: 23.0% For, 77.0% Against.

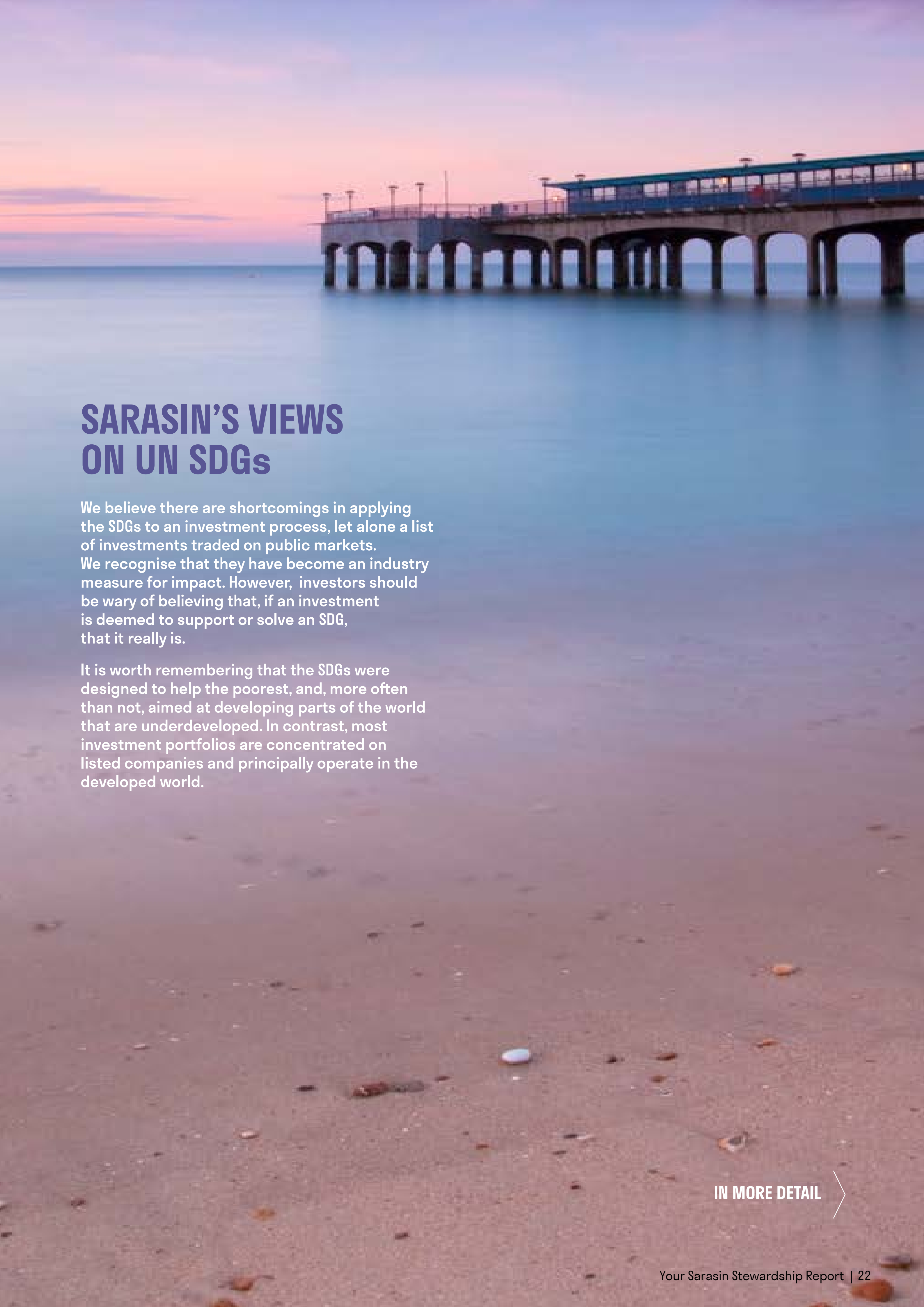
THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)

UN SUSTAINABLE DEVELOPMENT GOALS

WHAT ARE UN SDGs?

In 2015, the United Nations launched the 17 Sustainable Development Goals (SDGs) that were adopted by 193 countries. The SDGs outline a set of objectives to be achieved by 2030 that aim to end poverty, hunger and inequality, while tackling climate change, improving health and education, and strengthening institutions globally.

In December 2022, the UN hosted the Biodiversity Conference (COP 15). This is where governments from around the world convened to agree a new set of goals for nature over the next decade through the Convention on Biological Diversity post-2020 framework process. The framework sets out an ambitious plan to implement broad-based action to bring about a transformation in society's relationship with biodiversity and to ensure that, by 2020, the shared vision of living in harmony with nature is fulfilled.



SARASIN'S VIEWS ON UN SDGs

We believe there are shortcomings in applying the SDGs to an investment process, let alone a list of investments traded on public markets. We recognise that they have become an industry measure for impact. However, investors should be wary of believing that, if an investment is deemed to support or solve an SDG, that it really is.

