

# MODERN SLAVERY ACT ANNUAL TRANSPARENCY STATEMENT

*For the Year Ended December 31, 2024*

## I. Introduction

Sands Capital Management, LLC and its control affiliates (collectively, “**Sands Capital**,” the “**Firm**,” “**we**,” or “**our**”) support fundamental principles of human rights across our entire business and everywhere in the world where we have a presence. We recognize that modern slavery issues, such as forced labor and human trafficking, are a significant global challenge. We also believe that we have a role to play in promoting respect for human rights. To that end, our Modern Slavery Act Annual Transparency Statement (this “**Statement**”), made pursuant to section 54 of the UK Modern Slavery Act 2015 and sections 13 and 14 of the Australian Modern Slavery Act of 2018, outlines the actions we have taken to mitigate the potential risk of enabling modern slavery through our business, our vendor network, or our investments.

During the reporting period this Statement covers, we actively engaged and consulted with all companies we own or control in the development of this Statement (such companies are identified in **Attachment A**). We discussed details of the Modern Slavery Act 2018’s reporting requirements; information regarding the actions we intend to take to address these requirements and provided them with relevant materials and updates.

## II. Business Structure and Supply Chain

Sands Capital is an independent investment management firm that delivers a range of investment management services to a large and diversified client base that includes collective investment vehicles, corporations, charitable organizations, state and municipal government entities, sovereign wealth funds, pension funds, superannuation funds, and individuals. Our purpose is to add value and enhance the wealth of our clients with prudence over time. We focus on equity investments and the strategies we offer are typified by deep, proprietary, business-focused global research, concentration, and a long-term investment horizon. We operate primarily through Sands Capital Management, LLC, a Delaware limited liability company, and to a lesser extent through our overseas control affiliates identified in **Attachment A**.

On December 31, 2024, our client portfolios held investments in 122 companies (163 companies during 2023) spanning 26 countries. At 2024 calendar year end, Sands Capital had 194 full-time employees, with our headquarters in the Washington, D. C. area and offices in London and Singapore.

In providing our investment management services and operating our businesses, we engage a number of third parties. As of May 2025, we worked with approximately 256 vendors and service providers, covering a wide range of services. Sands Capital’s supply chain predominantly comprises professional service providers such as lawyers, consultants, accountants, and administrators, and technology vendors such as providers of on premise and cloud-based software, applications, and data.

It is our belief that given the nature of the services that Sands Capital provides and the footprint of the Firm, there is a relatively low risk that we could unintentionally enable modern slavery and human trafficking through our employment practices or vendor relationships. The biggest risk that we see related to modern slavery is in our portfolio holdings.

### III. Policies

At Sands Capital, we have policies that govern our responsible investment and stewardship activities. The following outlines the key policies related to our environmental, social, and governance (“**ESG**”) integration and active ownership activities.

The Firm’s **Stewardship Policy** sets forth our purpose, guiding principles, executional process, ability to address specific client requirements, collaborations with third parties, and program governance. This statement is overseen and administered by the cross-functional stewardship group.

The Firm’s **Proxy Voting Policy & Procedures** specifies internal processes for our proxy voting activities. This policy is maintained by the compliance team and overseen by our proxy committee. As part of a broader annual internal controls examination conducted by an external party, our procedures are tested to verify that our proxy voting is conducted as outlined in our Proxy Voting Policy.

The Firm’s **Engagement Policy Statement** details our approach to engagement. The policy is administered by the cross-functional stewardship group.

The Firm’s **Service Provider Due Diligence Policy** outlines our approach to conducting due diligence on unaffiliated service providers and vendors.

Our internal **Compliance Manual and Code of Ethics, Anti-Slavery and Human Trafficking Policy** and our **Vendor Code of Conduct (“Vendor Code”)** communicate the Firm’s expectation that business be conducted ethically and in compliance with the law.

