



Stewardship Report

Sands Capital Management, LLC
2025

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Navigating Change Through Stewardship



At Sands Capital, responsible stewardship of client capital remains central to our approach. The environment in which we practice that stewardship, however, is growing more complex. It's defined less by isolated risks and more by the interaction of powerful forces, including rapid technological innovation, geopolitical tensions, and shifting global supply chains. In this setting, active ownership remains essential to supporting durable value creation.



The past year has underscored how interconnected these forces have become. The rapid expansion of artificial intelligence (AI) offers a clear example. While AI promises meaningful productivity gains, it also increases demand for energy, advanced semiconductors, and critical minerals. At the same time, the global energy transition is intensifying competition for many of these same resources, further linking technological progress, resource security, and national priorities.

These trends are unfolding alongside geopolitical fragmentation and evolving regulation. Trade tensions, industrial policy, and efforts to secure strategic supply chains are reshaping global commerce. Companies are making new decisions about sourcing, manufacturing, and balancing efficiency with resilience, introducing both complexity and opportunity for investors.

In this environment, thoughtful stewardship is increasingly important. Our approach remains grounded in our investment philosophy: stock prices reflect the long-term earnings power of exceptional businesses over time. Assessing that durability requires understanding how companies navigate supply chains, geopolitical exposure, and emerging technologies. Our stewardship efforts continue to evolve through research, engagement, and collaboration.

Stewardship at Sands Capital is fully integrated within our investment team. Analysts lead environmental, social, and corporate governance (ESG) analysis, company engagement, and proxy voting. They are supported by dedicated research on climate risk, digital governance, and supply-chain integrity, linking systemic developments directly to investment decisions.

This report reflects that integrated approach. It highlights how we assess interconnected risks and engage with companies as they navigate them. It also provides transparency into how stewardship supports our efforts to protect and grow client capital over the long term.

Sincerely,

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

Karin Riechenberg
Director of Stewardship

1 Who We Are

At Sands Capital, we are active, long-term investors in leading innovative businesses, globally. Our approach combines analytical rigor and creative thinking with an aim to identify high-quality growth businesses that are creating the future.





Our Mission and Purpose

Established in 1992, Sands Capital is an independent investment management firm with a clear and simple mission: We exist to add value and enhance the wealth of our clients with prudence over time. Now, more than 30 years later, we remain steadfastly committed to this founding mission.

We strive to achieve our mission by seeking to generate positive outcomes for our stakeholders. We help clients fulfill their objectives, which can include providing sustainable and better retirements, improving healthcare, funding innovative research, and supporting charitable works to help create a better world.

For society, we selectively allocate capital to businesses that innovate and solve problems. These businesses can improve billions of lives by offering essential products and services to the global economy, creating jobs, and supporting institutions that enhance civil society.

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.

Culture and Values

What we believe and value as an investment organization matters greatly to our clients and other stakeholders.

We embrace a culture in which every staff member is responsible for upholding Sands Capital's values and fulfilling the firm's mission. We believe three core values are especially critical for high-performing teams:

- **Integrity and trust:** Do what is right, not what is popular. Deliver on commitments.
- **Client-centered:** Always act in the best interest of our clients.
- **Commitment to excellence:** Strive to learn and improve. Implement best practices.

In addition to these core values, we believe it is important to focus on what matters most in an investment case, to maintain a long-term perspective, and to work collaboratively as we gather facts and build conviction.

We also strive to work with a positive attitude, grace, and kindness and to achieve a healthy work-life balance. Ultimately, we let meritocracy guide us. Talent and achievement drive success at Sands Capital.

Business Model and Strategy

Sands Capital focuses exclusively on active, long-term growth investing. We employ deep, fundamental, business-focused research as we work to identify high-quality, leading growth companies with sustainable, above-average earnings growth that typically operate in attractive areas of innovation. Our portfolios consist of a relatively small, select group of these businesses in which we have the strongest conviction.

We primarily serve institutional asset owners through a range of investment strategies distinguished by geographical focus. Our clients access our strategies through separately managed accounts and advised and subadvised pooled vehicles, such as mutual funds, undertakings for collective investment in transferable securities (UCITS) funds, collective investment trusts (CITs), and private funds.

As an independent, private partnership that is wholly owned and managed by the partners of the firm, we are fortunate to control our own destiny. We focus on long-term investment and business outcomes, and we seek to avoid the distractions of outside, short-term interests. This approach has enabled us to effectively fulfill our mission and cultivate a culture that bonds our staff.

Consequently, we maintain strong internal alignment as evidenced by our staff retention rate of 82 percent over the last three years. It's that internal cohesion that enables us to stay exceptionally well aligned with our clients' interests. As a result, we believe we are well suited to be active, long-term stewards of their capital.

Our foremost business priority is to serve current clients by fulfilling our mission. We endeavor to do this by creating a high-quality, differentiated client experience. We seek to deliver strong absolute and relative investment results, efficient and effective administration, and value-added service and support. To be successful, we aim to nourish a positive, values-based culture while ensuring all staff members have the resources and support needed to execute with excellence. Recruiting, identifying, supporting, and developing top talent and future leaders is also important to us. Internally, we look for opportunities to optimize our processes and systems by innovating and challenging the status quo to build a successful, sustainable, and profitable business.

We do not set business development targets because we believe they could lead to misalignment with the interests of current clients. Instead, we take a thoughtful and measured approach to identify prospective clients whose mission, investment philosophy, and approach align with our own. We seek long-term partnerships that we believe add to our current client base and enhance the sustainability of our firm.

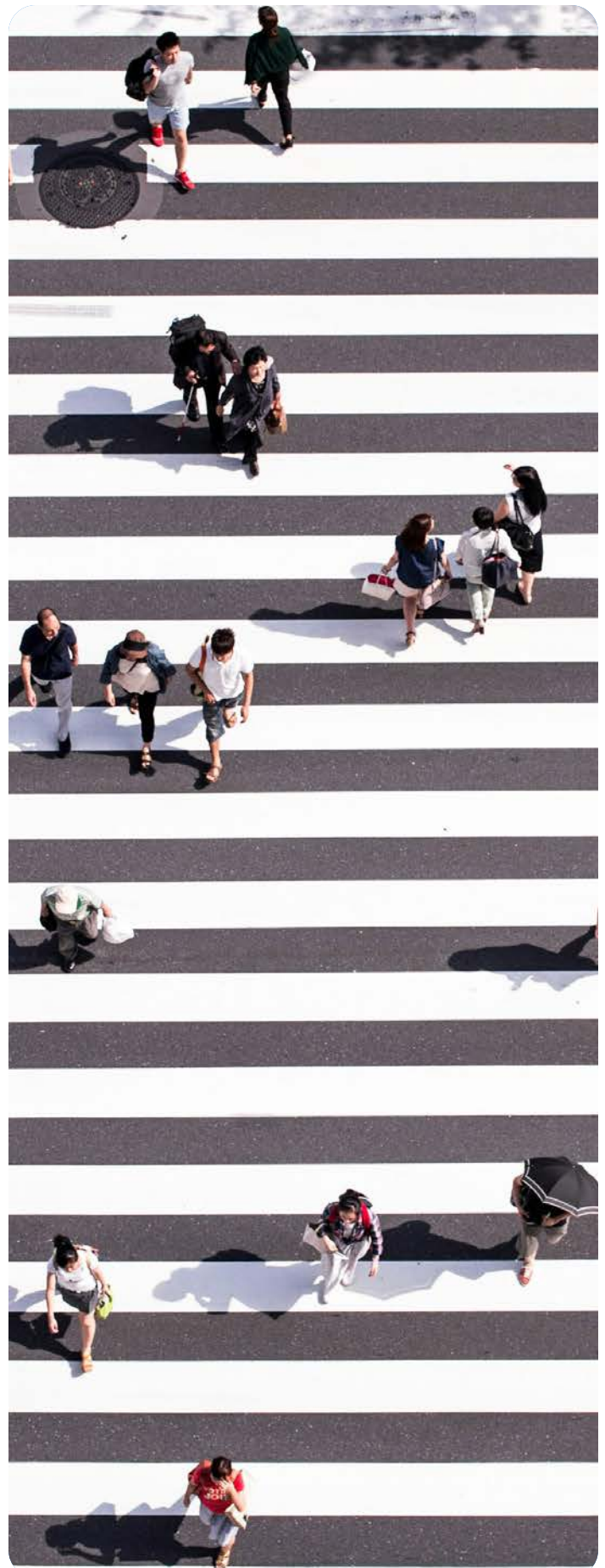
Investment Philosophy and Approach

We apply a single philosophy across all investment strategies. That philosophy is rooted in the belief that, over time, stock price appreciation follows the earnings power and growth of the underlying business. We act on this belief by:

- Seeking to identify exceptional businesses with the capacity to generate sustainable, above-average growth over time.
- Constructing concentrated and conviction-weighted portfolios.
- Maintaining a long-term investment horizon, accepting short-term market volatility in exchange for long-term growth potential.

The cornerstone of our investment strategy is our proprietary global research. The differentiated insights we generate tend to guide our predictions for the magnitude and/or durability of businesses' growth relative to market expectations. In our experience, markets often underappreciate the compounded impact of nonlinear, exponential rates of growth and the durability of growth that select leading businesses can produce.

We seek to enable our clients to benefit from the compounding of business growth over time, which tends to be the most powerful driver of wealth creation. Because of this long-term focus, we examine a wide range of factors we think could affect the sustainability of the businesses based on their materiality. These factors include ESG practices. We believe such factors may shape brand perception, operational efficiency, cost of capital, talent retention, and social license to operate, which in turn shape how the market values the firm. Consequently, we wish to own exceptional businesses that recognize and thoughtfully manage ESG practices, among other material factors.



Our Six Criteria

The cornerstone of our investment strategy is our proprietary global research, which is fundamental, bottom up, and business-focused. We seek to identify leading growth businesses that meet the following criteria:

- 1 Sustainable above-average earnings growth.
- 2 Leadership position in a promising business space.
- 3 Significant competitive advantages/unique business franchise.
- 4 Clear mission and value-added focus.
- 5 Financial strength.
- 6 Rational valuation relative to the market and business prospects.



As a steward of long-term client capital, we believe it's an integral part of our fiduciary responsibility to consider all matters that have the potential to influence investment outcomes and alignment to our six investment criteria.

Our Six Investment Criteria¹

Our fundamental research is guided by our six investment criteria. These criteria help us focus on companies that are not only innovative but also deliver products or services with few, if any, true substitutes. In our view, the businesses we invest in are often differentiated leaders within their industries, with significant and durable competitive advantages. Many exhibit game-changing potential, driving their own growth through continuous innovation, expansion into new markets, or redefining existing markets.

Enabling Effective Stewardship

Sands Capital's commitment to stewardship is rooted in our culture, philosophy, and approach to managing concentrated, conviction-weighted portfolios of leading growth businesses. Our conviction comes from developing an intimate knowledge of a small number of companies (25 to 50 in a typical client portfolio), which we believe is far more valuable in identifying opportunities and mitigating risks than a superficial knowledge of a broader group of companies.

We act on our commitment by building our cumulative knowledge about each business' practices that we believe have the greatest potential to affect long-term shareowner value. We embrace active ownership,² seeking to use our knowledge and credibility with company management teams to share our views to support the long-term trajectory of our businesses through focused, robust engagement and voting. Finally, we strive to make our investment process transparent and accountable to keep stakeholders aware of how ESG business practices inform our capital allocation decisions.

ESG research 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. We do not operate in silos. To enable this integrated approach, we have invested substantially in the necessary people, processes, data, tools, and training.

1. There is no guarantee that owning securities of companies meeting the six criteria will cause the portfolio to outperform its benchmark or index.

2. Use of the term "active ownership" means that Sands Capital engages with companies to discuss our views on issues relevant to long-term value creation. It does not involve any direct or indirect attempt to exert pressure to implement specific measures, change policies, or otherwise influence control over the issuer.

How Our Beliefs Guide Stewardship Decision-Making

Our approach to investment management may be best described as applying a private business owner’s mindset to public equity investing. As long-term investors, we do not trade stocks. Rather, we seek to buy leading growth businesses and own them for a long period of time. It is this long-term ownership mindset that guides how we practice stewardship across our investment strategies.

As of the end of 2025, we allocated about \$51 billion of client assets under management to a select group of only 132 listed companies. Our decision to invest in specific companies reflects our conviction in their strong alignment with our six investment criteria, including our assessment of their current ESG practices and opportunities for progress. Our decisions about what not to invest in were equally important, and many reflected our view of untenable risks resulting from subpar governance practices or other sustainability concerns.

With many portfolio businesses, our engagements begin with early due diligence well before our initial investment. Such engagements enable us to evaluate each management team’s quality and vision. They also provide us with a view into management’s intentions in addressing environmental externalities, human and social capital, governance, and other factors.

Half of our client capital is invested in companies we have owned for five years or more; more than one-third in companies held for more than seven years. Our alignment with long-term shareowner interests is critical to establishing credibility and trust with management teams and other stakeholders, in our experience.

As long-term partners, we seek to help businesses grow and mature and to evolve their ESG practices to navigate emerging economic and societal complexities. Through constructive relationships with management teams, we can help support the journey of these companies, which we believe can contribute to positive long-term outcomes for their shareowners and society.

We believe a company’s growth sustainability may be impaired when it fails to meet society’s expectations for responsible business practices. We have observed such failures adversely affect brand equity and consumer trust, which are inextricably linked to a company’s ability to create long-term shareowner value. For this reason, authentic and active stewardship of client capital will remain central to all we do in order to fulfill our mission.





Assessing Our Efficacy in Serving Clients' Best Interests

Throughout 2025, the transformational power of AI spread across industries. It reshaped business models, workflows, and ideas about economic security. It also stirred two strong emotions. Many felt excitement about new capabilities. Others feared that falling behind could mark the difference between survival and decline.

Those emotions helped drive markets higher. A small group of perceived beneficiaries led, valuations stretched, and at times, price action showed the early signs of a bubble. Momentum often replaced analysis. Narrative often passed for evidence.

On the surface, 2025 was a good year for global equity markets. It was, however, a period of significant change, which can unnerve investors, disrupt market dynamics, and challenge the resolve of long-term managers. When we look back on this period in five to 10 years, we may forget how many shifting currents we navigated.

The first shock came in January. Chinese startup DeepSeek released a powerful, low-cost large language model that briefly knocked AI leaders such as NVIDIA and Taiwan Semiconductor off course. Tariff uncertainty added to the mix, sending volatility to levels not seen since the pandemic. Rallies collided with anxiety about the future direction of interest rates, and, more recently, the longest U.S. government shutdown in history. Market leadership seemed to reverse in line with momentum as low-quality and often more speculative names led the market higher at the expense of higher-quality companies.

As volatility eased into year-end, we saw global equities deliver both solid earnings growth and higher price-to-earnings multiples. That mix produced some powerful results for the overall equity market.

Across public strategies, our portfolios generated strong earnings growth and absolute returns that, in most cases, match or eclipse what they have produced annually since inception. These results reflect the strength of our research and our process.

That said, we lagged our benchmarks in most cases. We entered the second half of 2025 on strong relative footing across most strategies, but each of our portfolios has since suffered acute multiple compression. This has overwhelmed benchmark-topping earnings growth in nearly every portfolio.

In these periods of disconnect, we need to recall our mission, which is to add value and enhance the wealth of our clients with prudence over time. We are investing across decades, not quarters. Our clients entrusted us to manage growth portfolios within defined opportunity sets, often dictated by geography. To that end, we chose to protect balance-sheet strength and earnings durability rather than stretch for what we saw as fragile momentum. It is a trade we accept. Still, it is disappointing to trail an index in an up year.

Despite these results, we are encouraged by the valuations in our own portfolios, which in many cases trade at historically low relative levels. In many ways, this demonstrates the dislocation between today's price and tomorrow's value potential. In such turbulent markets, that potential is increasingly clouded by sentiment-driven trading rather than the long-term ownership perspective. We continue to believe the latter remains the more sustainable and meaningful engine of long-term wealth creation.

Moving forward, our portfolios are better balanced to navigate operational and market uncertainty. We are comfortable with our position. We have been upgrading the quality of our portfolios and rebalancing exposures.

We remain focused on finding the businesses that are creating the future and that adhere to our six investment criteria. Across defense technology, robotics, energy, cybersecurity, and space, we continue to seek leaders with enduring advantages and the capacity to create long-term value for our clients.

Markets will shift. Narratives will change. But our approach endures. Concentration, conviction, and patience remain the foundation of how we invest.

2 Who We Serve

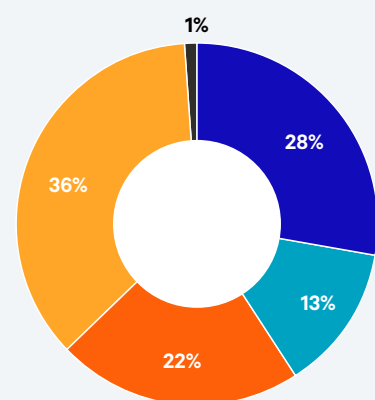
Serving a global, diverse client base requires direct communication to identify needs and articulate expectations. We are committed to nurturing these relationships and managing assets as effective stewards of capital.



99%

of AUM managed on behalf of institutional clients

Assets by Type³



- U.S. Institutional Separate Accounts
- Non-U.S. Institutional Separate Accounts
- U.S. Pooled Funds
- Non-U.S. Pooled Funds
- Private Clients

Helping Institutional Investors Achieve Their Long-Term Objectives

Sands Capital primarily serves institutional investors, including corporations, public funds, foundations, endowments, sovereign institutions, and fund sponsors in 35 countries. Institutions represent the vast majority (99 percent) of client assets under management (AUM); private clients represent a small portion (1 percent). U.S. clients represent 58 percent of AUM, and clients outside the United States represent 42 percent.

Our investment strategies seek to outperform their applicable passive market benchmarks over rolling three- and five-year periods, in keeping with our long-term investment horizon. Therefore, our approach is best suited for clients who seek long-term capital growth with an investment time horizon of five years or more and who do not anticipate short-term liquidity needs. This time horizon is consistent with the expectations of our institutional clients who are responsible for pension and other long-term funding goals.

Client assets are invested exclusively in long-only portfolios of public growth equities and are fully invested at all times. The portfolios may include a residual cash position, generally of 5 percent or less. Our portfolios are differentiated by geography and the growth rate of the underlying portfolio businesses. As of December 31, 2025, our geographic exposure was 51 percent U.S. equities, 23 percent developed markets ex-U.S., and 25 percent emerging markets.

