Stewardship Policy

Most Recent Update: April 2025
Implementation Date: December 2018

PURPOSE

When evaluating investment decisions, Sands Capital Management, LLC ("*SCM*") has a fiduciary duty to consider all financial and non-traditional risks that may materially influence the financial outcome of an investment. SCM has adopted this Policy to formally incorporate the analysis of certain environmental, social and corporate governance ("*ESG*") factors into its investment decision-making. This Policy applies to the investment advisory activities for client accounts of SCM and does not apply to Sands Capital Ventures, LLC.

GENERAL POLICY

SCM incorporates ESG analysis into its investment decision-making process so that all financial and non-financial risks that may materially impact the financial outcome of an investment are appropriately considered.

At SCM, we approach ESG analysis with three primary objectives. We expect ESG analysis to:

1) Enhance our investment cases, enabling us to build conviction in businesses and add value for our clients;
2) Inform our clients, enabling them to understand how all material risks and opportunities are considered as part of the investment decision-making process; and
3) Inform our portfolio businesses, enabling management teams to benefit from our long-term shareowner perspective through company engagement.

RESPONSIBILITIES

The core stewardship team, led by the director of stewardship, (1) sets goals and objectives related to the integration of ESG analysis into the investment process, (2) monitors execution of this Policy by the investment team, (3) reports progress to relevant stakeholders, (4) identifies education opportunities for staff members, and (5) drives process improvements related to the sourcing and integration of data into our investment research and client reporting systems.

As part of our ongoing research, SCM regularly engages with the management teams, and, if appropriate, board members of portfolio business to better understand each business's long-term strategic vision and management of risks and opportunities, including those pertaining to ESG matters. In this context, ESG research and active ownership responsibilities are horizontally integrated across our global research team. The member of the investment team who is primarily responsible for the research activities relating to a particular company is responsible for conducting or directing all company-level ESG research and for documenting company engagements in the manner detailed below.

The core stewardship team supports the global research team on ESG research and engagement, acting as internal consultants on various stewardship topics.

The director of stewardship leads the core stewardship team and reports to our executive management team, which consists of the chief investment officer/chief executive officer, president, and additional senior leaders who represent our primary business areas.

In addition to the core stewardship team, our cross-functional stewardship group includes staff with diverse functional knowledge who are committed to implementing ESG research integration, active ownership within the context of creating long-term shareholder value, and stakeholder communications. The team meets periodically to discuss strategic areas such as policy and strategy formulation, education and training, tools and infrastructure development, legal and regulatory compliance, and collaboration with external partners.

Finally, the head of marketing and communications (or his or her delegate) is responsible for all PRI reporting (as detailed below).

RESEARCH PROCEDURES

ESG assessment of a company generally begins when the investment team member primarily responsible for research places the company on Sands Capital's new opportunities list because he or she has determined that the company may meet SCM's six investment criteria. At this juncture, a coverage team is established and an evaluation of all relevant financial and non-traditional risks and opportunities, including ESG factors, which may affect investment results, is performed. Examples of these include, without limitation:

- *Environmental topics*: environmental policy and strategy, energy use and efficiency, pollution and waste management, water use and efficiency, greenhouse gas emissions or climate change strategy, materials use, and sourcing and regulation;
- *Social topics*: data security and privacy, human capital management, human rights, labor rights, product safety and impact, diversity and inclusion, regulation, and health and safety; and
- *Governance topics*: audit and accounting, board structure or composition, capital structure, executive compensation, related-party transactions, shareholder protection and rights, management accountability, increasing transparency and disclosure, regulation, and ESG strategy and oversight.

The potential of material ESG factors to affect the sustainability of a company's value-creating capacity is considered during the investment decision-making process. After investing in a company, the relevant coverage team continues to monitor and evaluate ESG factors.

Our research analysts prepare proprietary ESG reports on the relevant factors affecting the businesses they cover that are held within client-funded investment strategies. Based on the materiality assessment, they identify opportunity and risk topics that will be addressed during our engagements with management teams. Research analysts are expected to update these reports periodically. Analysts may leverage the expertise of our core stewardship team in this process.

Documentation of the ESG analysis is generally completed before or promptly after an initial investment action and updated approximately every twelve months.

COMPANY ENGAGEMENT

As part of its investment process, SCM routinely engages with the management teams and directors of existing and prospective portfolio companies. However, and for sake of clarity, SCM is not an activist investor and generally does not acquire or hold investments for the purpose or effect of changing or influencing the control of its investee companies. Instead, SCM's engagement policy has the following primary objectives:

(1) Inform SCM's understanding of risks and opportunities and their potential impact on a particular company;

(2) Exchange perspectives on matters SCM has identified as relevant to and in the best interests of long-term shareholders and, if deemed appropriate, provide feedback at the company level; and

(3) Discuss ballot proposals and inform SCM's proxy voting.

Engagements may be ESG or non-ESG-related. When deciding how to address ESG factors, SCM believes that it is generally in the best interests of clients to engage with portfolio companies in order to enhance long-term shareholder value creation. If information is learned through an engagement that SCM believes poses a material risk to the investment outcome, SCM may divest a holding or pass on an investment opportunity.

The Investment Team documents and tracks company engagements in the Internal Research Notes (@IRN) application available through Factset. The documentation of such engagements should include relevant information, which may, if applicable, include:

- Company's name
- Individuals in attendance
- Whether the engagement was for information or for exchanging views (or both)
- Whether the engagement was proxy-related
- The ESG topics discussed
- Outcomes

PRI REPORTING

SCM is a signatory to the Principles for Responsible Investment ("*PRI*"). PRI is an internationally recognized organization whose purpose is to encourage investors to use responsible investment as a mechanism to help enhance returns and manage risk. PRI consists of six voluntary Principles to which all signatories commit to incorporate into their investment practices.

As a condition of being a signatory, SCM is required to report annually to PRI using the PRI Reporting Framework (the "*Framework*"). The Framework is the reporting mechanism in which all PRI signatories address activities related to SCM's implementation of the six Principles. Failure to complete the reporting by the deadline would result in being delisted as a signatory.

STEWARDSHIP CODES

SCM may from time to time determine that it is in the best interest of its clients for it to become a signatory to one or more stewardship codes. Such codes may establish additional standards or principles for SCM to consider when managing client assets.

OTHER ESG REPORTING

SCM has numerous regulatory and contractual obligations regarding ESG-related reporting. These obligations vary based on the client type and individually negotiated activities. In meeting these obligations, Sands Capital may be reliant on either third-party data or a combination of third-party data and Sands Capital's internal research and analysis. SCM will endeavor at all times to capture accurate data relating to ESG so as to meet such reporting obligations in a manner that is consistent with the terms of our agreements and regulatory obligations.

CLIENT-SPECIFIC GUIDELINES

Individual clients may seek to incorporate additional sustainable or responsible investing principles into their individual investment mandates by, for example, instructing SCM to exclude companies participating in economic activity that they believe may be harmful to the environment or society. We endeavor to apply such principles to a client's mandate in a manner that is consistent with the client's instructions.