LNW 2024 Annual Impact Report

2024 presented another year of challenges for the sustainable and impact investing industry and, at times, conflicting messages on how investors and businesses alike can best proceed to meet their financial and impact goals. Amid increasing pressure from certain groups and investors, institutional investors rolled back commitments that had predominantly been made in 2020 and 2021 in response to the social justice reckoning in the wake of the killing of George Floyd and the effects of the COVID-19 pandemic. During the 2024 annual meeting season, all of the "Big Three" institutional investors – BlackRock, Vanguard and State Street – continued their several-year trend of decreasing support for certain environmental and social justice-related resolutions, and BlackRock and Vanguard both voiced public criticism of the substance of some resolutions.[1]

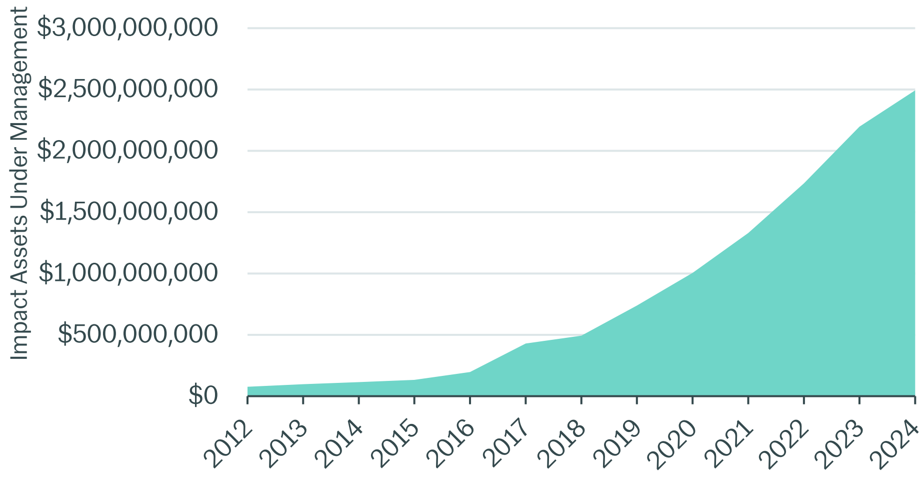
At the same time, investor sentiment and consumer behavior continue to demonstrate the materiality of impact considerations. In Morningstar's 2024 Voice of the Asset Owner Survey, which surveys more than 500 large asset owners, 67% stated that impact considerations have become more material to their investment process in the last five years, and every asset owner surveyed has allocated at least a portion of their assets to strategies that incorporate impact considerations.[2] A Morgan Stanley survey of asset managers offers similar insights: 78% of asset managers surveyed expect impact assets under management and allocations to rise in the next two years.[3]

Consumer choices also continue to demonstrate the strong financial and business case for impact. In a survey conducted by Deloitte in September of 2024, 47% of consumers had purchased a sustainable good in the past month.[4] According to research by NYU's Stern School of Business, sustainably marketed products are growing twice as fast as their conventional counterparts.[5] Not only that, consumers are willing to pay a premium. In PwC's 2024 Voice of the Consumer survey, those surveyed reported being willing to spend on average nearly 10% more on goods produced more ethically or sustainably.[6]

Despite these mixed signals, we maintain conviction in the fundamental investment thesis that drives our impact investing work. We continue to believe strongly that impact considerations offer unique insight when evaluating investment choices and allow a more thorough understanding of potential risk and a way to identify opportunities that might otherwise go unseen. And we remain confident that our work in impact investing empowers our clients, our firm and our communities together.

In this eighth edition of our Annual Impact Report, we offer highlights of our ongoing efforts to deepen our impact investing work; support our clients, employees, and fund managers; and contribute to the broader community in 2024. We look forward to continuing to make progress together in the years ahead as we remain firm in our commitment to intentionally and thoughtfully align the work that we do with our values.

Impact Assets Under Management



Data as of 12/31/24. Data prior to 2022 only includes assets from Wetherby Asset Management. Data from 2022 and beyond represents all of LNW.