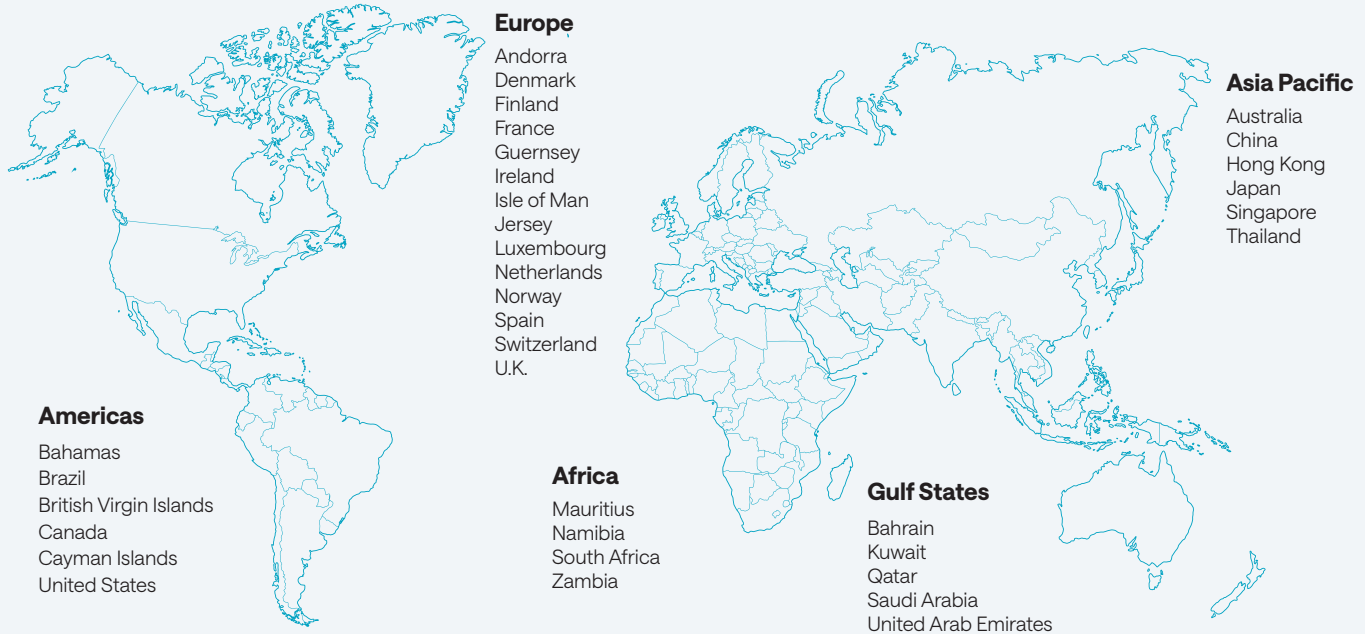
We manage a substantial portion of client assets in separate accounts. Clients can customize separate account mandates to align with their investment policies and objectives, provided that we can successfully execute our investment strategy. One of the most common forms of customization is the exclusion of portfolio holdings tied to certain industries or business involvement. The most common exclusion is tobacco.

In the United States, we manage pooled-fund assets primarily through subadvisory relationships with independent fund sponsors and wealth managers. As our clients, these fund sponsors conduct due diligence on us like many other institutional clients. As the fund underwriter and distributor, they are responsible for preparing the fund offering documents that set forth the investment objective and strategy and managing all communications with their clients, who are the fund shareholders. We support fund sponsors by providing our analysis of investment strategy results and offering our perspectives on the opportunities and risks attributed to the portfolio businesses.

Outside the United States, in addition to funds managed through conventional advisory relationships, we make many of our investment strategies available to qualified investors through certain pooled funds. These pooled funds primarily serve the needs of institutional investors for whom establishing a separate account with us is not feasible. Domiciled in Ireland as UCITS, all of these

3. Based on the discretionary assets under management for the public equity strategies managed by Sands Capital Management, LLC as of December 31, 2025.

Client Base by Region



open-end investment funds are classified under Article 8 of the European Union Sustainable Finance Disclosure Regulation. The UCITS' investment policies promote certain environmental or social characteristics and include certain binding elements, including business-involvement exclusions. These exclusions pertain to controversial weapons, tobacco, human rights issues, and additional items based on certain revenue thresholds.

Cultivating Strong, Transparent Client Relationships

Nurturing a strong, direct relationship with our clients is central to how we manage assets and act as effective stewards of capital. We feel that individual attention is appropriate for our relatively small and focused institutional client base.

We believe the strength of our client partnerships is well reflected in our three-year average rolling retention rate of 85 percent.⁴ Furthermore, as of December 31, 2025, more than 74 percent of our current clients have entrusted us with their investment capital for 10 years or longer.

Commitment to Transparency

We are committed to providing transparency into our stewardship initiatives. That includes how we think certain ESG factors may relate to the long-term growth prospects of the companies we own. Our commitment to transparency is reflected in our client reporting and our public disclosures.

4. As of September 30, 2025. The three-year average rolling retention rate is calculated on a fiscal year basis.



Client Reporting

For current clients, we publish quarterly strategy reports incorporating stewardship-related content that includes:

- Portfolio carbon metrics according to the Task Force on Climate-Related Financial Disclosures (TCFD) reporting recommendations.
- A summary of engagement activity for the trailing 12 months.
- An engagement case study from the most recent quarter.
- A summary of voting activity for the trailing 12 months.
- This information is also incorporated into quarterly review books produced for client meetings.

Public Disclosures

In addition to our stewardship policy statements and ESG principles, our publicly available annual stewardship report provides details on the firm's overall engagement strategy, the number of engagements by type and topic, examples of engagement cases, and outcomes.

We disclose our voting record for all strategies for the trailing 12 months as of the most recent month-end on our public website.

Additionally, with the aim of transparency, we publish stewardship resources, pertinent policy statements, and featured thought leadership on our public website.

Seeking Client Views and Assessing the Effectiveness of Client Communication

Our communications and stewardship practices exist to add value for our clients. Our client relations team serves as a conduit between our clients and our stewardship and executive management teams. In addition, members of the research and stewardship teams meet with clients to learn their thoughts and feedback on our approach. We continually solicit clients' feedback regarding the evolving landscape in which we invest and welcome their questions about the extent to which we have incorporated our understanding of relevant ESG factors into each investment case.

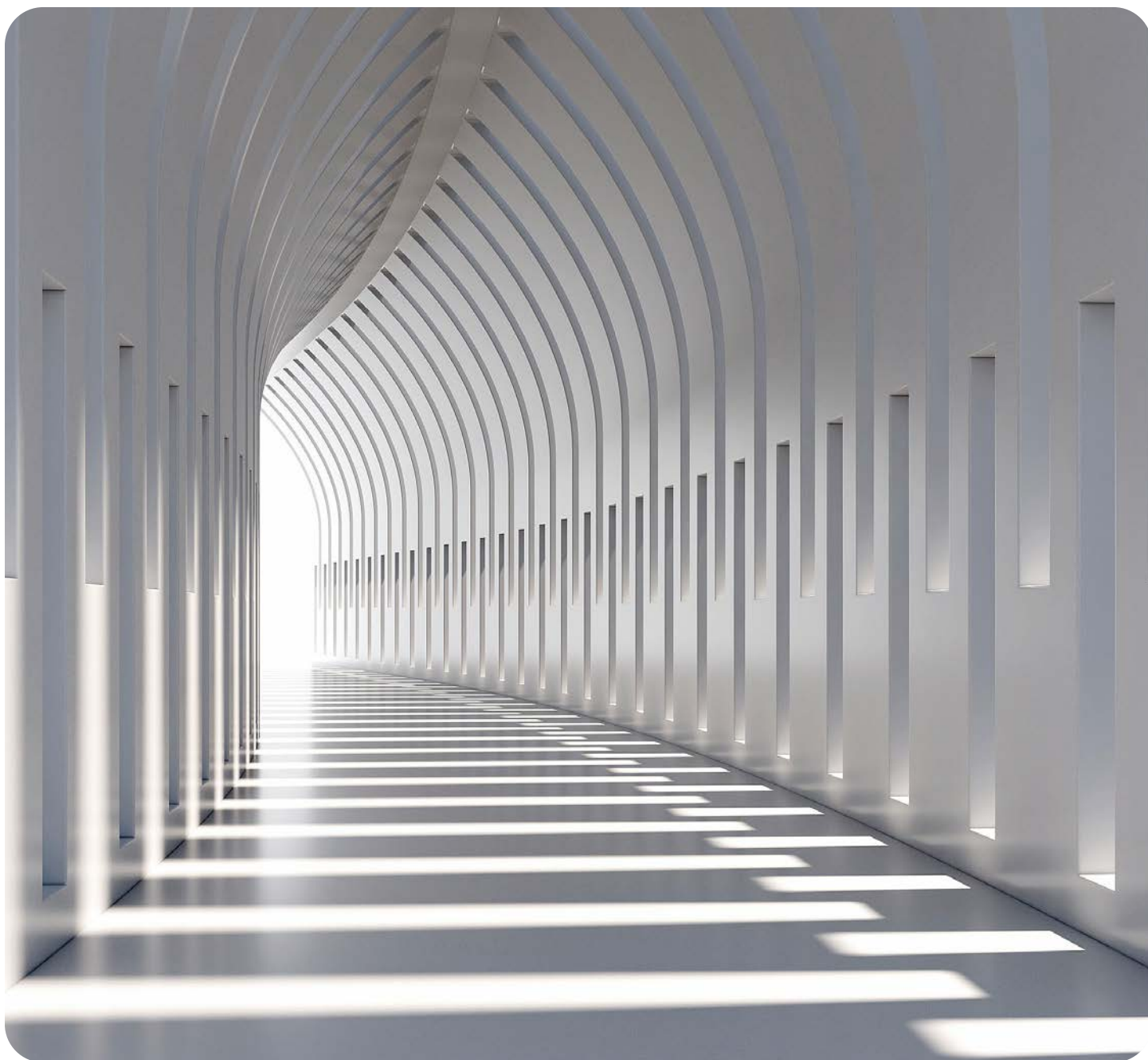
Our institutional clients expect to meet us directly at regular intervals, often quarterly or semiannually. We report on the progress of our investment strategies and seek to learn about our clients' views through these engagements. Many clients are represented by investment consultants who conduct diligence on our investment strategies. During these discussions, we share details on our philosophy, our approach, and the execution of our strategies, and we solicit perspectives on industry standards.

As a reflection of our commitment to serving clients, in December 2025 Sands Capital Management was recognized with the International Corporate Governance Network (ICGN) Global Stewardship Disclosure Award, which honors investor members whose public reporting reflects their commitment to transparency and accountability. ICGN highlighted Sands Capital's 2024 annual stewardship report for providing clear insight into the firm's stewardship framework, voting policies, and approach to managing conflicts of interest.

The award reflects Sands Capital's alignment with the ICGN Global Stewardship Principles, including commitment to stewardship, robust governance, effective engagement and monitoring, the responsible exercise of ownership rights, and constructive participation in public policy dialogue. No compensation was paid in connection with this award, and ICGN is not a client of Sands Capital.

3 Oversight

Our governance structure is designed to leverage our cultural strengths and provide staff with the resources and incentives necessary to enable effective stewardship of client capital.



Governance

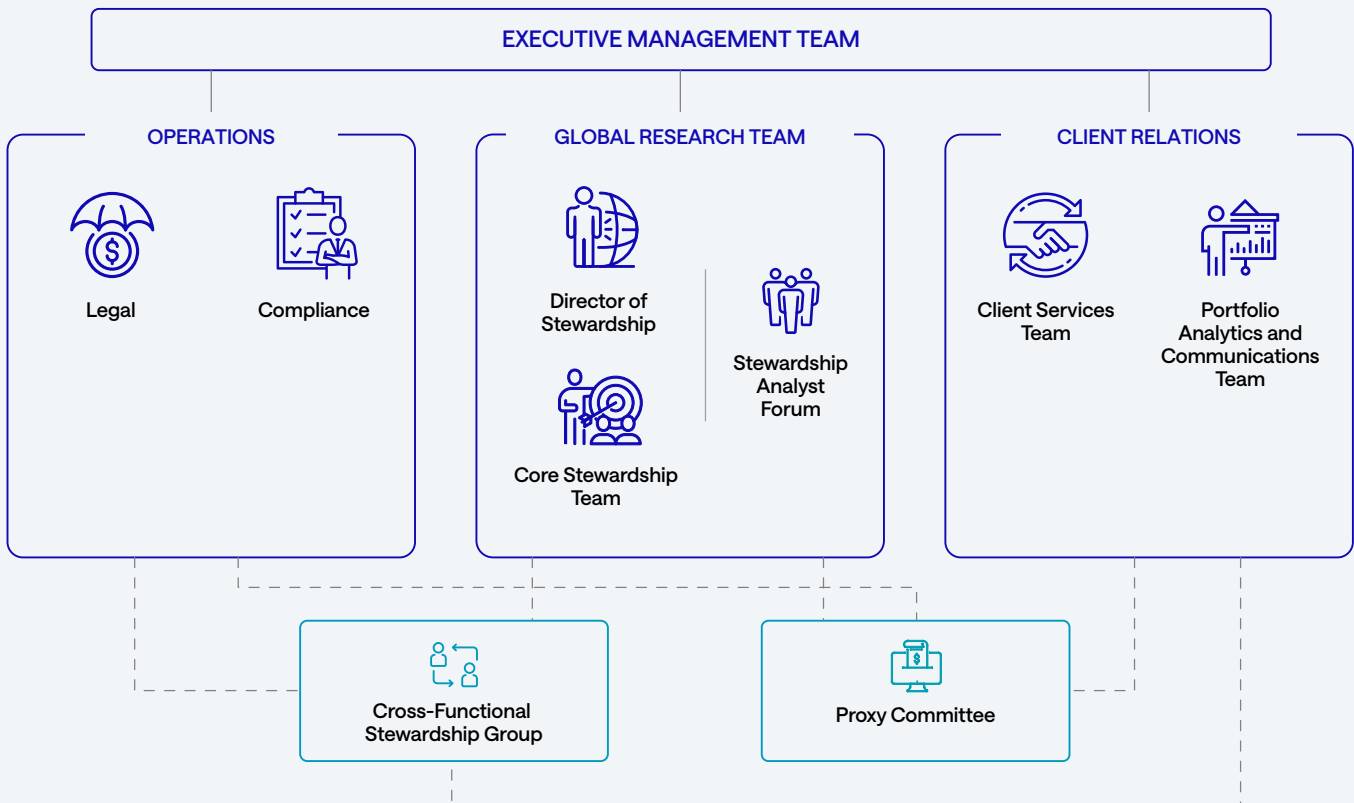
We believe robust oversight of our policies, processes, and practices is essential to executing a highly effective stewardship program. We have made significant progress on governance structures that support the in-depth integration of ESG practices, as well as active ownership, seeking to ensure long-term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

ESG research and active ownership responsibilities are horizontally integrated across our global research team. We believe keeping ESG research, engagement, and proxy voting in the hands of our analysts reinforces our deep understanding of our portfolio companies and yields positive outcomes. Our governance approach contrasts with structures in which a separate team handles stewardship responsibilities. In our view, that model can limit the depth of insight

brought to stewardship decisions. When stewardship sits outside the research function, it may lack the full context that comes from continuous company coverage, industry expertise, and long-term relationship building.

We believe research analysts are best positioned to lead stewardship because they bring domain knowledge and a holistic understanding of each business. Their familiarity with a company’s strategy, competitive position, management team, and industry dynamics allows them to engage more effectively and thoughtfully. By integrating stewardship directly into the research process, we preserve this context and ensure our insights are grounded in a comprehensive view of the business.

Governance Structure



For illustrative purposes only.

Core stewardship team

The core stewardship team comprises dedicated stewardship investment professionals whose primary function is to support the implementation of ESG integration, engagement, and proxy voting on a day-to-day basis. The team supports our research analysts and portfolio managers by contributing domain knowledge on specific ESG topics. The team also helps structure strategic engagements with target companies and ensures that we effectively fulfill our proxy voting obligations.

The current team is made up of five staff members. Four are investment professionals who act as consultants to our global research team. The fifth team member primarily supports the development and production of marketing and client reporting for the stewardship program.

Beyond supporting the research team, the core stewardship team also:

- Drives stewardship policy and process improvements.
- Sources and integrates ESG and proxy data.

- Manages relationships with third parties, such as industry associations and collaborative engagements.
- Works with the legal and compliance teams to ensure adherence to regulatory requirements.
- Supports client and industry reporting.

The core stewardship team meets regularly to establish priorities, assess resource requirements, and prepare recommendations.

The director of stewardship leads the core stewardship team and reports to our executive management team, which consists of the CEO and the president (who serve as co-chief investment officers), the director of research, and additional senior leaders who represent our primary business areas. This reporting relationship helps to support our organizational alignment with our stewardship policies and processes and keeps senior leaders informed about our program developments.

Dedicated Stewardship Investment Professionals

	Karin Riechenberg Director of Stewardship	Ashley Patton Sr. Stewardship Analyst	Christopher Jenkins Sr. Proxy and Stewardship Specialist	Saeyeon Kwon Research Associate, Stewardship	Amir Reda Portfolio Specialist, Stewardship
Primary Responsibilities and Sample Projects	<ul style="list-style-type: none"> • Strategy and oversight • Internal policies oversight • Liaison with executive management team and other departments • ESG generalist 	<ul style="list-style-type: none"> • Modern slavery mitigation project • Engagement strategy and coordination • Policy analysis and engagement • Regulatory research and reporting • ESG generalist 	<ul style="list-style-type: none"> • Proxy voting process • Proxy data integration and dashboards • Corporate governance research • AI governance and digital ethics research 	<ul style="list-style-type: none"> • ESG data initiatives • Portfolio climate analysis • Engagement support and analysis 	<ul style="list-style-type: none"> • Stewardship client reporting • Regulatory reporting requirements • Firmwide emissions accounting • Internal policies support
Certifications	<ul style="list-style-type: none"> • CFA Institute Certificate in ESG Investing • SASB Fundamentals of Sustainability Accounting credential • GRI Standards Exam 	<ul style="list-style-type: none"> • CFA Institute Certificate in ESG Investing • SASB Fundamentals of Sustainability Accounting credential 		<ul style="list-style-type: none"> • CFA Institute Certificate in Sustainable Investing 	<ul style="list-style-type: none"> • CFA Institute Certificate in ESG Investing
Education	<p>Johns Hopkins University MA International Economics and International Relations, Johns Hopkins University School of Advanced International Studies</p> <p>University of Exeter BA International Relations and Russian</p>	<p>Johns Hopkins University MA International Economics and International Relations, Johns Hopkins University School of Advanced International Studies</p> <p>University of North Carolina at Chapel Hill BA Political Science and Global Studies</p>	<p>George Mason University MBA Costello College of Business</p> <p>George Mason University BS Finance</p>	<p>Georgetown University MS Environment and Sustainability Management</p> <p>George Mason University BA Global Affairs</p>	<p>St. Mary's College of Maryland BA Political Science</p>



Cross-functional stewardship group

Our cross-functional stewardship group provides high-level strategic oversight of stewardship activities.

The group is cross-departmental and includes staff with diverse functional knowledge who are committed to ESG research integration, active ownership, and stakeholder communications. The team meets every other month to discuss progress and new objectives in areas such as:

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

Stewardship analyst forum

Our stewardship analyst forum is a platform for our research professionals to meet quarterly to share best practices and identify opportunities for improvement. We believe this platform is a powerful way to elevate the knowledge of our professionals and enhance consistency in our research approach.

Training

At Sands Capital, we embrace a culture of continuous learning and development, understanding that there are always ways we can improve. We aim to stay current with industry developments and encourage creative thinking and problem-solving.

New hires at Sands Capital undergo a series of orientations from human resources, compliance, and other teams to help integrate them efficiently into the firm. After integration, staff members engage in ongoing training throughout their tenure on topics such as new rules being implemented by the U.S. Securities and Exchange Commission (SEC) and how to maintain Equal Employment Opportunity compliance and uphold a respectful workplace for all.

In 2025, we enhanced our stewardship training onboarding curriculum for all new investment team hires, reinforcing the

central role stewardship plays in our investment philosophy. The program establishes clear expectations for new research analysts and associates, covering ESG integration, company engagement, proxy voting, and our internal research and documentation standards. This structured approach helps ensure every new hire is equipped to uphold the discipline, rigor, and accountability that define our stewardship practice.

In addition to the training facilitated by Sands Capital, staff members have access to a wide variety of external training and development opportunities, which they can discuss during personal development conversations with management. Staff members are encouraged to pursue certifications or ongoing education in their field, as well as to attend conferences, seminars, or professional coaching sessions.

Several teams conduct annual off-site events to build professional relationships among the team. We host a variety of speakers throughout the year, sometimes for the entire firm and sometimes for specific teams. Training focuses not only on developing hard and soft skills but also on our staff members' well-being.

Our Efforts to Promote Diversity of Thought

We believe diversity of thought brings value to our investment research and our overall culture. Sands Capital operates as a meritocracy and strives to foster a culture that is inclusive of many backgrounds, perspectives, and experiences.