It is worth remembering that the SDGs were designed to help the poorest, and, more often than not, aimed at developing parts of the world that are underdeveloped. In contrast, most investment portfolios are concentrated on listed companies and principally operate in the developed world.

IN MORE DETAIL

IN MORE DETAIL

Reading the headlines of the SDGs, it is very difficult to ignore the problems presented so clearly in the form of 17 goals, behind which lie 169 targets and 232 indicators. They affect everyone and, in an investment context, every company. When they were launched in 2015, Sarasin & Partners embedded them into our stewardship approach, stock analysis and investment strategy.

These goals are the result of a remarkable collaborative effort by 193 countries. Together, they set "a shared blueprint for peace and prosperity for people and the planet". They recognise that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality and spur economic growth – all while tackling climate change and working to preserve oceans and forests.

The momentum behind the SDGs has built up over decades, since the UN Earth Summit in Rio de Janeiro in 1992. Today they are universally recognised as the common agenda to promote a joint, long-term approach to addressing global challenges. They are time-bound to 2030, which removes them from the typical 4-5 year political cycle and reinforces commitment regardless of changes in national governments.

As unifying goals, they encourage not only governments, but equally companies and individuals to address the very unequal opportunities and threats facing the world population. The UN estimates that only 16% of people live in high-income countries, with average GDP per capita, or economic output per person, of $44,000 per year.

Yet, 50% of people worldwide have GDP per capita of less than $2,200 per year.

By setting a clear list of the real social and environmental issues that affect us all, the SDGs highlight how financial capital is only valuable when the social and natural capital on which it rests, is taken into account. This is where large companies, with their significant share of global growth and stock market values can play a valuable role, if they embrace the shared global development agenda.

However, despite companies' growing awareness of the SDG issues, there is still a large gap between the way they operate and the 17 goals.

First, there is a geographic mismatch. The majority of listed companies have operations focused on the richer, developed markets and have less exposure to the developing world where the need is generally most acute. This means that they can feel remote from some of the goals.

Secondly, they report their activities using accounts designed for shareholders, with only limited ESG information that can be matched to the SDGs. This makes it difficult to measure alignment. The difference in reporting language also means that investment analysts need to, as it were, 'translate' the SDGs into their equivalent ESG references.

We created our own 'map' to navigate between SDGs and ESG in 2015, which has proven a powerful tool in identifying the wider impacts that our investee companies can have when undertaking their activities.

APPENDIX

THE SARASIN SUSTAINABILITY IMPACT MATRIX (SIM)

OUR 15 ESG MEASURES

Financial capital cannot exist in isolation from the social and natural capital on which it depends. Sarasin & Partners utilises a framework to consider the interactions of all our investments with the environment, society and governance (ESG) and the harms that can be caused.

Each company is analysed using our primary research, supplemented by secondary sources. Harms to people and planet are identified and calibrated using a traffic light system, with red lights identifying significant adverse impacts.

A critical first step in putting a higher value on social and natural capital is to measure it better – the costs of human suffering or damaging the environment are rarely reflected in economic growth and other measures of national accounts. They are also not reflected in the financial accounts of most companies. The absence of information leads many to ignore the problems. With entities often not disclosing (or disclosing incompletely) detailed data, we make our assessments using the quantitative and qualitative information available from multiple different sources, considering 160 different questions.

Having identified the impact issues, we move on to separately consider our engagement strategy for encouraging the entity to mitigate them and the financial materiality for our investment judgements.

ENVIRONMENT

CLIMATE CHANGE

We consider the nature of the entity's business and the contribution it makes to climate change, through direct and indirect emissions of greenhouse gases and damage from poor land and resource use. This includes the impacts of resource extraction, energy use, financing of climate change-causing activities, measurement, management and mitigation efforts. We examine plans for transition to net zero, including shorter-term targets for reduction and whether these are Science Based Targets.

CIRUCLAR ECONOMY

We examine the source and lifecycle of products, from raw materials, through processing, packaging and pollution, to product end-of-life. We look for policies on repair, refurbishment, remanufacturing and recycling and incentives to prevent waste. Beneficial product design or harmful practices like planned obsolesce are considered. Management's ambition to decouple growth from the consumption of resources, their environmental impact strategies and waste management standards are examined.

LAND

Use of land resources and the resulting impact on terrestrial biodiversity are analysed. Environmental impact controversies, policies on biodiversity and/or ecosystem preservation practices are considered and how the entity assesses, monitors and controls these risks. Operations that could impact endangered species and/or protected areas are examined, along with consideration of major challenges such as deforestation, factory farming, antibiotic use, mono-culture, pesticide and chemical use, soil degradation etc.

WATER

We consider whether the entity (or its products/ value chain) pollute marine or other water ecosystems, extract from marine environments, damage marine/other water-related biodiversity or contribute to water stress. We look at the water-sourcing impact on the water table/river or lake, water recycling and grey water as an output/input. Policies such as measurement of water intensity (consumption & withdrawal) and targets are explored, as well as any water impact controversies and regulatory action or litigation linked to its impact on water and ocean resources.