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Our Clients

The State of the Impact Investing Space

For the second year in a row, U.S.-based sustainable funds saw overall outflows, posting a loss of $19.6 billion, up from $13.3 billion in 2023, a marked change from the strong growth seen in 2021 and 2022 in particular.[7] While overall outcomes globally were slightly better, with $54.7 billion in total inflows worldwide, that number is still only half of 2022 and 2023 results.[8] One possible explanation for this downturn in 2024 is a decrease in the availability of new funds, particularly after 2023 saw a number of funds close due to new regulatory scrutiny – only ten new funds were made available and 24 funds removed their sustainable labeling.[9] While on the surface this may be disheartening, if the end result is fewer funds with weak impact commitments and higher average fund quality, this trend may ultimately prove beneficial to the space at large in the long term.

Sustainable fund performance also slipped in 2024, the third year of underperformance in a row following several years of outperformance. Only 42% of sustainable funds ended the year in the top half of their respective Morningstar categories. Equities fared slightly worse than average overall, with only 38% of funds in the top half, while nearly half (48%) of sustainable bond funds were in the top half.[10] This represents a distinct drop over the past two years. Over the trailing three-year period, only 37% of sustainable funds landed in the top half of their categories. The decline over the past three years is stark when comparing performance on a five-year basis. When including performance from 2020 and 2021, 46% of sustainable funds found themselves in the top half.[11]

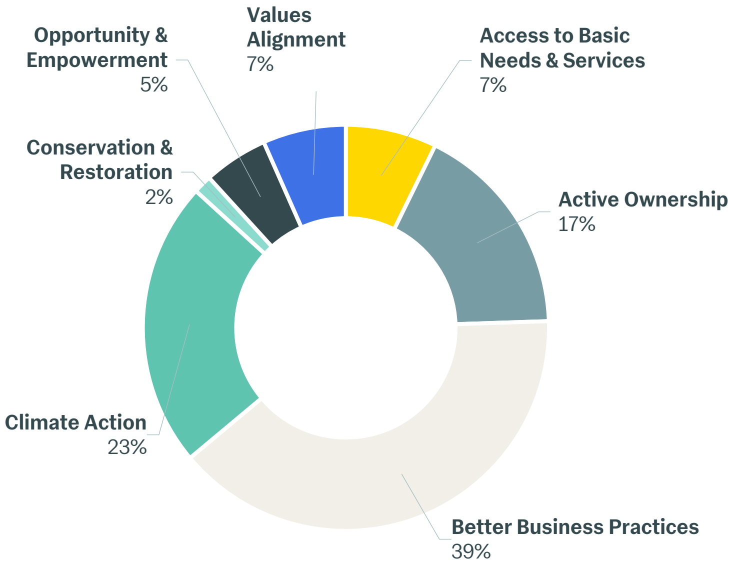
Despite these potentially worrisome trends, there is still reason for optimism. Global sustainable fund assets under management (AUM) reached an all-time high of $3.56 trillion in 2024, up 4.8% since the end of 2023.[12] Investor sentiment also supports the long-term viability of impact investing. In a Morgan Stanley survey published in late 2024, 61% of North American survey respondents said that impact considerations have become more material in the last five years.[13] Our own experience supports this idea; our impact AUM increased 13% in 2024 to $2.49 billion with 40% of our client households including at least one impact strategy in their portfolios.

Our Impact Investment Practice

We believe every investment has impact, whether positive or negative, intentional or inadvertent. Our work in impact investing seeks to understand 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 strongly believe that financial, social and environmental imperatives make integrating impact a compelling and critical part of the investment process.

Impact Assets by Objective
as of 12/31/24



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. The 40% of LNW households that include impact strategies in their portfolios do so for a range of reasons but 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.

Since 2017, our due diligence processes and investment policies have incorporated a formal assessment of the impact characteristics of all strategies we consider. Given the importance of impact 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.

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. To this end, we choose to work with managers whose objectives 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, understanding that these factors can have a material effect on investment performance.

Since 2018, we have been surveying our investment managers annually about their impact policies and practices, how they are building and supporting teams within their firms that represent a wide range of backgrounds and perspectives, and how they assess climate- and nature-related investment opportunities and risks.

