

October 5, 2023

Dear Sustainable Equity Strategy Clients and Friends:

If you enjoyed the spectacle of 70,000 tech bros and elite seekers literally stuck in the mud at the Burning Man festival last month, you were not alone.¹ So widespread was the ridicule that the *Financial Times* debated whether it was fueled by *schadenfreude* (pleasure in the misfortune of others) or *genugtuung* (satisfaction in others being administered their due punishment.)² The former is a minor psychopathy while the latter is more socially acceptable — so let's go with that. But at the risk of draining the humor from a harmless chuckle, precisely what offense did the festival-goers commit to deserve their inundation?


America's multi-decadal growth, and surprising post-Covid resilience relative to other economies, owes a lot to our unrivalled innovation ecosystem.³ The U.S. accounts for 58% of the G7's GDP, up from 40% in 1990.⁴ America has 30% more workers today than in 1990 (18% of the total is immigrants),⁵ compared with 10% more in Europe and Japan — moreover, U.S. workers are more productive and more have graduate degrees.⁶ U.S. companies own a fifth of patents registered abroad, more than China and Germany combined. The five top corporate spenders on R&D are American, investing a cool \$200bn in the last year alone. A key driver of this success is the global talent that coalesces in hotspots like Silicon Valley, Seattle and Austin and retreats, in part, to Nevada's Black Rock Desert each August to reframe and rethink. We benefit mightily from our creative people, and the out-of-the-box time they take to recharge their imaginations. And if the temporary experience of the "Burners" as climate refugees (in a year of growing climate-induced displacements)⁷ inspires some of them to allocate yet more of their ingenuity and resources to mitigating climate change, so much the better!

Even before the rains underscored their vulnerability to a disrupted ecosystem, the Burners' festival theme this year — "Animalia" — was already onto something important, and related, in challenging the idea that "mankind is somehow not part of the animal kingdom".⁸ Even the Oxford English Dictionary oddly defines nature as: "The phenomena of the physical world collectively; esp. plants, animals, and other features and products of the earth itself, as opposed to humans..." So if humans are not of the earth, that would apparently make us aliens...or gods? Revisionist economists are clarifying that humans are indeed part of nature and that our markets are subsidiaries of natural ecosystems, not the other way around.⁹ And yes, there is investment significance in these insights...

Take Generative AI, the investment story of 2023 (to which our Strategy is well exposed). Generative AI is inspired by nature (emulating the parallel processing of the human brain's neural networks)¹⁰ and, in turn, being used to decode nature and its long-evolved algorithms to solve intractable engineering and sustainability problems. Well before ChatGPT burst on the scene, our holding **Autodesk** was incubating Generative AI applications in its *Project Dreamcatcher* (now matured and embedded in its *Fusion 360* platform). **Airbus**, another holding, used Autodesk's software to train an algorithm in the growth patterns of single-celled slime mold and the grid structures of mammal bones, and then unleashed the resulting algorithm to devise novel lattice structures needed for lightweight/fuel-efficient and 3-D printable components for Airbus' 2050 moonshot "Concept Cabin".¹¹ AI is poised to unleash the full potential of such biomimicry at a moment when we need it to accelerate sustainable redesign of nearly every sector and human activity — a \$150 trillion project from here to 2050, and a generational investment opportunity.

Same Theme, Different Retreat: Pointing Toward Underappreciated Investment Value

None of the Douglass Winthrop team went to Burning Man, but many of us got away for some wilderness immersion and fresh perspective in August, as we hope you did. One of us retreated with a small group deep into the Amazon



headwaters in Ecuador to live with the Achuar indigenous people and to experience how they live in harmony with nature, of which they recognize themselves as a deeply interconnected part.¹² They have understood for millennia that their survival depends on taking only what they *need*, not what they *want* (which is related to the “essential services” framework that guides our portfolio construction and imparts, we believe, downside protection). Their exquisitely detailed knowledge of rainforest plants and fauna enables them to secure food, medicine and spiritual insight – in short, they absorb and co-create Natural Intelligence (NI). As noted above, AI is a synthetic and incomplete derivative of NI, and certainly can’t replace it. If we don’t stem the accelerating loss of the primary source material itself — the “biodiversity” that has evolved over billions of years — we will not only squander its intrinsic and spiritual value, but also its instrumental contributions to our prosperity, from pharmaceuticals based on ingredients discovered in plants (~70% of plants with proven anti-cancer properties are only found in tropical rainforests)¹³ to innovative materials like Airbus’ lattices.¹⁴


