LNW 2022 Annual Impact Report

2022 was a year marked by volatility within the markets and our communities. Inflation seemed intractable, the market environment was as uncertain as most investment professionals had ever seen, and discussions around even basic health and safety issues were more divisive than in decades. Conventional wisdom suggests that this turbulent environment might have driven investors of all kinds to abandon their commitment to impact investing in favor of the perceived safety of traditional investments. But we were heartened to see such expectations proven wrong. Recent years have only served to reinforce the materiality of impact investing and the pressing need to transition our current extractive economic system to a regenerative one that benefits all stakeholders.

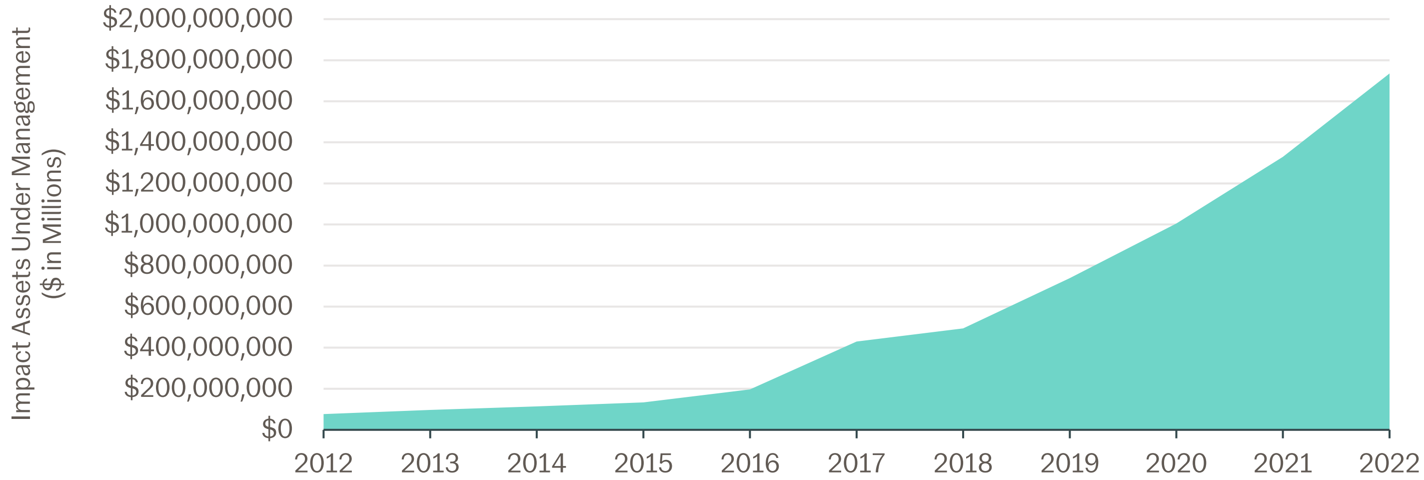
When we joined forces to form LNW over a year ago, we were clear that we were doing so with the specific intent to not only maintain our commitment to creating shared value, but also to deepen and broaden that commitment. We know that by addressing the needs and challenges faced by all stakeholders – clients, our employees, the community and the environment alike – we can generate economic value and support the long-term health of our clients' portfolios and our society at large in the years to come.

We are expanding the reach of our impact investing offering to our new, larger client base and engaging a larger group of fund managers on their environmental, social and governance (ESG) practices. We are also continuing to foster a culture in our combined firm that goes even further so that all employees can show up each day as their full, authentic selves and thrive. These efforts are a critical part of meeting our commitment to being an active part of the fundamental realignment of our economy that is required to address the existential threats facing our world, the economy and each of us as individuals.

Through this sixth edition of our Annual Impact Report, we are pleased to offer highlights of our work to grow impact investing, support our clients and employees and contribute to the broader community in 2022. While we are proud of the work we have done in a year of change, both internally and in the world at large, we know that there is always more work to be done, and the urgency is greater than ever before. We look forward to continuing to make progress together in the year ahead and beyond.

Our Impact Assets Under Management Over Time

Data as of 12/31/2022.



Our Clients

Despite a year of challenging market conditions, weaker performance on the year and recent headlines decrying impact investing, we believe impact investing continues to demonstrate its resilience and long-term value, and investors continue to show their commitment. While flows into U.S. sustainable funds dropped to $3.1 billion in 2022, their lowest level in seven years, U.S. funds in general saw outflows of $370 billion, the first calendar year of outflows since at least 1993.[1] The number of sustainable funds available to U.S. investors also rose to 598, up 12% from 2021.[2] Despite increased politicization of material impact-related risks and opportunities and broader criticism from traditional segments of the investment industry, investors showed a continued appetite for impact investing.