	Impact							Traditional						
	2018	2019	2020	2021	2022	2023	2024	2018	2019	2020	2021	2022	2023	2024
Have Formal Impact Policy	79%	81%	78%	92%	85%	86%	82%	42%	58%	74%	75%	84%	89%	81%
Integrate Impact In Due Diligence	95%	95%	91%	96%	97%	97%	97%	67%	76%	90%	88%	91%	89%	95%
Provide Impact Reporting	89%	95%	87%	88%	85%	86%	88%	33%	33%	29%	41%	43%	47%	43%
Follow ISSB Climate Standards (Formerly TCFD Recommendations)	16%	19%	43%	50%	44%	53%	47%	0%	3%	23%	19%	36%	33%	26%
Female Investment Team Members	37%	31%	41%	38%	35%	36%	35%	13%	17%	17%	20%	23%	19%	19%
Investment Team Members From Underrepresented Groups	37%	38%	33%	37%	36%	35%	38%	21%	24%	30%	29%	33%	29%	29%

We also began implementing a formal manager engagement program in 2022, which was expanded to our full slate of managers in 2023. The program employs a framework to assess, engage with and measure the progress of our investment managers over time across a range of social and environmental issues. The framework is designed to enable us to better understand our managers' current impact policies, practices and accountability while identifying longer-term opportunities for improvement. Through the program, we proactively support our managers in pursuing continuous improvement by providing targeted recommendations and resources for achieving clear milestones for action. In 2024, we achieved a 100% response rate to the 77 surveys we sent. We are pleased to have seen steady improvement in a number of areas, particularly with our traditional managers, 95% of whom now notably incorporate impact considerations into their due diligence, a significant step in their, and our, ability to accurately and thoroughly measure impact.

We recognize that these initiatives are long-term, ongoing efforts and, as a result, are pleased to work with our managers to provide resources to support their impact work at whatever stage and in whatever form that may currently take. For our managers and our firm, our priority is having an ongoing understanding of the impact of our investment allocations and continual improvement that leads to better outcomes for our firm, our clients, the managers with which we invest, and for the communities in which we work.

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. Over the past several years, we have seen prevailing public opinion and actions by both corporations and government leaders diverge. In the current environment, investors – individuals and fund managers alike – can be uniquely positioned to ensure that the companies in which they choose to invest understand the importance, both financially and in terms of our planet and communities, of incorporating impact into their decision-making.

Recognizing 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 impact 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 2024 proxy season, 34 clients signed on to support 77 resolutions with 77 companies. These resolutions addressed issues as diverse as the environmental impact of microplastics from clothing manufacturing and the risks of dis- and misinformation on social media posed by new artificial intelligence (AI) technology.

For details on the resolutions our clients supported last year, please see our 2024 Shareholder Resolution Impact Report.

Our Community

Our success, as a firm and as individuals, is linked to that of the communities in which we live and work. As we continue to face existential crises, from climate change to social injustices, we have an obligation and an opportunity to use our resources to help create a more inclusive 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.

Our Annual Commitments	2024 Results
1.0% of pre-tax net income donated to nonprofits	**2.5%** of pre-tax net income donated to nonprofits
$1,000 match of employee donations made to nonprofits	**66 nonprofits** supported by our employee matches
8 hours volunteer time off per employee	**136 hours** of volunteering reported by our employees
5 firm-sponsored service events	**5 events** resulting in **~176 hours** of volunteer time donated
100% of Scope 2 emissions and Scope 3 emissions for business travel and employee commutes	**508** tons of carbon offset
100% Of water use for SF, Seattle, LA, NYC and Philadelphia office space.	**379** Water Restoration Certificates purchased, each representing 1,000 gallons of water
100% office purchases in accordance with our environmentally preferable purchasing policy	**100% environmentally preferable purchases** including recycled or post-consumer paper products, non- or low-toxic cleaning products and plant-based food options

Community Service

We believe that engaging directly with nonprofits in our community is an important part of being a positive force in the places in which we live and work. Each year, our firm-sponsored service events give our team a chance to connect with our communities and each other. In Seattle, we spent a morning at the beautiful **Danny Woo Community Garden** mulching pathways, fixing broken structures and weeding. In San Francisco, we spent an afternoon at the historic **Presidio**, cleaning up Battery Godfrey, a historical landmark located on the coastal bluffs of the Presidio next to the Golden Gate Bridge, by picking up litter and clearing dirt and debris from the pathways in and around the Battery. Our New York and Philadelphia teams spent an afternoon in **Tompkins Square Park**, weeding, planting native plants, fixing a fence to allow for pedestrian pathways while protecting plants and installing rat-proofing around rose bushes. In San Francisco, we visited **Muttville Senior Dog Rescue**, where we walked their resident senior pups that are waiting for a new home, helped organize supplies around their space, and made signs to help welcome a batch of new furry residents. And to wrap up the year, we were thrilled to once again welcome **Rise Against Hunger** into our San Francisco office, where members of our San Francisco team and special guests from our Seattle and East Coast teams packed nearly 8,000 nutritious, nonperishable meals for communities in urgent need of nutrition. In recognition the importance of providing material support for these nonprofits, we also made a financial donation to each organization with which we volunteered.