Each member of the investment team brings a different viewpoint when vetting new ideas or changes to the portfolio. Our tightly integrated, team-based approach to conducting research provides a global context through which ideas are sourced and openly challenged. Importantly, the research team is constantly learning, not only from its research efforts but also from one another through rigorous and honest debate.

At the firm level, we engage in efforts to promote an inclusive workplace. Examples of these efforts include, but are not limited to:

- Creating an annual affirmative action plan to track our hiring, promotions, and terminations across gender and race, the results of which are used to raise awareness of areas that may warrant further review.

- Requiring all staff members to participate in Equal Employment Opportunity compliance and respectful workplace training, which includes educating our staff members about professional conduct relative to equal employment, as well as an education section for managers.
- Providing medical and dental benefits that support domestic partnerships and implementing a parental leave policy (removing the previous gender-focused maternity and paternity leave policy).
- Conducting return-to-work interviews for parents returning from parental leave, so we can learn what we did well and what we can improve.
- Engaging in events to improve inclusion, including several small-group events with members of our executive management team, in which staff members participate in off-site events with a member (or members) of the team to encourage more interaction between different levels of staff.
- Hosting team-building events to develop relationships between staff at all levels and roles.
- Widening our recruiting funnel to promote more inclusion of underrepresented demographic groups by partnering with strategic recruiting partners.
- Preparing and communicating best practices for recruiting and interviewing in an effort to improve our search, selection, and onboarding processes.
- Implementing a development program for our research associates.

Encouraging Effective Stewardship Through Incentives

Our investment staff is incentivized to integrate ESG factors into their investment analysis and support the trajectory of our portfolio businesses through active ownership. This support is achieved by providing feedback to management teams on issues we believe are material to the investment case and by voting against management recommendations that do not serve the best interests of long-term investors, including our clients. We explicitly include a focus on stewardship, including ESG integration, in analyst compensation by annually evaluating the effectiveness of each investment professional's stewardship efforts.

Global Representation of Our Staff⁵

42%

Female

58%

Male

31

Countries of origin represented

34

Languages spoken

⁵. As of December 31, 2025.

4 Approach to ESG Integration

Our analysts evaluate the material ESG factors and practices of our businesses, which we believe are essential to assessing a company's long-term risks and opportunities.

When our analysts leverage their deep domain expertise, we believe they can best understand the context of these ESG factors at the various stages of a company's growth curve.



As active, long-term growth investors, we focus primarily on the sustainability of growth over time. Therefore, it is logical that we consider ESG business practices both as matters of risk that could impair growth and as opportunities that could enhance growth. We believe this balanced perspective enables us to make investment decisions that both align with our investment beliefs and provide greater value to our clients and other stakeholders.

We believe ESG factors are implicit in the six investment criteria we use to select businesses.

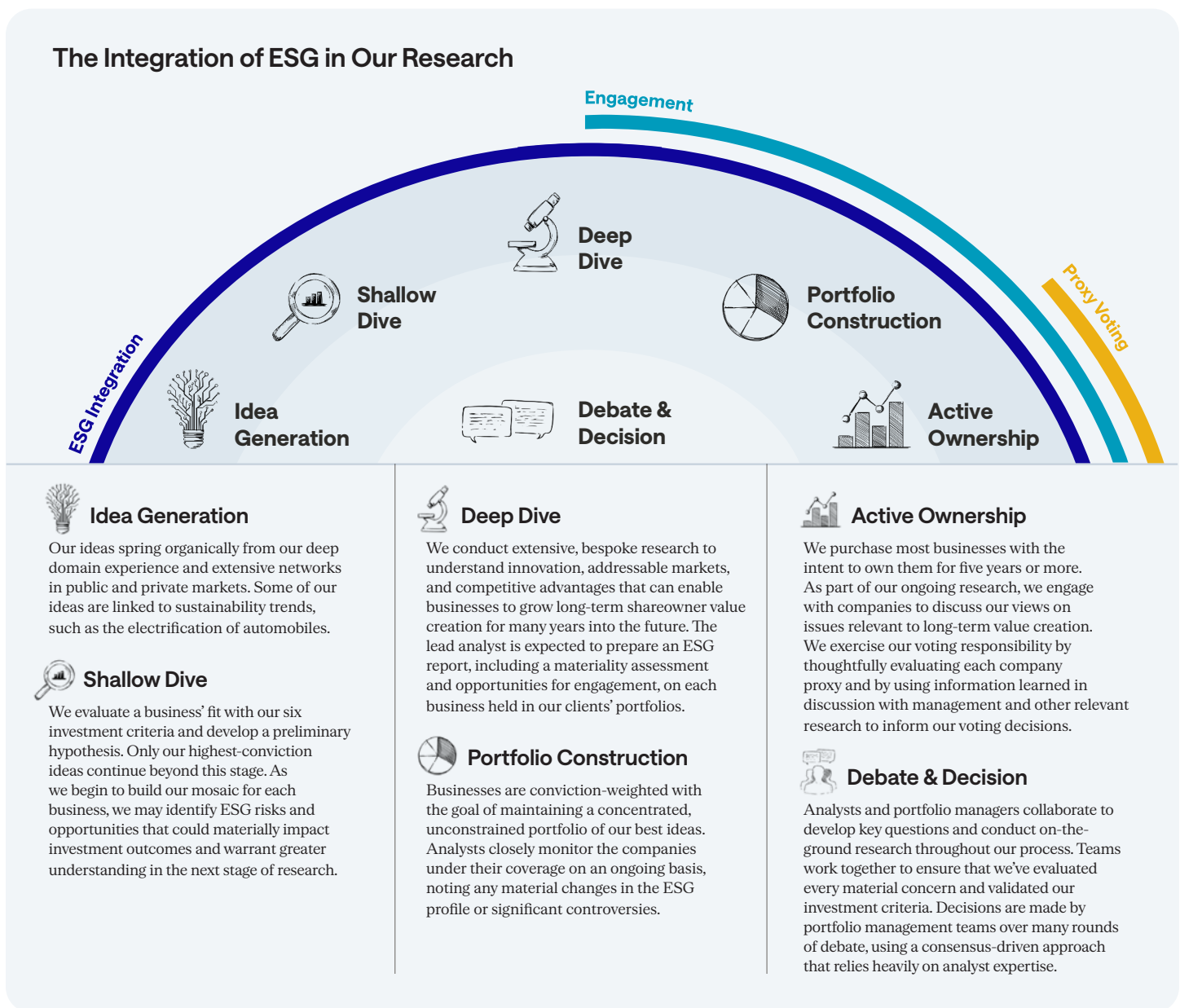
To gain a comprehensive understanding of a company’s risks and opportunities, we believe it is essential to integrate our analysis of ESG practices directly into the fundamental research process. By leveraging their deep domain knowledge and through the support of our core stewardship team, our research analysts are best able to put into context the ESG risks and opportunities that are materially

relevant to our portfolio companies. We find this context-setting especially important when looking at innovative growth companies, which, in their early stages, may present different investment considerations than mature businesses.

Analyst-Led ESG Integration

Research analysts are responsible for identifying the materiality of each issue for the businesses they cover. We believe deep domain expertise and company-specific knowledge allow our investment professionals to make appropriate judgments about which ESG factors could have the greatest impact.

We do not employ top-down ESG ratings or rankings in our approach. While we use third-party research, such as MSCI ESG Research and Sustainalytics, to flag areas of concern, we do not rely on it.



In our experience, the risks and opportunities posed by ESG factors vary depending on the region, industry, and company.

We believe third-party research often lacks context and is constructed to measure a set of standardized attributes, some of which can sometimes be misleading. We believe it is far more important to understand the intentions and directionality behind practices and actions. We consider the context for each business when determining the ESG issues that matter to each investment case. We also look at these ESG factors' relative importance in expected business outcomes and long-term investment results.

These insights can only be gained through fundamental research and actual engagement, not simply metrics. 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 longtime partnership.

Our approach contrasts starkly with the more formulaic system of box-checking used in much of the industry. That approach is often viewed as backward-looking and may not factor in the nuances associated with actual companies.

Incorporating Material ESG Issues Into Investment Analysis

Our research analysts produce proprietary ESG reports that assess the relevant factors affecting portfolio companies under their coverage. Based on the materiality assessment, they identify opportunity and risk topics that should be addressed during our engagements with boards and management teams. Research analysts are expected to update these reports regularly and may update them more frequently in response to a significant controversy or ESG-related impairment to the business. Analysts may leverage the expertise of the core stewardship team in this process.

We have also integrated some of our data streams into centralized stewardship dashboards. Our company-level ESG dashboard aggregates key material information about our portfolio companies. Our engagement dashboard, proxy dashboard, and portfolio-level ESG dashboard support our analysts and portfolio management teams in addition to enabling better client reporting.

At Sands Capital, we approach ESG analysis with three primary objectives. We expect ESG analysis to inform our:

- Investment cases, enabling us to build conviction in businesses and add value for our clients.
- Clients, enabling them to understand how ESG factors fit into the broader context of our capital allocation decisions.
- Portfolio businesses, enabling management teams to benefit from our long-term shareowner perspective through active engagement.



Proprietary ESG Report Example

Our Proprietary Analyst ESG Reports for Portfolio Businesses Include:

- Analyst Summary.
- Governance Analysis.
- Key Things That Matter to Us.
- Engagement Opportunities.
- MSCI Key Risk Responses.*
- Sustainability Accounting Standards Board (SASB) Materiality Map.
- Climate Change/Task Force on Climate-related Financial Disclosures (TCFD) Assessment.

Case Study:**

In the case of a consulting and engineering firm in the United States, among other items, we assessed:

Key Things That Matter to Us

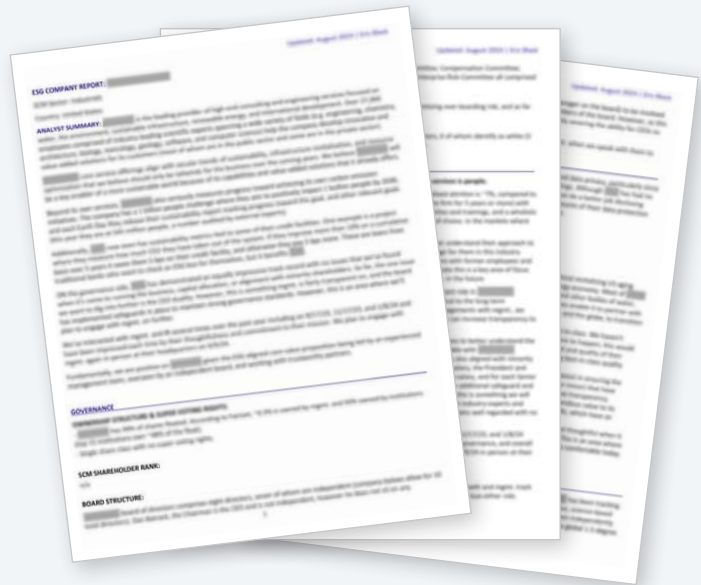
- Strong management and governance practices.
- Ecological impacts.
- Product quality and safety.

Engagement Opportunities

- Data management.
- CEO duality.
- Human capital management.

*MSCI Key Risk Responses are included only for companies scoring BB or lower.

**Each case study below is not intended as a forecast, a guarantee of future results, investment recommendations or an offer to buy or sell any securities. The views expressed were current as of the date indicated and are subject to change. This material may contain forward-looking statements, which are subject to uncertainty and contingencies outside of Sands Capital's control. Readers should not place undue reliance upon these forward-looking statements.



Case Studies

The case studies that follow demonstrate how integration of stewardship into the investment process is different for companies in various regions and industries.

Case Study: HDFC Bank

Business: HDFC is India's largest private sector bank as measured by customer base.

Strategies: Emerging Markets ex China, Emerging Markets Growth, Global Focus, Global Growth, Global Leaders, International Growth, and International Leaders.

Material Issues

Financial inclusion: Access to affordable credit and a wide range of financial services is a challenge for most low-income households in India, especially those in rural areas. We believe banks in India can have a significant and long-lasting impact by expanding their products and services to parts of the population with limited access to these services.

Data security and privacy: HDFC Bank handles large quantities of sensitive customer information and could face reputational damage, loss of customers, and litigation if customer data is breached or misused.

Strong management team: For banks in India, it is important that senior management is operationally independent of political control and promoter groups to protect the interests of all shareholders. HDFC Bank benefits from a highly experienced executive management team with a CEO and other senior executives who have been at the bank for over two decades.

Engagement Opportunities

AI risk and governance: AI in banking can create risks such as biased outcomes in credit scoring, fraud detection, and loan approvals, as well as potential misuse of personally identifiable information. We plan to engage with HDFC to better understand how it is managing these risks and strengthening its oversight of AI systems.

Modern slavery: The illicit activities pertaining to modern slavery generate billions of dollars for its perpetrators.⁶ HDFC Bank is ranked in the lowest tier of the CCLA Global Modern Slavery Benchmark, and we plan to engage the company on its lack of a modern slavery statement.

Regulatory risk: Following the company's merger with HDFC Limited, all the group's subsidiaries are now consolidated under the bank entity. Related-party transactions are restricted and closely monitored by the independent audit committee. We will continue to monitor the company's progress in this area.

6. <https://www.unseen.uk/modern-slavery-and-the-financial-industry/>

Case Study: Spotify

Business: Spotify is the world's largest subscription streaming audio service by market share.

Strategies: Global Growth, International Growth, Select Growth, and Technology Innovators.

Material Issues

Human capital management: Spotify is committed to retaining talent through several initiatives, including six months of paid gender-neutral parental leave, flexible work environments, and access to therapy and counseling sessions. Additionally, the company conducts annual pay-equity reviews to foster an environment in which equitable pay practices are consistently applied.

Customer privacy and data security: Spotify is a global brand serving users around the world. To preserve user trust and minimize regulatory and reputational risk, the company must prioritize protecting customer privacy.

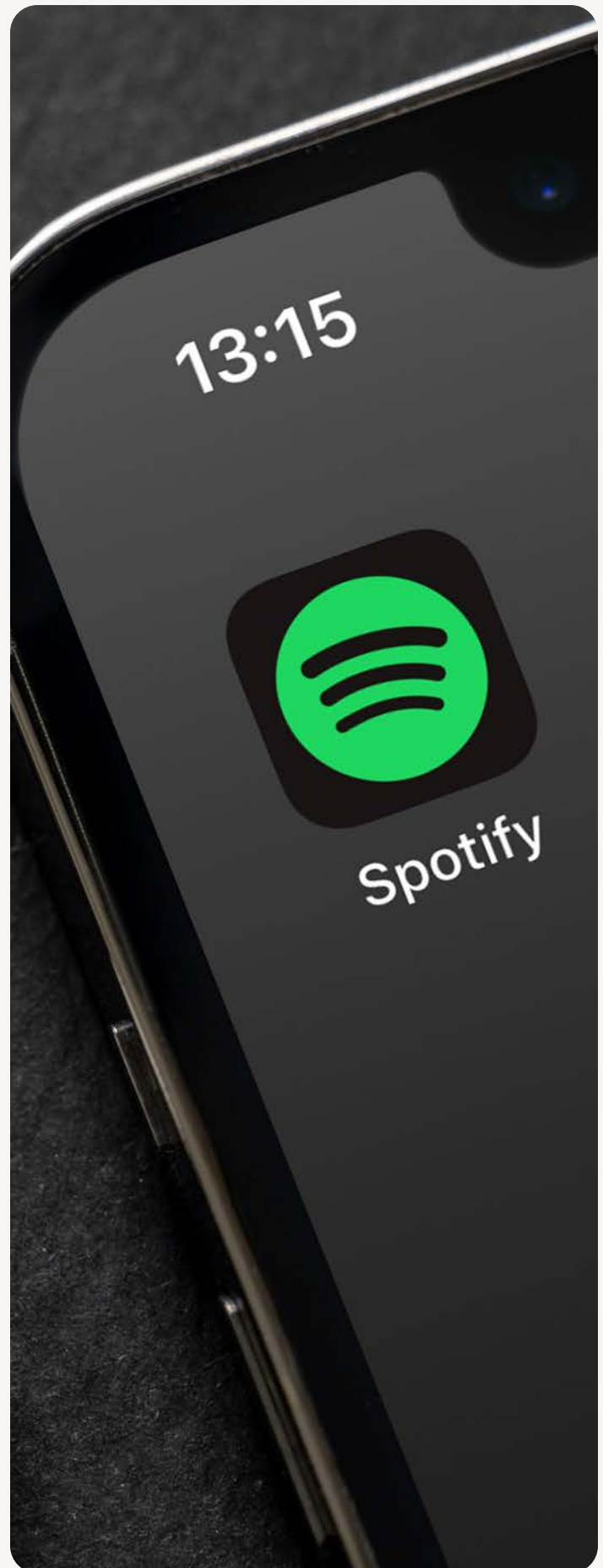
Competitive behavior: We believe that Spotify is a positive force for the music industry and its artists. However, vendors, such as music labels and other rights-holders, may not always see eye to eye with Spotify during negotiations, which can result in breakdown or litigation.

Engagement Opportunities

AI-generated music: We engaged the company on this topic in 2025 and will be engaging further in 2026. Specifically, we want to determine what sort of oversight architecture is in place to monitor this content.

Share-class structure: Spotify's co-founders control most of the company's voting power through beneficiary certificates that carry no economic interest. They are also among the largest holders of ordinary shares. We plan to engage the company to understand whether it intends to adopt a sunset provision for what is effectively a dual-class structure.

Mergers and acquisitions: Through engagement in 2025, we determined the company is focused on funding internal innovation, platform enhancements, and long-term strategic initiatives. This is consistent with Spotify's disciplined decision-making and ongoing commitment to build from within.



Case Study: On Holding

Business: On Holding is an emerging premium global sportswear brand, rooted in innovation, design, and sustainability.

Strategies: Global Growth and International Growth.

Material Issues

Supply chain and labor practices: The company's fast-growing, Asia-based supply chain faces risks that are common across the retail sector, including excessive overtime, unsafe conditions, and other characteristics related to modern slavery. The company proactively addresses these risks through third-party audits and a zero-tolerance forced-labor policy.

Product innovation and sustainability: The company views sustainability in conjunction with performance as cohesive design principles. On Holding's innovative LightSpray shoes demonstrate this as an opportunity to commercialize a high-performance product while mitigating its carbon footprint.

Shareholder protection and rights: The company's founder controlled dual-class share structure could be a source of criticism. However, the three founders are deeply involved in On Holding's operations, and there is a sunset provision in place for this shareholder structure.

Engagement Opportunities

Climate change strategy and disclosure: We plan to ask for an update on the company's climate strategy. Specifically, we would like to know about the company's progress against existing emissions reduction targets and whether the company is considering a net-zero target.

Product health and safety: Given pending regulation related to per- and polyfluoroalkyl substances (PFAS), we would like to understand how On Holding is planning to comply with potential PFAS restrictions. We are also interested in whether the company sees opportunities arising from these regulatory changes.

Supply chain practices: We do not have any specific supply chain concerns for On Holding. However, we would like to better understand the company's overall supply chain structure, risk identification mechanisms, and supplier engagement approach.



5

Promoting Well-Functioning Markets

As active, long-term investors in innovative growth businesses, we aim to effectively identify and address marketwide and systemic risks. Our strategies and tools help us protect client capital, navigate challenging market environments, and contribute to the promotion of well-functioning markets.





In our view, a well-functioning market enables participants to allocate capital efficiently, facilitates sustainable economic growth, and creates opportunities for wealth generation and risk management. Factors that might disrupt the proper functioning of markets include:

- Short-termism and misaligned incentives:** Market distortions arise when incentives are misaligned at the business or individual level, and, collectively, can lead to a misallocation of capital in the market. At a business level, one example of this is an overemphasis on quarterly results. At an individual level, these distortions can look like a poorly designed executive compensation structure.
- Marketwide risks:** These are risks at the country, industry, or asset level. Although these dislocations may eventually be corrected by the market, they can increase volatility and cause misallocation of capital in the short to medium term. Examples include interest rate, currency, and inflation fluctuations; geopolitics; and trade disruptions.
- Systemic risks:** The market may not automatically correct for these risks because of misalignment in cost incentives (so-called externalities) due to the long-term nature of the risk or due to a lack of understanding and transparency about the issue. Many of these risks are particularly relevant for our clients who are universal asset owners, meaning these risks have implications for their entire portfolio and, in some cases, their beneficiaries directly. The systemic nature of these risks means they may be difficult to address through portfolio diversification. Examples include climate change, modern slavery, and digital ethics.