In a rapidly urbanizing world of eight billion people, it’s clearly not possible for all of us to live in communal, subsistence economies like the Achuar. But we do have an abiding interest in enabling them to keep doing so, free of encroachment by loggers, ranchers, miners and oil drillers, and of the forest-threatening aridity caused by climate change (which has brought the Amazon closer to a dangerous tipping point).¹⁵ The Achuar urge their visitors to understand that our destiny in the “modern world” is bound up with theirs...as they steward a vital, biodiverse rainforest that regulates global carbon and water cycles, while demonstrating forgotten principles for living within planetary boundaries.¹⁶ A crucial and open question is whether such principles can, and will, be adapted and scaled up to the market economies where most of us live. Alert individuals, regulators and companies are beginning to test this question, and we believe the answers will have material investment implications.¹⁷

We added **Nestlé** to the Sustainable Equity Strategy portfolio in Q3, based on our assessment of its emerging leadership in promoting forest protection and regenerative agriculture, and the ways this reinforces their compelling economic fundamentals. We also saw a specific catalyst for Nestlé to capture value through its advantaged positioning with respect to an under-reported breakthrough regulation that just became effective in Europe in June — the *EU Deforestation Regulation*. We will unpack the Nestlé thesis in this letter, but first we report that the Sustainable Equity Strategy generated a 10.39% gross (9.73% net of fees) through the third quarter of 2023 and that our 6.75 year annualized return since inception is 14.53% gross (13.48% net of fees) — ahead of reference indexes, as noted in the Performance table on page 5 below. (Past performance is no guarantee of future results.)

Unpacking Our Nestlé Thesis: Sustainability Leadership Reinforcing its Competitive Advantages

It’s not intuitive that the largest food and beverage company in the world would be positioned to constructively address the Achuar’s challenge. But as we performed our structured E-Assessment on Nestlé, and talked to members of their team, we came to appreciate its sophisticated effort to use the company’s immense scale to reduce deforestation, restore degraded land and to promote best practices in regenerative agriculture among the 500,000 mostly smallholder farmers that directly supply it around the world, especially in dairy, coffee, and cocoa. We saw a company acknowledging things like: “the Biodiversity Intactness Index has moved beyond the planetary boundaries”¹⁸ and driving remedies such as agro-biodiversity, inter-cropping, mixed farming (integrating crops and livestock), agro-forestry, cover cropping to attract wild pollinators and sequester carbon, and habitat protection through riparian buffers — all with crucial efforts to adapt to local scale, conditions and practices.¹⁹

As of last December, Nestlé said it had secured 99.1% deforestation-free status for its top five commodity inputs for which land clearing has put tropical forests at risk: beef, palm oil, pulp and paper, soya and sugar. It further aims




to source 100% deforestation-free cocoa and coffee by 2025, and to source 50% of all key ingredients from regenerative ag by 2030. But we never just take a company's word for it. We maintain a close relationship with the UK-based NGO watchdog Global Canopy Programme (GCP),²⁰ and in its 2022 release of the *Forest 500*,²¹ Nestlé was one of only four operating companies out of 350 given an aggregate 4/5 score for its specific commodity policies (none had a 5) and, separately, Nestlé achieved a 5/5 for its overall company-wide approach.²² This sets it up well to meet the EU Deforestation Regulation's aggressive timeline for all companies selling into the EU, or exporting from it, to verify that they are not using commodities linked to deforestation, backed by penalties of up to 4% of a company's sales revenue for non-compliance.