This demonstrated investor demand is despite an atypical year of below-average performance for sustainable funds. In stark contrast to recent years, most sustainable funds landed in the bottom half of their respective Morningstar categories. However, one year does not undo a larger trend. Over the trailing three- and five-year periods, a "sustainability-agnostic" investor would have been better off choosing the typical sustainable fund over their traditional counterparts.[3] Given the longer-term track record, it is important to consider the broader context of any given fund's or group of funds' performance. We have recently experienced a year of volatile market conditions with markedly different impacts on different sectors, and many sustainable funds are likely to be both overweight to tech stocks, including the mega-cap companies which saw a relatively steep market correction on the year, and underweight to the year's best-performing sector in energy. As we continue to work through this challenging market environment, we believe that the risks and opportunities we and other investors have identified by incorporating ESG and broader impact considerations are as relevant as at any time and the long-term results will bear that out.

Amid pressure from investors looking for greater transparency and moves by regulatory bodies in the U.S. and European Union, greenwashing concerns have remained center stage. The U.S. Securities and Exchange Commission (SEC) proposed multiple new rules in 2022 which would require more stringent disclosures from companies around climate risk[4] and require funds that make ESG claims to provide more detailed disclosures based on the type of impact claimed. For example, climate and environmental funds would be required to disclose greenhouse gas (GHG) emissions associated with their holdings, impact funds would be required to describe the specific impacts they seek to achieve and their progress, and funds that use shareholder engagement strategies would have to disclose their voting records and practices.[5] In the EU, the European Securities and Markets Authority published their Sustainable Finance Roadmap 2022- 2024, aimed in part at assessing and addressing greenwashing risks and creating benchmarks to help meet sustainability and impact goals.[6]

As these regulatory shifts have occurred, industry groups have responded to the need for more rigorous and consistent information. For example, for its 2022 annual trends report, the Forum for Sustainable and Responsible Investment (US SIF) requested more granular information from institutions on the incorporation of ESG considerations. This change in calculation methodology led to a remarkable drop in total estimated assets in the space, from $17.1 trillion in their previous report in 2020[7] down to $8.4 trillion in their 2022 report.[8] Similarly, some funds preemptively removed their ESG, sustainable or impact labels in anticipation of stricter regulatory standards and Morningstar made changes to its Morningstar Sustainable Attributes framework, which resulted in 19 funds being removed from Morningstar's 2022 reporting after being included in 2021.[9]

We continue to believe that the increased regulation and stronger reporting requirements are ultimately beneficial for investors and for our industry broadly. Investor confidence and the ability to achieve impact goals require access to additional material information and thorough, accurate and consistent reporting that allows for informed choices by investors. We conduct our own due diligence on the impact characteristics of the investment strategies and fund managers with whom we invest because we believe strongly that it is our responsibility to understand the risks and opportunities presented as thoroughly as possible. We believe access to that type of information for all investors will be a positive change for our industry as a whole.

Identifying Risks and Opportunities

The Cost of Climate Change

- Climate change also comes at an extreme financial cost. Recent research indicates that insufficient action on climate change could **cost the U.S. economy alone $14.5 trillion in the next 50 years.** Over that same period, nearly 900,000 jobs could disappear each year due to climate change.[10] But the investment required to combat climate change can provide new, well-paying jobs across the country. **In just the first six months since the Inflation Reduction Act (IRA) was passed, it helped create more than 100,000 jobs in 31 states.**[11]

Laggards Run Risks

- The green transition presents significant opportunities for companies that adapt quickly, but those that lag behind run the risk of dwindling market share and stranded assets. Recent research indicates that, depending on the policy scenario, **the global net present value of stranded assets in the fossil fuel industry is an estimated $21.5 trillion to $30.6 trillion.**[12] If companies and investors were to shift their focus, they stand to take advantage of significant opportunity. **Wind and solar accounted for nearly 70% of the energy capacity added in 2022.** Twenty-two states and the District of Columbia have committed to a shift to 100% renewable energy by between 2040 and 2050, requiring a massive investment and putting companies who can offer renewable solutions at a significant advantage.[13]

Brand Value

- Consumers favor more sustainable companies and products. In recent studies, 69% of consumers said sustainability has become more important to them over the past two years. The same research showed that 35% of consumers want to purchase more sustainable products but cite limited availability as a barrier.[14] Companies that respond to such demand can both avoid reputational risk and capture greater market share.

Diversity Pays Dividends

- We have seen through numerous research studies that companies with better diversity, equity and inclusion (DEI) records have better performance. Diverse teams tend to perform better, likely attributable to a wider range of perspectives offering a better view of risks and opportunities. And this shows in the bottom line. **Companies that rank in the top 25% of their industry for executive team gender diversity have annual revenue growth roughly two percentage points higher than those in the bottom quartile** and profit margins three percentage points higher.[15]

Our Impact Investment Practice

We believe every investment has impact, whether positive or negative, intentional or inadvertent. Our work in impact investing seeks to identify this impact, maximize and monetize the value created by positive externalities, and minimize the negative and extractive externalities. We aim to contribute to an economic system that creates value for all stakeholders.