We believe that we promote well-functioning markets through our active management style, our deep, fundamental investment analysis, and our stewardship practices.

Threats to a Well-Functioning Market	How We Address Them
Short-termism and misaligned incentives	<ul style="list-style-type: none"> Focusing on the key factors that matter to the success of an investment case instead of focusing on short-term noise. Exercising active ownership through engagements and proxy voting.
Marketwide risks	<ul style="list-style-type: none"> Examining companies through our six criteria. Applying our macroeconomic frameworks in the research process. Building conviction-weighted and diversified portfolios.
Systemic risks	<ul style="list-style-type: none"> Conducting thematic research and applying it to our investment views and engagements. Collaborating with other organizations in the industry.

Promoting Well-Functioning Markets Through a Long-Term Approach

We believe our investment approach, characterized by deep, business-focused research and active ownership, promotes well-functioning markets in two key ways.

First, we aim to identify the best growth businesses globally by leveraging our fundamental research capability. Conducting thorough research and analysis of investment opportunities enables us to identify mispriced assets and contribute to price discovery in the market. Because earnings growth tends to be a predominant driver of stock returns over time, our six investment criteria are designed to steer us toward the few businesses capable of sustaining above-average growth over periods of five or more years.

By applying a business owner's mindset (as opposed to a stock trader's), we focus on understanding the potential magnitude and durability of growth drivers for each business. We are willing to accept short-term stock price volatility in exchange for the potential to generate significant wealth over the long term. While price-to-earnings multiples can help or hurt in any given year or environment, over the long run, fundamentals tend to drive the bulk of our investment results. In our experience, attempting to time the market typically does not add value to our investment process.

Second, we hold companies accountable to investors by engaging with them, promoting transparency, and advocating good governance practices. We do this over a multiyear period, thereby encouraging companies to prioritize matters that contribute to long-term shareowner value creation versus short-term interests. We also advocate for strong executive compensation practices that include long-term incentives, thus helping align the interests of management with those of long-term shareholders.

Identifying and Addressing Marketwide Risks

We aim to address marketwide risks through a comprehensive risk evaluation process. We believe market risks can be broken down into three key sources:

- 1. Business risk:** Addressed through our six investment criteria and deep proprietary research.
- 2. Macroeconomic risk:** Addressed through our macroeconomic framework.
- 3. Portfolio-level risk:** Addressed through our portfolio construction process, which includes:
 - Diversification by geography, industry, etc.
 - Monitoring of overlapping growth drivers.
 - Liquidity management.
 - Valuation based on our expected returns frameworks.



Over our long-term investment horizon, we will inevitably face some macroeconomic challenges. We aim to identify the businesses that have the financial strength to not only survive these periods but also to thrive and become stronger by expanding their addressable markets and taking market share from their competitors.

Macroeconomic risk frameworks

Our macroeconomic risk frameworks complement our fundamental, business-focused research. They often add value to portfolio construction by enhancing our ability to identify exceptional businesses while mitigating risk.

By measuring a country's relative attractiveness, we seek insight into the economic context in which a business operates. Our individual country frameworks draw on research into the key macroeconomic drivers and trends that tend to determine the sustainability of a country's economic growth rate, its fiscal and monetary health, and its political governance. They help us zero in on the factors that affect a country's long-term economic outlook and the ways those factors change over time.

We then classify countries as attractive, stable, or vulnerable. All else being equal, we prefer companies that operate against what we view as attractive or stable macroeconomic backdrops, in addition to fitting well with our six investment criteria. In our experience, these businesses are better equipped to sustain long-term fundamental growth.

Our frameworks aren't precise forecasts, nor are they designed to help time the market or dictate our investment decisions. Rather, they provide insights that help us gauge risks, opportunities, and the direction of change in a market over our investment horizon. These insights help us identify multiyear structural trends that can potentially support above-average earnings growth and stable-to-strengthening local currencies, which in turn can help lay the groundwork for special businesses to create wealth over long periods.

Portfolio construction

Our portfolios are intentionally structured to be concentrated and conviction-weighted, as we believe this approach allows us to provide clients with magnified exposure to the businesses we find most compelling.

We also seek to diversify our portfolios across growth stages and end markets to mitigate risks stemming from shocks that have outsized effects on any particular industry or geography. Finally, we employ an expected-return framework, which helps us monitor valuations and avoid overpaying.

Throughout this process, our decisions are informed by our risk analytics team. Through quarterly meetings and ongoing monitoring, the team works in conjunction with the portfolio managers to observe correlations between stocks, crowding, factor exposure, and macroeconomic sensitivities via data from MSCI Barra. The risk analytics team continues to build dashboards to monitor both fundamentals (multiples, proprietary estimates, etc.) and risk data. We are continually evaluating how best to apply these analytics to inform our decision-making process, with a current focus on awareness of extremes and identifying businesses that may incrementally reduce or increase portfolio-level risk.

We also view benchmark-relative risk, which is often defined as tracking error, as a secondary consideration. Our decision-making process emphasizes absolute, business-level conviction rather than allowing active weights (relative to the benchmark) to determine position sizing. However, an awareness of diversification across growth stages (i.e., durable growth versus emerging growth), end markets, and geographies helps constrain tracking error.





Marketwide Risk Case Study: **Navigating Trade Friction With Discipline**

In early 2025, renewed U.S. tariff proposals on strategic imports reintroduced uncertainty into the global markets, particularly for companies with cross-border supply chains and international revenue exposure. While such developments can drive short-term volatility, our focus remains on long-term earnings power.

We evaluate tariff effects through three lenses: business risk, valuation risk, and portfolio-level risk.

At the business level, we assess whether companies can pass through higher input costs, diversify suppliers, or absorb temporary margin pressure. Businesses with strong competitive advantages, pricing power, and financial strength are typically better positioned to adapt.

From a valuation perspective, we assess how tariffs influence the price investors are willing to pay for a company's earnings. If tariffs or related policy shifts increase perceived risk, reduce growth visibility, or weaken competitive positioning, we reflect that in our terminal value assumptions and expected-return analysis. This helps us distinguish between temporary dislocations and structural impairment.

At the portfolio level, our risk analytics team evaluates exposure to tariff-sensitive supply chains, correlation across holdings, and valuation implications. When appropriate, we adjust the size of a position based on revised risk-reward expectations.

We also engage with management teams to understand contingency planning, capital allocation discipline, and supply-chain resilience. In our view, proactive governance and thoughtful disclosure are especially important during periods of policy uncertainty.

Trade policy can reshape cost structures and supply chains, but it does not alter our investment philosophy. We seek to own innovative growth businesses capable of sustaining above-average earnings in both strong and challenging environments. By integrating disciplined research, macroeconomic awareness, and active ownership, we aim to effectively navigate policy volatility while remaining focused on long-term value creation.



Identifying and Addressing Systemic Risks

Over the past three years, we have identified three systemic risk areas in our stewardship work: climate change, modern slavery, and digital ethics.

We identified these risk areas because one or more of the following applied:

- They represent a systemic risk as defined above (externality, time horizon challenge, or poorly understood).
- They affect companies across all our portfolios, although in different ways.
- They are of particular interest to many of our clients, often including those who are universal asset owners.

We aim to address these systemic risks by:

- Building internal expertise through research, tools, data, and training.
- Engaging with our portfolio companies.
- Collaborating with other investors and participating in conferences to build knowledge.
- Contributing to the conversation through our thought leadership.

In recent years, we have observed that these systemic risks are increasingly intersecting and interacting. As these systemic risks continue to evolve and intersect, and as new trends emerge, we will continue to adapt how we assess and mitigate these risks, using a combination of research, engagement, and industry collaboration.

Systemic Risk Case Study: From Digital to Physical: Rethinking Risk in the Age of AI



The twin trends of the expansion of AI and the transition to clean energy are accelerating demand for critical minerals, tying digital innovation more closely to the physical world and intensifying pressure on global mineral supply chains. Advanced semiconductors that power AI systems depend on materials such as tantalum, tin, tungsten, gold, and rare earth elements. At the same time, solar panels, wind turbines, electric vehicles, grid-scale batteries, and energy transmission infrastructure require significant volumes of lithium, cobalt, nickel, copper, and graphite. As demand rises across both domains, it can worsen the risks tied to upstream extraction, including forced labor, child labor, unsafe working conditions, and community displacement.

AI is often described as software-based and intangible, yet it is deeply physical, which raises ethical issues. Training and deploying large-scale models requires specialized chips, advanced fabrication plants, high-density batteries, and expanded grid capacity. Each of these components depends on minerals frequently sourced from jurisdictions with limited labor protections and regulatory oversight.

In several high-risk regions, artisanal and small-scale mining operations have been linked to exploitative labor practices.⁷ Informal employment structures, exorbitant recruitment fees, and opaque subcontracting chains can leave workers with little legal recourse. As mineral prices increase in response to computing demand and electrification targets, economic incentives to expand production may outpace the development of adequate safeguards.

It remains challenging to trace the origins of minerals to assess the safety of their extraction and processing. Minerals often pass through multiple intermediaries before reaching semiconductor manufacturers or battery producers. Refining and smelting processes can blend materials from different sources, limiting transparency. Even companies committed to responsible sourcing may face constraints in fragmented or informal mining sectors.

This dynamic broadens the definition of digital ethics beyond data governance and model oversight. In our view, responsible AI should expand to include scrutiny of hardware supply chains. Strong internal AI frameworks and cybersecurity practices may not fully

mitigate risk if a company lacks visibility into how its critical inputs are sourced and processed.

The clean energy transition introduces additional complexity. Decarbonization strategies rely on scaling technologies that are themselves mineral-intensive. Without rigorous traceability, auditing, and community engagement, environmental and social externalities may shift upstream rather than diminish. Here, climate risk, digital ethics, and modern slavery risk increasingly intersect.

Regulatory scrutiny is growing. In the United States, enforcement of the Uyghur Forced Labor Prevention Act has heightened supply-chain oversight.⁸ In Europe, the Corporate Sustainability Due Diligence Directive seeks to strengthen corporate accountability across global value chains.⁹ Industry initiatives focused on responsible mining standards and mineral traceability are also evolving, though implementation remains uneven.

Companies are responding to the regulations in several ways. Some are investing in supply-chain mapping tools, third-party audits, and blockchain-based tracking systems to improve transparency. Others are pursuing long-term agreements with producers that meet defined environmental and labor standards. Recycling and circular economy strategies are gaining attention as ways to reduce reliance on primary extraction.¹⁰

As AI adoption deepens and electrification accelerates, demand for critical minerals is likely to remain elevated. In our view, effective stewardship requires us to integrate digital ethics, supply-chain due diligence, and climate strategy into our investment research and company engagements. This approach helps us better understand and mitigate risks across critical supply chains. Evaluating AI governance without examining upstream sourcing practices may offer an incomplete view of long-term risk.

Balancing technological progress, decarbonization, and human rights protections will be essential to ensuring that the digital and energy transitions support sustainable value creation rather than introduce new systemic vulnerabilities.

7. <https://www.dol.gov/agencies/ilab/supply-chain-research/from-mines-to-markets-exposing-labor-exploitation-in-critical-mineral-supply-chains#:~:text=Informal%20artisanal%20and%20small%2Dscale,individual%20miners%20to%20multinational%20corporations>

8. <https://www.cbp.gov/trade/forced-labor/UFLPA>

9. https://commission.europa.eu/business-economy-euro/doing-business-eu/sustainability-due-diligence-responsible-business/corporate-sustainability-due-diligence_en

10. <https://policy.desa.un.org/publications/frontier-technology-issues-recycling-of-energy-transition-critical-minerals-from-waste#:~:text=By%20adopting%20circular%20economy%20practices,are%20both%20sustainable%20and%20inclusive.>

Climate change

Our philosophy and approach

At Sands Capital, we view climate change as a financially material, systemic factor that will increasingly shape long-term economic outcomes and company fundamentals. As long-term, growth-oriented investors, our responsibility is to understand how climate-related risks and opportunities affect a company's ability to generate sustainable, above-average earnings growth over time. We therefore integrate climate considerations into our investment analysis and engagements through the lens of financial materiality, competitive advantage, and long-term value creation, just as we do for other fundamental drivers of value.

We recognize that climate change manifests through multiple channels, including physical risks, transition risks, technological disruption, regulatory change, and evolving consumer preferences. These dynamics will not affect all companies equally. Some businesses may face greater risks to their operations, costs, or customer demand due to the transition to a lower-carbon economy. Others may benefit by offering products or services that support adaptation or the transition to a lower-carbon economy. Our objective is to identify and understand these differentiated impacts and to allocate capital accordingly.

Our approach to climate change is grounded in pragmatism and fiduciary duty. We do not pursue climate objectives in isolation from our investment mandate. Instead, we focus on what is within our scope as active owners: rigorous analysis, disciplined investment decision-making, and constructive engagement with portfolio companies. We believe this approach is more likely to support real-economy outcomes while remaining aligned with our obligation to act in the best interests of our clients.

Integrating climate considerations into investment analysis

Climate analysis is embedded within our investment research. Our analysts and core stewardship team assess climate considerations at both the company and portfolio level using qualitative judgment and quantitative inputs. For each portfolio company, we seek to understand how climate-related risks and opportunities intersect with its business model, strategy, and long-term growth prospects. Our internal ESG reports include a dedicated climate change section modeled on the TCFD framework. We analyze governance, strategy, target setting, and climate-related risks and opportunities, all of which we group into the following categories:

- **Physical risks**, including extreme heat, flooding, or supply-chain disruption.
- **Transition risks**, resulting from regulations, carbon pricing, technology shifts, or changes in customer behavior.
- **Opportunities**, arising from products or services that contribute to decarbonization, resource efficiency, or climate adaptation.





The aggregate output of this research can be seen in Exhibit A on page 42.

We may also consider climate change alongside other material factors in our discussions in pre-investment analysis, research meetings, and ongoing portfolio reviews. This integrated approach reflects our belief that climate change is not a stand-alone issue but one that cuts across strategy, operations, and long-term competitiveness.

Portfolio-level perspective

At the portfolio level, we use climate-related data and metrics to build a consolidated view of potential risks and exposures, identify outliers, and prioritize engagement.

- **Carbon footprint calculators:** We use MSCI to source carbon metrics for our portfolios. This includes absolute carbon emissions, carbon intensity, and weighted-average carbon intensity (WACI).
- **Target mapping:** We regularly map our core investment strategies' climate targets against three categories: approved science-based targets (SBTs), non-SBT emissions-reduction targets, and no targets.

We use portfolio-level carbon metrics and target mapping as diagnostic tools rather than as objectives themselves. This data helps us:

- Identify companies with comparatively high emissions or elevated climate risk exposure.
- Understand the distribution of climate targets across portfolios.
- Monitor changes in portfolio carbon characteristics over time.
- Report portfolio carbon metrics in the quarterly reports we distribute to our clients.

We recognize the limitations of climate data, particularly with respect to Scope 3 emissions, which are often the most significant yet the least precise data. As a result, we do not rely solely on metrics to form investment or stewardship conclusions. Instead, we combine quantitative indicators with bottom-up, company-specific analysis to form a more holistic assessment.

Mitigating climate-related risks and opportunities through engagement

Engagement is the cornerstone of our approach to mitigating climate-related risks and opportunities. We believe that constructive, long-term dialogue with portfolio companies is a more effective way to support outcomes than portfolio-wide divestment or mechanical carbon optimization.

Where climate change is financially material, we engage with companies to better understand how management teams are identifying, mitigating, and disclosing climate-related risks and opportunities. While we recognize that companies are at different stages depending on their size, sector, geography, and governance structures, our engagements are generally guided by the following principles:

- **Governance and strategy:** Understanding whether boards and management teams have appropriate awareness and oversight of climate-related risks and opportunities and how climate-related considerations are incorporated into strategic decision-making.
- **Measurement and disclosure:** Encouraging companies to measure and disclose greenhouse gas emissions and material climate-related risks in a decision-useful manner, aligned with widely accepted global frameworks. The TCFD standards, which have been taken over by the International Financial Reporting Standards (IFRS) Foundation and incorporated into the International Sustainability Standards Board (ISSB) reporting standards, provide a useful guide for climate disclosures.
- **Targets and pathways:** Assessing the credibility of emissions-reduction strategies and, where appropriate, encouraging the development of targets and implementation plans that are grounded in scientific and economic reality.
- **Progress and accountability:** Discussing how companies track progress over time and adapt their strategies as technologies, regulations, and markets evolve.

We are mindful that engagement capacity is finite and that climate is one of several material issues that may warrant attention for any given company. Accordingly, we prioritize engagement where we believe climate factors have the greatest potential to affect long-term value creation.

Net zero and real-economy outcomes

We have not made a firmwide net zero commitment. This reflects both practical and philosophical considerations. From a practical perspective, our primary mandate is to deliver strong, risk-adjusted returns over our long-term investment horizon. Accordingly, climate considerations must be evaluated through the lens of financial materiality. From a philosophical perspective, we believe that simply reshaping portfolios to reduce reported emissions does not reduce emissions in the real economy nor does it necessarily lead to better investment outcomes.

Instead, we focus on understanding our financed emissions, engaging with companies that are material contributors to those emissions, and capitalizing on opportunities. The shift and adaptation to a lower-carbon and climate-impacted world comes with business-model and technological changes that can produce opportunities and risks to firms. As growth and innovation investors, we have an opportunity to identify the companies that could benefit from and shape this evolution. We recognize that some businesses with higher emissions profiles today may play an essential role in enabling the energy transition or climate adaptation through their products, technologies, or services.

When required by regulation or client mandates, we may implement specific portfolio-level objectives, such as maintaining a carbon intensity below that of a benchmark or applying client-directed exclusions. These commitments are implemented transparently and within the constraints of the relevant investment mandate.

Serving clients and meeting evolving expectations

Our climate approach is also informed by the evolving needs of our clients and expectations of regulators. Many of our clients are long-term or universal owners for whom climate change represents a systemic risk across their investment horizons or entire portfolios. As a result, they increasingly seek high-quality information on portfolio climate exposure, risk management practices, and engagement activity.

We support globally recognized climate disclosure frameworks and regularly provide climate-related reporting to clients. Our

objective is to offer transparency into how climate considerations are integrated into our investment process, how risks and opportunities are assessed, and how stewardship activities support long-term value creation.

In 2018, we implemented TCFD-aligned reporting of portfolio carbon metrics in the quarterly reports we distribute to clients, consultants, and prospective investors. Comprehensive climate disclosures and commentary on our active ownership initiatives are published in our annual stewardship reports.

Resources and education

To continuously improve our understanding of how climate-related issues affect our portfolio companies, we are committed to ongoing training and education. We regularly attend conferences and events to stay updated on the current thinking around climate change. When appropriate, we design and deliver training to our staff internally or leverage external courses and certifications. We are also committed to providing our investment professionals access to resources and data that might support their research and decision-making. We periodically reevaluate the tools and data we use and are continuously seeking efficiencies in how we use our existing resources.

Looking ahead

We believe climate change is a complex, interconnected, systems-level issue that will continue to shape economies, industries, and investment outcomes over the coming decades. Of the many existential questions commonly debated, some are binary (i.e., mitigation versus adaptation) and some are more nuanced (i.e., identifying a feasible path to global net-zero emissions). In navigating this landscape as investors, we try to avoid getting distracted by noise or factors outside our control and instead focus on what matters most to us and what is within our scope. We will continue to refine our analytical tools, deepen our understanding of climate-related risks and opportunities, and engage constructively with portfolio companies as expectations, data quality, and market practices evolve. Consistent with our investment philosophy, our focus will remain on disciplined analysis, long-term thinking, and stewardship activities that align with our fiduciary responsibilities and our clients' objectives.