Policy review is critical to ensuring that our investment and stewardship practices are fully aligned with our values. To evaluate our policies’ effectiveness, we use:

- Internal reviews conducted by relevant internal stakeholders, including our core stewardship team and compliance team, among others. All changes and the creation of new policies are approved by the relevant oversight body within Sands Capital.
- Reviews by third-party consultants, where appropriate, such as Slave-Free Alliance.

Our policies are reviewed regularly and the methods we employ for review vary depending on the policy.

### IV. Governance

We believe robust oversight of stewardship policies, processes, and practices is essential to executing a highly effective stewardship program. We have made significant progress on governance structures that support the integration of ESG practices into our investment analysis, seeking to ensure long-term benefits to clients.

#### Firm Governance

Sands Capital is governed by its controlling shareholder, Frank Sands, who serves as Chief Executive Officer and Chief Investment Officer. He is supported by an executive management team (“**EMT**”) that provides strategic leadership across the investment research, client relations, and general business management functions of the Firm. Membership of the EMT includes leaders of different functional areas and will change over time to incorporate a range of viewpoints from existing and emerging leaders and provide cross-functional insight to a broad set of senior personnel. The EMT is supported by several committees consisting of staff members representing functional areas across the Firm, including the Conflicts of Interest Board, Best Execution

Committee, Fair Valuation Committee, Proxy Committee, Liquidity Risk Management Committee, Trade Error Committee, Incident Management Team, and Emergency Response Team.

## **Stewardship Governance**

ESG research integration and active ownership are horizontally integrated at our firm, meaning every investment professional contributes to our stewardship program. This approach is consistent with our intent to operate as one team with one mission and one philosophy. Our core stewardship team comprises four stewardship investment professionals, who collaborate with our broader investment team to help ensure our research analysts address the full scope of relevant opportunities and potential risks in our investment. The fifth member of the core stewardship team supports the development and production of marketing and client reporting for the stewardship program.

The core stewardship team meets regularly to establish priorities, assess resource requirements, and prepare recommendations for stewardship-related meetings with clients and portfolio companies. The team also 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 core stewardship team and reports to the EMT. This reporting relationship helps to support our organizational alignment with our stewardship policies and processes and keeps senior leaders informed about our program developments.

In addition to the core stewardship team, our cross-functional stewardship group includes staff with diverse functional knowledge who are committed to implementing ESG research integration, engagement, and stakeholder communications. The group meets every other month to discuss progress in areas such as:

- Policy and strategy formulation.
- Education and training.
- Tools and infrastructure development.
- Legal and regulatory compliance.
- Collaboration with external partners.

## **V. Partnerships**

With a global investment portfolio, Sands Capital recognizes the importance of managing modern slavery risks through each tier of the supply chain. To address these risks in our portfolios, we undertook several initiatives, including internal training, engagement with companies on material human rights risks, and partnership with a third-party organization focused on modern slavery for independent expertise and support.

In 2022, Sands Capital established a relationship with an outside organization, Slave-Free Alliance (“SFA”), which specializes in anti-trafficking and reducing the risk of modern slavery, to further our work to better understand and mitigate modern slavery risks at both the portfolio and operational levels at Sands Capital. The Firm engaged SFA to establish a risk assessment framework for current and potential investments as well as building a training and awareness program across the whole Firm. This work also included a review of various Firm documents specific to human rights standards such as policies, reports, and legislative disclosures.

*“Slave-Free Alliance is proud to continue its partnership with Sands Capital as it deepens its approach to identifying and managing modern slavery risks across both operations and investments. This year, Sands Capital played a leading role as a founding member of SFA's Finance Sector Working Group, helping to shape collective thinking on investment firms addressing labor exploitation and modern slavery. Alongside this, SFA supported the firm in delivering a bespoke portfolio risk assessment — mapping exposure to labor exploitation and modern slavery across its holdings and building a practical framework for ongoing due diligence and engagement. Sands Capital has shown real commitment to embedding this work internally, from training investment teams to developing tools that enable action at scale. The organization is demonstrating what leadership in this space can look like, and we look forward to continuing our collaboration in the year ahead.”*

Robin Trenbath – Senior Advisor, Slave-Free Alliance

Sands Capital continues to build relationships with other select organizations that enable us to understand stakeholder 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 share best practices and gain insights on effectively managing ever-changing externalities. More information on these partnerships can be found in the Industry Partnerships, Affiliations, and Memberships section of our [2024 Stewardship Report](#).