The EU regulation is only part of the intensifying scrutiny. Investor pressure for disclosure and performance is also growing, through the Task Force on Nature-Related Financial Disclosures (TNFD).²³ Last December, 196 governments signed the Global Biodiversity Framework in Montreal, committing to meet 23 biodiversity targets by 2030, including protection of 30% of the world's land and oceans and halving of food waste.²⁴ (Our holding **Trane**²⁵ and our new holding **Carrier**²⁶ are both cutting food waste, reducing pressure to convert forests to agriculture.)²⁷ Nestlé, having already set an approved Science-Based Target to reduce greenhouse gas emissions 50% by 2030²⁸, is also now among a pioneering group of 17 companies poised to set Science-Based Target for Nature.²⁹ Consumers have just experienced the hottest July globally since U.S. record-keeping started 174 years ago,³⁰ and are increasingly connecting the dots between the brands they buy and their interrelated climate and biodiversity performance. GCP says Nestlé is among only 2% of companies in the *Forest 500* with a strong enough deforestation approach to be able to achieve its climate commitments, while the other 98% will need to up their game.

High-resolution satellite monitoring is a game-changer and will make it harder for Nestlé's competitors with inadequate efforts to hide this fact from regulators and consumers. Nestlé has been using Airbus/Earthworm *Starling* satellites since 2016 to monitor and avoid deforestation in its supply chain.³¹ This April, Nestlé announced it is the first food and beverage company to pilot Airbus' new *Pléiades Neo* satellites to monitor its Global Reforestation Program to plant and sustain 200 million trees by 2030, removing two million tons of greenhouse gases.³² These satellites will monitor ~150,000 shade trees on Thai farms where Nestlé sources its coffee over a 20-year period. It's hard to fathom but *Pléiades Neo* offers astonishing 30cm resolution from satellite altitudes.

We see Nestlé's sustainability efforts as widening its brand moat and consumer loyalty, enhancing its supply chain resilience, and enabling it to more cost-effectively meet mounting regulatory stringency. CEO Mark Schneider has been explicit that he is prepared to pay more for sustainably grown agricultural inputs, viewing it as a long-term investment not a cost — just what we like to hear.³³ Our investment required strong economic fundamentals: Nestlé has 354 factories in 186 countries and over 8,500 branded products (of which 29 have over \$1B in annual sales) covering everything from coffee and baby food to pet snacks and mineral water. It is difficult to grow a company that already has \$95B in sales, but we project rising earnings from its exposure to high-growth emerging markets; a portfolio shift into higher margin natural and healthier products, including innovative plant-based milks, seafood and burgers that will reduce livestock drivers of deforestation,³⁴ and market share gains as more consumers seek sustainable products. We believe earnings per share will grow at a high single digit pace over the long-term, while offering a stable and attractive dividend yield. To be clear, we do not regard Nestlé as pristine and have grappled with tradeoff analyses — assessing its marketing and lobbying excesses on infant formula, its implication in obesity through its processed foods, and labor concerns in its palm oil supply chain.³⁵ We believe Nestlé is making concerted progress in many of these areas and when it does, the results are fortunately global in scale.³⁶ We will be engaging Nestlé's team on certain of these issues, and encouraging them to include in their *Forest Positive*



program³⁷ support for the Achuar and 30 adjacent indigenous peoples in the *Sacred Headwaters Initiative*³⁸ (which aims to protect 86 million acres of Amazon rainforest) and potentially to source inputs from their local bio-economy.³⁹