AIR

The major issues in air pollution include NOx/ SOx and particulates [PM2.5 / PM10]. We consider the nature of the entity's business and the contribution it makes to air quality. We examine the policies and practices of the entity, measurement and disclosure of emissions and air quality targets. We also explore activities that result in heat/noise/light/dust and electromagnetic radiation. This is separate to the consideration of CO_2 emissions, which is dealt with under climate change.

SOCIETY

SUPPLIES

Cheap goods often stem from cheap labour and there can be significant pressures to reduce standards to cut costs in the supply chain. We want to see how the entity is checking for forced labour, working hours, fair & living wages versus minimum pay, health and safety and compliance with International Labour Organization (ILO) guidelines. We may look for other indicators of poor practice, including failure to pay suppliers in a reasonable timeframe, conflicts in labour relations and any controversies related to supplier treatment.

EMPLOYEES

In developed markets there tends to be strong contractual and legal protections for employees, but this is not always the case for all sectors (consider the 'gig' economy) and rules are often weaker in the developing world. We look for unfair employment practices such as zero-hours contracts, union bans, poor working conditions etc, and whether the entity references the fundamental conventions of the ILO or is an accredited Living Wage employer. We consider diversity and look for a gender gap regarding employment and pay. Data pointers for health and safety include employee fatalities and injuries and we may look at lost work hours, targets for incident reduction or staff turnover data. The geographic or sector footprint may point to modern slavery, child or forced labour.

CUSTOMERS

We consider whether the entity's products or services cause harm to customers. This includes traditional 'ethical' concerns including tobacco causing cancer; alcohol and gambling causing addiction, crime and family breakdown; firearms causing injury and gangsterism; as well as pornography and prostitution causing exploitation and dehumanisation. More recent concerns include impacts from video gaming or opioid addiction. Health concerns, product safety, privacy & data security controversies are all areas of potential harm.

BRIBERY & CORRUPTION

Recent or outstanding bribery and corruption controversies may be one indicator of poor practices, as are operations in countries ranked low in the Corruption Perceptions Index. Some industries are also more vulnerable to bribery and corruption, e.g. government procurement of infrastructure, healthcare, utilities or resource extraction. To mitigate the risks we look for a whistle-blowing mechanism and additional checks of internal controls by the auditor.

COHESIVE SOCIETY

There are many ways in which entities can abuse their position in society, for example, setting unreasonable terms for those with little choice, as in the pay-day lending scandals, or avoiding tax. In some countries, companies may exercise control over populations or exert political influence and there are examples of infringing communities' access to water supplies or indigenous lands.

GOVERNANCE

BOARD STRUCTURE

All the directors should have appropriate skills and experience and there should be diversity. The directors should apply sufficient attention to the business and we might vote against the reappointment of any that are 'over boarded'. We look for a lead independent director (LID) and a significant level of director independence, in particular, on board committees. We consider governance to be more effective when the positions of Chair and CEO are separate.

INVESTOR RIGHTS

The history of different entities give rise to varying capital structures and investor rights. The ideal is a plural, one-member-one-vote system. Multiple share classes may indicate different (restricted) rights for minority shareholders and/or concentrated power in the hands of a significant or controlling shareholder. We will want to examine any history of shareholder abuses by a controlling/majority shareholder and any golden share or poison pill provisions.

REPORTING & CONTROLS

Companies' annual report and accounts are the primary statutory reporting tool for shareholders. We expect a prudent and reliable set of accounts. The accounting standards used are an important factor, but the degree of prudence and accuracy is assessed by the independent auditor. It is important to note that the auditor reports to the members of the board and not to the management. The auditor should have no conflicts of interest. These can arise if the auditor has had a long tenure (over 15 years) or if the audit firm earns significant non-audit fees. It can be instructive to review the topics identified in the extended auditor report. Internal management controls are important and we might look at any recent investigations of the company's financial systems/internal controls and the outcome. An independent and anonymous whistle-blower system should be in place.

EXECUTIVE REMUNERATION

Remuneration should reward sustained long-term performance, achieved through responsible business practices. We expect CEOs and other key executives to have a significant shareholding in the business to ensure alignment. We look for performance metrics used to determine bonuses and other performance-related pay to be consistent with shareholder interests. Overall, remuneration should be reasonable.

BUSINESS ETHICS

The culture of a business is crucial to its relationship with all stakeholders and its long-term value. We look for risks stemming from unethical behaviour e.g. anti-competitive behaviour; bribery and corruption, exploitation of people or natural resources; and other abuses that might raise questions over the reputation and trustworthiness of the entity. We would consider carefully any controversies linked to lobbying of governments, membership of collective business associations, human rights issues or links to entities without international framework agreements combating human trafficking.

IMPORTANT INFORMATION

If you are a private investor, you should not act or rely on this document but should contact your professional advisor.

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