## **VI. Due Diligence, including Risks and Steps Taken**

As an investment management firm, we have developed ways to address the risk of enabling modern slavery through our business operations separately from how we address the risk of enabling modern slavery through the investments we make on behalf of our clients. We discuss each in turn below.

### **Our Business Operations**

#### **1. Employees**

Sands Capital is committed to respecting the human rights of our employees through our internal employment policies and practices. Integrity, trust, and doing what is right are the cornerstones of our corporate culture, and we strive to ensure that employees can work in a safe, professional work environment. Concern for the personal dignity and individual worth of every person is an indispensable element in the standard of conduct that we have set for ourselves. In addition, compensation and benefits, as part of our talent development strategy, play a critical role in our ability to attract, retain, and motivate our employees. We are committed to providing competitive and equitable compensation for our employees, and benefits that support our employees' needs. While applicable local regulations regarding minimum compensation vary across geographies where we have employees, in all cases we meet or exceed the minimum wages applicable in respective jurisdictions.

Staff who become aware of or who suspect violations of human rights, including with respect to forced or child labor, related to the Firm's business, are encouraged to report such concerns. This can be done through various channels described in the respective policies, including by contacting the Firm's human resources team, the Firm's reporting hotline (which is administered by a third party), or through other appropriate resources. In many situations, reporting through the reporting hotline may be done anonymously. In 2023, we introduced a specific reporting category for human rights violations, encompassing modern slavery and labor exploitation,

to the types of reports that can be made within our internal ethics reporting system. This addition aims to facilitate staff reporting any suspected violations linked to the firm's operations.

## **2. Vendors**

Sands Capital has a comprehensive vendor management policy and program, based on a risk-based framework to manage vendor risk. We do not tolerate slavery, forced labor, child labor, or human trafficking in any form and will not knowingly work with vendors who engage in these practices. Sands Capital is committed to holding ourselves and our supplier community to high standards of business conduct and integrity.

Our Vendor Code sets out our principles and expectations for suppliers, vendors, consultants, contractors, and other third parties working on behalf of the Firm, as well as the owners, officers, directors, employees, contractors, and sub-contractors of these supplier organizations and entities. At a minimum, we expect our vendors and their supply chains to fully comply with all applicable laws and regulations in the conduct of their business, including in relation to slavery, forced labor, child labor, and human trafficking. In addition, we expect our vendors to meet appropriate standards related to labor practices, wages, and workplace safety. Our Vendor Code also addresses the following areas: ethical business practices, environmental stewardship, management systems, and governance.

All vendors that provide products and services to Sands Capital are expected to act in accordance with our Vendor Code, including by ensuring their guidelines, policies, and practices are consistent with our Vendor Code and by communicating and enforcing the Vendor Code provisions throughout their organizations and supply chains, as appropriate. A violation of the Vendor Code by a vendor will be considered upon occurrence and, in circumstances where following engagement with the relevant vendor such violation is not remedied in a timely and sensitive manner, a violation may result in the termination of our relationship with the vendor.

Through our Service Provider Due Diligence Policy, our teams are aided in implementing this policy and the procedures by a third-party risk management firm ("**TPRM**") and software application. The head of each team is responsible for ensuring that all applicable service providers are evaluated for risk and, if necessary, using the TPRM to conduct and review assessments.

