Aligning for a Better Future

Stewardship Report 2021

SANDS CAPITAL

Contents

ON THE COVER

The living green wall was installed in the lobby of the 31-story LEED Gold commercial building, that houses the headquarters of Sands Capital at 1000 Wilson Boulevard in the Rosslyn neighborhood of Arlington, VA. The 5,326-plant green wall is reported to be the second-largest wall of its kind in the United States and has the capacity to purify 888 cubic feet of air per minute. Photo courtesy of www.greenstreetgreenwalls.com.

Our Stewardship Path

The world is rapidly shifting from an industrial economy to one of technology-driven innovation. While this new digital age has transformed the way we live and do business, it has created significant challenges for the environment, society, and companies seeking to compete in it.

Growing public awareness of the impacts of climate change, digital consumption, and social inequities has spurred governments and regulators to take increased measures to combat the unintended consequences of change in a transforming world.

Companies and consumers often applaud the unprecedented rate at which new products and services are launched. However, regulators and businesses are challenged to keep pace and often struggle to develop appropriate guidelines to help navigate the myriad ethical, privacy, and environmental costs that may be part and parcel of change. Against this backdrop, the value of active stewardship of long-term client capital has never been greater.

At Sands Capital, we are privileged to be able to invest in many select businesses that are leading transformation in this digital age. They innovate, solve problems, and often improve the lives of billions of people. We seek to own these businesses over many years and are thus committed to helping them not only grow and mature but also evolve their environmental, social, and governance (ESG) practices to navigate emerging economic and societal complexities.

We are keenly aware of changes in our industry and the broader economy. Thus, we embrace a culture of continuous learning and development, acknowledging that there are always ways in which we can improve. In this stewardship report, we endeavor to present an overview of dedicated work we have been doing internally and to guide our businesses along their stewardship path.

We do this through an enduring and customized approach to ESG integration and engagement that is based on the belief that investors and companies that allocate capital and act responsibly are best aligned to achieve superior outcomes for shareowners, society, and the planet.

Sincerely,

Frank M. Sands, CFA
Chief Investment Officer
Chief Executive Officer

Brian A. Christiansen, CFA
Director of Stewardship
Sr. Portfolio Manager, Research Analyst
Executive Managing Director

Partners to Confront Challenges

At Sands Capital, we seek to own leading growth companies—the outliers with the capacity to generate sustainable, above-average earnings over time. These businesses are innovators in industries undergoing transformation. They are creating the future and often disrupting the status quo. In doing so, they are breaking the molds, creating new ways of doing business. So it comes as no surprise that their approach to ESG practices may also be unconventional.

As stewards of long-term client capital, we prefer to walk alongside these disrupters as they define the future. We build our positions in select businesses over time and aim to partner with them not only throughout their phases of growth but also in seeking to find approaches to some of the great sustainability challenges of our day. As concentrated, high-conviction investors with a long investment horizon, we are in a strong position to influence the journey of many of these companies that we believe can achieve positive long-term outcomes for their shareowners and society.

Along this path, we regard our role as guiding, not mandating. We believe that ESG factors can play a material role in determining investment risk and return. They often affect brand value and consumer trust, which are inextricably linked to a company's ability to create long-term shareholder wealth. In partnering with a business, we aim to build constructive relationships with management teams to positively influence the trajectory of their ESG practices over time.

In doing so, we like to remember that these businesses have made their mark by their ability to think differently. Therefore, we fully anticipate that their path to ESG improvements may be similarly distinctive and not predefined by metrics and methodologies of third-party ratings agencies that rarely consider a time horizon.

We fully expect that ESG practices will evolve as a company matures and that they will be defined and redefined based on industry and geography. In engaging with our companies, we seek to understand their context and unique ESG circumstances.

We know the best entrepreneurial leaders are visionaries whose imaginations cross decades, not quarters. As true long-term investors, we must be willing to give our companies the patience and unconstrained support to achieve those visions.

Our Purpose

At Sands Capital we are active, long-term investors in leading, innovative growth businesses, globally. We exist to add value and enhance the wealth of our clients with prudence over time. By striving to fulfill our mission, we seek to achieve positive outcomes for our stakeholders:

We enable **clients** to fulfill their missions, which include providing sustainable and better retirements, better healthcare, innovative research, and charitable works for a better world.

For **our staff**, we create a dynamic work environment that challenges them to bring forth their best creative talents, experience fulfillment, and grow in a supportive culture.

For **society**, we perform the important function of allocating capital to businesses that innovate, solve problems, and improve billions of people's lives by offering better products and services to the global economy and by creating jobs, tax revenue, and institutions that enhance civil society.

Our Beliefs

BUSINESS-FOCUSED RESEARCH

The purpose of our proprietary research is to identify high-quality, leading growth franchises with sustainable business models, operating in attractive areas of growth and innovation. We place significant value on companies that embrace a long-term perspective and that are thoughtful stewards of financial and nonfinancial resources, which can include environmental and social aspects of the business. In particular, we believe effective governance and responsible corporate strategy are critical components of long-term growth investing.

MATERIALITY

ESG factors vary in importance and are highly dependent on the region, country, industry, and company. We believe deep domain and company-specific knowledge allows our investment professionals to make appropriate judgments about which ESG factors could have the greatest impact on all stakeholders. Analysis of these factors is integrated into the investment decision-making process to the extent our team believes they may affect the sustainability of a company's value-creating potential.

OBJECTIVITY

We seek to maintain independence in the execution of our research. Though we may leverage external frameworks (e.g., Sustainability Accounting Standards Board materiality topics) and sources (e.g., ESG databases, governance advisory firms, academic researchers) to varying degrees to identify key ESG issues for the businesses we own, we do not rely on third-party opinions when building conviction in our investment views.

ENGAGEMENT

We view engagement as a valuable tool to better understand management's long-term strategic vision. Therefore, we meet regularly with the management teams of portfolio companies to discuss how they manage ESG risks and opportunities, among other issues. When merited, we proactively express our views about business strategy, governance, financial reporting, executive compensation, and other stakeholder considerations.

TRANSPARENCY

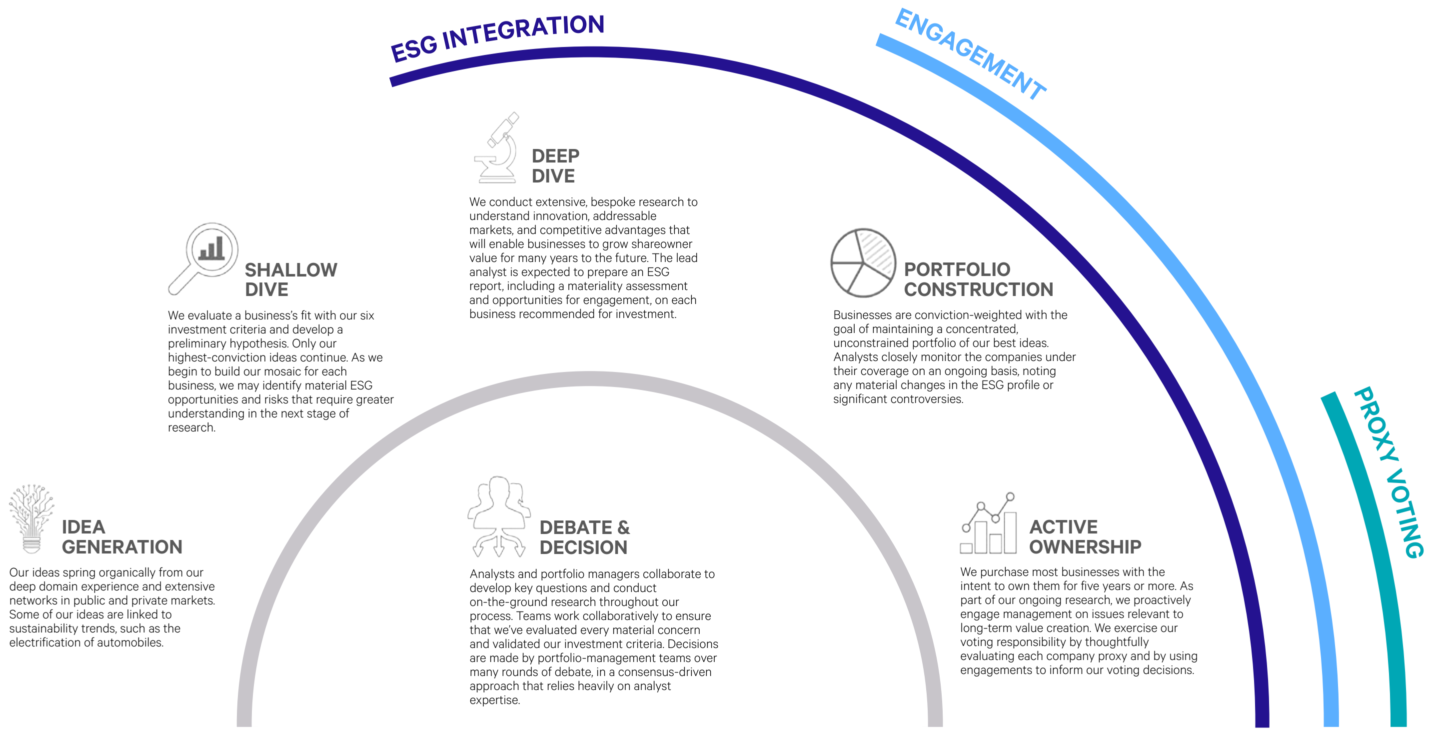
We are committed to providing transparency into our ESG initiatives and how we think certain factors may relate to the long-term growth prospects of the companies we own. We welcome client questions about the extent to which we have incorporated our understanding of relevant ESG factors into each investment case. We report regularly on our active ownership activities.

Focus on What Matters

To achieve such positive influence, we believe it is essential to understand each business holistically by focusing on what makes it unique and by understanding the potential the business has to create a net benefit for society and value for long-term shareowners. To achieve such a thorough understanding, we believe it is critical to integrate ESG considerations into our fundamental research process. Our research analysts, with their deep domain knowledge, are best able to put ESG risks and opportunities and the effect they might have on our portfolio holdings into context. We find this especially important in early-stage growth businesses that may have considerations that a later-stage business would not.

Our approach stands in stark contrast to the more formulaic system of box-checking used in much of the industry. This approach is often backward-looking and does not factor in the nuances associated with actual companies. While we use third-party research to flag areas of concern, we believe this research often lacks context and is constructed to measure a set of standardized attributes. We think our analysts are best able to judge how we should evaluate our portfolio businesses in the present and as they evolve during what is often our long-time partnership. We believe it is far more important to understand the intentions behind practices and actions. And, these intentions can only be measured by fundamental research and actual engagement, not simply metrics.

INTEGRATING ESG THROUGH OUR RESEARCH PROCESS



A Team-wide Approach

Oversight

Our Stewardship Team comprises staff with functional knowledge who are committed to executing a program that encompasses ESG research integration, active ownership, and stakeholder communications. This team meets monthly to discuss progress in areas such as policy and strategy formulation; education and training; tools and infrastructure development; legal and regulatory compliance; and collaboration with external partners.

A subset of the Stewardship Team meets regularly to establish priorities, assess resource requirements, and prepare recommendations for meetings of the larger team. This steering group drives process improvements related to the sourcing and integration of data into our investment research and client reporting systems.

The Director of Stewardship leads the Stewardship Team and reports into our Executive Management Team, which consists of the Chief Investment Officer and Chief Executive, President and Director of Research, and additional senior leaders who represent our primary business areas. This reporting relationship helps to ensure organizational alignment around our stewardship policies and processes and keeps senior leaders apprised of our program developments.

Research in Action

ESG research and active ownership responsibilities are horizontally integrated across our global research team.

GOVERNANCE STRUCTURE

Our research analysts prepare ESG reports on the relevant factors affecting businesses they cover. Based on the materiality assessment, they identify opportunity and risk topics that will be addressed in the course of our engagements with management teams. Research analysts are expected to update these reports annually or in response to a significant controversy or ESG-related impairment to the business.