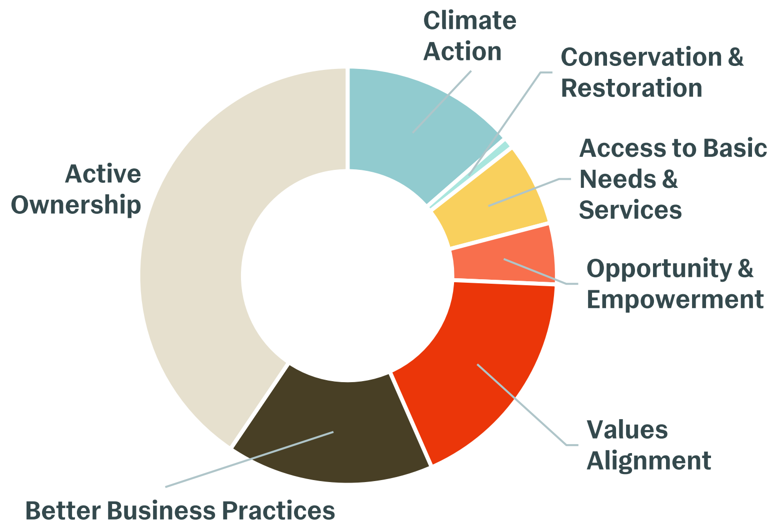
Our impact investing offering is built around the belief that impact considerations, such as climate change and gender and racial equity, are increasingly material to asset pricing and present risks and opportunities that might otherwise not be accounted for. Investment choices that support a client's values and provide compelling risk-return profiles are often well-aligned, and we believe strongly that the financial, social and environmental imperatives make impact a compelling and critical part of the investment process. Our goal, for any interested clients, is to incorporate impact objectives as one consideration amongst many to construct a portfolio designed to optimize for their financial, non-financial and impact goals. We work to identify opportunities in which an impact strategy drives a fundamental investment thesis and meets client needs, confident that this approach can enable us to reduce risk and enhance returns. At the end of 2022, 1/3 of LNW client households included impact strategies in their portfolios, representing over $1.8 billion. This number in part reflects that many impact investment vehicles are attractive financially because of the material benefits of the impact strategies they pursue, and we believe they are suitable for a broad range of clients, independent of whether a client has a proactive impact focus. Our work in impact investing allows us to identify risks and opportunities that might be otherwise missed by more traditional analysis.

Since 2017, our due diligence processes and investment policies have incorporated a formal assessment of the ESG characteristics of all strategies we consider. In 2020, we began to formally incorporate diversity, equity and inclusion (DEI) considerations into our core investment policies and procedures. We believe that applying a gender and racial equity lens to our investment processes can help mitigate systemic economic risks and contribute to better financial outcomes and is a critical component of evaluating any potential investment.

Given the importance of ESG considerations in our investment decision-making process, we engage in our own extensive due diligence to ensure that our clients' capital supports their intended financial and impact goals. We do not make investment decisions based on the label of a strategy. Some strategies market themselves as impact although many of their claims bear little resemblance to their actual practices. Similarly, many strategies may intentionally incorporate impact considerations into their investment processes without marketing themselves as impact. Our in-depth due diligence and long history and experience in impact investing help us better discern the authenticity, credibility, quality and effectiveness of a manager's approach to generating impact.

Client Impact Assets By Objective as of 12/31/2022

Our impact objectives serve as the foundation for developing a client's customized impact investment strategy and are mapped to the United Nations' 17 Sustainable Development Goals.



As we worked to combine our investment philosophies and processes we were focused both on maintaining our standards and also identifying opportunities to expand the depth and breadth of our ESG and DEI due diligence. We are pleased to have codified ESG and DEI considerations into our combined investment philosophy and due diligence process and expanded our annual manager survey across our combined investment platform. Our expanded resources have also allowed us to recommend a wider range of impact funds across impact objectives and asset classes to our combined client base. Our depth of expertise allows us to identify unique opportunities that take advantage of an ever-changing landscape. We look forward to continuing this work with the remarkable resources and expertise available to us as a combined firm.

Our Investment Managers

We believe that the alignment of interests between the firm and our managers is a fundamental requirement for delivering sustainable long-term returns. In this vein, we choose to work with managers whose objectives and values align with our own and those of our clients. We look for impact alignment throughout the value chain – not only within the underlying investments themselves but also with our managers; we look at their business practices and operations and how investment decisions are made and by whom.

Since 2018, we have been surveying our investment managers annually about their ESG policies and practices, how they are fostering greater diversity, equity and inclusion within their firms and the investment industry, and how they assess climate- and nature-related investment opportunities and risks. With our merger, we expanded our annual survey process to include the core group of fund managers with which our combined firm invests. In 2022, we were also excited to expand this initiative by launching our formal manager engagement program. Through the program, we established a framework to assess, engage with and measure the progress of our investment managers over time. The framework is designed to enable us to gain a deeper understanding of our managers' current ESG, DEI and climate policies, practices and accountability while also identifying longer-term opportunities for improvement. The program enables us to support our managers as they pursue continuous improvement by providing targeted recommendations and resources for achieving clear milestones for ESG integration, DEI progress and climate action. In 2022, we shared our initial response, along with recommendations and resources, with 100% of the managers surveyed; we received acknowledgments from 77%; and conducted engagement calls or meetings with 36% of those managers. The program has received positive feedback from managers, with our 2023 survey results already showing anecdotal evidence of improvements. Some managers have also explicitly noted the development of policies in response to our engagement. We are excited to expand the program to additional managers in 2023 and look forward to continuing our efforts to deepen our influence and collective impact over time.