In addition to our firm-sponsored volunteering, each of our employees receives eight hours of paid time off each year to volunteer on their own in support of the causes that are most meaningful to them. Thanks in part to the availability of these hours, our team reported that they volunteered 136 hours in 2024.

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. Nonprofits continue to face challenges meeting the growing need for the services they provide, and we are committed to donating both to national organizations and to local or regional organizations in the communities where our offices are located. Through our combined annual year-end giving, we donated to The Nature Conservancy, Malala Fund, Downtown Women's Center in Los Angeles, The Bowery Mission in New York City, Project HOME in Philadelphia, Larkin Street Youth Services in San Francisco and Plymouth Housing in Seattle. These organizations help conserve land and water across the U.S., provide critical support to unhoused women, children and families, and provide educational and housing support to unhoused youth.

Through our corporate giving and our matching of employee donations, we gave to 93 different nonprofit organizations in 2024, supporting critical charitable initiatives important to our firm and our team and helping our employees' generous donations do even more good.

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

- **Public Health Institute's Rise Up** activated women & girls to transform their lives, families & communities for a more just and equitable world through investment in local solutions, strengthening leadership and building movements.
- At **The Posse Foundation's Power of 10**, we recognized the strength of a Posse of 10 dynamic students and celebrated the next generation of leaders while raising money to support Posse's scholarship and leadership programs.
- **The Parent Infant Center's ArtStart** celebrated creativity and community to raise funds to support their work providing high-quality childcare to children whose families live or work in West Philadelphia.
- **The UNCF Seattle 2024 Gala** raised funds to support their signature scholarship programs, which help fund education for students across Washington, Oregon, Idaho and Alaska.
- **Friends of the Children's Find Your Spark Gala** was a night of inspiration and joy celebrating their mission of providing long-term professional mentoring for youth in the Bay Area who have faced adversity.
- **Silicon Valley Community Foundation's Gala** celebrated and supported their work bringing together nonprofits and community-based organizations, local and state government officials, funders, companies, individuals and families to tackle the region's biggest issues.
- **Futures Without Violence and the Courage Museum's Night of Courage** was an inspiring night that centered the experiences of survivors through storytelling and courageous conversations.
- **Plymouth Housing Group's Seattle Dances** raised money to benefit their supportive housing programs, and also featured our fearless CEO Kristen Bauer dancing for a good cause.

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 building inclusive communities. We believe that by sharing ideas and offering insight to our industry, we can help collectively live up to our vision for a world where business and our economy support us all.

Internship Program

We were excited to welcome the fourth cohort of our formal paid summer internship program in 2024, with interns in both our San Francisco and Seattle teams joining us for ten weeks. With this program, we focus on identifying a pool of talent from a wide range of backgrounds, 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 who represent our increasingly multicultural society and supporting them to achieve educational and professional success, to help identify candidates.

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 present to our firm on sustainable choices we can make at home.

We are grateful to Posse for their partnership and to our interns for bringing their talent and energy during their time with us, and we are excited to welcome our 2025 cohort to our offices soon.

Our Employees

We are lucky to have a talented and passionate team that represents a wide range of backgrounds, life experiences and perspectives. We know that building this team across disparate geographies and backgrounds and ensuring that all of our employees feel valued requires cultivating a culture that fosters growth, collaboration and acceptance, where we celebrate our employees' varying 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 across our offices and the country show up each day and bring the full breadth of their experience to their work and their professional relationships.

Ongoing Commitment to a Culture of Inclusivity and Belonging

Our commitment to inclusivity is a core foundation for our firm, 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 wide range of talent that is so critical to our success and who we are.