Climate Change Case Study: WEG

Business: WEG is one of the world's largest manufacturers of electric equipment.

Key Issue: Greenhouse gas (GHG) emissions and climate strategy, environmental policy and strategy, materials use and sourcing.

Strategies: Emerging Markets Growth, Emerging Markets ex China, and International Leaders.

Our stewardship team met with senior leaders from WEG's ESG, finance, and investor relations teams in Jaraguá do Sul, Brazil, during a research trip. The visit included a management meeting, a factory tour, and extended discussions on WEG's climate strategy, environmental governance, and role in the energy transition.

Long-Term Orientation and Strategic Relevance

WEG presented as a technically rigorous, long-term-oriented organization with sustainability embedded in day-to-day operations. Management articulated a clear view of the company's strategic relevance to Brazil's decarbonization efforts and, more broadly, to the energy transition across emerging markets. This positioning is reinforced by WEG's domestic manufacturing footprint, deep engineering expertise, and ability to localize solutions across diverse regulatory and infrastructure environments.

From our perspective, these attributes support both climate risk management and long-term growth opportunities tied to electrification, energy efficiency, and grid modernization.

Climate Strategy and Emissions Progress

A central focus of the discussion was WEG's climate strategy. Management described the multiyear effort that led to validation by the Science Based Targets initiative (SBTi) in September 2025 and was supported by engagement across more than 150 sites. Each business unit now has a designated decarbonization coordinator, and emissions-reduction objectives are tied to management-level variable compensation.

Since 2021, WEG has reduced Scope 1 and Scope 2 emissions by approximately 28 percent and is tracking more than 1,000 decarbonization initiatives across its operations. Progress on Scope 2 emissions has been particularly strong, with renewable electricity now accounting for roughly 70 percent of total usage. Management emphasized region-specific decarbonization pathways that reflect local grid conditions and regulatory constraints while reiterating a long-term ambition to eliminate Scope 2 emissions.

WEG also conducts site-level physical climate risk assessments, identifying flooding, extreme heat, and water scarcity as key risks.



These assessments are integrated into capital planning and facility management decisions, reinforcing operational resilience.

Importantly, WEG expressed a clear preference for direct emissions reductions over reliance on carbon offsets. While the company is exploring reforestation and forest-protection initiatives in the Amazon region, these efforts remain conceptual and are not included in formal climate targets.

Policy Engagement and Energy Transition Opportunities

Policy engagement is an increasingly important dimension of WEG's climate strategy. The company participates in national and regional discussions shaping Brazil's energy-transition framework, including emerging regulation around energy storage. Management expects a national auction for private energy storage projects in 2026 and views this as a meaningful growth opportunity.

WEG also participated in COP30 in Belém, where it announced a large-scale microgrid initiative and engaged with policymakers and partners on grid resilience, energy distribution, and electrification. These initiatives underscore how climate policy, infrastructure investment, and commercial opportunity intersect in WEG's strategy.

Beyond power systems, management highlighted water and sanitation infrastructure as an adjacent sustainability-linked growth opportunity. Brazil's target of universal sanitation access by 2035 is expected to drive sustained investment, and WEG already supplies key components (including motors, transformers, and coatings)



across the water infrastructure value chain. We view this exposure as aligned with long-term environmental priorities and national development goals.

Resource Efficiency and Circularity

Our factory tour reinforced our understanding of WEG's focus on resource efficiency and circularity as part of its environmental strategy. The company's foundry operations reuse 100 percent of internal steel scrap, converting it into high-quality cast iron for production. In addition, WEG operates a motor-return program that incentivizes customers to trade in used motors, allowing the company to recover materials and components while reducing lifecycle emissions.

These practices support cost efficiency while also contributing to emissions reduction and material-use optimization.

Ongoing Focus

This engagement reinforced our view that WEG is well positioned to both mitigate climate-related risks and benefit from structural opportunities tied to decarbonization, electrification, and infrastructure investment. We believe the company demonstrates credible climate governance, measurable emissions progress, and a clear understanding of how climate strategy can support long-term value creation. We look forward to continued dialogue as WEG advances its climate initiatives and expands its role in the energy transition.



Gauging the potential climate-related financial impacts on our portfolios

Exhibit A on page 42 shows how our analysts have assigned portfolio companies in our flagship strategies a low, medium, or high assessment across predefined categories of climate-related risks and opportunities. The categories are based on the TCFD recommendations.

Transition risk

As asset managers, we understand the risks and opportunities associated with the transition to a lower-carbon economy. The weighted-average carbon intensity of our strategies is generally lower than their relative benchmarks,¹¹ as seen in Exhibit B on page 43. Despite low carbon intensities within our portfolio, we do have outliers, which are highlighted in Exhibit C on page 44. We continue to seek to understand the nature of these outlier businesses and engage with management to encourage actions that lower emissions and adapt to climate change.

While we value using tools and data for gauging the effects of climate change on our portfolio and vice versa, we also recognize that metrics alone cannot explain the overall effect one business may have. Even the most carbon-intensive companies may be a part of the decarbonization solution by virtue of their products, research, and market position. We believe Waste Connections, a large integrated provider of traditional solid waste and recycling services in North America, helps mitigate emissions by permanently sequestering potential emissions underground as opposed to releasing them in the atmosphere through incineration. While also

one of our most carbon-intensive portfolio companies, Taiwan Semiconductor manufactures products considered vital components for the energy transition.

These examples of carbon-intensive companies offering products and services that help mitigate emissions are why we believe a holistic approach to evaluating climate risks and opportunities in a portfolio goes beyond simply aggregating carbon metrics.¹²

It is also important to consider the scopes on which climate metrics are based. The most reliable emissions data currently covers Scopes 1 and 2. However, given the nature of the industries in which we invest, the largest part of our companies' GHG emissions will likely be in Scope 3. Scope 3 emissions are generally harder to measure and control, as they stem from activities across a company's value chain and fall outside its direct operations.¹³

Physical risks

The physical risks associated with climate change can have financial effects, including damage to assets or disruptions within a supply chain. During the year, our portfolio companies had overall low physical risks, as noted in Exhibit B on page 43, with only five companies at high acute risk: Contemporary Amperex Technology, Dino Polska, Galderma, International Container Terminal Services, and Walmart de México. Across our portfolios, the most pertinent physical climate risks to our companies are extreme heat, precipitation, and coastal flooding. When appropriate, we encourage our companies to take stock of the potential physical climate risks to their operations and to devise risk-mitigation strategies.

11. The MSCI ACWI captures large and mid cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. With 2,514 constituents as of February 28, 2026, the index covers approximately 85 percent of the global investable equity opportunity set. Source: MSCI. The MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets countries. Source MSCI. The Russell 1000 Growth Index measures the performance of the large cap growth segment of the US equity universe. Source FTSE Russell.

12. The businesses mentioned were selected because they are the two most carbon-intensive businesses, as set forth in Exhibit C: "Top 10 Most Carbon-Intensive Holdings Across Four Flagship Strategies."

13. 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). Source: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition, World Business Council for Sustainable Development and World Resources Institute, <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>



Physical Risk Case Study: Phoenix Mills

Business: Phoenix Mills is a real estate development company operating in India.

Key Issue: Environmental policy and strategy, pollution and waste management, GHG emissions or climate change strategy, and energy use and efficiency.

Strategy: Emerging Markets Growth

Physical climate risks (including extreme heat, flooding, water stress, and energy disruption) are becoming increasingly material for asset-heavy businesses, particularly in emerging markets. For real estate operators, these risks can directly affect asset integrity, tenant operations, operating costs, and long-term cash flow durability. Phoenix Mills, a leading owner and operator of premium retail and mixed-use assets across India, operates a geographically diverse portfolio that is exposed to a range of acute and chronic physical climate risks.

We met with Phoenix Mills' management to better understand how physical climate risks are incorporated into the design, operation, and resilience of its mall portfolio. Our discussion focused on asset-level exposure to flooding and extreme heat, operational continuity during climate-related disruptions, and how these considerations influence new developments.

Physical Risk Management

Flood and extreme weather exposure

Phoenix Mills operates assets in several cities vulnerable to heavy rainfall and flooding. Management described how physical risk considerations are embedded in site design, particularly in flood-prone locations, such as Chennai and Surat. Measures include elevated plinths, site grading, and drainage systems designed to prevent water ingress during extreme precipitation. These design features aim to protect physical assets and maintain operational continuity during acute weather events.

Heat stress and energy reliability

Rising temperatures and grid instability present growing risks for large indoor retail assets. Management noted that all malls are equipped with backup power systems to mitigate energy supply disruptions. Buildings are constructed with energy-efficient materials and ventilation designs intended to reduce internal heat buildup and cooling demand, helping sustain tenant operations and customer footfall during periods of extreme heat.

Water stress and resource resilience

Water scarcity is a material chronic risk in several Indian cities. Phoenix Mills highlighted portfolio-wide investments in on-site sewage treatment plants that enable water recycling across all assets. Recycled water is used for cooling, landscaping, and sanitation, reducing reliance on municipal supply and improving resilience during periods of water stress.

Forward-looking design considerations

For new developments, management emphasized that climate resilience and efficiency are increasingly incorporated into project planning. Several recent and under-construction assets apply design standards that exceed conventional practices, including improved energy performance and reduced resource intensity, which we view as relevant to mitigating long-term physical climate risks.

Investment Perspective

Our engagement with Phoenix Mills illustrates how physical climate risk is mitigated at the asset level across a geographically diverse real estate portfolio. We view these resilience measures as important to preserving asset quality, tenant demand, and operational stability over time, particularly in climate-exposed urban markets. We will continue to monitor how Phoenix Mills assesses and discloses physical climate risks as updated information becomes available.

Data and reporting

As mentioned previously, Sands Capital supports the TCFD standards. We believe these guidelines provide investors with high-quality, consistent, and comparable information about climate-related business risks and opportunities.

By providing Exhibits A to E on pages 42 to 45, we aim to be fully transparent about how our portfolios' carbon metrics change year

over year. As shown in Exhibit E on page 45, we believe it's important to highlight WACI as well as financed emissions, especially as environmental regulations and technological advancements continue to change.

Exhibit F on page 45 shows how we track our flagship strategies' companies based on their climate targets. We believe setting SBTs is important, as they provide an empirically grounded framework for companies to work toward when reducing their emissions.

Exhibit A: 2025 TCFD Mapping for Sands Capital Flagship Strategies¹⁴

		Percentage of High	Percentage of Medium	Percentage of Low
Transition Risks	Policy and Legal	3	29	69
	Technology	1	12	86
	Reputation	0	17	82
	Market	1	19	80
Physical Risks	Acute	3	41	56
	Chronic	0	37	63
Climate Opportunities	Resource Efficiency	5	82	13
	Energy Source	3	73	23
	Products and Services	22	54	24
	New Markets	5	22	73
	Resilience (Adapting)	13	49	38

14. Rounding may cause totals to vary from 100 percent.

Exhibit B: Sands Capital Flagship Strategies Aggregate Carbon Metrics¹⁵

Weighted-Average Carbon Intensity	Portfolio	MSCI ACWI
2025	27.0	111.0
2024	24.8	113.9
2023	20.0	128.9
2022	23.7	162.4
2021	20.6	151.2
Carbon Intensity	Portfolio	MSCI ACWI
2025	24.6	148.5
2024	29.3	154.7
2023	26.9	173.3
2022	28.3	184.7
2021	27.3	203.0
2025 REMIND 2°C NGFS ¹⁶ DISORDERLY	Portfolio	MSCI ACWI
Policy Climate Value-at-Risk	-0.5%	-4.6%
Technology Opportunities Climate Value-at-Risk	0.2%	0.2%
Physical Climate Value-at-Risk—Aggressive	-2.5%	-4.8%
Aggregated Climate Value-at-Risk	-2.8%	-9.3%
2025 REMIND 2°C NGFS ¹⁶ ORDERLY	Portfolio	MSCI ACWI
Policy Climate Value-at-Risk	-0.2%	-2.0%
Technology Opportunities Climate Value-at-Risk	0.2%	0.1%
Physical Climate Value-at-Risk—Aggressive	-2.5%	-4.8%
Aggregated Climate Value-at-Risk	-2.6%	-6.6%
REMIND 3°C NGFS FRAGMENTED WORLD	Portfolio	MSCI ACWI
Policy Climate Value-at-Risk	-0.1%	-0.9%
Technology Opportunities Climate Value-at-Risk	0.0%	0.0%
Physical Climate Value-at-Risk—Aggressive	-2.5%	-4.8%
Aggregated Climate Value-at-Risk	-2.5%	-5.6%

15. 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 million dollars of enterprise value (tons/\$1 million enterprise value including cash). Aggregated CVaR measures the financial impacts of warming using the Regional Model of Investment and Development (REMIND) model, which analyzes the future implications of interactions between energy, land-use, economy, and climate systems. The Disorderly scenario assumes higher transition risk due to delayed policies and divergence across countries and sectors. The Orderly scenario assumes climate policies are introduced early and become gradually more stringent. Weighted averages are computed as the sum product of the portfolio companies' respective carbon values and portfolio weights. Source: MSCI, FactSet. As of December 31, 2025. Businesses held in the four flagship strategies: Select Growth, Global Growth, Global Leaders, and Emerging Markets Growth. Collectively, these strategies made up 92 percent of public equity assets.

16. The Network for Greening the Financial System (NGFS) is a group of central banks and supervisors committed to sharing best practices, contributing to the development of climate- and environment-related risk management in the financial sector, and mobilizing mainstream finance to support the transition toward a sustainable economy.

Exhibit C: Top 10 Most Carbon-Intensive Holdings Across Four Flagship Strategies¹⁷

Company	Aggregate Portfolio Weight (%)	Carbon Intensity (Scope 1 + 2)	Contribution to WACI (%)
Waste Connections	0.28	659.95	7.08
Taiwan Semiconductor	6.28	185.93	45.02
SK hynix	0.62	168.46	4.00
Carpenter Technology	0.36	120.38	1.67
Contemporary Amperex Technology	0.44	120.01	2.04
Ajinomoto	0.22	112.65	0.96
Samsung Electronics	0.96	96.57	3.59
BYD	0.22	95.92	0.82
H World	0.43	94.36	1.56
International Container Terminal Services	0.17	80.05	0.52

Exhibit D: Top 10 Contributors to WACI Across Four Flagship Strategies¹⁸

Company	Aggregate Portfolio Weight (%)	Carbon Intensity (Scope 1 + 2)	Contribution to WACI (%)
Taiwan Semiconductor	6.28	185.93	45.02
Waste Connections	0.28	659.95	7.08
Amazon	3.70	28.11	4.00
SK hynix	0.62	168.46	4.00
Samsung Electronics	0.96	96.57	3.59
Microsoft	2.18	41.20	3.45
Cloudflare	1.71	44.19	2.93
Contemporary Amperex Technology	0.44	120.01	2.04
Carpenter Technology	0.36	120.38	1.67
Tencent	1.01	41.61	1.63

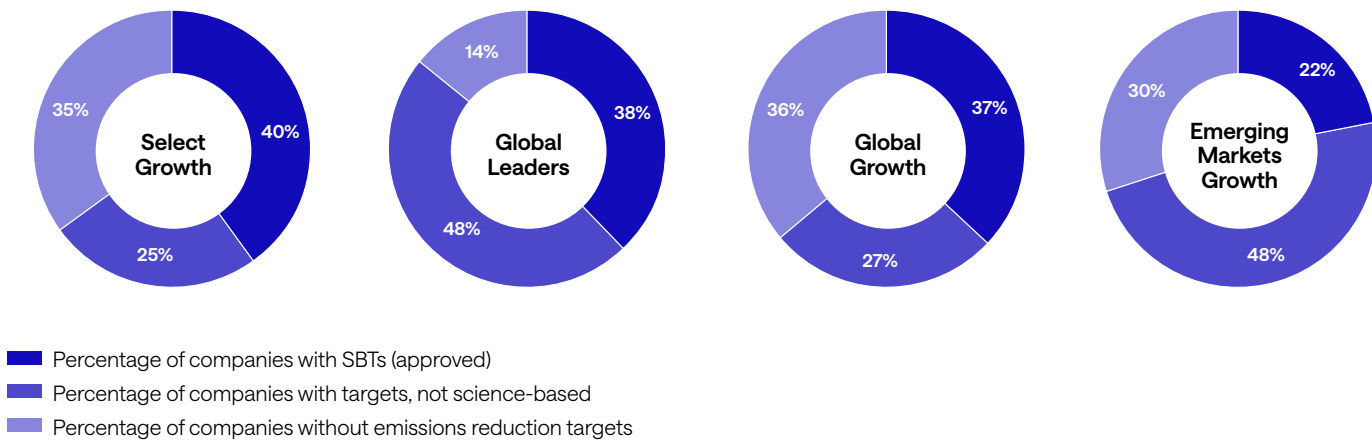
17. Portfolio carbon emissions are calculated as Scope 1 and Scope 2 carbon emissions per \$1 million invested. Portfolio carbon intensity measures the carbon efficiency of a portfolio and is defined as the portfolio carbon emissions per \$1 million of portfolio sales. At a business level, carbon intensity is calculated as carbon emissions per unit of sales (tons/\$1 million sales), while financed emissions are defined as carbon emissions per million dollars of enterprise value (tons/\$1 million of enterprise value including cash). Aggregated CVaR measures the financial impacts of warming using the Regional Model of Investment and Development (REMIND) model, which analyzes the future implications of interactions between energy, land-use, economy, and climate systems. The Disorderly scenario assumes higher transition risk due to delayed policies and divergence across countries and sectors. The Orderly scenario assumes climate policies are introduced early and become gradually more stringent. Weighted averages are computed as the sum product of the portfolio companies' respective carbon values and portfolio weights. Source: MSCI, FactSet. As of December 31, 2025. The four flagship strategies—Select Growth, Global Growth, Global Leaders, and Emerging Markets Growth—collectively made up 92 percent of public equity assets under management.

18. Ibid.

Exhibit E: Sands Capital Flagship Strategies Carbon Metrics¹⁹

	Carbon Emissions (tCO ₂ e/\$1M invested)	Carbon Intensity (tCO ₂ e/\$1M sales)	Weighted-Average Carbon Intensity (tCO ₂ e/\$1M sales)	Data Availability (Market Value)
Select Growth	2.3	21.7	21.8	100.0%
Russell 1000 Growth Index	7.6	53.1	32.7	99.8%
Global Growth	2.1	15.1	15.7	98.3%
Global Leaders	7.9	22.2	39.6	98.2%
MSCI All Country World Index	56.0	148.4	111.0	99.8%
Emerging Markets Growth	10.8	45.6	58.8	91.9%
MSCI Emerging Markets Index	191.2	357.8	274.7	99.6%

Exhibit F: Portfolio-Level Climate Targets²⁰



19. Ibid.

20. Source: Data from MSCI and Sands Capital research. Rounding may cause totals to vary from 100 percent.

Modern slavery

Forced labor and forced marriage are the components that constitute modern slavery globally. More than 49 million people are subject to these extreme violations of human rights, with almost 28 million in forced labor.²¹ Modern slavery presents not only ethical challenges but also operational, reputational, legal, and regulatory risks to companies. Whether hidden in supply chains, in financial transactions, or on internet platforms, modern slavery can be found across a variety of industries. However, many companies may be unaware of forced labor in their supply chains.