The Internal Stewardship Consulting Team supports our research analysts. This group of four ESG specialists contributes domain knowledge on systemic risks, such as climate change. The group also helps structure strategic engagements with target companies and ensure that we effectively fulfill our proxy voting obligations.

In 2021, we established a Stewardship Analyst Council as a platform for our research professionals to share best practices and identify opportunities for improvement. This platform is proving to be a powerful way to elevate the knowledge level of our professionals and seek consistency in our research approach.

Our Tools

Our proprietary, fundamental research incorporates business-specific ESG data and proxy advice that is provided by what we consider to be reputable, independent sources. These sources offer signals that may prompt us to dig deeper to put observed risks and opportunities into a long-term, business owner's context. We have also developed highly customized tools that enable us to, among other things, record and track engagement activity.

OUR TOOL STACK

ESG Research	MSCI ESG Research	MSCI Carbon Metrics/ Climate Value-at-Risk	Sustainalytics[1]
Proxy Voting Research	Institutional Shareholder Services (Research and proxy voting platform)	Glass Lewis (U.S. and Non-U.S. Research)	Stakeholders Empowerment Services (Corporate governance research and advisory firm)
Business Involvement Screening	MSCI ESG Research	Sustainalytics	
Standards and Frameworks	SASB Standards Alliance (Value Reporting Foundation)	Task Force on Climate-related Financial Disclosures	U.N. Global Compact
Associations	Council of Institutional Investors	International Corporate Governance Network	
Technology Platforms	FactSet	Sentieo (Financial intelligence platform)	

[1]Sustainalytics, a Morningstar company, is a company that rates the sustainability of listed companies based on their environmental, social, and corporate governance performance. Institutional Shareholder Services group of companies empowers investors and companies to build for long-term and sustainable growth by providing high-quality data, analytics, and insight. SASB Alliance Standards guide the disclosure of financially material sustainability information by companies to their investors. The U.N. Global Compact is a nonbinding U.N. pact to encourage businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. FactSet Research Systems Inc., trading as FactSet, is an U.S. financial data and software company. Sentieo is a financial intelligence platform. None of these companies is a Sands Capital holding.

Advancing Our Commitment

We believe that stewardship evolves over time and that we must be ready to realign our efforts with changes in our industry, the broader economy, and society. We invest significantly in our ESG and active ownership process in terms of research, people, and systems. We are committed to meeting or exceeding the needs and expectations of our clients and other stakeholders.

We have viewed ESG integration and active ownership as important parts of our investment process for many years. However, in 2021, we began to more intentionally focus on three areas—climate change, modern slavery, and digital ethics—that we think will present the most challenges and opportunities for our portfolio businesses over the next 10 years. To support this effort, we have expanded firmwide educational opportunities and enhanced our dedicated stewardship team, hiring ESG analysts and developing additional tools and data sources.

Below we summarize key initiatives from 2021 that are intended to advance our program and add value for our clients.

Climate Change

As long-term stewards of capital, we believe it is critical that businesses, investors, and capital allocators factor climate change into their long-term strategies as they would any other ESG issue. We need to be aware of the risks and opportunities that the overall economy and individual businesses face from a warming planet. We will look more closely at this critical issue in a later section of the report. At a high level, in 2021, we increased efforts to learn more about climate change, train our employees, and more explicitly incorporate climate change analysis into our investment process.

Some of our actions included the following:

- We attended various events surrounding the annual U.N. Climate Change Conference (COP26) in Glasgow, largely focusing on investment-specific events. This was the first time we attended these events and aimed to learn about current developments and explore opportunities for investing in the climate transition.
- We increased our internal education on climate change. Our stewardship team conducted training sessions, distributed and compiled educational materials, and followed evolving trends related to climate change.
- We made our company-level climate analysis more explicit by incorporating a dedicated climate change section into our internal company ESG reports.
- We mapped our portfolio according to whether or not companies have set climate targets.
- We introduced additional tools that enable our analysts to evaluate climate-related risks in our portfolios. We introduced MSCI Carbon Metrics in 2018 and in late 2020 added MSCI Climate Value at Risk (CVaR) reports to measure climate-related risks attributed to each portfolio business. In 2021, we focused on better integrating these reports and data points into our workflow.
- We developed a framework for prioritizing engagements based on the new data tools and analysis at hand, and we initiated engagements on climate change with several companies.
- We hired a third-party firm to help us map our own operational carbon footprint and develop a carbon-reduction strategy.

Modern Slavery

Modern slavery and forced labor present not only ethical challenges, but also operational, reputational, legal, and regulatory risks to companies. Whether hidden in physical supply chains, in financial transactions, or on internet platforms, modern slavery can have a surprisingly wide reach into a variety of industries from apparel to financial technology. For these reasons, in 2021 we formed a modern slavery elimination project team to prepare and implement policies, practices, and staff training. The team's holistic approach addresses managing modern slavery risks in both our investment portfolios and our corporate operations, considering both the ethical concerns and the increasing regulations and reporting requirements surrounding modern slavery.

Some of our actions in the investment portfolios included:

- We created a modern slavery screening tool to flag portfolio companies most exposed to modern slavery risks based on their industry and geographic exposure, as well as certain key metrics selected from MSCI.
- For the companies flagged in this initial screen, we conducted additional qualitative assessments where appropriate.
- When we believed human rights were a material risk to the business, we engaged with the companies to advocate for improved oversight and compliance with accepted standards. Generally, we prefer that our businesses regularly conduct third-party auditing of their supply chain.
- In addition to this internal review, we are in the process of partnering with outside organizations focused on modern slavery for independent expertise and support.

Some of our actions in our corporate operations included the following:

- We developed an internal policy regarding modern slavery and implemented an anonymous grievance/whistleblower hotline should any of our staff learn of potential misconduct.
- We incorporated sections on governance and human rights in our vendor code of conduct and reserve the right to terminate contracts with vendors who do not meet our standards.
- We conducted training on modern slavery and are in the process of developing an annual training program on this topic.

As an investment management firm, we have developed ways to address the risk of enabling modern slavery through both our business operations and the investments we make on behalf of our clients. This year, we will be releasing our first Modern Slavery Act Annual Transparency Statement, which will be updated and released annually. It discusses these efforts in more detail.

Digital Ethics

The world is rapidly shifting from an industrial society to one of technology-driven innovation, and our investment criteria tend to lead us to high-growth companies that typically are on the right side of long-term technological changes in their business space. These companies are often at the forefront of digitalization, and we believe they provide significant benefits such as more individualized healthcare, greater financial inclusion for marginalized communities, and more accessible educational tools.

However, as digitalization continues to rapidly permeate all aspects of the global economy and society, the potential associated investment risks are too great to ignore. Mishandling of data, algorithmic bias, unethical artificial intelligence practices, and technology addiction are just a few of the potential unintended consequences of digitalization. As forward-looking investors in leading innovative global growth businesses, we recognize the opportunity to guide corporations to set clear guidelines for appropriate digital governance.

- Together with other like-minded asset managers, we launched Investors for a Sustainable Digital Economy, a network of institutional investment managers and asset owners seeking to engage with and steward companies through digital governance best practices.
- The group released its inaugural report, “Considerations of Data Use for Global Investors in a Digital Age,” which extensively reviews research across data use, as well as emerging best practices within this critical area. It also underscores material investment-related issues, offering strategies that can improve corporate data use practices.

Enhanced Data Integration

Concurrent with these thematic engagement and research efforts, we have launched multiple projects to better integrate various data streams and sources into centralized stewardship dashboards to digitalize our process workflows and create actionable data intelligence. This trifold system will help deliver more information to analysts and portfolio management teams, as well as to create a better system for reporting to our clients. These stewardship dashboards are as follows:

- **Engagement Dashboard:** Uses internal research notes to display engagement-related metrics
- **Proxy Dashboard:** Employs internal reporting data on analyst proxy voting recommendations and rationale
- **ESG Dashboard:** Leverages several sources of third-party ESG-related data to visualize a specific strategy’s ESG metrics


Maybank
metfone

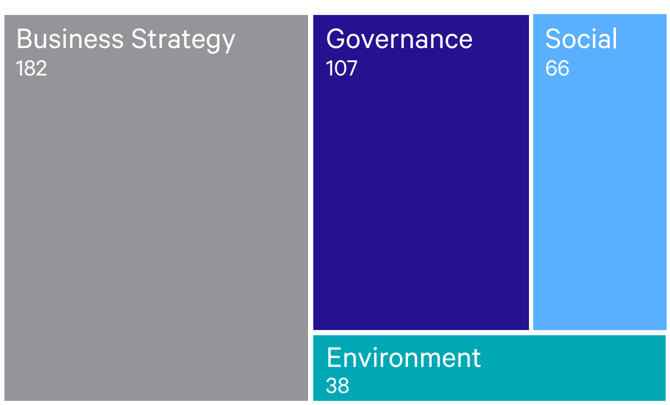
Partners for Long-term Growth

As active, concentrated, long-term business owners—not short-term stock traders—we are in a position to influence our portfolio companies and encourage positive change. Engagements are a cornerstone of our active ownership program. They are meetings between our investment professionals and senior company representatives in which we discuss materially relevant business strategy matters and, often, ESG practices. In 2021, we conducted 313 engagements with 104 portfolio businesses, representing 77 percent of all companies owned by our public equity strategies.[2]

We approach active ownership of our portfolio businesses with a partnership mindset. We strive to support our businesses and develop constructive, trusted relationships with their management teams. Business knowledge and context are critical to earning trust, in our experience. An advantage of our concentrated, high-conviction approach is that our investment professionals focus on a select handful of businesses, enabling them to get to know each one intimately and build context around its unique ESG circumstances.

Through relationships, we seek to help our businesses navigate the challenges and opportunities tied to a digital economy and ensure they remain on the right side of changes affecting their industries. Our aim is to own these businesses for five years or more and, in many cases, our actual ownership has extended beyond 10 years. As a result, we believe we are well positioned to influence positive, long-term outcomes for shareholders, society, and the planet in a way that short-term investors are not.

ENGAGEMENTS PER CATEGORY IN 2021



Another advantage of our concentrated approach is that we are often one of the largest institutional owners of our businesses, which enhances our influence. At the end of 2021, we were a top-20 shareholder in 57 public companies. A larger voice at the table with company management means we assume an even greater responsibility to help the business see around corners in the future and envision the consequences of today's actions. We take this responsibility seriously on behalf of our clients, using our influence to seek to shape a trajectory of company improvement on the issues that we believe matter most to them.

We approach each company engagement with a clear purpose. The lead research analyst has primary responsibility for setting the agenda and will commonly involve relevant portfolio managers and internal ESG specialists. The discussion topics are typically identified and prioritized based on our materiality assessment and tied to our investment case. We engage with a company with one or more of the following objectives:

- To inform our investment cases, enabling us to help build conviction in great businesses and add value for our clients

- To exchange perspectives on matters that are relevant to the interests of long-term shareholders

[2]Information contained in this document has been compiled from multiple internal sources. The information is current as of the date of this document or an earlier specified date, or as the context may require. It may be subject to updating, completion, revision, and amendment. There will be no obligation to update any of the information or correct any inaccuracies contained in this document. These figures, and those represented in the two charts in this section, include engagements made in our Select Growth, Global Growth, Emerging Markets Growth, International Growth, Global Leaders, Global Shariah, Technology Innovators, and Focus strategies.