Annual Investment Manager Survey

For the last five years we have surveyed our investment managers to gauge and track their progress on various impact criteria. 2018-2021 data reflects only Wetherby managers. 2022 data reflects managers across our combined firm.

	Impact					Traditional			
	2018	2019	2020	2021	2022	2018	2019	2020	2021
Have Formal ESG Policy	79%	81%	78%	92%	85%	42%	58%	74%	75%
Integrate ESG In Due Diligence	95%	95%	91%	96%	97%	67%	76%	90%	88%
Provide ESG / Impact Reporting	89%	95%	87%	88%	85%	33%	33%	29%	41%
Follow TCFD Recommendations	16%	19%	43%	50%	44%	0%	3%	23%	19%
Female Investment Team Members	37%	31%	41%	38%	35%	13%	17%	17%	20%
Investment Team Members From Underrepresented Groups	37%	38%	33%	36%	36%	21%	24%	30%	31%

Investment Stewardship

We believe that active ownership and investment stewardship – voting proxies and shareholder engagement – are central to impact investing and present an important avenue for our clients to help achieve their impact goals. As prevailing public opinion and actions by some legislators diverge, investors - individuals and fund managers alike - find themselves uniquely positioned to ensure that a vocal minority cannot dominate a conversation with such important financial implications.

According to recent research, more than three-quarters of consumers reported that they are more likely to buy from a company that stands up for ESG considerations and 76% of consumers said they would stop doing business with companies that treat employees, communities and the environment poorly.[16] And this support appears across the political spectrum, despite the growing politicization of the issue. Recent research shows that, once learning about the process of ESG investing, 70% of registered Republicans and 57% of registered Democrats oppose government interference in ESG investments.[17]

At the same time, recent backlash against ESG from some corners has applied pressure on companies and asset managers. As just one example, legislation passed in Texas in 2021 that prevents state pension funds from investing in companies that have divested from oil and gas companies has already led to over $500 million being removed from BlackRock by the Teacher Retirement System of Texas.[18] This legislation, and others like it in other states, also tamp down competition for borrowing, leading to increased cost, borne by the taxpayers, for municipal bonds needed to fund critical infrastructure and services. It is estimated that, in the first eight months of the Texas law being in place, it cost Texas cities an additional $302 million to $532 million in interest on bonds.[19] Estimates show that if similar legislation was passed in other states considering it – Kentucky, Florida, Louisiana, Oklahoma, West Virginia and Missouri - additional costs could be as much as $708 million per year.[20] Shareholder voices are a critical tool to push back against these efforts and remind companies, asset managers and legislators alike that the backlash against ESG not only does not represent the majority public sentiment, it could also be detrimental to bottom-line financial performance for companies and taxpayers.

Mindful of the importance of investment stewardship, we review our managers' proxy voting records and shareholder engagement practices in our due diligence and portfolio management processes as an important indicator of their commitment to ESG integration. In addition to the active stewardship of our managers, we enable our clients to participate directly in shareholder initiatives. Through our work with various shareholder advocacy organizations, our clients can amplify their investor voices by supporting shareholder resolutions addressing environmental sustainability, corporate governance and social justice issues. During the 2022 proxy season, 21 clients signed on to support 88 resolutions with 79 companies in partnership with As You Sow, Proxy Impact, Whistle Stop Capital and the Reproductive Health Investors Alliance. These resolutions addressed issues as diverse as carbon emission reduction for fossil fuel companies, DEI disclosures for some of the biggest corporations in the U.S. and understanding the downstream environmental impacts of industrial farming on predominantly Black and poor rural communities.

For details on the resolutions our clients supported last year, please see our 2022 Shareholder Resolution Impact Report.

Our Community

Our success, as a firm and as individuals, is inherently dependent upon and supported by that of the communities in which we live and work. As we continue to face existential crises, from climate change to injustice across lines of race, gender, sexual orientation, disability and beyond, we have an obligation and a unique opportunity to use our resources to help create a just and equitable world and communities in which we can all thrive. As we expand our geographic reach, we remain committed to supporting our communities - in San Francisco, Seattle, Los Angeles, New York, Philadelphia and beyond – and taking advantage of our wider reach and growing resources to help drive positive change in the areas in which we can have influence.

Community Service

After some fits and starts due to the COVID-19 pandemic, our team was finally able to reconnect more consistently with our communities and each other through our firm-sponsored service events in 2022. Our San Francisco team spent an afternoon at Alemany Farm, a community-run urban farm focused on environmental education and improving food security, getting our hands dirty helping to tend to the crops that would make their way to the group's Free Farm Stand. We worked with the Golden Gate National Parks Conservancy and helped to preserve the area surrounding the USS San Francisco Memorial at Land's End in San Francisco. Our small but mighty Los Angeles and New York teams rose to the occasion and took on a beach clean-up at Laguna Beach and packed meals for those too ill to shop and cook for themselves with God's Love We Deliver. Our Seattle team joined our colleagues at the various Laird Norton Company enterprises and EarthCorps, removing ivy and keeping their environment thriving. For the winter holidays, our Seattle team worked with Swedish Hospital to provide holiday gifts for four families in need. And, in San Francisco, we were thrilled to bring Rise Against Hunger back into our offices in person for the first time since 2019, packing over 40,000 nutritious, nonperishable meals for communities in urgent need of nutrition.