Capital markets remain, we believe, inefficient in incorporating sustainability risks and opportunities into equity prices, creating an opportunity for our deep research in these areas to generate long-term outperformance.⁴⁰ The EU Commission put it well: “Deforestation threatens to be the ‘new coal’ in investors’ portfolios, as exposure to companies who drive such continued environmental destruction represent considerable financial, regulatory, and reputational risks. Yet the potential financial impact is accounted for by only a small minority of investors today.”⁴¹ A separate analysis advised by BlackRock, BNP Paribas Asset Management and Goldman Sachs concluded that “emerging policy and demand shifts could drive permanent value loss across the critical, but overlooked, food and agriculture sector — for some companies up to 26% of their market value by 2030, with a sector average hit of over 7%...this will be a permanent, non-cyclical loss if investors and companies do not act now to protect value.”⁴² We believe there is both risk mitigation and competitive advantage in being alert to these issues, for companies like Nestlé and for us as investors stewarding your capital. Money, not “only” planetary health, is on the line!

Among the ways to feed a growing global population without converting more forest to agriculture is to use existing ag land more efficiently via precision agriculture. In August last year, our holding **Trimble** acquired Bilberry, which uses AI-targeting to reduce herbicide use by ~80%.⁴³ Last week, Trimble announced that it will combine its ag solutions with AGCO’s autonomous tractor business in a new precision ag joint venture, in return for \$2bn in cash and 15% ownership of the venture. We expect this platform to expand the penetration, profitability and global impact of these innovative solutions while also boosting Trimble’s revenue from the satellite guidance technology it will retain and license to the JV.⁴⁴ **Deere**, another holding, is seeing rapid adoption among its massive customer base for its precision ag solutions. It recently projected that its ExactEmerge solution, a high-speed planter, will be adopted by ~60% of customers in 2024, while ExactApply, its precision sprayer, should be adopted by 70%. Last year, Deere revealed its first fully autonomous tractor, which will deploy technologies such as a deep neural network to classify each image pixel of traversed land in 100 milliseconds.⁴⁵ As mentioned above, AI isn’t just for chat bots!

Performance

The S&P 500 closed at its 2023 high near the end of July, and then had a challenging August and September in part because the Fed signaled “higher for longer” interest rates, making fixed income more attractive as a competitor to equities and imposing higher debt financing costs on corporations. Yet Fed hawkishness also underscored the innovative American economy discussed earlier, meaning bad news on rates embedded good news on resilience. Because we select companies with dominant, profitable business models delivering mostly essential services in increasingly sustainable ways, and generally low debt burdens relative to cash flow, we believe our portfolio is well positioned to prosper through various scenarios that may lay ahead. After a quiet first half of the year, where we changed positions sizes a few times but made no buys or sells, we were active in Q3 – selling three positions and adding four; we discussed Nestlé and briefly Carrier above, and will write about others in future letters (no rush, our average holding period is about four years!). We also trimmed some of our top gainers for the year, including tech holdings that had surged early in the year due in part to AI exposure, and redeployed capital to some out-of-favor holdings that have lagged. Our biggest laggard so far this year was **SolarEdge** (which we have sold). Our high-quality EU-domiciled companies (**Schneider Electric**, **Siemens**, **L’Oreal**, **ASML**) also lost 10-20% each in Q3, but all remain positive for the year, most solidly so, and are favorably exposed to some of the most significant economic and secular trends that we believe will drive outperformance for shareholders in the years ahead. The pullback stemmed from the weakening of the Euro relative to the dollar, and from more persistent inflation and slower growth



expectations in Europe. A number of our EU companies also have more sales exposure to the Chinese economy which is defying earlier expectations of a post-Covid bounce. We like the relative values in EU vs. US Equities, and believe that EU-domiciled companies also tend to face a more demanding regulatory regime with respect to sustainability (as in the Nestlé and EU Deforestation Regulation case), which affords them a useful head start in capitalizing on the secular, global environmental trends in which we specialize. As SolarEdge’s 2023 pullback deepened this quarter, we re-appraised its competitive position. While the secular drivers for solar adoption remain strong, the commoditization of the global solar value chain appears to be creeping into the one segment we had previously found most attractive and profitable: module-level power electronics (MLPE), where SolarEdge has been a pioneer and profitable leader. Subsidized Chinese players have dominated much of the global renewable equipment market and our channel checks this year suggested that they are now threatening SolarEdge’s European sales, weakening our long-term thesis, so we sold. Please see performance table below:

	Reference Indexes				
	DWA Sustainable Equity (gross)	DWA Sustainable Equity (net)	MSCI SRI TR Index	S&P 500 Total Return Index	MSCI World TR USD Index
Annualized Returns					
1Yr	17.48%	16.53%	22.93%	21.62%	21.95%
3Yr	5.06%	4.15%	7.84%	10.15%	8.08%
5Yr	11.47%	10.49%	8.79%	9.92%	7.26%
Inception	14.53%	13.48%	10.85%	12.10%	9.38%
Cumulative Returns					
1Yr	17.48%	16.53%	22.93%	21.62%	21.95%
3Yr	15.95%	12.98%	25.42%	33.65%	26.26%
5Yr	72.10%	64.65%	52.42%	60.44%	41.95%
Inception	149.73%	134.78%	100.34%	116.11%	83.18%

Inception date: January 1, 2017
 Past performance is no guarantee of future results.

Please note that as Q3 closed, **Danaher** spun off its environmental segment into a new company **Veralto**, that you now hold in your portfolios.⁴⁶ Veralto is now very nearly a pure-play water company, though it also includes Danaher’s product labeling business whose solutions will meet increasing sustainability-driven demands for food ingredient traceability. We attended a capital markets day in Chicago with Veralto’s management team just before the spinoff and more recently met in-depth with the CEO of perhaps its biggest water company competitor as part of our ongoing due diligence into the water landscape and Veralto’s prospects as an independent company.

Thank you, as always, for your confidence in us to steward your capital. Please reach out to Dan Abbasi (dan@douglasswinthrop.com) if you would like to set up a call for any reason, and also kindly let us know if you think of others who might be interested in hearing about our Sustainable Equity Strategy.

Best regards,

The Douglass Winthrop Team

Please see endnotes on next page and important disclosures at the end of this document.