The 2023 Global Slavery Index (GSI) notes that “nearly two-thirds of all forced labour cases are linked to global supply chains, with workers exploited across a wide range of sectors and at every stage of the supply chain. Most forced labour occurs in the lowest tiers of supply chains; that is, in the extraction of raw materials and in production stages.” The GSI estimated in 2021 that the G20 group of leading rich and developing countries imports over \$468 billion in products that are “at risk of being produced with forced labour.” This is an inflation-adjusted increase of \$61 billion since the GSI’s 2018 estimate of \$354 billion. Electronics, garments, palm oil, solar panels, and textiles are the import categories estimated to be the top five products at risk.²²

Given the complexity of the supply chains in many of our portfolio companies, this data underscores the importance of performing due diligence on companies in order to mitigate the risk of modern slavery within our portfolio.

Thematic Focus: Conflict Minerals

In late 2021, we signed an investor letter through the Principles for Responsible Investment (PRI) Collaborative Engagement Platform, urging semiconductor companies to strengthen supply-chain due diligence and eliminate conflict minerals. Since then, we have expanded our work beyond this initial collaboration to deepen our understanding of human rights risks in critical mineral sourcing.

Over time, we have undertaken thematic research and held expert discussions to better understand the risks associated with mineral sourcing and the implications for companies across different industries. In parallel, we have continued our research and engagement with portfolio companies on these risks.

In 2025, we advanced this work by rolling out our Responsible Mineral Sourcing Best Practices Guide for End-User Companies to the investment team. This guide is designed to support more consistent, decision-useful analysis of critical and conflict mineral risks while strengthening our engagement with companies on supply-chain due diligence, traceability, and human rights.

Alongside this rollout, we conducted several engagements focused on responsible mineral sourcing. We shared our views on this topic with relevant portfolio companies, including Dexcom, Taiwan Semiconductor, and ASML Holding. We also expanded our scope beyond technology and healthcare to include consumer-facing sectors. These engagements involved discussions with companies such as Titan and Pandora (see engagement on page 48), for which mineral sourcing practices are closely linked to brand trust, regulatory expectations, and long-term value creation.

As we continue this work, we remain committed to evolving our approach to critical minerals across sectors (including those central to the clean energy transition and electrification) and to integrating insights from research and engagements into our stewardship and investment processes.

21. <https://www.ilo.org/publications/major-publications/global-estimates-modern-slavery-forced-labour-and-forced-marriage>

22. “GLOBAL SLAVERY INDEX: IMPORTING RISK,” Walk Free, <https://www.walkfree.org/global-slavery-index/findings/importing-risk/>



Collaboration With and Through the Slave-Free Alliance

Slave-Free Alliance (SFA) is an international social enterprise wholly owned by the global anti-slavery charity Hope for Justice. The alliance helps organizations protect their operations, supply chains, and people from modern slavery and labor exploitation. SFA partners with organizations to provide gap analyses, modern slavery site assessments, crisis response formulations, proactive investigations, and training. The team at SFA has played pivotal roles in Operation Fort and the Kozee Sleep case, two of the biggest modern slavery prosecutions in U.K. history. These cases led to lasting improvements in police and commercial responses to modern slavery.*

* "WHO WE ARE: About Slave-Free Alliance," Slave-Free Alliance, <https://www.slavefreealliance.org/about-us/>

Risk assessment, management, training, and reporting

With a global portfolio across many industries, Sands Capital recognizes that modern slavery risks can arise at any tier of the supply chain. Addressing these risks is an important component of our stewardship approach, as labor exploitation can present operational, reputational, and regulatory risks for companies and long-term investors.

In 2021, we began the Modern Slavery Mitigation Project to prepare and implement policies, practices, and staff training. Over time, this work has evolved from relying partly on external capacity-building to developing and applying our own frameworks, tools, and expertise across the investment process.

In 2022, Sands Capital established a partnership with SFA, an organization specializing in anti-trafficking and the elimination of modern slavery. Early work with SFA included a gap analysis of our operations and investment practices, which helped shape our approach to modern slavery risk management in subsequent years. In June 2025, we moved from a full membership with SFA to a lower-tier engagement model. This reflected the internal capabilities we developed over the course of the partnership while still providing access to external perspectives when needed. Our activities over the past year are as follows:

- **Training:** In July 2025, SFA hosted a targeted modern slavery training session for our investment team. The session focused on emerging trends in modern slavery risk, practical application within investment research, and case studies relevant to global supply chains. The training was designed to help analysts recognize how modern slavery risks can appear across different business models, geographies, and supply-chain structures.
- **Investment due diligence:** During the year, we rolled out Sands Capital's Modern Slavery Risk Framework as an internal resource to support investment due diligence and stewardship activities. The framework was presented during an investment team training and was subsequently shared more broadly across the firm to provide a common reference point for assessing modern slavery risks.

The framework consists of three complementary components:

- **Modern Slavery Portfolio Risk Radar**, which uses external indicators to provide a high-level view of the portfolio's potential exposure to modern slavery.
- **Risk Deep Dive**, which supports more targeted analysis to identify elevated risk.
- **Investment Due Diligence Guide**, which outlines our approach to assessing modern slavery risks through company research and engagement and includes relevant regulatory context.

The framework is intended to support members of the investment team and core stewardship team as they consider modern slavery risks in the context of company-specific research, engagement, and portfolio oversight. It serves as a practical reference to help build consistency and shared understanding, rather than a prescriptive or stand-alone process.

Alongside this work, we continue to engage with portfolio companies on a range of topics related to modern slavery, including supply-chain due diligence, responsible sourcing, labor standards, and worker health and safety. These engagements continue to be grounded in company-specific circumstances and our long-term ownership perspective.

- **Industry collaboration:** Throughout 2025, we remained active participants in the Investor Initiative on Human Rights Data (II-HRD), a collaborative investor effort focused on improving the quality and consistency of corporate human rights data used in investment and stewardship decision-making. We also continued our involvement in the SFA Financial Services Working Group, which brings together financial institutions to share practical insights and emerging best practices related to modern slavery risk management.
- **Modern slavery statement:** In June 2025, we released our [2024 Modern Slavery Act Annual Transparency Statement](#). This statement outlines our approach to mitigating modern slavery risks in our operations and investments and provides additional details on the governance of our stewardship program.



Conflict Minerals Case Study: **Pandora**

Business: Pandora is the world's largest jewelry manufacturer by volume.

Key Issue: Materials use and sourcing.

Strategies: Global Growth and International Growth.

Jewelry supply chains face heightened exposure to conflict minerals and human rights risks, given their reliance on precious metals sourced through complex global refining networks. We engaged with Pandora to better understand how the company mitigates these risks, with a particular focus on gold and silver sourcing, supplier due diligence, and traceability practices.

Pandora has embedded responsible sourcing into its operating model, emphasizing recycled materials, supplier accountability, and alignment with recognized international standards. Our engagement focused on how these practices reduce exposure to conflict-affected sourcing and support transparency across the value chain.

Supplier Due Diligence and Traceability

Pandora's vertically integrated model provides it with greater visibility into its supply chain than many peers. All precious metal suppliers are required to be certified under the Responsible Jewellery Council (RJC), and Pandora conducts third-party audits of certified suppliers on a recurring basis. These audits assess compliance with RJC standards, including requirements related to conflict minerals, human rights, and responsible business conduct.

When nonconformances are identified, Pandora applies a structured escalation process. Severe violations can result in termination of supplier relationships. Less significant issues require corrective

action plans within defined time frames. Pandora's Responsible Sourcing team oversees these processes and maintains oversight across the refining and manufacturing stages.

Pandora also applies the RJC Chain of Custody standard to its precious metal sourcing, enabling traceability through the supply chain and verification of recycled-material claims. Independent auditors periodically review documentation controls and segregation of certified materials to support Pandora's confidence in the origin of its materials and reduce its exposure to high-risk sourcing regions.

Opportunity and Strategic Context

Beyond risk mitigation, our engagement explored how broader macroeconomic trends shape Pandora's sourcing strategy and long-term positioning. Heightened regulatory scrutiny, increasing expectations for traceability and credible sustainability claims, and evolving frameworks such as the European Union's Green Claims Directive are raising the bar for jewelry companies' sourcing practices. We also discussed how structural constraints in the global supply of recycled gold and silver influence Pandora's procurement approach and long-term material planning.

These dynamics also present an opportunity. Pandora's early and sustained leadership position in recycled materials and responsible sourcing practices enables it to differentiate its products and respond to growing consumer demand for sustainably produced jewelry. By anchoring our engagement in these themes, we assessed how Pandora is mitigating conflict mineral risks while also reinforcing competitive differentiation through sustainability. This engagement ultimately supported our conviction in the company's long-term opportunity set.

Modern Slavery Case Study: BYD

Business: BYD is the world's largest electric vehicle manufacturer by volume.

Key Issues: Labor rights and human rights.

Strategy: Emerging Markets Growth.

Background

BYD, a global leader in electric vehicles and battery technologies, plays a central role in the transition to lower-carbon transportation. As the company expands manufacturing capacity outside China, particularly in emerging markets, labor practices across construction sites and outsourced operations have become increasingly material to its long-term growth trajectory.

In late 2024, media reports raised concerns about labor conditions at a BYD construction site operated by a third-party Chinese contractor in Bahia, Brazil. Following these reports, Brazilian labor authorities conducted an investigation and identified conditions that regulators characterized as comparable to modern slavery under local legal definitions.

Identifying Labor Risk in Global Expansion

The Bahia investigation cited indicators commonly associated with forced labor, including degrading living conditions and restrictions on workers' freedom of movement. Although BYD did not directly employ the affected workers, the incident highlighted the risks that can arise through subcontracted labor arrangements, particularly during periods of rapid international expansion.

For BYD, labor-related controversies present legal, operational, and reputational risks. Effective oversight of contractors and alignment with local labor standards are critical for maintaining regulatory compliance and preserving the company's legal ability to operate in key growth markets.

Company Response and Access to Management

In response to the allegations, BYD terminated its relationship with the contractor involved, relocated workers to improved accommodations, and publicly committed to cooperating with Brazilian authorities. Construction activities were transitioned to a local Brazilian firm, despite longer timelines and higher costs. The company has stated publicly that the issues identified were linked to a third-party contractor and that corrective actions were taken once the situation came to management's attention.



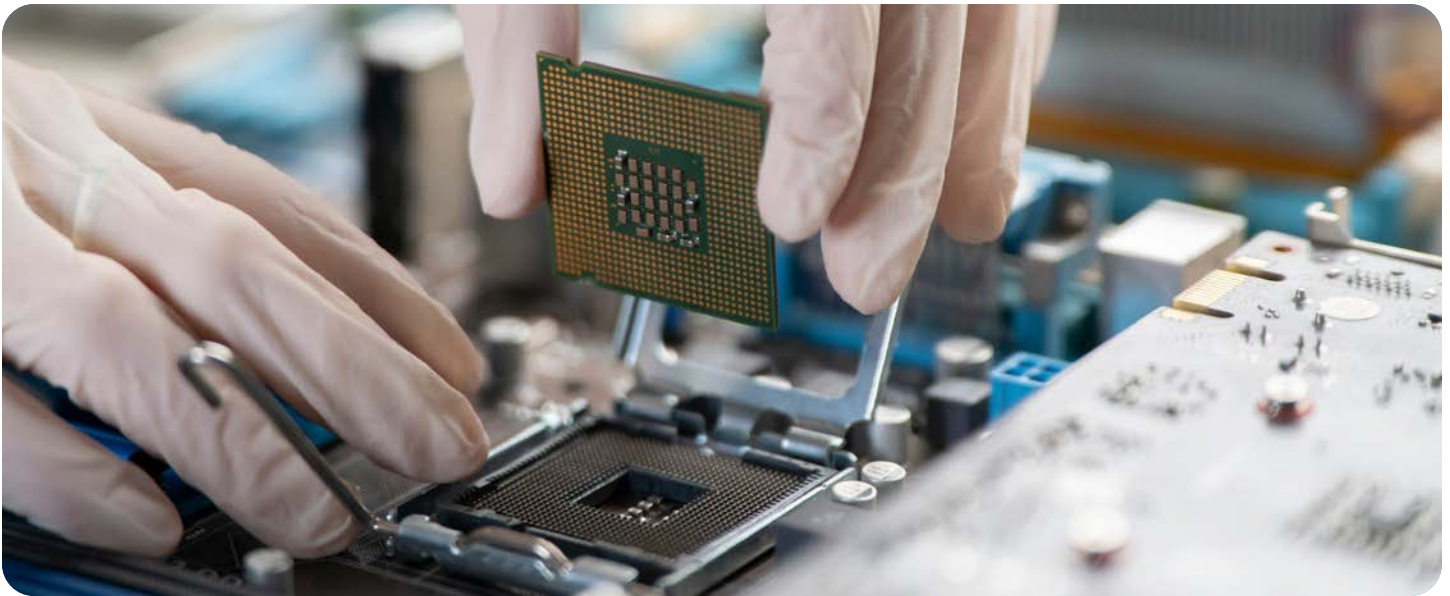
In discussions with the company following the incident, BYD emphasized that the situation has not materially disrupted its manufacturing plans, sales, or distribution activities in Brazil. Management has also highlighted the broader local context surrounding the case, including heightened political and public sensitivity related to labor practices and expectations around local employment as foreign manufacturers expand operations in Brazil.

We had the opportunity to discuss the issue during a visit to Brazil in November 2025. These conversations provided additional context on how BYD is approaching its operations in the region, including efforts to strengthen engagement with local stakeholders, prioritize domestic contractors, and better align construction and labor practices with Brazilian regulatory and social expectations. Management framed the incident as an important learning experience for the company as it continues to scale manufacturing outside its home market.

Looking Ahead

While BYD's actions addressed immediate concerns, we believe the case underscores the importance of proactive labor risk management as global manufacturing footprints expand. This includes robust contractor due diligence, clear accountability across subcontracting chains, and early engagement with local regulators, unions, and communities.

We will continue to monitor developments related to the Bahia case and aim to engage with BYD over time on how lessons they learned are being incorporated into more systematic labor governance practices across its international operations.



Responsible technology innovation and implementation

The world is rapidly shifting from an industrial society to one driven by technological innovation, and our investment criteria tend to lead us to high-quality growth companies aligned with long-term technological changes. As digital tools continue to permeate the economy, we consider both the benefits and the risks. These tools can provide significant benefits, such as individualized healthcare, greater financial inclusion, increased access to information, and environmental solutions. Digitalization also has the capability for great risks, such as algorithmic bias, unethical use of AI, technology addiction, violations of data privacy, and job displacement. These risks call for the development of digital ethics, the ethical principles and values that guide the design, development, and deployment of digital technology. We focus on identifying and addressing key responsible technology innovation and implementation issues at portfolio companies, particularly in industries where these risks are more acute.

In 2022, alongside other forward-thinking investors, we helped launch Investors for a Sustainable Digital Economy (ISDE), a network designed to pool resources and build practical guidance on digital governance. ISDE's work setting up advisory roundtables, producing research, and crafting investor tools meaningfully strengthened our understanding of digital ethics and how to engage

companies on these topics. We incorporated these learnings into our own risk assessment and engagement roadmaps, including an AI governance evaluation process that starts with disclosures—first diligence and then tests whether governance works in practice. It assesses how data and model governance work together to drive responsible AI outcomes. With these tools now embedded in our stewardship approach, we concluded our participation in ISDE while continuing to engage directly with our portfolio companies and track progress over time.

Engagement

As forward-looking investors in leading innovative growth businesses, we recognize the opportunity to guide corporations in setting clear guidelines for appropriate digital governance.

Over the past few years, we have built internal capacity and knowledge to assess the risks and opportunities related to responsible technology in our own portfolios and to engage our companies on this topic. In light of this, we have focused on engagements regarding AI governance, as we believe it will be a material consideration for many of our portfolio companies moving forward.



Responsible Technology Innovation and Implementation

Case Study: **Nu Holdings**

Business: Nu Holdings' Nubank focuses on driving financial inclusion among underbanked populations who lack sufficient access to mainstream financial services and products.

Key Issue: Responsible technology innovation and implementation.

Strategies: Emerging Markets ex China, Emerging Markets Growth, International Growth, Select Growth, and Technology Innovators.

Over multiple years of engagement, we have encouraged Nubank to scale its data and AI capabilities in a way that is consistent with customer trust and sound risk management. This is especially important as AI becomes more central to credit decisioning and personalization.

In our most recent engagement, management described an AI strategy that remains early stage but already focuses on tangible, inclusion-linked outcomes. For example, the company is improving credit-limit accuracy and pricing through in-house models developed after the Hyperplane acquisition, including models that tokenize transactions to capture behavioral patterns. Nubank also emphasized that AI oversight largely mirrors its existing model-risk controls, with product teams responsible for testing and approving implementations as formal AI governance structures continue to evolve.

We view this as a pragmatic approach to responsible technology innovation and implementation. Nubank is building higher-impact models within established risk, cybersecurity, and data protection frameworks while steadily operationalizing additional AI-specific guardrails.

Our engagement has also reinforced the importance of designed-in customer protection. Nubank noted that ESG review is embedded into approvals for new products and features. This process helps ensure that inclusion and education considerations are incorporated from the start. The company also indicated that refinements to policies and controls are underway as AI use cases expand.

Nubank's trajectory reflects a measured scaling of AI capability alongside governance and oversight that keep pace with its ambitions.



Responsible Technology Innovation and Implementation Case Study: **Axon Enterprise**

Business: Axon Enterprise is a leading provider of public-safety technology, including body cameras, software, and the Taser electroshock device.

Key Issue: Responsible technology innovation and implementation.

Strategies: Global Focus, Global Growth, Global Leaders, Global Shariah, Select Growth, and Technology Innovators.

Given Axon's early adoption of AI, we have engaged the company on improving responsible technology innovation and implementation. We emphasized that Axon's innovation must earn and sustain public trust, particularly as AI-enabled tools become more deeply integrated into high-stakes public-safety workflows.

In our recent dialogue, Axon outlined an approach that treats large language models as foundational infrastructure (a chipset), with carefully scoped applications built around controlled data flows and iterative tuning based on real-world feedback. An example of this is the company's Draft One product, which helps officers draft police report narratives based on body-worn camera audio. Draft One's emphasis on definition-oriented word choice and continuous

refinement based on feedback help to reduce the risk inherent in AI solutions. The company also highlighted its launch discipline, where products are not broadly discussed or released until a baseline of customer feedback has been incorporated. This reflects an intent to mitigate deployment risk in operational environments.

From a responsible implementation lens, Axon described recurring oversight mechanisms intended to surface blind spots and mitigate harm. These include at least monthly internal discussions focused on AI risks, alongside similar conversations with customers. As the company explores more sensitive capabilities, such as facial recognition, Axon's framing underscores a safeguard mindset that differentiates control levers by modality (i.e., software can be shut down, fixed, and reenabled via required updates; however hardware issues may require batch identification and recall).

We view these practices as constructive signals that Axon is pairing rapid product innovation with governance structures designed to mitigate bias, misuse, privacy, and transparency risks in a domain in which accountability is inseparable from performance.

Building partnerships

To support the promotion of well-functioning financial markets, we also take part in various industry initiatives. Through our involvement and contributions to these collaborative initiatives, we aim to improve market resiliency over the long term.

Sands Capital builds relationships with select organizations that enable us to understand stakeholder perspectives on sustainability issues, apply lessons to our research analysis and engagements with portfolio businesses, and collaborate with stakeholders to enhance corporate disclosure and governance 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 into effectively managing ever-changing externalities. Our partnerships focus on areas most relevant to our portfolios, such as institutional investing, climate reporting, responsible supply chains, and corporate governance.

We also engage through select industry associations in policy-oriented dialogue, sharing a long-term investor perspective on stewardship-related disclosure, governance, and market structure issues. As long-term investors, we recognize the effectiveness of stewardship is shaped not only by company behavior but also by the regulatory and market structures that govern disclosures, engagements, and

shareholder rights. These frameworks are evolving rapidly across the United States, Europe, and other global markets, reflecting changing expectations around transparency, process, and oversight.