Packing Meals with Rise Against Hunger

Members of our team packed nutritious meals to be sent to areas dealing with significant hunger due to factors including widespread poverty and natural disaster.

Charitable Giving

Lending material support to charitable organizations working in our communities is a critical way we can use our resources to be a force for good. As we continue to deal with the long-term ramifications of the COVID-19 pandemic and economic uncertainty, nonprofits continue to face challenges meeting the growing need for the services they provide. Through our annual year-end giving, we donated to Oceana, No Kid Hungry and the Global Fund for Women. These organizations work to protect and restore the world's oceans, provide food to our most vulnerable communities across the U.S., and advocate for women's equality in global policy.

Through our corporate giving and our matching of employee donations, we gave to 62 different nonprofit organizations in 2022, supporting critical charitable initiatives important to our firm and our team and helping our employees' generous donations do even more good.

We were also once again pleased to sponsor a wide range of events in support of various nonprofits.

- **The Northern California Planned Giving Council Annual Conference** brought philanthropy experts together to learn and share expertise in support of our clients and community.
- **The British Benevolent Society Mid-Summer Fundraiser** raised funds to help Brits living in the U.S. who need social and financial support.
- **The Posse Foundation Power of 10** recognized dynamic students and celebrated diversity in higher education and the workforce.
- **The Jewish Community Federation Day of Philanthropy** brought together philanthropists and financial professionals to share strategies and ideas on the future of philanthropy.
- **As You Sow's 30th Anniversary Celebration** honored thirty years of shareholder advocacy and corporate social responsibility.
- **Bollywood Night 2022** helped raise money for **The Aum Foundation**, a nonprofit that provides mentorship, life skills and workforce development classes, and emotional support to high school girls.
- **The UNCF Pacific Northwest Annual Gala** raised funds and connected members of the community in support of their mission of investing in America's future by getting students to and through college.
- **The Seattle Chinese Garden's Bamboo Circle Celebration** showcased the rich heritage of Chinese arts and culture and served as a bridge of friendship between the Seattle region and Chinese people around the world.
- **The Seattle Aquarium's Splash! Gala** supported their work to advance animal welfare, marine and ecosystem science and marine conservation.

Industry Leadership

Our position in the industry gives us a unique opportunity to use our voice to support a more sustainable and equitable world. We work with a range of networks and organizations that support best practices and standards in the impact investing industry and advocate across topics such as sustainability, human rights and diversity, equity and inclusion. We believe that by sharing ideas and offering insight to our industry peers, we can help us collectively live up to our vision for a world where business and our economy support us all.

As we have worked through the process of creating our new combined firm, we have been mindful of the greater breadth of our reach and the growing influence of our voice within our industry. In our Creating Shared Value (CSV) initiative, we have specifically called out our commitment to engaging with our industry and to driving the wealth management industry's leadership in this space.

In the coming year, we look forward to working toward B Corp Certification and are excited for the opportunity to demonstrate our commitment to an inclusive and equitable world and to continue living our values with transparency and accountability to our mission as part of our new combined firm and with our larger Laird Norton Company family.

Internship Program

In 2022, we were excited to welcome the second cohort of our formal paid summer internship program. With this program, we focus on identifying a pool of diverse talent from which we can select high-potential students to provide professional development experience and the opportunity to explore a career in wealth management. We once again partnered with The Posse Foundation, a nonprofit dedicated to developing leaders that represent our increasingly multicultural society and supporting them to achieve educational and professional success, to help identify candidates.

Building on our experience with our inaugural intern cohort, our goal was to introduce our interns to the financial services industry, provide them with experience across various disciplines and welcome them into our culture, allowing them to develop enriching and supportive relationships with our team. Over their ten-week internships, they worked on projects across the firm, including investment research, marketing and communications, operations and client service. They had the opportunity to work with our team to create content on meaningful issues within our industry, research newsworthy topics for our investment team, and help us evaluate systems and organize data as we aligned our firms.

In an increasingly diverse and distributed world, finding the kind of talent that both supports our business and also represents the world around us requires intentionally attracting and retaining a diverse team. We are grateful to Posse for their partnership and to our interns for bringing their talent and energy during their time with us. We are thrilled to welcome interns to our San Francisco and Seattle offices this summer and look forward to continuing this work with them.

Community Farming at Alemany Farm

Members of our team got their hands dirty at this community-based farm in our own San Francisco backyard.

LNW is proud to partner with leading networks and communities in the impact investing field to catalyze the use of investment capital in generating meaningful social and environmental impact.

The San Francisco Green Business Program recognizes businesses, nonprofit organizations and municipal offices that meet high environmental standards.