- To advocate for corporate change when we believe it's in the best interest of our clients

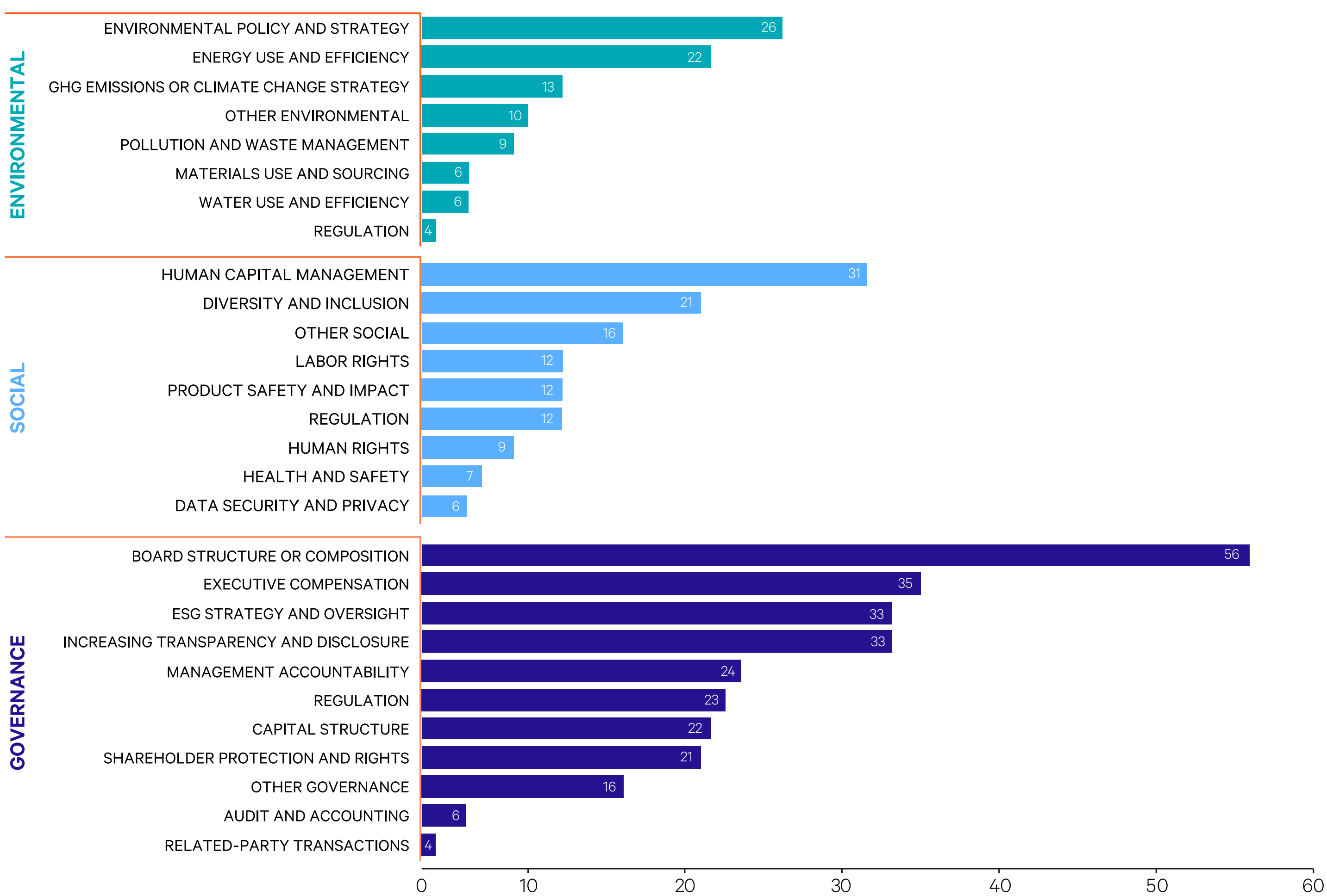
- To discuss ballot proposals and inform our proxy voting decisions

We record our company engagement activity in our investment research systems. This enables us to track specific engagement details, including the attending management or board representatives, topics addressed, perspectives shared, commitments made, and, where relevant, next steps and priorities for future engagements. This data is collated into an engagement dashboard that provides our investment professionals with visibility into the engagement activity within each portfolio and the ability to evaluate our productivity trends over time.

The graph below describes the range and frequency of topics we have addressed in our company engagements in 2021.

Board structure and composition is the governance topic on which we most frequently engage. For fast-growing, innovative businesses that are often market leaders in their space, a sound governance structure that also provides the necessary business flexibility is critical. Developing a successful long-term strategy relies partly on having board members with the appropriate skills and perspectives. As part

ENGAGEMENTS BY TOPIC IN 2021



of our dialogue with a company on setting business objectives, we also value the alignment of CEO and executive management incentives with these objectives and long-term shareholder outcomes, which is why executive compensation is our second most addressed governance topic.

Human capital management is our most common social engagement topic. Given the asset-light nature of many of our businesses, it is often their most material social issue. In a knowledge economy, attracting and retaining talent and having a diverse workforce are critical to the long-term success of many of our companies. In addition, as part of our regular fundamental research, we frequently spend considerable time understanding if a business is on the right side of shifts in customer behaviors and preferences in a world where consumer awareness and authenticity of a brand has never been more important. We frequently do this with customer interviews, surveys, and focus groups.

The engagement case studies in the following pages demonstrate our approach to building constructive relationships with management teams and influencing positive change in their businesses. New case studies are published regularly in our quarterly investment strategy reports, which are emailed to our clients and other stakeholders, as well as posted to our public website.

Warner Music Group

January & February 2021

Business: Warner Music is one of the world's largest music recording and publishing businesses.

Areas of Engagement: Board structure or composition; executive compensation

We engaged with Warner Music on several occasions during the first quarter of 2021. The company is building out its ESG strategy and initially contacted us at the beginning of the year to get our input on it. We stressed to the company that we consider the social element of the business—particularly the topics of diversity and inclusion and the balance between content moderation and freedom of expression—to be the most material.

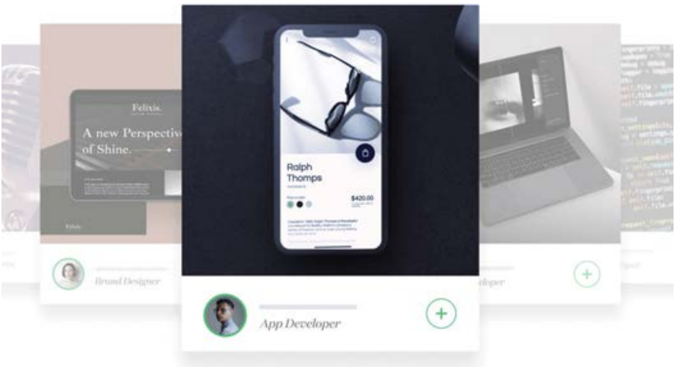
We think it is important for Warner Music to be an active ambassador of musical culture while projecting the same ideals from within its own realms of corporate governance and social impact. We followed the call by sending our ESG materials to members of the management team.

Our second touchpoint with the company came ahead of its annual general meeting in March. Upon reviewing the proxy materials, we found several concerns, so we set up a call with the company to discuss them ahead of the vote. We also followed up with the company to inform them of our intent to vote against several agenda items.

First, we voiced our concerns about the board chair serving on six boards, which we believe is excessive and potentially impedes his ability to effectively carry out his duties. The company informed us that he plans to drop one board seat to get down to five seats, and noted that his situation was unique in that he does not have commitments aside from serving on boards. Despite this, we could not reconcile the company's stance with ESG best practices and our goal of maximizing value for our clients, so we ultimately voted against the chair.

Another of our votes went against the non-independent chair of multiple subcommittees. While we believe that his skills and background bring value to the board, his position as chair of the compensation, governance, and nominations committees raised a red flag for us. We told the company that we would prefer those subcommittees to have truly independent chairs, especially given other independence concerns with the board.

We also advocated for an advisory vote on "say on pay" annually instead of once every three years, as proposed in the proxy. We think this increased frequency is reasonable, given how new Warner Music is to the public markets. We are encouraged by the direction in which compensation policies are heading, and our favorable vote was influenced by the expectation that this trajectory continues toward greater transparency and focus on sustainable long-term performance.



Fiverr

August 2021

Business: Headquartered in Tel Aviv-Yafo, Israel, Fiverr operates a leading online marketplace for buying and selling freelance digital services.

Areas of Engagement: Labor rights; data security and privacy; board diversity; governance

Fiverr's platform seeks to connect businesses to freelancers who can offer digital services on a global scale. While we view this as a net benefit to freelancers—who can take advantage of an infrastructure that allows them to scale their services—we also recognize the potential risks related to managing labor rights issues within Fiverr's business, which spans many regulatory jurisdictions across the globe.

Over the last year, we have sought to become more intentional with our engagement efforts related to critical themes, such as climate change and modern slavery. Through our analysis of modern slavery risks across our portfolio companies, we prioritized companies with which we want to engage. Given its exposure to a global roster of freelancers, Fiverr is included among these companies.

We first reached out to the company in December 2020. That call was intended to specifically address ways in which Fiverr was managing the potential exploitation of underage workers in its supply chain and general considerations related to the Modern Slavery Act. Fiverr is a newly public company—after holding its IPO in June 2019—so it has a fair amount of ground to cover to catch up to its peers in ESG disclosures. We wanted to obtain more information about Fiverr's efforts to prevent and manage the use of underage labor by the independent freelancers who use its platform.

The company confirmed that it addresses this risk through a terms-of-service agreement designed to ensure platform users are of appropriate working age. Furthermore, Fiverr has established dedicated teams tasked with marketplace governance and monitoring for suspicious activity, such as fraud and claims of fake identity. We encouraged the company to implement a policy to make these efforts more transparent and explicit to shareholders.

We followed up with members of the investor relations team in August 2021 to check on the company's ESG efforts and relay our recommendations for ways the company can evolve its business practices further. Our recommendations remained consistent, as we pushed them to continue to increase disclosures. In addition to matters related to labor rights, we requested more disclosure around measures to keep enterprise customer and freelancer data secure and compliant with local privacy regulations. We expect data security will become even more important as the company continues to expand across geographic borders.

While we think the current board structure is adequate, we identified some areas for improvement. We advocated for greater diversity, as only one member of the seven-member board is female. Furthermore, we strongly encouraged the company to appoint a non-executive member to the chairperson role—currently held by the company's chief executive officer—in order to establish leadership that is independent of management. Additionally, we encouraged the board to add operating executives with a diversity of relevant skills, backgrounds, and experiences to counsel the business as it scales.

In response to requests from large institutional investors, including Sands Capital, Fiverr released its first ESG report in November. Consistent with our long-term investment orientation and focus on shareowner value creation, we will continue to offer Fiverr our perspectives and guidance as it continues to improve its responsible business practices.

Lam Research

August 2021

Business: Lam Research is a leading global provider of semiconductor fabrication equipment based in Fremont, California.

Areas of Engagement: Executive compensation; labor rights; ESG strategy and oversight

Lam gave a short presentation on ESG updates and practices, and we spoke to members of Lam's compensation and benefits, legal, and investor relations team. Overall, we are pleased with the company's efforts in this area, but we identified areas where Lam could continue to improve.

The company has a relatively low environmental impact, in our view, as its products seek to simplify the semiconductor manufacturing process and reduce both costs and energy usage. We have encouraged Lam to commit to more tangible sustainability targets related to greenhouse gas emissions and renewable energy, which we will continue to monitor over time. We would like the company to provide specific and short-term milestones for sustainability goals, as we feel that will both increase management accountability and promote consistent dialogue with shareholders. Furthermore, we encouraged the company to use the science-based targets initiative for benchmarking climate-related goals. We suggested it engage with the benchmarking agencies it works with for supply chain labor and human rights—such as Corporate Human Rights and KnowTheChain—as Lam currently does not score well with those agencies.

We have high conviction in Lam's governance policies and its overall alignment with shareholders, but we made some suggestions for continued improvement.

Lam's annual bonus is derived from both corporate and individual performance. For the corporate performance factor, we encouraged Lam to base calculations on a metric that relates more directly to management execution—such as sales growth—instead of operating margin, which it currently uses. We believe operating margin will likely increase as the company gets larger, independent of management execution or performance. We would also like Lam to incorporate ways to compare company performance against the industry or relevant competitors, rather than only evaluating performance internally against a specific target metric. Lam communicated plans to provide more transparency regarding its calculation of individual performance by disclosing the company's performance scorecard that attributes weights to various categories—such as market performance, customer satisfaction, human capital management, and financial performance—for each executive. Finally, we advocated for the company to look for ways to tie ESG targets to executive pay.