In response, we have begun to engage more directly in policy-oriented dialogue in which stewardship-related rules and guidance may influence investors' ability to engage constructively and allocate capital effectively. Our objective is twofold: to deepen our understanding of the rationale behind regulatory developments and to share a long-term investor perspective grounded in practical experience.

We believe early solutions-oriented engagement can help reduce unintended consequences, support material disclosures, and contribute to well-functioning capital markets that enable long-term value creation for our clients. An example of this approach is our participation in an industry-led policy engagement focused on investor stewardship and market structure considerations, in collaboration with the ICGN.

This list of partnerships is not exhaustive and may change as our priorities change for any given year. We will continue to find and pursue options to collaborate on to achieve positive long-term outcomes for our clients and society.



ICGN Policy Engagement Day

Members of the stewardship team participated in ICGN's Policy Engagement Day in Washington, D.C., which included small-group meetings with the SEC chair, SEC commissioners, and Capitol Hill staff to discuss evolving regulatory dynamics affecting investor stewardship. Conversations focused on growing uncertainty around disclosure guidance, executive compensation transparency, and market structure issues. This underscored the value of early, practical investor input as informal guidance increasingly shapes market behavior.

Our Partnerships, Collaborations, and Reporting Frameworks²³

	Organization	Involvement and Leadership
	<p>The Carbon Disclosure Project (CDP) is a not-for-profit charity that runs a global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts.</p>	<p>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.</p>
	<p>Council of Institutional Investors (CII) is a nonprofit, nonpartisan association of U.S. public, corporate, and employee benefit plans; state and local entities charged with investing public assets; and foundations and endowments with combined assets under management of approximately \$5 trillion. CII is a leading voice for effective corporate governance, strong shareholder rights, and sensible financial regulations that foster fair, vibrant capital markets.</p>	<p>Sands Capital is an associate member of CII. Sands Capital has contributed domain knowledge to CII's conference programming by hosting breakout educational sessions on topics including corporate governance in emerging markets and executive compensation. Our senior proxy and stewardship specialist also sits on the Corporate Governance Advisory Council, providing input to the board of CII that promotes effective corporate governance.</p>
	<p>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.</p>	<p>Sands Capital has participated in ICGN policy engagement days, contributed to ICGN conference panel planning, and in 2025 was recognized with ICGN's Stewardship Disclosure Award.</p>
	<p>The IFRS Sustainability Alliance combines the SASB Alliance and Integrated Reporting Business Network into a global network that explores and develops best practices related to sustainability standards and integrated reporting.</p>	<p>Having joined the SASB Alliance in 2017, Sands Capital continues to support the industry-based standards-setting process through the consolidated alliance. Engagements with IFRS have included consultations on topics such as GHG emissions, stock-based compensation, board of director governance, supply chain best practices, and human capital management. Conversely, Sands Capital leans on SASB Standards to ensure its own portfolio companies align with the most up-to-date ESG practices.</p>
	<p>II-HRD is a collaborative initiative in which institutional investors work together to advance the corporate human rights data environment. This will enable investors to systematically incorporate human rights data into their investment and stewardship decision-making.</p>	<p>We joined the II-HRD as a collaborating investor, participating in the working groups focused on MSCI and Sustainalytics, to advocate for better, more comprehensive corporate human rights data and to help drive industrywide alignment.</p>

23. This list includes any partnerships, collaborations, or reporting frameworks Sands Capital was associated with in 2025.



Principles for Responsible Investment (PRI) promotes sustainable investment through the incorporation of ESG 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 understanding how our program compares with those of our peers. It has also provided a forum in which to exchange best practices around stewardship efforts. We have also participated in PRI-led collaborative thematic engagements.



Slave-Free Alliance (SFA) is an international social enterprise wholly owned by the global anti-slavery charity Hope for Justice. The alliance helps organizations protect their operations, supply chains, and people from modern slavery and labor exploitation. SFA partners with organizations to provide gap analyses, modern slavery site assessments, crisis response formulations, proactive investigations, and training.

Sands Capital became an SFA member in 2022. Sands Capital was one of the inaugural members within the United States and one of only a few members within the financial services industry. Since joining SFA, we have participated on panels at the 2022 and 2023 SFA Conferences and have held collaborative conversations with other SFA members within the financial services industry. We are also members of SFA's Financial Services Working Group.



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.

In 2020, Sands Capital became a public supporter of the TCFD, which has been taken over by the IFRS Foundation and incorporated into the ISSB framework. We incorporate the TCFD's disclosure recommendations, including its WACI recommendation, into our reporting. We also model our company-level climate analysis in our internal company ESG reports on the TCFD framework. In our engagements with companies that are beginning to measure and disclose emissions, we support them using the TCFD framework as a base.



The UK Stewardship Code contains 12 principles related to stewardship activities, such as purpose and governance, investment approach, engagement, and exercising rights and responsibilities. It also requires signatories to apply these principles to their stewardship programs and explain how they do so in a publicly available report. This report is submitted to the Financial Reporting Council for its review and approval of signatory status.

Sands Capital Management became a signatory of the UK Stewardship Code in 2023. The UK Stewardship Code is a voluntary framework to which investors can apply to gain signatory status. By doing so, signatories demonstrate a high stewardship standard, as well as active and engaged monitoring of corporate governance in the interests of beneficiaries.

Events and conference participation

Throughout the year, we attended key industry events and conferences, enhancing our insights on stewardship, governance, and responsible investment. In addition to traditional convenings, this past year we also participated in select policy-focused forums that provided direct insight into evolving regulatory and market structure considerations.



Responsible Investing Symposium with UVA Darden School of Business

March 12–13, 2025
Rosslyn, Virginia

Sands Capital hosted its second Responsible Investing Symposium with the University of Virginia's Darden School of Business in March 2025. The event convened leaders across investment management, academia, corporate leadership, and public policy to explore stewardship, supply-chain resilience, human capital management, and energy infrastructure in a rapidly evolving global economy.

Welcome

- Frank M. Sands, CFA, Co-Chief Investment Officer and Chief Executive Officer, Sands Capital

Darden Welcome and Keynote

- Toni Irving, Frank M. Sands Sr. Professor of Practice, UVA Darden School of Business
- Lex Suvanto, Global CEO, Edelman Smithfield

Resilience in Critical Mineral Supply Chains

- Vidya Mani, Associate Professor of Business Administration, UVA Darden School of Business
- Bob Walker, Financial Sector Lead, Initiative for Responsible Mining Assurance
- Catherine Tyson, Program Manager, Responsible Sourcing & Supply Chain ESG Regulatory Compliance, Intel Corporation
- Daniel Pilling, Portfolio Manager and Senior Research Analyst, Sands Capital

Future-Proofing People: Upskilling, Reskilling, and Workforce Management in a Changing World

- Anne Trumbore, Chief Digital Learning Officer, Sands Institute for Lifelong Learning, UVA Darden School of Business
- Stuart Andreason, Executive Director of Programs, The Burning Glass Institute
- Solange Charas, Professor of Practice, Columbia University; Founder and CEO, HCMoneyball
- Michael F. Rallo, CFA, Research Analyst, Sands Capital

Fireside Chat

- Matt Reintjes, President and Chief Executive Officer, YETI
In conversation with Frank M. Sands, CFA, Co-Chief Investment Officer and Chief Executive Officer, Sands Capital

Stewardship and Long-Term Investing: Why It Still Matters

- Karin Riechenberg, Director of Stewardship, Sands Capital
- Brian A. Christiansen, Senior Portfolio Manager, Research Analyst, Executive Managing Director, Sands Capital
- Katherine (Okon) Bates, Research Analyst, Sands Capital

Gridlock: Energy in the Age of AI

- Michael Lenox, Tayloe Murphy Professor of Business Administration, UVA Darden School of Business
- Tessie Petion, Head of ESG Engagement, Amazon
- David Brown, Senior Vice President of Federal Government Affairs and Public Policy, Constellation Energy
- Dan Ephraim, Vice President of Sales & Leasing, PointOne Data Centers

Fireside Chat

- Andy Blocker, Global Head of Public Policy & Strategic Partnerships, Invesco
In conversation with Toni Irving, Frank M. Sands Sr. Professor of Practice, UVA Darden School of Business

Convenings and Public Speaking Engagements in 2025

- **March 4 to 5:** Attended the Responsible Investment Forum: New York, a two-day event on sustainability in private markets covering ESG integration, climate and nature strategies, and responsible investment trends.
- **March 10 to 12:** Attended the CII 2025 Spring Conference, a good barometer to understand the current global state of affairs. We also attended the private Proxy Voting Group that discusses various proxy-related topics under Chatham House Rule.
- **April 30:** Attended several speaker discussions and panels at D.C. Climate Week on topics related to the intersection of the economy and the climate crisis.
- **June 11 to 12:** Spoke at two New York Stock Exchange (NYSE) Sustainability Issuer/Investor Engagement roundtables in the Washington, D.C., area and engaged with NYSE-listed corporate issuers on governance, sustainability, and investor stewardship priorities.
- **June 17 to 18:** Attended the Responsible AI Summit (North America), which focused on AI governance, compliance, sustainability, and risk management.
- **July 17 to 18:** Attended the ICGN 30th Anniversary Conference (Americas), which focused on global corporate governance and stewardship. Ahead of this conference, we also participated in an ICGN Policy Day in Washington, D.C., meeting with the SEC chair, SEC commissioners, and representatives of the U.S. Congress.
- **September 8 to 10:** Attended the CII 2025 Fall Conference, which focused on board oversight, resilience planning, and transparency while monitoring how state and federal-level rules are shifting quickly. We also attended a private proxy voting group.
- **September 16:** Attended The Conference Board: Executive Compensation in a Disruptive World, focused on the interconnected challenges in governance, social responsibility, and executive compensation.
- **September 18:** Attended the S&P Global Datacenter & Energy Innovation Summit 2025 in Washington, D.C., which focused on datacenter-driven electricity demand, energy infrastructure investment, and how policy and regulatory developments are shaping power markets.
- **September 22 to 26:** Attended various events relevant to asset managers during Climate Week NYC 2025. Discussion topics included climate risk, sustainability reporting, climate finance, energy transition, and climate technology.
- **October 17:** Attended several panels hosted by Calvert Impact, which discussed the regulatory landscape affecting ESG investors in public markets and shareholder advocacy.
- **October 21 to 23:** Attended the ICGN 30th Anniversary Conference (Italy), focused on global corporate governance and stewardship, including company engagement during challenging times, escalation strategies, and geopolitical risks.
- **November 4 to 6:** Attended the annual PRI in Person conference in São Paulo, the largest investor conference on stewardship, ESG, and sustainability as measured by attendance. The focus of this year was on global challenges, resilient strategies, and investable opportunities.
- **November 19:** Attended the Slave-Free Alliance Annual Conference, focused on strengthening human rights due diligence, worker voice, and remediation of modern slavery risks across supply chains.
- **November 20 to 21:** Participated in the CII-NYU Law Corporate Governance Bootcamp, which focused on corporate governance fundamentals and advanced stewardship topics.
- **December 3 to 4:** Attended the Scope 3 Innovation Forum USA in Washington, D.C., which focused on practical approaches to supply-chain decarbonization.
- **December 5:** Attended as an observer the annual member meeting of Invest Ahead, an investor forum focused on improving board composition and effectiveness.



Assessing Our Effectiveness in Addressing Risks

Managing concentrated portfolios of high-conviction businesses is not only about where we choose to allocate capital but also what we choose to avoid. Focusing on high-growth equities helps us avoid the risks associated with excessive diversification and with investing in businesses we do not fully understand, including how they may respond to marketwide and systemic risks. Understanding how systemic risks could affect a business is essential to acquiring the conviction necessary to allocate capital in highly concentrated portfolios. We believe the methods and processes we have established for assessing risk and obtaining the conviction required for our investment strategies are critical to our success as responsible stewards of capital.

6 Active Ownership

Through engagement, proxy voting, and the cultivation of direct relationships with management and directors, we seek to help our businesses overcome their challenges and capitalize on their opportunities, ensuring they remain attuned to the shifts influencing their industries.

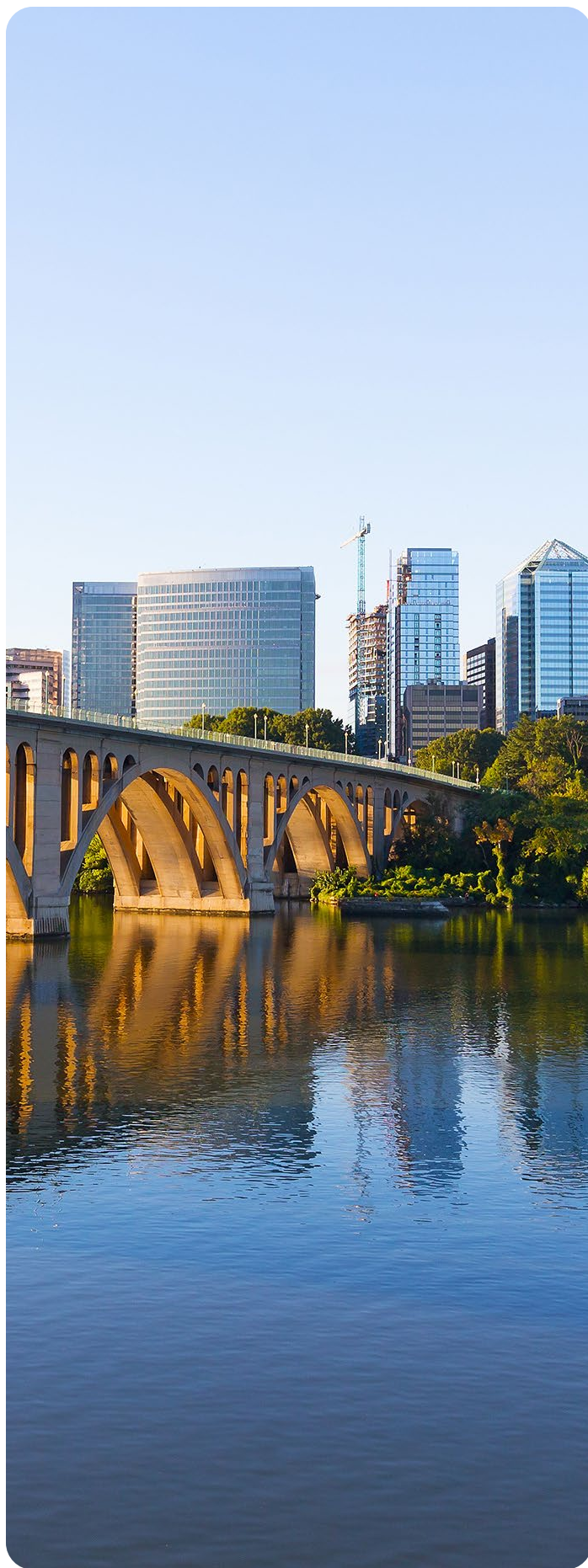


Active Ownership for Effective Risk Management and Value Creation

Active ownership is an integral component of our stewardship efforts. Our investment strategies are designed to concentrate capital in exceptional growth businesses. This means we are frequently among companies' largest shareholders across all our investment strategies. As of December 31, 2025, we were a top 20 shareholder in 43 public companies. This level of ownership gives us access to management teams and directors, enabling us to engage constructively on ESG-related matters and other issues that can affect a company's long-term strategy.²⁴ It also means our proxy vote often holds considerable weight.

Because our portfolio businesses recognize our long-term investment orientation and focus on value creation, they tend to welcome our engagement. We understand thoughtful business improvements take time, which is why many of our engagements span years. Through ongoing conversations, we seek incremental change, adjusting our approach as circumstances develop and drawing on a combination of engagement, proxy voting, and escalation when necessary.

24. As part of our ongoing research, Sands Capital regularly engages with the management teams and, if appropriate, board members of portfolio businesses to better understand each business's long-term strategic vision and management of risks and opportunities, including those pertaining to environmental, social, and governance (ESG) matters. Sands Capital's engagement with management teams and board members does not involve any direct or indirect attempt to exert pressure to implement specific measures, change policies, or otherwise influence control over the issuer.





Multiyear Engagement Case Study: Anta Sports Products

Business: Anta Sports Products is the largest domestic sportswear company in China by market share.

Key Issues: Increasing transparency and disclosure, ESG strategy and oversight, related-party transactions, labor rights, human rights, materials use and sourcing, and GHG emissions or climate change strategy.

Strategy: Emerging Markets Growth.

Background

Sands Capital has engaged with Anta over multiple years as the company has evolved from a domestically focused Chinese sportswear brand into a global, multibrand platform. Early in our ownership, our engagement priorities centered on governance quality and transparency, which we viewed as prerequisites for credible ESG oversight in a family-led, globally scaling business.

Over time, as Anta's governance structures matured, our dialogue expanded to include ESG disclosure practices and, critically, the management of supply-chain risks. This multiyear engagement illustrates how sustained, iterative conversations can support a company's transition from basic disclosure toward more robust, operationalized ESG practices.

Activity and Outcome

Early engagement: governance and transparency foundations

Our initial engagements with Anta focused on governance risks typical of family-led enterprises, including concerns around capital allocation discipline and board oversight. Following short-seller allegations in 2019, we observed a notable increase in management's willingness to engage with long-term investors and improve transparency. Anta enhanced financial disclosure by providing

clearer segmentation across its brand portfolio, improving investor understanding of business performance and strategy.

These early steps by Anta helped establish investor confidence and laid the groundwork for more substantive discussions around ESG integration in subsequent years.

Institutionalizing ESG and improving disclosure

Beginning in 2021, Anta significantly enhanced its ESG framework. A key milestone was the establishment of board-level ESG oversight, signaling increased accountability at the highest levels of the organization. During this period, our engagements shifted toward encouraging alignment with global peers on environmental and social disclosure. This included participation in industry initiatives such as the Sustainable Apparel Coalition, climate-related disclosure aligned with the TCFD framework, and greater use of internationally recognized supplier and management standards (e.g., ISO 9000/14000, ISO 26000, and bluesign).

Anta progressively expanded the scope and quality of its ESG reporting, moving from policy-level disclosure to more operationally grounded reporting over multiple years. Anta's multiyear MSCI ESG rating upgrade (from BB/B levels to AA, see chart below) reflected meaningful improvements in disclosure and governance ahead of subsequent supply-chain challenges and demonstrated how these efforts were being recognized externally. Although we do not rely on third-party ESG ratings as a primary input, we recognize their influence on how companies are assessed by the broader market.

Supply-chain engagement following the BCI controversy

Supply-chain management has been a core focus of our engagement with Anta since 2021, following the company's involvement in a controversy related to the Better Cotton Initiative (BCI). The episode emerged amid heightened geopolitical tensions and public allegations of forced labor in parts of the global cotton supply

chain, prompting Anta to withdraw from BCI. While the company characterized its decision as a response to the politicization of the issue rather than a change in its labor standards, we viewed the controversy as a stress test of the depth, transparency, and resilience of Anta's supply-chain governance under geopolitical pressure.

In response, we elevated supply-chain oversight, labor standards, and disclosure as standing engagement priorities. These topics have been revisited on a regular cadence across subsequent engagements, with a focus on understanding how the company identifies, mitigates, and monitors labor-related risks across a complex and globally dispersed supplier base.

To further inform our assessment, we conducted an on-the-ground visit to one of Anta's wholly owned manufacturing facilities in 2023. Ahead of the meeting, SFA provided targeted training to the visiting analyst on indicators of forced labor and workplace conditions. The visit did not surface material concerns. However, it was not intended to serve as a proxy for broader supply-chain conditions. Rather, it provided valuable insight into how Anta's labor and compliance policies are implemented within operations under its direct control. It also helped us differentiate between risk management in owned facilities and the inherently more complex challenges present in third-party supply chains.

This distinction has shaped our subsequent engagement priorities. While Anta maintains zero-tolerance principles and established internal standards across its own operations, we continue to focus our stewardship efforts on strengthening transparency, verification, and oversight in third-party manufacturing, where risks are more dispersed and reliance on external processes is greater.