As You Sow is a nonprofit organization that supports shareholder engagement and advocacy initiatives for a safe, just and sustainable future.

The TCFD encourages companies to provide climate-related financial risk disclosures to investors, lenders, insurers and other stakeholders.

The Thirty Percent Coalition is a national organization influencing corporations to increase diversity and the number of women on their boards.

US SIF is a large network of asset owners advancing sustainable, responsible and impact investing across all asset classes.

Investor Alliance for Human Rights is a collective action platform connecting institutional investors with tools to promote corporate respect for human rights.

Invest for Better is a nonprofit campaign on a mission to help women demystify impact investing, take control of their capital and mobilize their money for good.

Proxy Impact is a proxy voting and shareholder engagement service for foundations, NGOs and other mission-based or socially responsible investors.

Reproductive Health Investors Alliance is a women-led social investment company advocating for sustainable change in women's reproductive health.

Our Employees

We are lucky to have a talented, passionate and diverse team. One of the challenges of having our team instantly double in size across new geographies is maintaining the culture we had worked so hard to build and that our team trusts and relies on. At the same time, expanding our team has brought greater diversity, new insights and new opportunities to learn and grow. We know through years of experience that building and maintaining the diversity that we prize and are committed to growing requires cultivating an inclusive environment and a culture that fosters growth, collaboration and acceptance, where we celebrate our employees' diverse voices and perspectives, and where employees feel empowered to bring their full, authentic selves to work each day. It is a privilege to have our colleagues from all corners of our new combined firm show up each day and bring the full breadth of their experience to their work and their professional relationships.

Commitment to a Culture of Inclusivity

As we have developed the vision for our firm, we have used our DEI commitment as a core foundation, helping to guide our decisions about how best to take care of our team, give them space to grow meaningfully and authentically, and put ourselves in the best position to attract and retain the diverse talent that is so critical to our success and who we are as a firm.

Achieving this vision requires ongoing, intentional, deeply rooted efforts. We know that all too often, particularly in an industry like ours, even well-meaning firms may become places where individuals may not be recognized for their full talent and abilities. We believe that we have a responsibility to continually improve our efforts and prove to others within our industry that it is not only possible but deeply valuable to create a culture of inclusivity.

Chinatown Walking Tour

Members of our team had a chance to learn more about the history and culture of Chinese-Americans in California just steps from our office, in San Francisco's Chinatown.

DEI initiatives require commitment from the entire organization, but particularly from leadership. This year, each member of our firm leadership identified specific areas where they could improve their efforts or understanding around DEI and committed to concrete actions they would take. These commitments were shared with our entire team, and were in some ways a shared responsibility, with each of us encouraged to help hold our leadership accountable to their commitments. This work was part of a unified strategy across all parts of our combined organization, focused on our fundamental belief that DEI is integral to our core business strategy. We expanded upon our existing DEI initiative to reinforce the five key pillars which we consider core to our business strategy, focused on ensuring that our senior leaders are advocates for DEI, building and maintaining a diverse team, providing equitable opportunities for advancement and career development, using our position of influence within the industry to support our peers on their DEI journeys, and ensuring DEI principles are integrated across all of our business practices Our diversity is a strength that drives us forward and enables us to build deeper long-term, caring and trusted relationships with our clients, colleagues and community.

At the end of 2022, our combined team comprised over 60% women, with women well-represented across all areas of our firm and at every level of leadership. Our employees also represent a range of identities across other measures of diversity, including age, educational attainment, marital status and race, with 35% identifying as an underrepresented race within the financial services industry. We conduct an annual anonymous employee survey to gather information to better understand our team's diversity and gain insights into how we can better support all of our employees.

Our 2022 Intern Cohort

Posse Scholars Anna Valadao and Grant Roquemore joined us in our San Francisco office for the summer, gaining a deeper understanding of our industry and having some fun along the way.

Supporting Our Employees to Do Good

Each year, to support the communities in which we live and work and reinforce our culture of service, our LNW team has access to eight hours of paid volunteer time off, allowing them to dedicate time to volunteer with organizations of their choice. In 2022, 23% of our team took advantage of volunteer time off, donating more than 90 hours in support of organizations that help our communities thrive.

2022 DEI EVENTS

Posse Scholars Anna Valadao and Grant Roquemore joined us in our San Francisco office for the summer, gaining a deeper understanding of our industry and having some fun along the way.