- ¹ <https://www.theguardian.com/culture/2023/sep/04/stuck-in-the-mud-but-the-party-hasnt-stopped-a-dispatch-from-burning-man> and <https://nymag.com/intelligencer/2023/09/burning-man-gets-stuck-in-the-mud-live-updates.html>
- ² <https://www.ft.com/content/30a997a9-485a-4921-b543-842feaf4cfa6>. Ironically, climate protesters had temporarily blocked the roads into the temporary Burning Man settlement for its carbon-inefficient ways, providing an additional narrative for the idea that the Burners' were due for a just comeuppance – see: <https://www.wired.com/story/climate-change-has-finally-come-for-burning-man/>
- ³ <https://www.elibrary.imf.org/view/journals/001/2020/208/article-A001-en.xml#:~:text=Using%20data%20on%20IT%20adoption%20covering%20almost%20three,rate%20rose%20less%20in%20response%20to%20social%20distancing>. In saying this, we recognize the recurring hubris of Silicon Valley, especially its mythic elevation of individual “genius” over the foundational and/or partnering role of government in many key innovations, e.g., DOD’s Arpanet as the predecessor of the Internet; NASA and DOD’s pivotal buying of early chips from Fairchild Semiconductor, as well its intentionally addictive and often privacy-invading social media products, which have contributed to a variety of social dysfunctions. See: <https://www.thenation.com/article/archive/silicon-valley-history-book-review/>
- ⁴ <https://www.economist.com/leaders/2023/04/13/the-lessons-from-americas-astonishing-economic-record>
- ⁵ <https://www.bls.gov/news.release/pdf/forbrn.pdf>
- ⁶ <https://www.economist.com/leaders/2023/04/13/the-lessons-from-americas-astonishing-economic-record>
- ⁷ <https://www.aljazeera.com/news/2023/9/15/explainer-climate-changes-effects-on-global-migration>
- ⁸ <https://burningman.org/event/2023-art-theme-animalia/>
- ⁹ <https://doughnuteconomics.org/about-doughnut-economics>
- ¹⁰ <https://www.computerworld.com/article/2591759/artificial-neural-networks.html> and <https://towardsdatascience.com/a-concise-history-of-neural-networks-2070655d3fec>
- ¹¹ <https://www.wired.com/2015/12/airbuss-newest-design-is-based-on-slime-mold-and-bones/> and <https://www.autodesk.com/design-make/articles/bionic-design> and <https://www.learnbiomimicry.com/blog/bio-inspired-AI> and <https://www.digitalengineering247.com/article/natures-formulas-coded-as-generative-design>
- ¹² <https://pachamama.org/>
- ¹³ <https://www.wwf.org.uk/updates/10-products-come-tropical-forests>
- ¹⁴ <https://www.worldwildlife.org/stories/what-is-the-sixth-mass-extinction-and-what-can-we-do-about-it> and <https://www.nytimes.com/2014/02/16/books/review/the-sixth-extinction-by-elizabeth-kolbert.html>
- ¹⁵ <https://www.newscientist.com/article/2336521-the-amazon-rainforest-has-already-reached-a-crucial-tipping-point/>
- ¹⁶ <https://www.stockholmresilience.org/research/planetary-boundaries.html>
- ¹⁷ Tropical forests are home to an astonishing 80% of terrestrial biodiversity. Moreover, an estimated 80% of the climate change mitigation opportunity from the land sector in the next decade comes from transforming food systems and avoiding the deforestation connected to them. See: <https://climatechampions.unfccc.int/wp-content/uploads/2022/09/Assessing-the-financial-impact-of-the-land-use-transition-on-the-food-and-agriculture-sector.pdf>
- ¹⁸ See page 2: https://www.Nestlé.com/sites/default/files/asset-library/documents/library/documents/corporate_social_responsibility/natural-capital-biodiversity.pdf#:~:text=Yet%20over%20the%20last%20century%2C%20human%20activities%20%28e.g.,in%20protecting%20and%20enhancing%20biodiversity%20through%20our%20operations.
- ¹⁹ <https://www.Nestlé.com/sites/default/files/2022-07/Nestlé-agriculture-framework.pdf> and <https://www.Nestlé.com/sites/default/files/2023-03/creating-shared-value-sustainability-report-2022-en.pdf>
- ²⁰ <https://globalcanopy.org/>
- ²¹ <https://forest500.org/>
- ²² See page 36: https://forest500.org/sites/default/files/forest_500-2023_annual_report.pdf
- ²³ <https://tnfd.global/>
- ²⁴ <https://www.cbd.int/gbf/>
- ²⁵ <https://www.tranetechnologies.com/en/index/sustainability/innovation/operation-possible.html> and <https://planet.outlookindia.com/news/-our-cooling-cart-can-reduce-both-food-waste-and-emissions-at-scale--news-414645> and https://www.csrwire.com/press_releases/41962-thermo-king-drives-reduction-in-food-waste-and-insecurity-by-committing-nearly-500-000-in-additional-grants-to-food-banks-nationwide and <https://www.thermoking.com/na/en/newsroom/2019/09/end-to-end--cold-chain-integrity--critical-to-global-food-waste.html>
- ²⁶ <https://www.corporate.carrier.com/corporate-responsibility/environment/sustainable-cold-chain/>
- ²⁷ <https://greenly.earth/en-us/blog/ecology-news/global-food-waste-in-2022>
- ²⁸ <https://www.Nestlé.com/sites/default/files/2020-12/Nestlé-net-zero-roadmap-en.pdf>



²⁹ <https://sustainablebrands.com/read/defining-the-next-economy/17-companies-worlds-first-science-based-targets-for-nature>

³⁰ <https://www.noaa.gov/news/record-shattering-earth-had-its-hottest-july-in-174-years#:~:text=The%20average%20global%20surface%20temperature,Earth%27s%20warmest%20month%20on%20record.>