As previously stated, we believe our vendor network as a whole is low risk in respect of modern slavery and human trafficking. To focus our efforts, we have adopted risk-based measures to enhance our scrutiny and assessment of select segments of our vendor network where we believe the vendors' commitment towards mitigating the risks associated with modern slavery and human trafficking are especially important. We expect all vendors who are ultimately on-boarded to abide by our Vendor Code or have a similar code in place. We specifically screen our vendors for modern slavery in our initial vendor risk assessments and have also introduced specific due diligence questions relating to modern slavery and human trafficking in our vendor due diligence questionnaires for vendors that we perceive to be critical service providers.

Our enhanced due diligence measures may also include scrutiny of policies relating to measures taken by such vendors to prevent modern slavery and human trafficking in their operations and supply chains and seeking additional contractual representations regarding compliance where we deem it appropriate.

## **Our Investment Activities**

Sands Capital embraces the fundamental investment philosophy that, over time, stock prices reflect the earnings power and growth of the underlying businesses. As such, we attempt to identify and invest in high quality businesses that have the capacity to generate sustainable, above-average earnings growth over time, on a global

basis. We have long believed that a company's ESG practices, such as its policies and actions to mitigate modern slavery, have the potential to impact the drivers of earnings and growth. For this reason, we are a signatory to the Principles of Responsible Investing and are committed to equipping our investment team with the necessary resources to conduct high-quality ESG research and analysis.

We expect our portfolio companies to respect internationally accepted human rights throughout their business operations and value chain, such as the principles of the United Nations Global Compact. For instance, this includes considerations around the maintenance of employee health and safety, particularly in high-risk sectors; the management of exposure to labor and human rights risks throughout their value chain, especially modern slavery; and encouraging positive relationships with local communities.

To assess and manage the risk of modern slavery in our investments, we follow an ESG-integrated investment due diligence process. We utilize both proprietary research and third-party resources to evaluate the ESG risks and opportunities associated with each company. Once we purchase a company, we continue to monitor it for a range of ESG issues including potential human rights violations.

We treat ESG incidents, including those related to modern slavery, at a portfolio company just as we treat any material development. Our analysts, who are the business experts, will identify, evaluate, and then create a research/action plan. When these issues are material, the analysts will frequently report them to the relevant portfolio managers before following up with a more detailed analysis. This supplemental work may include coordination with the core stewardship team and the portfolio management team.

We view ongoing oversight and engagement with investee companies as an essential part of our stewardship work. We regularly engage with management teams or boards on a range of ESG issues, including where the risk or allegations of modern slavery exist. We prioritize engagements through our fundamental research, and tend to focus on companies with large supplier bases in high-risk markets or industries. When we believe human rights risks are material, we often engage the company to understand their practices for mitigating human rights risks in their supply chain, including the level of supply chain oversight and standards.

Generally, we prefer for our businesses to conduct third-party auditing of the supply chain on a regular basis. When we have reason to believe the company is not adequately managing supply chain standards, we will engage the company to advocate for improved oversight and compliance with accepted standards.

Case studies of engagements with portfolio companies on issues related to modern slavery and labor exploitation can be found in our [2024 Stewardship Report](#).

### **Slave-Free Alliance Gap Analysis**

As part of our due diligence around modern slavery, both within our business operations and our investment activities, we leveraged our relationship with SFA as an outside expert. During the early stages of our relationship with SFA, we commissioned a gap analysis of our operations and investment practices. This gap analysis was an independent review of our organization's understanding and response to our modern slavery and labor exploitation risks, conducted in view of relevant legislation and industry best practices. The key output was a detailed report that identified risks and best practices and provided a set of recommendations, as well as a customized action plan that prioritized the recommendations based on risk and leverage.

Since the completion of our initial gap analysis with SFA, we have continued to refine our approach to mitigating modern slavery risks in our investment processes and operations. In 2024, we further incorporated

recommendations from the analysis into our ongoing stewardship activities, including refining our due diligence frameworks and strengthening engagement efforts with portfolio companies.