- Acknowledging that introducing many new colleagues also means introducing new experiences and perspectives, we held one of our **DEI Deep Dives on Earning Trust Across Difference** to help our team better communicate and engage with one another.
- We welcomed experts from **The Museum of the African Diaspora** for a **Black History Month** virtual tour, learning about some incredible yet underappreciated Black American artists.
- For **Women's History Month, She Innovates took** us on a fascinating virtual trip through women inventors and pioneers.
- We enjoyed lunch and a movie for **Arab American Heritage Month** with a screening of Iraqi-American filmmaker Usama Alshaibi's documentary ***American Arab***.
- Taking advantage of our proximity to San Francisco's Chinatown, we learned about the history and culture of the local Chinese immigrant community on a **guided walking tour through Chinatown for Asian American and Pacific Islander Heritage Month**.
- As many of us had calendars full of meetings navigating the task of combining with our new colleagues, we held another of our **DEI Deep Dives** on **Best Practices for Inclusive Meetings** to help us get the most out of the diversity of our team.
- Mindful of the frequent gender imbalance in investment decisions, our partners at **Schwab** took us through some ideas on **how best to meet the needs of women investors**.
- We're a competitive bunch and loved learning and cheering each other on with **trivia** for **Pride Month**, **Hispanic Heritage Month** and **Native American Heritage Month**.
- We once again joined our friends at **Schwab** to discuss **the opportunity in gender diversity** and highlight ways to encourage gender equity in our own team and our industry.
- Another one of our **DEI Deep Dives** focused on **Cultural Appropriation vs. Appreciation**, giving us all food for thought on how to mindfully and respectfully engage with other cultures.
- **Mental Health is Wealth** was another topic for our **DEI Deep Dives**, where we held an insightful and personal discussion on how mental health affects us all and how we can help take care of ourselves and each other.
- We continued our **Better Allies Book Club** dedicated to deepening our collective understanding of how to be a meaningful ally. Our 2022 selections were ***The Sum of Us*** by Heather McGhee, ***Becoming Nicole*** by Amy Ellis Nutt, ***The Frailty Myth*** by Colette Dowling and ***Firekeeper's Daughter*** by Angeline Boulley.

Our Environment

Being responsible stewards of our environment and minimizing our contribution to climate change is a critical part of our commitment to all stakeholders. As climate change becomes an ever-growing existential threat, we are mindful that taking action is important for all of us but is also a significant racial and economic equity and justice issue. Black, Brown and lower-income communities in the U.S. disproportionately bear the brunt of the negative environmental impacts of business, such as pollution and other toxic by-products, and many communities in emerging and frontier markets are simultaneously far less responsible for climate change and far more harmed by its immediate impacts. These communities, both domestically and abroad, are less well equipped to deal with the harmful effects of climate change due to unequal access to healthcare, healthy food, affordable housing and other social determinants of health.

We use a combination of creative partnership programs with environmental organizations and thoughtful choices in our day-to-day operations to reduce our environmental impact and take steps to create a healthier and more equitable world.

Carbon Offset Program

We have been employing carbon offsets to help mitigate the negative impact of business travel for several years through Climate Impact Partners, previously ClimateCare. We recognize that carbon offsets are not a replacement for efforts to reduce or avoid generating emissions entirely but can be a useful tool to help fund emission reduction projects to offset hard-to- abate emissions until we can develop the technology to further reduce or avoid them altogether. We view our carbon offsets program as just one mechanism to limit the impact of our operations on the environment as we continue to work toward reducing emissions.

For our business travel in 2022, we offset 7.23 tons of CO2 through Climate Impact Partner's carbon offset program. These offsets fund programs around the world that support communities and our environment through programs including providing cleaner burning heat sources, building renewable energy infrastructure and preserving and renewing forests.

Going forward, our carbon offsets program will be a collaborative initiative, implemented alongside our colleagues at the larger Laird Norton Company family of enterprises. The program incorporates emissions from a broader range of activities and operational impacts, including energy use and waste generation. We are excited to collaborate across enterprises to implement a carbon accounting framework to limit the collective impact of our operations.

Assessing Climate Risk and Supporting the Green Transition

Climate change presents both growing risks and opportunities that are our obligation, as fiduciaries and as members of a global community, to consider. As consumers and investors call for more environmentally sustainable investment options, our work becomes identifying the most compelling choices in terms of both risk and opportunity and working diligently to ensure that we gather the most comprehensive information possible when making choices about the ways in which we invest.

We are a supporting organization of the Task Force on Climate-Related Financial Disclosures (TCFD). As such, we solicit information on our managers' adherence to TCFD recommendations as part of our annual manager survey. These recommendations provide guidelines for "consistent climate-related financial risk disclosures for use by companies in providing information to lenders, insurers, investors and other stakeholders."[21] In addition, we discuss

Net Zero commitments and nature-related risks with our managers and encourage greater involvement in climate-risk mitigation.

It is important to remember that as much as we all may often focus on the risks of climate change, there are also exciting advancements that present compelling investment opportunities. For the first time in 2022, investment in the transition to renewable energy equaled those in fossil fuels – $1 trillion.[22] To further understand this remarkable growth, 2022 saw a $250 billion year-over-year increase in renewable energy investment. We have also seen considerable growth in electric vehicles, with electrified transport exceeding $270 billion in investment last year, growing at ten times the rate of renewable energy, and in new climate innovations like carbon capture and storage and green hydrogen.[23] Despite this rapid growth, the capital invested in these technologies is still well short of what is needed. We remain focused on identifying these opportunities and helping our clients to direct their capital in this meaningful and financially material way.