The company's compensation plan offers performance-based restricted stock units, which we believe should remain based on relative stock market performance instead of being tied to financial metrics. Long-term stock performance directly incentivizes management to act in the best interest of shareholders and to do whatever is needed for long-term value creation. We believe that the service-based restricted stock units should incorporate a financial performance-related metric rather than being purely based on time spent at the company.

Zoetis

November 2021

Business: U.S.-based Zoetis is the global leader in the development, manufacturing, and commercialization of animal-health medicines for livestock and companion animals.

Areas of Engagement: Environmental policy and strategy; pollution and waste management; greenhouse gas (GHG) emissions or climate change strategy; materials use and sourcing; energy use and efficiency; water use and efficiency

We believe Zoetis has a comprehensive approach to ESG initiatives, which we think positions the company favorably relative to many of its global biotech and animal medicine peers. Despite a generally clean ESG track record, our recent analysis of climate risk across portfolios identified Zoetis as one of the top carbon emitters in our flagship strategies, according to MSCI scores.

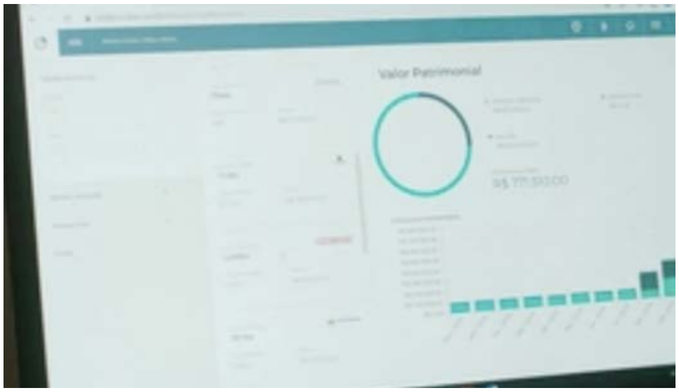
The company scored high in emissions per dollar of revenue generated compared to peers. This metric can be misleading for companies conducting drug development because the emissions generated in the drug development process are not offset by sales of that drug. In our view, this puts highly innovative companies at the disadvantage of having what appears to be inflated numbers, leading to poorer scores according to the ratings agencies. While we acknowledge the importance of materiality and nuance when using third-party scores in our company analysis, we decided to take the opportunity to engage the company and look more deeply into measures it is taking to advance ESG initiatives that seek to enhance value for shareholders.

Importantly, we were pleased to see strong disclosures around company emissions that were supported by robust historical data. The company has committed to ambitious goals in managing its footprint, and our initial discussions highlighted a credible plan to implement and measure progress. For example, we were impressed with Zoetis' current management of nonmanufacturing emissions through the use of green packaging and energy sourcing.

As we suspected, Zoetis conducts approximately two-thirds of its manufacturing in-house and relies upon stainless steel bioreactors to produce its drugs. While Zoetis must maintain current processes for existing drugs to remain compliant with regulatory requirements, we asked the company if it had considered implementing single-use bioprocess technology for the development of future drugs. When used to produce smaller quantities of drug product, our analysis has shown that single-use technology (SUT) significantly reduces the usage of water, energy, and sterilization chemicals while also offering a number of economic benefits. Our research work on bioprocessing has provided background on the use of SUT in the human therapeutics space, and we believe that it is likely to be the future standard of development and manufacturing.

The investor relations team agreed to address this topic with the company's new head of ESG—who was recently brought on and is currently building out a dedicated team—with an aim to continue discussions into the new year. We also expressed our wish for Zoetis' new CFO to engage in these conversations, as he has a background in contract manufacturing and has experience with the SUT process.

Overall, we were pleased with the discussion and believe it demonstrated the company's commitment to managing its environmental footprint and its willingness to consider new ideas. We look forward to continuing the discussion and learning whether our suggestions fit economically into the overall business plan.



XP

November 2021

Business: XP is Brazil's largest independent investment platform by assets under custody.

Areas of Engagement: Board structure or composition; shareholder protection and rights; management accountability; increasing transparency and disclosure

We believe that XP provides a positive impact on society with its open distribution platform and digital financial education service, which promote financial access and literacy among its customers. However, the company scores poorly on board structure, having a board that lacks majority independence.

In November, we reached out to the firm's chief financial officer (CFO) for a regular post-earnings call and to discuss our views on an upcoming proxy vote to reelect non-independent members of its board. We often use the research provided by third-party proxy advisors to help inform and validate our proxy decisions. One such advisor, Institutional Shareholder Services (ISS), claimed that this vote—which would not improve the level of board independence—was inconsistent with corporate governance best practices, so it recommended a vote against management. We agreed with this view and planned to submit our vote accordingly.

Despite our initial decision to vote against the reappointments, we reached out to the company to gain a better understanding of its perspective. XP's CFO and members of the investor relations team highlighted nuances on the matter that we did not feel were fully appreciated by ISS when it recommended voting against management. Itau Unibanco—which is both an XP competitor bank and a shareholder—currently has an ownership stake of approximately 15 percent in the business. As a part of its preexisting shareholder agreement, Itau maintains the right to nominate two members to the board. Considering the competition between the two businesses, the XP management team strongly feels that by maintaining a majority position on the board, it will also maintain control of key committees that handle sensitive and strategic information about its business. This has been the main reason for putting up non-independent board members for reelection.

Ultimately, we believe that minority shareholders are best served by a majority-independent board. However, we also appreciate that certain portfolio businesses face specific challenges that might warrant exceptions to the rule. In the case of XP, it is clear that moving to a fully independent board carries unique risks to the business that we believe could impair value for our clients at this point in time We ultimately chose to change our vote to "abstain," with the intent to continue to engage on the matter.

Members of our investment team—including the lead research analyst covering the company as well as dedicated ESG analysts—are working toward conducting a follow-up meeting between XP and ISS to discuss this issue in greater detail, in an effort to enable ISS to make future recommendations that are informed by company-specific context.

XP appears to understand the value of a majority-independent board and expressed a willingness to work toward that end. For example, in place of the Itau-appointed board members, XP is interested in finding ways to appoint two independent board members that both it and Itau find credible. We will continue engaging with the team to identify alternative solutions to improve the independence of the board without risking loss of control to Itau.

Sands Capital regularly engages with the management teams and, if appropriate, board members of portfolio businesses to better understand each business' long-term strategic vision and management of risks and opportunities, including those pertaining to environmental, social, and governance (ESG) matters. More information is available in the Sands Capital Engagement Policy at https://sandscapital.com/media/Sands-Capital-Engagement-Policy-Statement.pdf. The companies illustrated represent a sub-set of current holdings and were selected by the author on an objective basis to illustrate the views expressed in the commentary. These examples were selected based on the recent date of the engagements and topics discussed. The assessment of each business is based on factors that we believe are material to the long-term investment case. To receive a complete list of company engagements for the prior 12 months please contact a member of the Client Relations Team at +1.703.562.4000.

ACTIVE OWNERSHIP

A Seat at the Table

Along with company engagement, proxy voting is an integral component of our stewardship program that enables us to positively influence the businesses we own. As voting is one of the more visible indications of our confidence in a business or our belief in the need for a change, we approach each ballot thoughtfully. In 2021, we voted at 174 company meetings, representing 97 percent[3] of the total meetings in which we were eligible to vote in our client portfolios.

Voting decisions are made by members of our investment research team because they are the most knowledgeable about the company and decisions are typically directed by the lead research analyst. We carefully consider the short- and long-term implications of each proposal and seek to vote shares in the best interest of our clients. Our evaluation typically considers company proxy documents, our own research on the business, recent discussions with management, and third-party analysis. A proxy committee oversees the proxy voting process and is responsible for maintaining our voting guidelines.

We are among the largest institutional shareowners of many of our portfolio companies. The management teams of these companies will often consult us on their proposals before their general meetings. We use these engagements, along with others that we initiate, to gain context and understand the intentionality of management's recommendations. When we disagree with a proposal, we may offer constructive suggestions that we believe are better aligned with long-term shareholder interests.

We receive reports from several independent proxy advisors, including Institutional Shareholder Services and Glass Lewis. These reports may help us summarize information from the companies' proxy documents. While we do consider proxy advisors' guidance, we do not delegate our voting or rely upon such guidance in our voting decisions. Instead, we make decisions based on our research and according to our proxy voting policy.

All our proxy voting activity for the trailing 12 months is disclosed monthly on our public website at www.sandscapital.com/stewardship. Our voting decisions are reported for our aggregate universe of companies owned as well as for each of our flagship investment strategies. In addition, we publish a summary of proxy voting key indicators in our quarterly investment strategy reports, which are distributed directly to clients and other stakeholders upon request.

Voting Alignment

Out of all the proposals we voted, we cast 95 percent in line with management recommendations, and about five percent in opposition to management's recommendations. The following table summarizes our proxy voting decisions regardless of management's recommendations on proposals.

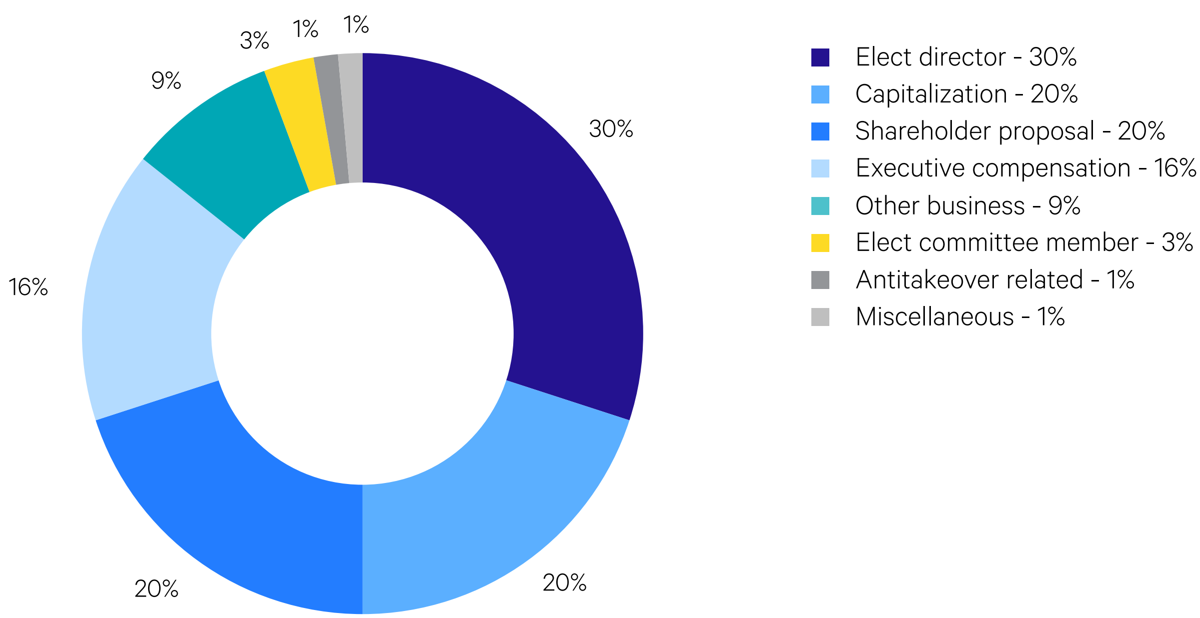
Votes For	87.5%
Votes Against	5.6%
Votes Abstained	1.8%
Votes Management Say on Pay	4.6%
Votes Withheld	0.5%
	100%

[3]Sands Capital may process certain proxies without voting them or may systematically vote with management. Examples include, without limitation, proxies issued by companies Sands Capital has decided to sell, proxies issued for securities that Sands Capital did not select for a client portfolio, such as securities that were selected by a previous adviser, unsupervised or non-managed securities held in a client's account (such as ETFs), money market securities, or other securities selected by clients or their representatives other than Sands Capital.