- **Training:** In December 2024, we held a firmwide training session led by SFA, building on previous sessions to deepen our understanding of evolving modern slavery risks. The training covered global legislative updates and emerging issues, such as migrant worker vulnerabilities, labor exploitation in AI supply chains, and a case study on systemic labor rights violations at a major global employer.
- **Investment due diligence:** We have made significant progress toward finalizing an advanced due diligence framework and engagement guide on modern slavery for our investment professionals. This guide is designed to strengthen our ability to assess and engage with portfolio companies on modern slavery risks. Additionally, we have maintained a strong thematic focus on modern slavery in our investment engagements, approaching the issue both from a bottom-up perspective by integrating company-specific insights and from a top-down level through the development of a portfolio-wide risk assessment based on external indicators.
- **Modern slavery statement:** In June 2024, we released our 2023 Modern Slavery Act Annual Transparency Statement, enhancing the transparency provided in earlier statements. This statement outlined our strategies for mitigating modern slavery risks in our business operations and investments and provided additional details on the governance of our stewardship program.
- **Industry collaboration:** In November 2024, we participated in the launch of SFA's Financial Services Working Group, a group whose mission includes sharing knowledge, skills, and best practices, as well as developing resources to support a collective response to common human rights challenges. The mission of this group is to "work towards this vision by sharing knowledge, skills and best practice, and by developing resources to support a collective response to common human rights challenges." We also joined the Investor Initiative on Human Rights Data (II-HRD) to advocate for improved and more comprehensive corporate human rights data and to generate industrywide alignment.

## VII. Training

Sands Capital requires all staff review our Compliance Manual and Code of Ethics and other relevant policies upon joining the Firm and on at least an annual basis thereafter.

We also seek to ensure that all staff are trained and empowered to identify, and know how to report and escalate, potential exposures to modern slavery relating to our internal operations, vendor relationships, or investments. In December, we held a firmwide training which aimed to raise general awareness of modern slavery and how it can affect our work at Sands Capital. The main questions this presentation aimed to answer were:

- How are risks evolving?
- What can we expect in 2025
- How can we use the OECD Due Diligence Guidance?

### Future training

We expect to hold other training around modern slavery and forced labor in 2025. We are exploring conducting additional targeted trainings for our investment team, staff members involved in managing vendor relationships, and other constituencies within Sands Capital where additional guidance may prove helpful.

## VIII. Effectiveness

We have various business functions, including our stewardship and operations teams, whose responsibilities include monitoring the effectiveness of the processes and procedures to address the modern slavery risks that our business may cause, contribute to, or be directly linked to. We assess the effectiveness of our actions through our vendor management policy and program, which includes identifying suppliers and vendors that may pose elevated modern slavery risks based on geography or industry, and seeking information from certain higher-risk providers about their modern slavery policies. We also assess effectiveness through the integration of modern slavery considerations into investment research and company engagement activities. We recognize this is an ongoing process and will continue to refine our approach as we learn from these efforts.

We believe that our actions to address modern slavery are commensurate with the risks presented by our business model, but as with everything we do, we will continue to seek ways to improve. We will continue to raise awareness among our staff, our vendors, and our portfolio companies around these issues and to consider additional measures to ensure we are not unintentionally enabling modern slavery through our business, our vendors, or our investments.

Over the course of 2025, we will continue our progress on the priority items from the SFA Gap Analysis, which largely fall into the following buckets:

- Updating our Modern Slavery Statement
- Operational due diligence, including reviewing and updating policies as appropriate and considering updating due diligence processes around relationships with service providers
- Investment due diligence enhancements, including the development and rollout of a Modern Slavery Investment Due Diligence Guidance
- Ongoing training

This Statement for the year ending December 31, 2024 was approved by Frank M. Sands in his role as principal governing body of Sands Capital on June 18, 2025.



Frank M. Sands

Chief Investment Officer and Chief Executive Officer

Sands Capital Management, LLC

## **ATTACHMENT A**

*(Control Affiliates)*

Sands Capital Advisors - UK Ltd.

Sands Capital - Pacific Pte. Ltd.

Sands Capital - Atlantic Limited