³¹ <https://oneatlas.airbus.com/service/starling> and <https://www.earthworm.org/our-work/ventures/starling>

³² <https://www.nestle.com/media/news/satellite-technology-reforestation-transparency> Also, alliances of indigenous peoples are harnessing satellite tech themselves to protect their territories from deforestation – see: <https://www.bloomberg.com/news/articles/2023-09-21/solar-powered-surveillance-technologies-help-protect-the-amazon?srnd=green>

³³ See minute 18:20 of this interview with Mark Schneider: https://www.youtube.com/watch?v=I_VJ2qroy74&t=1268s

³⁴ <https://www.Nestlé.com/nutrition-health/tasty-healthy-food> and <https://www.Nestlé.com/brands/plant-based-portfolio> and

<https://www.Nestlé.com/media/news/nutrition-health-balanced-diet-sales-target> As usual, whenever we add a globe-spanning multi-national like Nestlé to our portfolio, we must grapple with tradeoffs. Nestlé’s reputation has been deservedly tarnished in the past for its deceptive marketing of infant formula and of unhealthy food that has helped propel an increasingly global obesity epidemic. On these topics, we note the positive changes linked above, and put Nestlé in the “improver” category, which can lead to re-rating and investment outperformance as results come in and previously skeptical investors reappraise a company, on top of its benefits for human and societal health.

³⁵ <https://www.nytimes.com/2019/11/15/business/Nestlé-environment-sustainability.html> and

<https://www.nytimes.com/interactive/2017/09/16/health/brazil-obesity-Nestlé.html> and <https://www.bloomberg.com/news/articles/2022-09-29/Nestlé-to-drop-palm-oil-supplier-astra-agro-lestari-on-allegations-of-abuses>

³⁶ Per GCP: “Only one company, Nestlé, has made a commitment to all of the human rights listed above for all of the forest-risk commodities they are exposed to.” See:

<https://forest500.globalcanopy.org/companies/#:~:text=More%20than%20a%20third%20of%20companies%20%2834%25%20%3D,of%20the%20forest-risk%20commodities%20they%20are%20exposed%20to.>

³⁷ <https://www.nestle.com/sustainability/nature-environment/forest-positive>

³⁸ <https://sacredheadwaters.org/> and <https://www.pachamama.org.ec/en/what-we-do/sacred-headwaters-alliance/>

³⁹ <https://www.pachamama.org.ec/en/what-we-do/forest-economies/sustainable-production-and-bio-entreprises/>

⁴⁰ Mainstream climate scenarios used by investors to price risk -- such as those developed by the International Energy Agency and the Network for Greening the Financial System (a network of 114 central banks) – have tended to focus on the energy system, from renewable power generation to electric vehicles. They have often overlooked the agriculture, forestry, and land use sectors.

⁴¹ https://knowledge4policy.ec.europa.eu/publication/assessing-financial-impact-land-use-transition-food-agriculture-sector_en

⁴² <https://climatechampions.unfccc.int/wp-content/uploads/2022/09/Assessing-the-financial-impact-of-the-land-use-transition-on-the-food-and-agriculture-sector.pdf>

⁴³ <https://www.prnewswire.com/news-releases/trimble-to-acquire-bilberry-to-extend-its-selective-spraying-capabilities-for-sustainable-farming-301614249.html>

⁴⁴ AgCo is one of world’s largest agricultural equipment manufacturers. Trimble will retain 15% share of the JV, while contributing the majority of its solutions in precision agriculture in exchange for \$2bn in cash. This deal will increase penetration of Trimble solutions in AGCO’s existing fleet, and accelerate growth through AGCO’s extensive OEM and aftermarket channels.

⁴⁵ <https://www.automationworld.com/factory/robotics/article/22005862/john-deeres-8r-autonomous-tractor-is-one-big-robot>

⁴⁶ <https://investors.danaher.com/2023-09-30-Danaher-Corporation-Completes-Separation-of-Veralto-Corporation>

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