Clear mission and value-added focus—one of the six investment criteria we use to identify leading growth businesses—requires us to assess a company's management team. Because our conviction in each portfolio business reflects our confidence in management, we tend to vote in their favor unless we determine such a vote is not in the best interests of our clients. When opposing a management recommendation, we will often inform the company of our decision and share our rationale.

Our votes against management in 2021 most frequently pertained to proposals on electing directors, compensation, capitalization, and other business "blank check" items, as well as shareholder proposals. The graph below provides a full category breakdown of our votes against management.

VOTES AGAINST MANAGEMENT BY CATEGORY



Shareholder proposals that we voted in favor of include the following:

- Approve recapitalization plan for dual-class share structure
- Reduce supermajority vote requirement
- Provide right to act by written consent
- Amend articles/bylaws/charter to call special meetings
- Amend vote requirements to amend articles/bylaws/charter
- Disclose political lobbying and contributions
- Require independent board chairman
- Report on online child sexual exploitation

Some of the largest proposal categories in which we voted against management are also considered the most significant for our governance engagements. Below, we outline our thinking behind voting against some of these proposals.

Board of Directors

We typically vote against directors for a variety of reasons, which may include:

- Their qualifications are insufficient and not aligned with the industry or strategy of the firm
- The board is not majority independent
- Attendance issues
- Over-boarding
- The company lacks formal and/or independent audit, compensation, or nominating committees
- The director is the chair of a committee, e.g., compensation, and we want to voice dissatisfaction with the committee's work

We typically avoid voting against all nominees unless the circumstances are extreme and we need to escalate an issue.

In 2021, we voted against the chair of the audit committee at iRhythm Technologies, a director with five years of tenure responsible for designing and maintaining an effective control environment at the company. We voted against this board member because of material weakness identified in financial reporting controls and inadequate staff with appropriate expertise to ensure sufficient controls were in place over several years.

We also voted against the slate of directors on CP All's ballot due to the company's majority insider board and a non-independent chairperson, in violation of Thailand's Corporate Governance Code. We have engaged this company multiple times on the issues of board independence, diversity, and inclusion, and took this step to escalate our engagement. We see independent boards as particularly important for the protection of minority rights when the company is a subsidiary of a larger conglomerate that may try to use the company for purposes not aligned with the interest of minority shareholders.

Dual-class Share Structures

We understand and acknowledge the value that dual-class structures may provide newly public companies as a means of protecting against short-termism and adversarial initiatives by acquirers or speculators. However, such structures also have the potential to introduce certain risks and can create misalignment if used inappropriately. These potential risks include a culture of entrenchment that diminishes the company's ability to adapt to changing market environments. For that reason, we believe there should be a thoughtful mechanism for the expiration of super-voting rights (so-called sunset provisions) at a specified point in the future or upon a triggering event (e.g., founder no longer involved in the day-to-day of the business or their economic stake falls below a certain threshold, etc.) that makes the most sense for the longevity of the business.

Academic evidence suggests that the benefits of dual-class shares seem to dissipate over time. There isn't a consensus on the exact timeframe, with studies suggesting from five years to 12 years. The divergence in agreement could be best attributed to the firm's maturity at the initial time of the IPO. We believe that as companies mature and become more established, they should begin internal discussions about phasing out super-voting rights or implementing sunsetting provisions. We have shared these views in engagements with several portfolio companies that currently have a dual-class share structure in place.

We also support proposals that seek recapitalization to one-vote-per-share, and we are equally supportive of management where sunset provisions are in place. Over the past three years, we have voted 100 percent in favor of shareholder proposals with recapitalization plans seeking to eliminate dual-class voting structures at companies such as Alphabet, Block, and Meta Platforms.

Executive Compensation

We believe U.S. businesses should periodically provide shareholders with a nonbinding advisory vote on the compensation of the most highly paid executives. Furthermore, U.S. businesses should disclose how their compensation policies and decisions take account of the results of their most recent say-on-pay votes. We believe these practices increase the accountability of compensation committees and encourage regular review of executive compensation. In 2021, we voted in favor of a one-year cadence for every say-on-pay proposal that was presented. Of those companies, the most notable were Zoom Video Communications, Warner Music Group, Airbnb, and DoorDash.

A well-structured compensation plan should align the interests of management with those of the company and its shareholders. It should consider a company's unique strategy, competitive position, industry, geography, and stage of growth. We may vote against a company's compensation plan if it does not foster a long-term focus among its executive officers, and if the compensation package seems excessive, opaque, or inconsistent with the stated trajectory of the business. We voted against Zoom's advisory vote on executive compensation due to several factors. Chief among them were a lack of performance targets for new hires and promotions, and an excessive amount of restricted stock units compared to peers.

Say-on-pay proposals are less common in markets outside the United States. In these cases, we rely on engagement with companies to seek to ensure compensation structures are properly aligned with shareholder interests.

The figures and examples represented in the proxy section only include meetings of portfolio companies covered by our analysts. These meetings were voted in the firms public, private, and proprietary strategies.

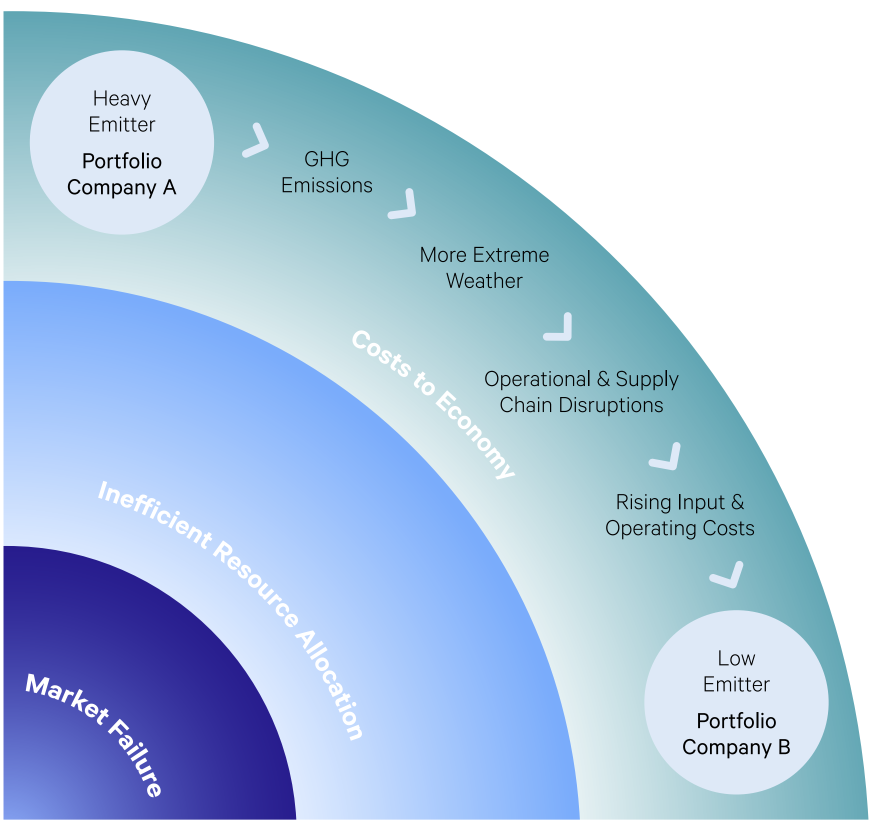
Investing in the Face of Climate Change

The world is about 1.1 degrees Celsius warmer than in the beginning of the 19th century. Without substantial action by governments, companies, and the general population, the planet is expected to warm by at least 1.5 degrees Celsius over the next 20 years.[4] The Intergovernmental Panel on Climate Change has made it clear that we must stay within 2 degrees Celsius, but ideally 1.5 degrees Celsius, to avoid catastrophic effects from climate change. That target can only be reached if we assume that GHG emissions reach net-zero by 2050.

Climate change has the potential to destroy coastlines, eradicate plant and animal species, wreak havoc on public health, and lead to devastating heat waves. Although its effect will vary by region and industry, we believe that climate change presents direct and indirect risks to practically all publicly traded businesses when the time horizon is extended out long enough. These risks can be physical, taking the form of changing weather patterns and rising sea levels, or transitional, resulting from changes in regulations and advances in technology.

We are also keenly aware that the decarbonization of our economies offers opportunities for investors. As a firm committed to investing in growth and innovation, we tend to gravitate toward businesses that are technologically driven and asset light. Many of these are helping to facilitate the shift to a low-carbon economy, while others are poised to benefit from such a shift.

FLOW OF EXTERNALITIES THROUGH EQUITY PORTFOLIOS[5]



[4] https://www.ipcc.ch/2021/08/09/ar6-wg1-20210809-pr/ [5] Source: Sands Capital research and https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf.

At Sands Capital, we have committed to better understanding these risks and opportunities through training and education; climate-specific company research; the implementation of specialized tools and data, such as MSCI CVaR; and engagement with management teams.[6]

Currently, we incorporate and quantify climate risks and opportunities through:

- Our six criteria: Our investment approach is geared toward identifying businesses that are well-positioned to capitalize on the changes affecting their industries and markets. Our investment criteria emphasize the importance of a company's ability to sustain growth over a long time horizon (usually five-plus years) and tend to lead us to companies that typically operate in less carbon-intensive industries. The residual effect of our criteria-driven approach is a set of strategies with a carbon intensity significantly lower than their respective benchmark indexes. To the extent that climate-related issues may affect the sustainability of a company's value-creation potential, our analysts are expected to evaluate the potential impact and factor it into our investment case.

- Qualitative company-level analysis: In 2021, we made our company-level climate analysis more explicit by incorporating a dedicated climate change section into our internal company ESG reports. The section is modeled on the Task Force for Climate-related Financial Disclosures (TCFD) framework and includes analysis of both climate risks and opportunities, as well as company strategy and target setting. We first used this analysis in 2019 to map climate-related risks and opportunities across our four flagship strategies. The updated 2021 version of this analysis is shown in Exhibit A.

- Quantitative portfolio-level analysis: We have implemented frameworks to quantify climate risk at the portfolio level. We employ MSCI CVaR and TCFD analytics reports to identify the drivers of carbon risk across our strategies. On a quarterly basis, the Stewardship Team distributes these climate analysis reports to portfolio management teams for the Select Growth, Global Growth, Emerging Markets Growth, and Global Leaders strategies, along with some analysis and commentary.

  These reports include carbon footprint data, breakdowns of various climate-risk exposures (policy risk, technology risk, physical risk) green/brown revenue exposure, and climate scenario analysis.[7] They highlight notable changes over the quarter.

  We frequently find that the third-party perspective largely syncs with our in-house perspective on the companies with the largest risks or opportunities. We believe this indicates that our team is doing an adequate job of appreciating the potential impacts on our strategy.

  We have also mapped our four flagship strategies'[8] climate targets against three categories: science-based target (SBT), non-SBT, and no target. Roughly 28 percent of our holdings has set some form of emissions-reduction target.

- Engagement: Using both company-level qualitative analysis and quantitative portfolio-level data on carbon and targets, we identify each strategy's companies that are most exposed to climate risks and seek to engage with them. Through these engagements, we aim to understand management's intentions about how it will approach decarbonization, how reduction targets are set and measured, or why the business has yet to establish credible targets and what management can commit to.

[6]Climate Value at Risk is designed to provide a forward-looking and return-based valuation assessment to measure climate-related risks and opportunities in an investment portfolio. [7]Green revenue is the weighted average of revenue exposure to alternative energy, energy efficiency, green building, pollution prevention, sustainable water, and sustainable agriculture. Brown revenue is the weighted average of revenue exposure to thermal coal extraction, unconventional and conventional oil and gas extraction and refining, as well as revenue from thermal coal power generation. Source: MSCI. [8]Throughout this section, when referring to our strategies, we are referring to our four flagship strategies: Select Growth, Global Growth, Emerging Markets Growth, and Global Leaders.