Achieving this vision requires ongoing and intentional 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 are responsible for continually improving our efforts and proving to others within our industry that creating a culture of inclusivity is not only possible but also incredibly valuable. The variety of voices from different backgrounds and perspectives 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 2024, our combined team comprised 60% women, with women well-represented across all areas of our firm and at every level of leadership, including more than 60% of our leadership team. Our employees also represent a range of identities across other measures of difference, including age, educational attainment, marital status and ethnicity, with 28% identifying as an underrepresented race or ethnicity within the financial services industry. We also conduct an annual anonymous employee survey to gather information to better understand the breadth of our team's background and perspectives and gain insights into how we can better support all of our employees.

2024 Inclusion and Belonging Events

- We celebrated **Black History Month** with a virtual tour of important individuals and sites in the Civil Rights movement.
- One of our Deep Dive sessions revisited **Best Practices for Inclusive Meetings** to help us make the most of everyone's contributions in meetings within our firm and beyond.
- Another of our Deep Dives gave us an **Introduction to Mindfulness**, helping us center ourselves, tap into our focus and deal with stress.
- We held several sessions with our colleagues at the other Laird Norton Enterprises on **Exploring Everyday Bias** to better understand the ways that biases we may be unaware of can present themselves.
- We celebrated **Hispanic Heritage Month** with another virtual tour, highlighting the culture and music of Latin America.
- We held another Deep Dive on **Driving Client Understanding and Effective Peer Feedback through Design**, aimed at helping us better engage with clients and peers, cultivating a deep understanding and gathering meaningful feedback.

Our Environment

Being responsible stewards of our environment and minimizing our impact on climate change is a critical part of our commitment to all stakeholders. 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 and Water Restoration Program

The goal of our carbon offsets program is to minimize the impact of our operations on the environment and contribute to reducing greenhouse gas (GHG) emissions. While imperfect, carbon offsets help us mitigate the climate impact of our operations while we work to further reduce GHG emissions or avoid them altogether.

The program is a collaborative Laird Norton Enterprise (LNE) initiative implemented through our enterprise-wide Creating Shared Value (CSV) working group. As we do not own or control any facilities or vehicles that would create Scope 1 emissions, we focus on addressing our Scope 2 and Scope 3 emissions. We purchase Renewable Energy Certificates (RECs) to offset the emissions of the electricity, steam and heat for our leased office space in Seattle, San Francisco, New York, Los Angeles and Philadelphia. For 2024, we purchased 458 megawatt hours of Green-e® Energy Certified RECs from Schneider Electric.

For our Scope 3 emissions, we purchase Verified/Voluntary Emission Reduction (VERs) to offset emissions that result from employee commutes and business travel. We work with Patch to help us identify projects and high-integrity carbon credits as part of this effort. In 2024, we supported five projects as part of this program:

- We removed 50 tons of CO_2 through **improved forest management along the Upper Saline River** in south central Arkansas and the Gulf Coastal Plain. This area contains diverse oak, gum, cypress, hickory and pine forests that provide essential buffers from runoff to the river and benefit the local watershed.[14]
- We avoided the release of 250 tons of CO_2 through a program aimed at **reducing gas leakages in Bangladesh** along a poorly maintained gas distribution pipeline.
- We prevented the release of 150 tons of CO_2 through a program to **preserve peatland in Central Kalimantan, Indonesia**. In addition to supporting carbon sequestration, this program also protects biodiversity and works with communities to build capacity in community decision-making and identify sustainable initiatives for co-development and land use.[15]
- A program to **plug orphaned oil and gas wells in the U.S.** avoided the release of 58 tons of CO_2. These abandoned and unmonitored wells can release methane and present other safety hazards.

In addition to offsets for our carbon emissions, we also purchase Water Restoration Certificates to offset the water usage in our leased real estate footprint in Seattle, San Francisco, New York, Los Angeles and Philadelphia. In 2024, we purchased 379 Water Restoration Certificates, each equivalent to 1,000 gallons of water improved or restored to Hillabahatchee Creek, Georgia, from the Bonneville Environmental Foundation.

Environmentally Preferable Purchasing and Green Office Programs

The environmental impacts of our day-to-day choices in our office spaces are one of the most controllable aspects of our environmental footprint and an important way we can incorporate our focus on the environment into all aspects of our business.