Looking Forward

Looking back at 2022, we hear many of our peers in the industry use words like change, uncertainty and volatility. For the past several years, in fact, we have been adapting to what has often been referred to as the "new normal," which in many ways may not have felt normal at all. Humans naturally seek consistency and certainty, so when change reaches a point at which people no longer feel certain about their understanding of the world, we enter what is known as an epistemic crisis. In this type of crisis, individuals may no longer feel confident in their understanding of reality. Market volatility, the backlash against ESG, growing polarization and division, and the ongoing upheaval in our individual lives and broader society have all combined to bring us to what may be another inflection point. During these challenging times, the key is to hold onto what we can be certain of and anchor ourselves in our core beliefs and trusted relationships.

Over the past year, we have focused on a process of co-creation, to emphasize our partnership in creating something new together. We cherish decades of history we have . It is the relationships we have nurtured with our clients who have trusted us through some of the most critical moments of their lives and these unprecedented times of the past several years. It is the relationships we have among our team, built on a foundation of collaboration and a deep appreciation for the diversity of skill and experience we are lucky to have. It is the relationships we have developed with our communities, finding ways to work together to bring value to all of us. And now, this history continues with an incredible new group of colleagues, as committed as ever to creating shared value with all stakeholders, our clients, our team, our community and the world we live in.

We know that, while more changes are on the horizon, we remain committed to the ongoing co-creation process with all of our stakeholders. This mindset of creating something in community is a powerful one, and the work we do is in service of building an economy that can work for all of us - our clients, our communities and the environment - where each of us can thrive. We remain grateful to our clients for joining us on this journey, and we look forward to continuing to create together for years to come.

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DISCLOSURE

LNW refers to Laird Norton Wetherby Trust Company, LLC, a State of Washington chartered trust company; LNW Trust Company of South Dakota, LLC, a state of South Dakota charted trust company; and two investment advisers registered with the Securities and Exchange Commission, LNW Wealth Management, LLC and Laird Norton Wetherby Wealth Management, LLC.

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This presentation is provided as a general introduction to LNW's approach to impact investing and is not intended as investment advice or a recommendation of any specific portfolio or investment strategy.

Impact investing is associated with the broad consideration of actual and potential non-financial risks of Environmental, Social, and Governance (ESG) factors, and how those factors may affect the financial performance of a company and its securities. For example, environmental changes and extreme events associated with climate change could increasingly affect companies' financial performance. Similarly, poor labor relations or discriminatory practices could lead to financial liability, employee turnover and understaffing, and damage to companies' reputation. ESG investing generally seeks to avoid these risks, and increasingly also aims to achieve certain positive impacts through investing in key areas believed by the investment manager to be positively affected by corporate investment and, in some cases, related shareholder advocacy. Avoiding risk and achieving positive impact are different objectives. Since the field of ESG/impact investing continues to develop, it remains to be seen how effective investment managers will be, especially in the area of impact. ESG ratings of companies are often based on subjective measures, and may include corporate self-reporting, different and inconsistent third-party rating systems, as well as data points that are associated with positive or negative outcomes but where causation has not been established. It is also possible that companies that do have positive impact in the areas identified, or that successfully avoid some or most of the ESG risks noted, will not have favorable financial returns. Accordingly, their stock prices could underperform their peers despite alignment with ESG objectives.

LNW will generally use third-party managers, including mutual fund or exchange traded fund managers, in constructing portfolios focused on impact consideration. While LNW will review these managers' own policies and practices with respect to ESG/impact investing, LNW is highly dependent on their self-reports. As noted above, these managers are, in turn, likely relying on corporate self-reporting, as well as evolving industry standards. No investment approach or strategy can guarantee a positive return or that losses will be avoided.

CERTIFICATIONS

Please note that LNW affiliate Laird Norton Wetherby Wealth Management, LLC's status as both a Certified B Corporation ™ and a Certified San Francisco Green Business is indicative of our commitment to enhanced social, environmental and governance standards and is not intended to represent an indication of LNW's investment capabilities or performance. For additional details regarding Certified B Corporations please visit http://www.bcorporation.net; for additional details regarding San Francisco Green Business please visit http://www.sfenvironment.org/green-businesses.

ESG MANAGER SURVEY

LNW's investment team sent a comprehensive survey questionnaire to our approved Traditional and Impact Qualified investment managers, across asset classes, that manage the most broadly used strategies across our client base. In 2018, LNW sent surveys to 52 LNW managers and received 52 responses (100% response rate). In 2019, 2020 and 2021, LNW sent surveys to 57 LNW managers and received 57 responses (100% response rate). In 2022, the investment team sent surveys to 96 managers across our combined investment platform and received 92 responses (96% response rate).

In some cases, a fund management firm submitted multiple responses to reflect the policies, due diligence, engagement, diversity, climate risk and reporting of the multiple strategies the firm managed. Not all questions were applicable to all managers or strategies – for example, proxy voting and shareholder engagement questions are only relevant to public equities strategies and General Partner questions are only relevant to private strategies. The biggest data gaps were in questions related to race/ethnicity and other previously excluded, underrepresented groups – many managers do not collect the data and employees are not legally required to self-identify their race, ethnicity, or other identities. Where there are gaps, LNW excluded the data from the relevant calculation.