EXHIBIT A: 2021 TCFD MAPPING FOR SANDS CAPITAL FLAGSHIP STRATEGIES

	TRANSITION RISKS				PHYSICAL RISKS		CLIMATE OPPORTUNITIES				
Percentage of	Policy & Legal	Technology	Reputation	Market	Acute	Chronic	Resource Efficiency	Energy Source	Products & Services	New Markets	Resilience (Adapting)
High	2%	2%	2%	2%	1%	0%	1%	3%	11%	2%	8%
Medium	32%	9%	31%	15%	34%	36%	63%	53%	34%	12%	50%
Low	66%	89%	67%	83%	65%	64%	36%	44%	55%	86%	42%

Our research analysts have evaluated each portfolio company held in our four flagship strategies[9] as of the end of 2021. For each company under their coverage, the analysts assigned a low, medium, or high assessment across a set of pre-defined categories of climate-related risks and opportunities. The categories are based on the TCFD recommendations. Exhibit A shows the aggregate output of this analysis. The numbers show what percentage of companies in our four flagship strategies were rated as high, medium, or low on climate-related risks and opportunities by our analysts.

Transition Risk

Our strategies' weighted-average carbon intensity (WACI) is substantially lower than that of the stated benchmarks. This is largely due to our sector weightings. Our analysis also suggests that our strategies are at a fairly low risk from value loss due to stranded assets.[10]

Nevertheless, behind averages, there are outliers. Despite our low WACI, we are keenly aware of those outlier businesses, highlighted in Exhibit D. We strive to better understand the nature of these outlier businesses, how management intends to lower emissions and adapt to climate change, and to influence positive actions through collaborative engagement.

It is also worth noting that the most reliable emissions data currently cover Scope 1 and Scope 2 emissions. Given the nature of the industries we invest in, the largest part of our companies' GHG emissions will likely be in Scope 3.[11] Measuring and collecting these data remains a challenge, and few companies currently disclose them. As a result, much of our strategies' Scope 3 data are estimated by third parties. This is an area we want to focus on in the future, including through—but not limited to—engaging with companies on disclosing better data.

Finally, carbon intensity metrics alone do not tell the whole story. Some of our most carbon-intensive businesses, such as semiconductor producer Taiwan Semiconductor Manufacturing, offer products that support the transition to a lower-carbon economy by enabling other actors to lower their carbon footprint through digitalization and electrification. Others, such as Lonza, have set targets to reduce their energy and carbon footprint and are tracking and disclosing their progress over time. This is why we believe that a holistic approach to evaluating climate risks and opportunities in a portfolio goes beyond simply aggregating carbon metrics.[12]

Physical Risk

Our analysis suggests that the physical risk across our four flagship strategies is low overall, with only one company in our four flagship strategies, CP All, associated with high acute physical risk.[13] This corresponds with MSCI's CVaR analysis, which identifies direct physical risks for each portfolio company across multiple scenarios. MSCI's CVaR analysis says the most pertinent physical climate risk across our strategies are extreme heat, coastal flooding and river flooding.

[9]Select Growth, Global Growth, Emerging Markets Growth, Global Leaders. [10]Stranded Assets: The potential to experience "stranding" of physical or natural assets due to regulatory, market, or technological forces, arising from low-carbon transition. Examples include coal mining and coal-based power generation and oil sands exploration or production. Source: MSCI. [11]Scope 1 level emissions are direct emissions from owned or controlled sources. Scope 2 level emissions are indirect emissions from the generation of purchased energy. Scope 3 level emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions (as defined by the Greenhouse Gas Protocol Corporate Standard). https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf. [12]The businesses mentioned were selected because they are the most carbon-intensive businesses as set forth in Exhibit D: "Top 10 Carbon-intensive Holdings". [13]Acute physical risks arise from changes in event-driven hazards, such as an increased severity of cyclones, hurricanes, or floods.

Among our four flagship strategies, the Emerging Markets and Global Growth strategies carry the highest amount of physical risk, while the Select Growth and Global Leaders strategies carry the lowest amount. Across all four flagship strategies, the physical CVaR as calculated by MSCI remains under five percent across a range of climate change scenarios.

Initiatives and Commitments

At Sands Capital, we publicly support the TCFD. We believe that these guidelines provide investors with high-quality, consistent, and comparable information about climate-related risks and opportunities. Consistent with the TCFD reporting recommendations, in 2018 we incorporated the portfolio-weighted average carbon intensity relative to benchmark metric in our standard quarterly composite reports to clients. One year later, we incorporated the full carbon footprint metrics into our standard presentation materials.

Sands Capital is thoughtfully evaluating how to implement a net-zero strategy in our own operational sphere. At present, travel by our investment research

EXHIBIT B: SANDS CAPITAL FLAGSHIP STRATEGIES AGGREGATE CARBON METRICS[14,15]

WEIGHTED AVERAGE CARBON INTENSITY	PORTFOLIO	MSCI ACWI
WACI 2021	20.6	151.2
WACI 2020	23.3	156.2
WACI 2019	24.5	187.2

CARBON INTENSITY	PORTFOLIO	MSCI ACWI
Carbon Intensity 2021	27.3	203.0
Carbon Intensity 2020	29.4	209.4
Carbon Intensity 2019	30.1	223.1

AGGREGATED CLIMATE VAR	PORTFOLIO	MSCI ACWI
Policy Climate Value-at-Risk	-0.7%	-5.6%
Technology Opportunities Climate Value-at-Risk	0.1%	2.1%
Physical Climate Value-at-Risk (Average)	-2.8%	-6.3%

[14]Portfolio carbon emissions are calculated as Scope 1 and Scope 2 carbon emissions per $1 million invested. Portfolio carbon intensity measures the carbon efficiency of a portfolio and is defined as the portfolio carbon emissions per $1 million of portfolio sales; At a business level, carbon intensity is calculated as carbon emissions per unit of sales (tons/$ 1 million sales) while financed emissions are defined as carbon emissions per dollar of enterprise value (tons/$M EV incl. cash). Aggregated Climate VaR measures the financial impacts of warming using Aggregated Climate VaR measures the financial impacts of warming using the Asia-Pacific Integrated Assessment Model/Computable General Equilibrium model, which assumes that emissions peak in 2020 and are reduced by 90 percent by 2090 but never reach net-zero. This results in a warming of 1.62 degrees Celsius in 2100. Weighted averages are computed as the sum product of the portfolio companies' respective carbon values and portfolio weights. Source: MSCI, FactSet.

and client relations professionals, and power consumption in our leased office space appear to be the primary contributors to our carbon footprint. In the case of our headquarters in Arlington, Virginia, our building has been able to achieve a significant reduction in lighting power consumption relative to the benchmark, in part leading to a LEED Gold certification. Sands Capital received a separate LEED Gold certification for commercial interiors when we completed our 2016 office renovation. Offsets and renewable energy credits are common approaches for companies to achieve carbon neutrality in travel and leased office space, respectively. However, we are aware that there are concerns and limitations around the real-world efficacy of offsets. Therefore, we will evaluate any offset strategy carefully and, where possible, seek alternative, higher-quality approaches.

EXHIBIT C: TOP 10 MOST CARBON-INTENSIVE HOLDINGS ACROSS FOUR FLAGSHIP STRATEGIES[14,15]

COMPANY	AGGREGATE PORTFOLIO WEIGHT (%)	CARBON INTENSITY	CONTRIBUTION TO WEIGHTED AVERAGE CARBON INTENSITY (%)
Lonza	0.2	270.2	0.5
Taiwan Semiconductor Manufacturing	2.0	216.0	4.5
Texas Instruments	0.2	147.5	0.3
Haidilao	0.2	145.0	0.3
Chegg	0.2	104.2	0.2
CP All	1.0	102.7	1.1
WuXi	0.7	99.5	0.8
Bright Horizons	0.1	89.4	0.1
Foshan Haitian Flavoring	0.5	87.9	0.5
Britannia	0.7	87.9	0.6

EXHIBIT D: TOP 10 CONTRIBUTORS TO WEIGHTED-AVERAGE CARBON INTENSITY ACROSS FOUR FLAGSHIP STRATEGIES[14,15]

COMPANY	AGGREGATE PORTFOLIO WEIGHT (%)	CARBON INTENSITY	CONTRIBUTION TO WEIGHTED AVERAGE CARBON INTENSITY (%)
Taiwan Semiconductor Manufacturing	2.0	216.0	4.5
Amazon	3.5	38.6	1.4
CP All	1.0	102.7	1.1
Shopify	2.5	33.2	0.9
WuXi	0.7	99.5	0.8
Britannia	0.7	87.9	0.6
Sea	5.5	9.4	0.5
Lonza	0.2	270.2	0.5
Jubilant Foodworks	0.7	63.6	0.5
Foshan Haitian Flavoring	0.5	87.9	0.5

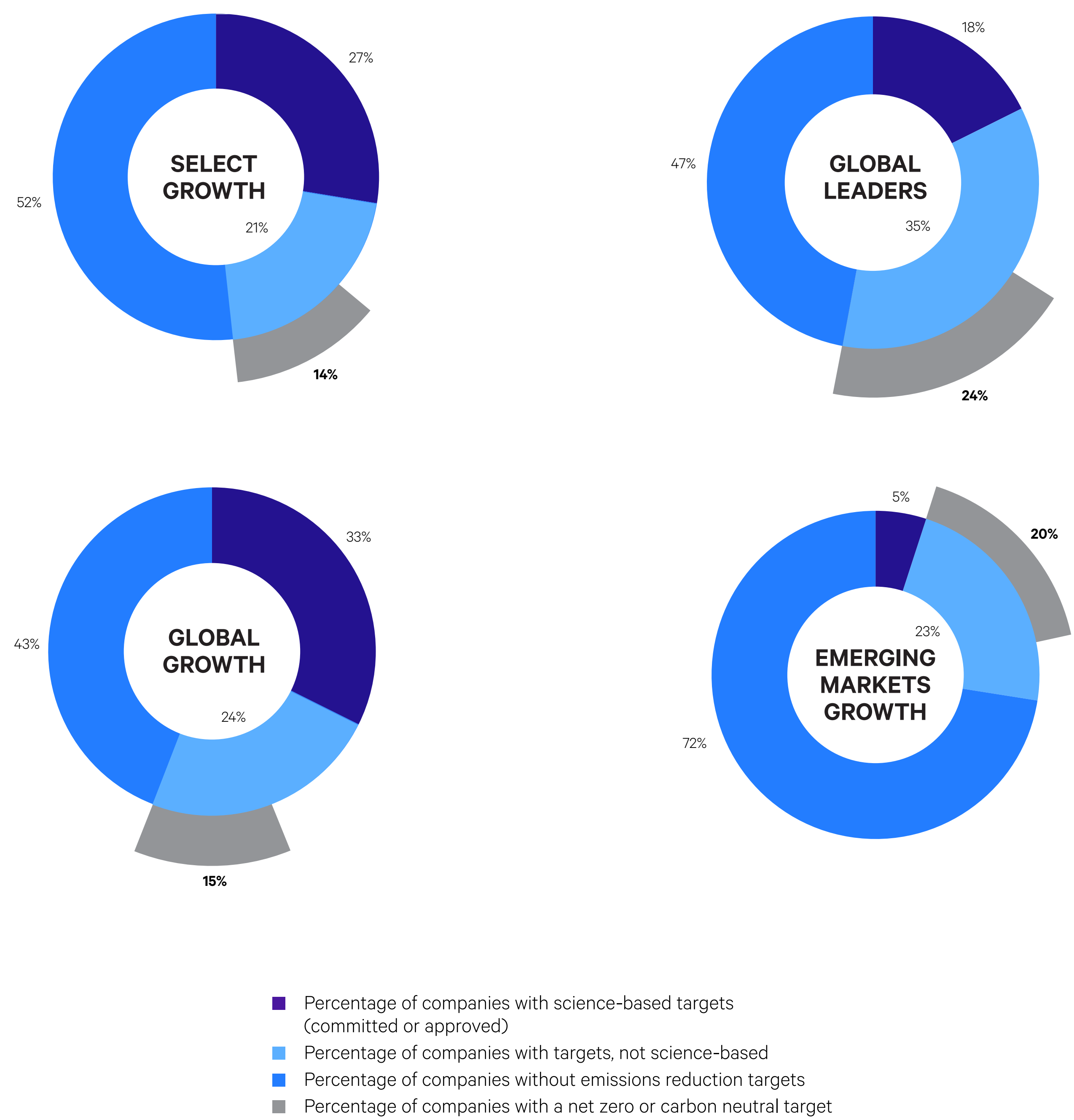
[15]As of December 31, 2021. Businesses held in the four flagship strategies: Select Growth, Global Growth, Global Leaders, and Emerging Markets Growth. Collectively these strategies made up 93% of public equity assets