We implement an Environmentally Preferable Purchasing policy as part of our broader Corporate Citizenship Policy. This policy covers all of our office purchases and prioritizes purchasing recycled and unbleached paper products, environmentally-friendly cleaning products and low energy use electronics, as well as including plant-based and organic catering options at firm events.

Our Green Office program is focused on reducing resource use, including energy and water conservation and reducing unnecessary use of paper and other items, reducing waste, and encouraging sustainable transportation options for daily commutes and firm events. In recognition of these initiatives, we are pleased to have our San Francisco office recognized as a San Francisco Green Business Innovator, the highest recognition by the City and County of San Francisco for sustainable businesses.

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 were a supporting organization of the Task Force on Climate-Related Financial Disclosures (TCFD) for many years and now support the International Sustainability Standards Board (ISSB) guidelines, which continue the work of the TCFD. As such, we solicit information on our managers' adherence to ISSB 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."[16]

In addition, we discuss Net Zero commitments, biodiversity and nature-related risks with our managers as part of our manager engagement program and encourage greater involvement in climate risk mitigation.

While there is an understandable focus on the risks presented by climate change, we also continue to see hopeful progress in both transitioning to existing technologies like solar and the emergence of nascent technologies like hydrogen. We offer our clients investment opportunities in a broad range of vehicles that participate in these markets and support this transition, including utility-scale renewable energy and growth-stage companies developing innovative technologies in sustainable buildings, industrial automation and regenerative agriculture.

Looking Forward

As we look further ahead into 2025 and beyond, we find ourselves in a period of heightened uncertainty. Market behavior has become increasingly unpredictable due to shifting regulatory and geopolitical conditions, contributing to a base level of volatility that affects all investments - impact and traditional alike. Beyond these market dynamics, however, impact investing itself – along with the foundational programs focused on environmental responsibility and building more inclusive businesses and communities – faces growing pressure from the current political, regulatory, and societal landscape.

In such times of uncertainty, it is perhaps more critical than ever to reaffirm the core values and investment principles that have long underpinned our impact investing philosophy and approach. A stable, healthy environment is essential–for individuals, communities, and businesses alike. Creating access to opportunity, regardless of background or perspective, leads to stronger business outcomes and more resilient communities. These beliefs continue to hold true. As we guide our clients and our firm through today's shifting landscape, we remain committed, as always, to helping our clients achieve both their financial and their impact goals. And we remain focused on ensuring that our work contributes to the long-term well-being of our clients alongside our employees, our communities, and the broader environment.

We greatly appreciate the trust that our clients and partners in the community have shown us, and remain committed to continuing to deepen our collective impact into the future.

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[5] Tensie Whelan (NYU 1980), Distinguished Professor of Practice, Business and Society, and Founding Director, NYU Stern Center for Sustainable Business. "Address to Stern's MBA and PhD Class of 2025." May 16, 2025.
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[16] Financial Stability Board. "FSB to establish Task Force on Climate-related Financial Disclosures." December 4, 2015.

ABOUT THE AUTHOR

Justina Lai leads the impact investing strategy at LNW and works with the LNW client service teams to guide clients in developing effective impact investment strategies and integrating impact investments across their portfolios. She also leads the effort to integrate impact considerations across LNW's business strategy and operations to create shared value for all stakeholders (clients, employees, shareholders, suppliers, the community and the environment) and spearheads the firm's diversity, equity and inclusion initiative.

ABOUT LNW

LNW Advisors services support exceptional families and individuals seeking to activate the full potential of their wealth. To help turn lifetime ambitions and multigenerational aspirations into reality, Laird Norton Wetherby (LNW) brings to each client a high level of care combined with deep expertise in wealth and legacy planning, investments, and trust and estate services.

Offering both RIA (Registered Investment Advisor) and trust services, LNW is committed to providing clients with unbiased, independent guidance and solutions. LNW has offices in Seattle, San Francisco, New York, Los Angeles and Philadelphia, as well as an affiliated trust company in South Dakota, empowering clients across the U.S. and around the world.

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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 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 San Francisco Green Business please visit [www.sfenvironment.org/green-businesses.](http://www.sfenvironment.org/green-businesses)

IMPACT 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 2023, LNW sent surveys to 96 managers and received 93 responses (97% response rate). In 2024, LNW sent surveys to 77 managers and received 77 responses (100% 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.