EXHIBIT E: SANDS CAPITAL FLAGSHIP STRATEGIES CARBON METRICS[14,16]

	CARBON EMISSIONS	CARBON INTENSITY	WEIGHTED AVERAGE CARBON INTENSITY	FINANCED EMISSIONS	DATA AVAILABILITY
SELECT GROWTH	1.5	18.6	13.6	1.4	96%
Russell 1000 Growth Index	7.0	49.6	30.1	6.5	96%
GLOBAL GROWTH	2.9	28.3	12.6	2.4	93%
GLOBAL LEADERS	6.2	27.4	38.4	5.9	100%
MSCI All Country World Index	79.7	199.0	151.5	536.0	99%
EMERGING MARKETS GROWTH	5.4	34.3	40.2	5.0	88%
MSCI Emerging Markets Index	233.8	412.3	329.3	143.0	99%
	tCO2e/$M Invested	tCO2e/$M Sales		tCO2e/$M EV incl. Cash	Market Value

[16]As of December 31, 2021. The four flagship strategies—Select Growth, Global Growth, Global Leaders, and Emerging Markets Growth—collectively made up 93% of public equity assets under management.

EXHIBIT F: PORTFOLIO LEVEL CLIMATE TARGETS[17]

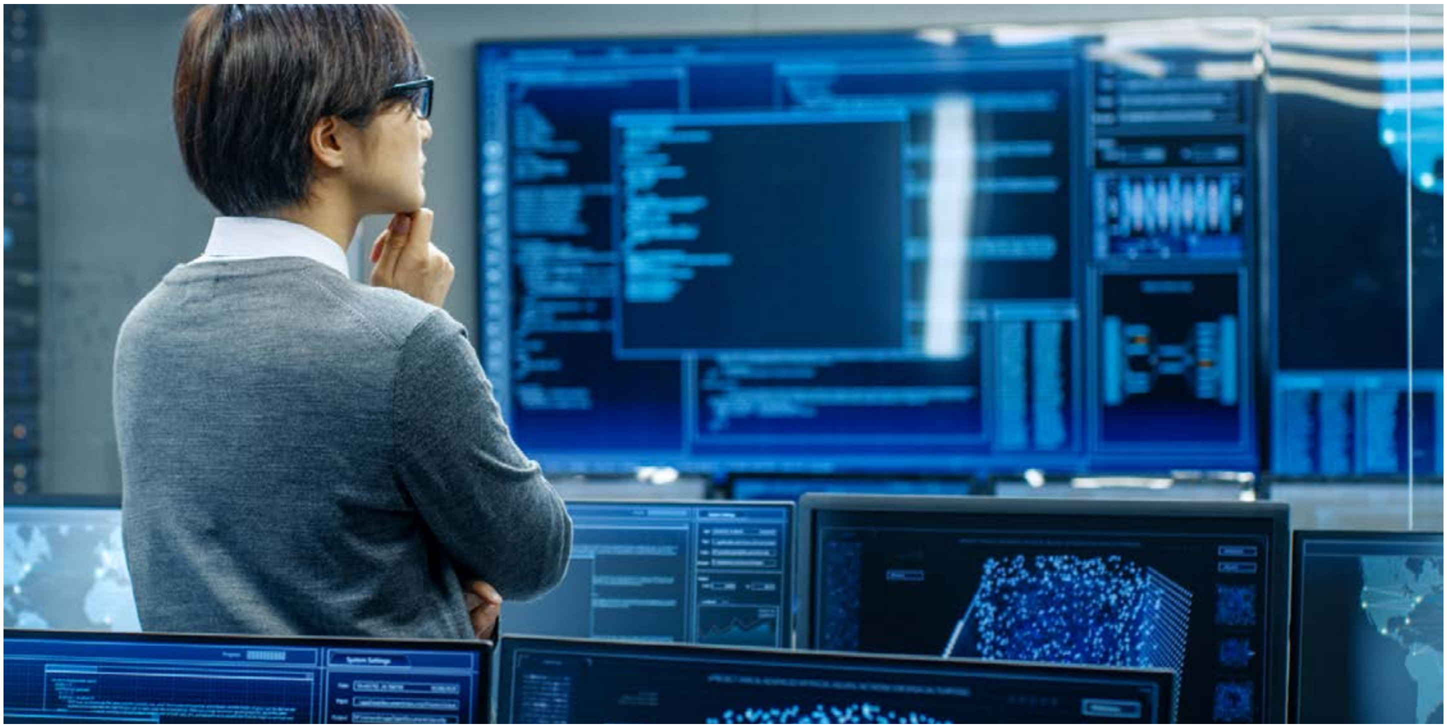


[17]Source: Data from MSCI and Sands Capital research.

Businesses Creating Positive Impact for Society

The companies we prefer to own are often innovators or vital facilitators of change in industries undergoing significant transformation. Many play an important role in increasing global economic growth and, when our investment case proves to be successful, can become engines of wealth creation for their shareowners. In addition to their potential to generate economic and shareholder value, many create positive impact on our society by addressing one or more of the major social and environmental challenges identified by the United Nations Sustainable Development Goals (SDGs).

These goals, created as part of the U.N. 2030 Agenda for Sustainable Development and adopted by member states in 2015, aim to create a global partnership between countries to solve some of the world's most pressing socioeconomic problems. In 2021, according to MSCI's SDG alignment tool, our portfolio businesses were most often aligned with five SDGs in particular: SDG 5, Gender Equality; SDG 8, Decent Work and Economic Growth; SDG 10, Reduced Inequalities; SDG 12, Responsible Consumption and Production; and SDG 7, Affordable and Clean Energy. Summary profiles of five businesses are presented in the following pages. Full impact profiles for these businesses and many more are published regularly on at www.sandscapital.com.



Cloudflare

Technology

16 PEACE AND JUSTICE

On Guard Against Cyberthreats

Cloudflare makes its web security and reliability services free to organizations that serve vital public interests.

Cloudflare, one of the world's leading web security and content delivery network providers, helps organizations make sure everything they do that is connected to the internet is fast, secure, and reliable.

Through its Athenian Project, Cloudflare provides its enterprise-level service, free of charge, to state and local governments to help them manage the websites they use to administer elections. The initiative works to protect voter information sites, safeguard them against cyberthreats, and accurately preserve voter registration and tabulation data.

Election websites let the public know where to vote, how to vote, who is running for office, and what measures are on a ballot. The support Cloudflare provides is invaluable given that government officials often have small budgets and limited resources to fend off attacks and keep their sites online.

Cloudflare established its Project Galileo to respond to the rise in cyberattacks against journalists, social activists, and minority interest groups. These groups have been flooded with malicious traffic designed to knock them offline. The company's goal is to help ensure free expression online for these vulnerable groups. Any public interest group can apply for support from Project Galileo. Some of the organizations it helps include: BullyingCanada, the first youth-created anti-bullying charity in Canada, and the Global Medical Relief Fund, which aids children who are missing or have lost the use of limbs or eyes, have been severely burned, or have been injured due to war, natural disasters, or illness.

Through Athenian Project and Project Galileo, Cloudflare supports SDG 16, Peace, Justice and Strong Institutions.

AIA Group

Life Sciences

AIA Is Helping People Lead Healthier Lives

This pan-Asian life insurer is fostering healthier lifestyles and providing better access to health care.

In Asia and Australia, the markets that insurance and financial services firm AIA serves, 76 percent of deaths are caused by unhealthy behaviors. AIA is committed to making a difference, so it developed a campaign to help people lead “Healthier, Longer, Better Lives.”[18]

The campaign targets five key health risks—physical inactivity, unhealthy diets, smoking, excess alcohol consumption, and air pollution. The firm also focuses on five chronic conditions—lung disease, diabetes, cancer, heart disease, and mental health—that can be treated or prevented with healthier lifestyles and better access to health care.

The AIA Vitality Program focuses on the three things people need to alter their habits.

Awareness: The program provides health checks and screenings so people can better understand the status of their health and whether there are any indicators, like high blood pressure, that could put their health at risk.

Education: The program teaches people how to set goals and make healthier choices, such as joining a gym, preparing nutritious meals, getting sufficient sleep, and quitting smoking.

Rewards: People can earn AIA Vitality Points to achieve four health status levels, ranging from Bronze to Platinum. As they continue to adopt healthier habits, people can also receive monetary incentives that include discounts on insurance products and discounts or vouchers for shopping, entertainment, and travel purchases.

AIA has offered its Vitality Program to millions of its life and health insurance policyholders. People who participated in the program, on average, improved on AIA’s measure of Vitality Age by a half year.

AIA’s Vitality Program supports SDG 3, Good Health and Well Being; SDG 4, Quality Education; and SDG 10, Reduced Inequalities.

[18]AIA Group Limited Environmental, Social and Governance Report 2019 https://www.aia.com/content/dam/group/en/esg/HAR20020050_E_AIA_ESG19(1550)F_.pdf

WuXi

Life Sciences

Developing Drugs Faster

WuXi’s R&D platform has been critical in the manufacture of vaccines and therapeutic antibodies against COVID-19.

WuXi provides laboratory and manufacturing services for pharmaceutical and biotech companies to help these companies discover, develop, and manufacture biologic drugs faster, more cost-effectively, and more efficiently.

WuXi’s flexibility and speed of execution have been critical in the battle against the global coronavirus pandemic. In timelines of three to five months—a global record speed—the company filed applications for clinical trials of seven investigational new drugs with antibodies that can neutralize COVID-19. The company also mobilized a team of more than 1,000 scientists to help global partners find potential treatments. It leveraged its platform to enable customers to work from home during the pandemic to speed drug delivery. As it did this, WuXi also reduced the standard investigational new drug timelines from 15 months to 12 months. It continues to serve as a partner for multinational and Chinese biopharmaceutical companies to discover, develop, and manufacture vaccines and therapeutic antibodies against COVID-19. And it has positioned itself to aid companies on the front lines of developing personalized medicine and biologic drugs.

To build an open-access platform with extremely comprehensive capabilities and technologies to enable drug research and development (R&D) and manufacturing, WuXi prioritized intellectual property protection, product and service quality, corporate governance, compliance and business ethics, and industry development and supply. WuXi was selected as a “Most Honored Company” by Institutional Investor in 2020, based on the strength of its corporate governance and investor relations management.

These initiatives by WuXi support SDG 3, Good Health and Well Being; and SDG 9, Industry, Innovation and Infrastructure.

Charter Communications

Technology

Bridging the United States' Digital Divide

Charter Communications is bringing broadband access to rural communities.

Only 65 percent of people who live in rural areas in the United States have fixed, high-speed internet access, according to the Federal Communications Commission (FCC). That is significantly below the 97 percent of people in urban areas who have that access.[19]

That gap has meant 30 million Americans have not been able to fully participate in the digital age. The pandemic only worsened the problem. Many schools switched to virtual classes, and remote work went from a rarity to a widespread practice. Medical care providers began offering telehealth services. This forced digitalization of the economy, education, and healthcare systems quickly elevated the importance of a fast, reliable home internet connection.

Charter Communications is helping to bridge the United States' digital divide. The cable operator is one of the many companies the FCC chose to receive investments from the Rural Digital Opportunity Fund (RDOF). Through that fund, the FCC plans to grant $20.4 billion over the next 10 years to companies that will bring broadband networks to rural communities.

In February 2021, Charter announced it will put the $1.2 billion grant it receives from the FCC toward a $5-billion investment to build the required infrastructure to underserved rural communities.

Through these efforts, Charter will offer one-gigabit high-speed broadband access to one million new customers in 24 states. That will enable residents to attend school and work virtually and also to obtain telehealth services.

Charter's efforts on these communities' behalf support SDG 3, Good Health and Well Being; SDG 4, Quality Education; SDG 9, Industry, Innovation and Infrastructure; and SDG 10, Reduced Inequalities.

[19] https://www.fcc.gov/about-fcc/fcc-initiatives/bridging-digital-divide-all-americans

Apollo Hospitals

Life Sciences

A Quick Response to Help India Address the COVID-19 Challenge

Apollo Hospitals strives to provide access to high-quality healthcare across India.

Apollo Hospitals operates 70 hospitals, 4,100 pharmacies, and 950 neighborhood clinics across India.[20] Even with that vast network, COVID-19 tested the firm's mission to provide access to high-quality healthcare. The firm quickly mobilized to address the challenge.

Apollo partnered with state and local governments to make sure it implemented strategies that could help reduce the spread of the virus and effectively care for patients.

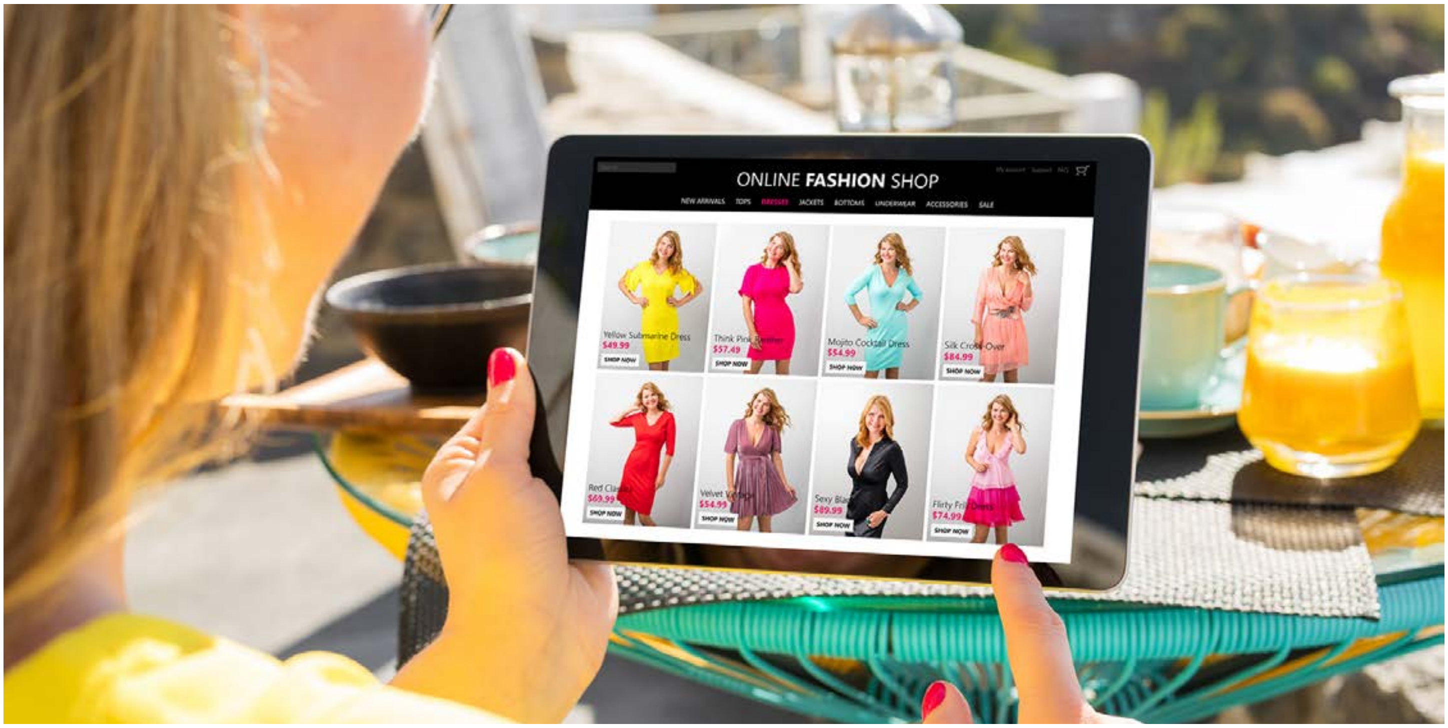
Apollo established Project Kavach to train its staff on protocols for treating the virus and to ensure it had enough hospital beds and properly equipped intensive care units to provide the necessary care. Apollo also delivered services to people isolating at home. For patients whose living arrangements did not allow proper isolation in their homes, Apollo partnered with hotel chains to establish quarantine facilities in Hyderabad, Chennai, Mumbai, Kolkata, Bengaluru, and Delhi.

At the peak of the pandemic, Apollo had 5,000 beds dedicated to patients with the virus. In the second quarter of 2021, its hospital inpatient services treated 23,500 people with COVID-19. Over the same period, its home-care division treated an additional 20,500 COVID-19 patients, and another 24,000 patients received care at the hotel isolation program Apollo established.[20]

Along with these efforts, Apollo embarked on India's largest private vaccination program, taking advantage of its pan-India network of 19 medicine-supply hubs that could provide the proper refrigeration facilities for vaccines. To date, the firm has administered nearly four million vaccinations through its hospitals and clinics, as well as more than 500 corporate health care centers.[20]

With these efforts, Apollo contributes to SDG 3, Good Health and Well Being; and SDG 10, Reduced Inequalities.

[20] Apollo Hospitals' 2020 Sustainability Report and its financial report and earnings call (held August 13) for the quarter ended June 30, 2021



Zalando

Technology

Aiming to Make Clothing More Sustainable

Zalando is fostering a circular economy for apparel.

Clothing presents a major sustainability problem. Seventy-three percent of clothing is thrown away, and much of that could have been reused, repaired, or recycled.[21] Zalando, a Berlin-based online fashion retailer, is committed to addressing this problem. It is large and influential enough in the industry to persuade many key stakeholders in the fashion world to join its efforts. The firm believes that shifting from a linear to circular economy for clothing could reduce waste and pollution, keep products in use longer, and ensure that textiles are developed as a renewable resource.

The company is looking to transform all the stages of clothing's life cycle. To encourage new thinking and approaches at the design and manufacture stage, Zalando has trained its buyers and designers on key principles of the circular economy. It has also reworked its design process to increase the use of safe and renewable products. In the use and reuse stages, Zalando is encouraging consumers to consider clothes rental and the use of "recommerce" sites such as Zircle, where used clothes are bought and sold. The firm is also educating people on how to better care for and repair their clothes so that clothes will last longer. In the final, "closing the loop" stage, Zalando is working to ensure that the textiles used in clothes are safely captured and recycled back into new materials and products.

Through these initiatives, Zalando is helping to address SDG 9, Industry, Innovation and Infrastructure; SDG 12, Responsible Consumption and Production; and SDG 13, Climate Action.

[21]Source: The Ellen MacArthur Foundation. The Ellen MacArthur Foundation is not held in any Sands Capital strategy.

COLLABORATIONS

Building Relationships

We build relationships with select organizations that enable us to understand stakeholders' perspectives on sustainability issues, apply learnings to our research analysis and engagements with portfolio businesses, and collaborate with stakeholders to enhance corporate disclosure practices. Because we work with such dynamic companies in evolving industries, we view these partnerships as an indispensable way to discover the best approaches to ever-changing externalities.

Council of Institutional Investors (CII) is a nonprofit, nonpartisan association of U.S. public, corporate, employee benefit plans, state and local entities charged with investing public assets, and foundations and endowments with combined assets under management of approximately $4 trillion. CII is a leading voice for effective corporate governance, strong shareowner rights, and sensible financial regulations that foster fair, vibrant capital markets. Sands Capital has contributed domain knowledge to CII's conference programming on topics, including corporate governance in emerging markets and executive compensation.

Investors for a Sustainable Digital Economy (ISDE) is a network of like-minded investment managers and asset owners seeking to engage with, and steward companies through digital governance best practices. Sands Capital is a founding member of this organization, which was formally launched in February 2022. The forum harnesses deep expertise across the digital economy, developing research and stewardship tools focused on understanding and addressing the impacts of areas such as data use, machine learning algorithms, robotics, future of work, and bioethics.

The Financial Stability Board established the **Task Force on Climate-related Financial Disclosures (TCFD)** to develop recommendations for more effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions and, in turn, enable stakeholders to better understand the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks. Sands Capital became a public supporter of the TCFD in 2020. We have incorporated the TCFD's disclosure recommendations into our own reporting, including that of weighted-average carbon intensity.

The **International Corporate Governance Network (ICGN)** promotes effective standards of corporate governance and investor stewardship to advance efficient markets and sustainable economies worldwide. Its policy positions are guided by the ICGN Global Governance Principles and Global Stewardship Principles. Sands Capital served as a primary sponsor of the Governance of Big Tech virtual summit hosted by ICGN and NASDAQ.

Signatory of:

The **Principles for Responsible Investment (PRI)**, a U.N.-supported network of investors, promotes sustainable investment through the incorporation of environmental, social, and governance issues into investment decision-making. In implementing six aspirational principles, signatories contribute to the development of a more sustainable global financial system. Sands Capital became a signatory in 2017. Our partnership with PRI has served as a useful blueprint for us in building our stewardship program and in understanding how our program stands up to those of our peers.

The **Sustainability Accounting Standards Board (SASB) Alliance** is a program of the Value Reporting Foundation and is focused on providing education and resources related to the SASB Standards. These standards, which are available to 77 industries, guide the disclosure of financially material sustainability information by companies to their investors. As an Alliance member since 2017, Sands Capital has supported the standards-setting process and shared knowledge with the sector advisory group.

The **Carbon Disclosure Project (CDP)** is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts. As an investor signatory, Sands Capital joins nearly 600 institutional investors globally to require environmental information from companies, in line with the TCFD recommendations, to create the most consistent, comprehensive, and measurable global environmental dataset for investors.

SANDS CAPITAL

Sands Capital is an active, long-term investor in leading innovative businesses, globally. Our approach combines analytical rigor and creative thinking to identify high-quality growth businesses that are creating the future. Through an integrated investment platform spanning venture capital, growth equity, and public equity, we provide growth capital solutions to institutions and fund sponsors in more than 40 countries.

An independent, staff-owned firm founded in 1992 and headquartered in the Washington, D.C. area with offices in London and Singapore, Sands Capital managed more than $66.7 billion in client assets as of March 31, 2022.

ALL-IN CULTURE

We are one team dedicated to one mission and one philosophy. As a fully independent and staff-owned firm, we attract and retain strong talent, focus on long-term outcomes, and are highly aligned with our clients' interests.

INSIGHT- DRIVEN

Businesses that can build a sustainable advantage are few and far between. To seek them, we apply six criteria to separate signal from noise, identify what matters most, and construct differentiated views on tomorrow's businesses, today.

GLOBAL PERSPECTIVE WITH LOCAL UNDERSTANDING

Innovation-driven growth knows no geographic boundaries. Neither does our research team. We are hands on, on-the-ground, deeply immersed in the ecosystems in which our businesses operate.

HIGH CONVICTION FOR HIGH IMPACT

All our strategies concentrate investments in only our best ideas and avoid mediocrity. With the intent to own businesses for five years or longer, we seek to create value for clients through the compounding of business growth over time.

Sands Capital
1000 Wilson Boulevard, Suite 3000
Arlington, VA 22209, USA
+1.703.562.4000
www.sandscapital.com