Demonstrating progress: transparency and practice

By 2024, our engagements began to reflect tangible outcomes. Following the release of Anta's 2024 ESG report, management disclosed that 100 percent of its Tier 1 finished-goods suppliers had completed ESG audits. This was a meaningful transparency milestone, though it's one we continue to view as a starting point rather than an end point for supply-chain assurance. In an April 2025 engagement, we also learned Anta had begun disclosing its Tier 1 supplier base, which is an important milestone we had advocated for over multiple years.

Beyond disclosure, discussions at the ReThink HK conference in September 2025 underscored how Anta's ESG evolution is becoming increasingly operational, extending beyond disclosure into product design, materials selection, and supplier engagement. In addition to outlining initiatives such as expanded supplier training, low-carbon supply-chain collaboration, and chemical safety commitments (including a road map to phase out its use of the chemicals known as PFAS in branded waterproof products), management highlighted sustainability-oriented product innovations across its multibrand portfolio. These examples illustrated how ESG considerations are being embedded in product design and commercialization.

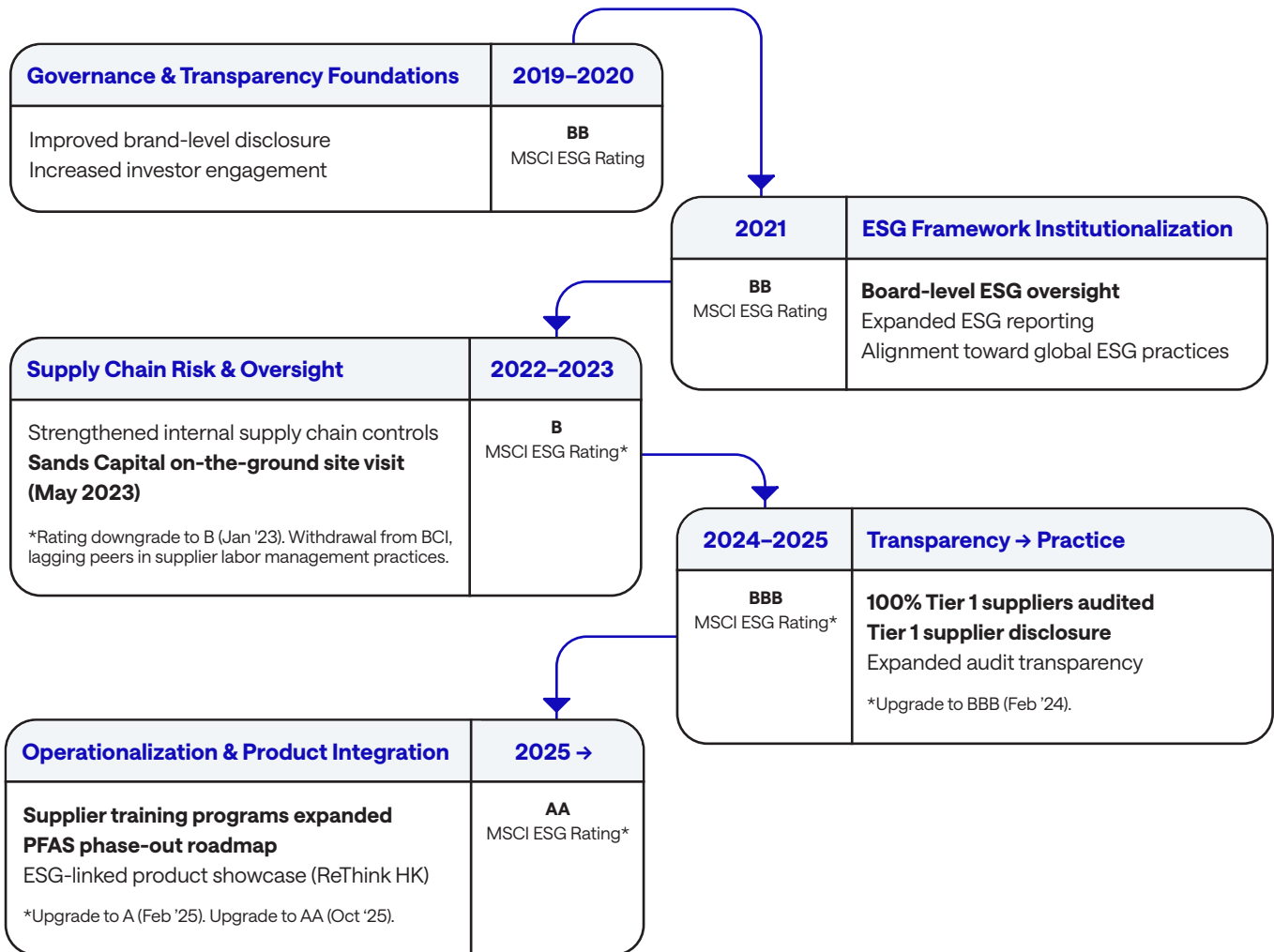


Ongoing focus

Our multiyear engagement with Anta demonstrates the value of sustained, constructive dialogue, particularly in emerging markets, where ESG maturity often develops iteratively. While Anta has made meaningful progress across governance, disclosure, and supply-chain management, we continue to focus on deepening third-party verification beyond Tier 1 suppliers and tracking the implementation of stated environmental commitments.

We believe Anta's trajectory illustrates how sustained, long-term stewardship can support improvements in governance, transparency, and risk management over time.

Anta Active Ownership Timeline



Engagement

We primarily engage with the management teams and boards of portfolio companies through one-on-one meetings. When merited, we proactively express our views about business strategy, governance, financial reporting, executive compensation, ESG-related matters, and other considerations relevant to our investment case. If we do not agree with how a company is addressing these issues, we can lose conviction in the company's fit with our investment criteria. In such cases, we reserve the option to reduce our position or sell our shares.

We have one or more of the following objectives when we engage with a company:

- Inform our investment cases, enabling us to help build conviction in businesses and add value for our clients.
- Exchange perspectives on matters that are relevant to the interests of long-term shareholders.
- Advocate corporate change when we believe it is in the best interest of our clients.²⁵
- Discuss ballot proposals and inform the company of our voting decisions.

Methods and prioritization of engagement

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 companies, enabling them to get to know each one intimately and build context around a business' ESG circumstances.

We conduct 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 stewardship specialists. The discussion topics are typically identified and prioritized based on materiality to the investment case or our thematic focus areas. We try to marry our bottom-up, company-specific priorities with our top-down focus on climate change, modern slavery, digital ethics.

At the start of the year, we endeavor to map engagement priorities across our portfolio companies, taking into account the material issues each company faces along with the relevant thematic focus areas. These priorities are typically informed by the topics identified in our proprietary ESG reports developed by the lead analyst. This mapped strategy aims to serve as a guide, providing us with a



structured approach to engagements. However, it's important to note our engagement strategy and priorities are dynamic and may evolve throughout the year. As new issues, risks, or opportunities emerge, we are prepared to adapt and respond, ensuring our approach remains relevant and effective in addressing the evolving ESG landscape across our portfolio businesses.

Engagement approach tailored to reflect market conditions

In our experience, ESG factors vary in importance and are highly dependent on variables, such as region, country, industry, and company. Therefore, we try to understand the context of each portfolio business when determining the issues that matter to our long-term investment case.

For example, in a knowledge economy, attracting and retaining talent and having a diverse workforce may be critical determinants of the long-term success of a business offering software as a service solutions. In such a business case, we might identify human capital management as a priority issue, define specific objectives, and design a pathway to address these objectives with the management team.

Our primary investment strategies are organized across different markets facing diverse risks and opportunities. In our experience, management teams in certain countries may be less inclined to engage with investment managers. We seek to recognize regional cultural norms and adjust our approach accordingly, factoring these norms into our thinking about how to influence progress over time.

²⁵ As part of our ongoing research, Sands Capital regularly engages with the management teams and, if appropriate, board members of portfolio businesses to better understand each business's long-term strategic vision and management of risks and opportunities, including those pertaining to environmental, social, and governance (ESG) matters. Sands Capital's engagement with management teams and board members does not involve any direct or indirect attempt to exert pressure to implement specific measures, change policies, or otherwise influence control over the issuer.



Tracking engagement progress

The investment team uses a custom function in FactSet’s Internal Research Notes to record engagements, monitor progress, and inform future engagements. Our system allows members of the investment team to record and track the qualitative details of individual engagements.

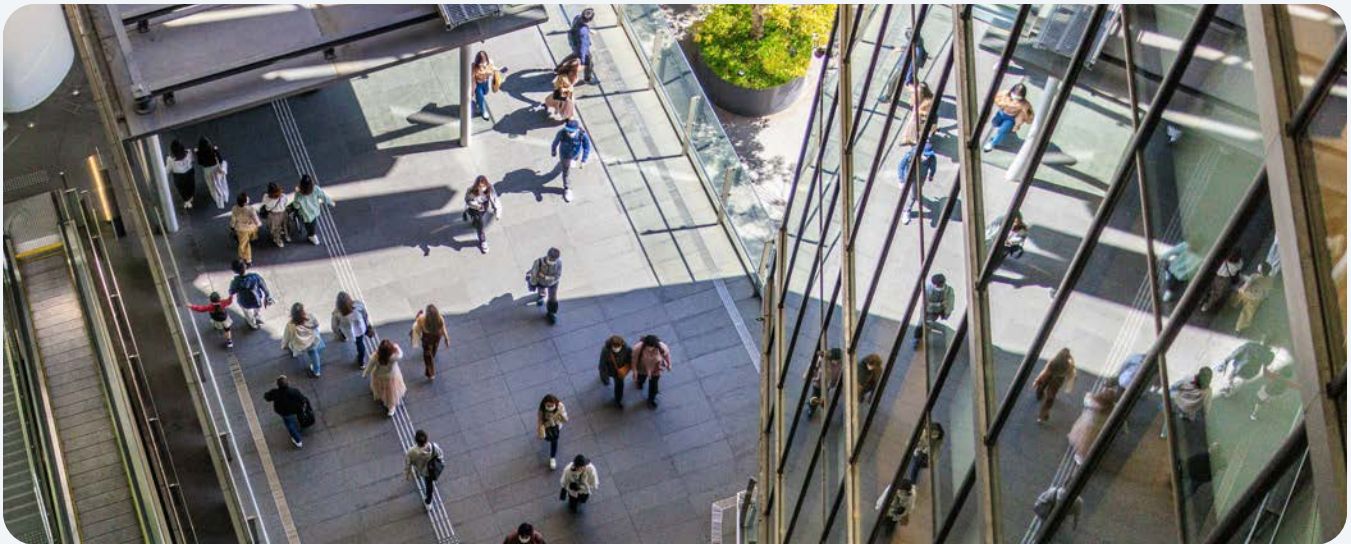
The records include the topic of engagement, any change we ask the portfolio company to make, the corporate response, and outcomes. We have also developed an engagement dashboard that not only allows easy tracking and display of metrics for our investment team but also can be used by other teams for overall engagement tracking and reporting.

Making Governance an Engagement Priority

In an information-rich world, nontraditional financial factors are increasingly relevant to a wider range of investable companies, and they are an important consideration in the evaluation and stewardship roles Sands Capital plays. Typically, these factors are summarized under the heading “ESG,” which attempts to capture environmental, social, and governance metrics. Of these three domains, the one we focus on most consistently is governance.

Governance is not necessarily the most important of the three ESG domains, but, in our view, it is the factor that has the most universal application and a topic in which we most commonly find material issues to discuss with portfolio companies. It is an area in which we believe we can offer valuable insights based on our long history of engaging extensively with portfolio companies. We also believe governance is an important topic for engagement because good governance tends to be a precursor to good environmental and social decision-making. Many governance matters are commonly included in proxy voting, providing us with a meaningful mechanism to address these issues.

As a global investment firm, we are also prepared to evaluate governance issues relevant to specific types of companies or regions with different regulatory and financial systems. Engagements for the Select Growth strategy, which focuses primarily on U.S.-domiciled growth businesses, may look different from engagements for the Emerging Markets Growth strategy due to the disparate environments in which these businesses operate.



Human Capital Management: Our Most-Engaged Topic

Human capital management was again our most frequently engaged ESG topic in 2025, reflecting our conviction that people are central to long-term value creation across many of the businesses we own. In an increasingly complex and competitive global economy, durable advantages are often shaped less by physical assets and more by how effectively companies lead their organizations, attract talent, and retain critical employees over time.

We view human capital as sitting at the intersection of three closely linked pillars: leadership quality, talent acquisition, and talent retention. These elements are mutually reinforcing. Leadership establishes strategic direction and cultural norms, effective hiring brings in the skills required to execute and innovate, and retention preserves institutional knowledge and organizational momentum as businesses scale. When aligned, these pillars can strengthen execution, resilience, and earnings growth potential. When misaligned, they can introduce compounding operational and reputational risks.

The importance of this framework becomes clear across a range of business models. For knowledge-intensive companies such as Globant, the ability to consistently attract and retain highly skilled technologists across global markets is fundamental to maintaining innovation capacity and delivering for clients at scale. At ServiceNow, leadership depth, succession planning, and incentive alignment illustrate how strong human capital foundations can support long-term growth and operational discipline as organizations mature.

In contrast, CP All highlights how human capital can become a source of risk rather than an advantage. In Thailand, the company was the subject of unsubstantiated but concerning media reports alleging coercive treatment of the owners of its network of family-run convenience stores as it expanded its footprint. While the claims were not proven, they underscored how perceived power dynamics and shortcomings in workforce oversight can create reputational and operational risk, particularly in labor-intensive business models.

These dynamics help explain why human capital management features so prominently in our stewardship focus. We view it not as a standalone social consideration but as a core component of business quality and competitive positioning. Companies that invest thoughtfully in leadership development, compete effectively for talent, and foster cultures that support retention are often better positioned to adapt to disruption and generate value over time. Persistent gaps in any one of these areas, however, can weaken execution and erode long-term prospects.

The prominence of human capital in our 2025 engagement activity reflects both its broad material relevance across our portfolios and our belief that organizational strength remains a critical, if sometimes underappreciated, driver of long-term shareholder value.

To read more: See our 2025 piece, [Human Capital as a Competitive Advantage](#).

2025 Engagement Statistics²⁶

During engagements with our businesses, we try to integrate discussion of ESG issues into the conversation when relevant. In 2025, we engaged on ESG topics with 84 companies domiciled in 27 countries. In the following exhibits, we detail the range of topics covered in our discussions.

The engagement case studies on the following pages demonstrate our approach to building constructive relationships with management teams through exchanging information and perspectives and encouraging positive change in their businesses.

Engagement Statistics

146

ESG-Related Engagements Conducted

27

Countries Covered by ESG Engagements

84

Unique Companies Engaged About ESG Topics

288

Total Engagements Conducted

Engagement by Category

151

Non-ESG

95

Governance

92

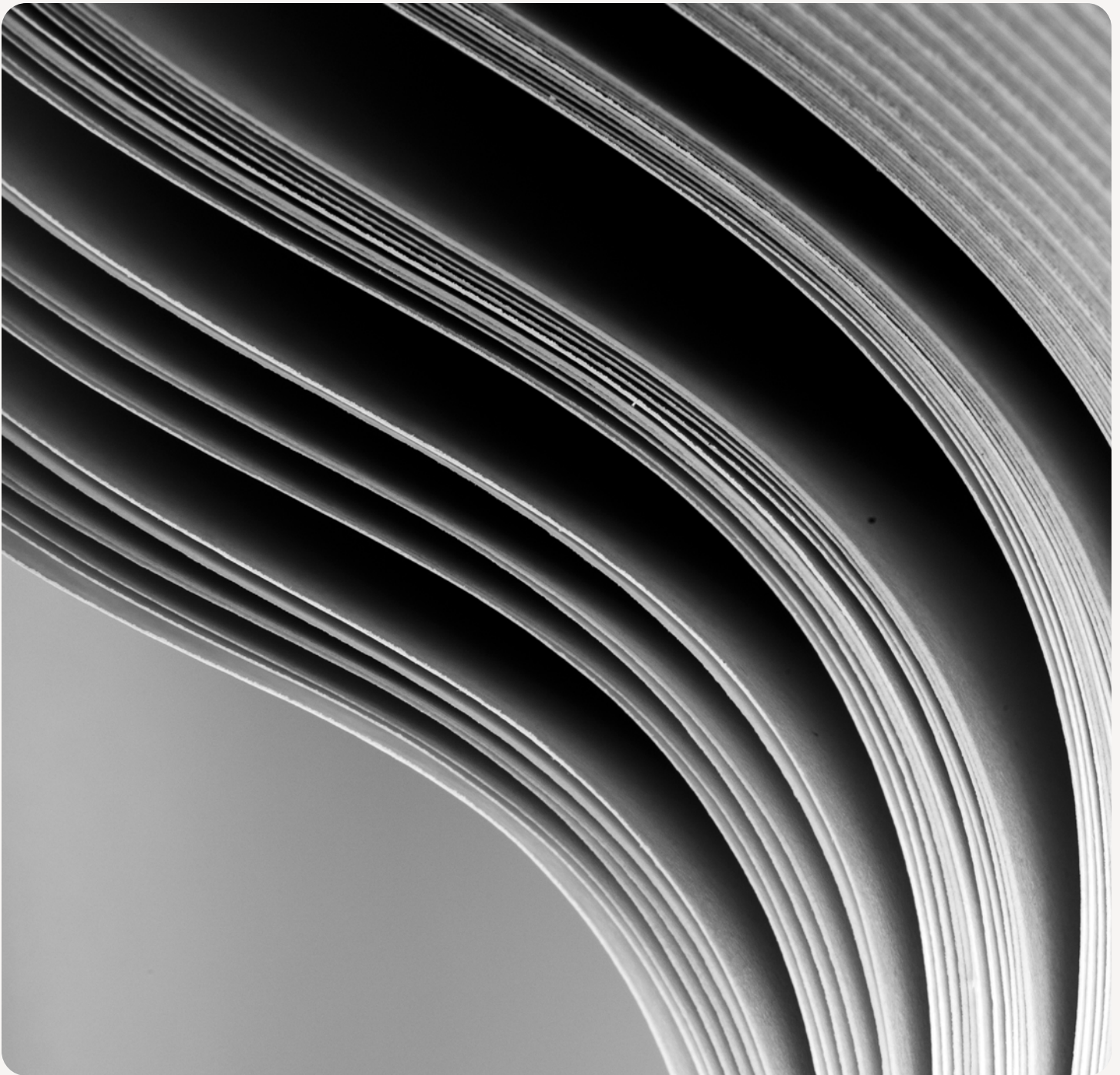
Social

48

Environment

26. Information contained in the Active Ownership section 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 exhibits in this section, include engagements made in our Select Growth, Global Growth, Emerging Markets Growth, International Growth, International Leaders, Global Leaders, Global Shariah, Technology Innovators, Global Focus, Emerging Markets ex China, Client Tailored, and Focus strategies.

Category	Topic	Number of Engagements in Period	Percentage of Engagements	Percentage of Topics	Number of Businesses	Percentage of Businesses
Non-ESG	Non-ESG	151	52.4%	49.9%	77	45.0%
Social	Human capital management	46	16.0%	6.3%	34	19.9%
Governance	Capital structure	32	11.1%	4.2%	26	15.2%
Social	Regulation	32	11.1%	4.4%	23	13.5%
Governance	Board structure or composition	29	10.1%	2.3%	26	15.2%
Governance	Management accountability	29	10.1%	2.8%	25	14.6%
Environment	GHG emissions or climate change strategy	26	9.0%	1.8%	25	14.6%
Governance	Increasing transparency and disclosure	25	8.7%	3.0%	19	11.1%
Social	Data security and privacy	22	7.7%	2.6%	18	10.5%
Governance	Regulation	22	7.6%	2.6%	16	9.4%
Environment	Energy use and efficiency	20	6.9%	1.5%	20	11.7%
Social	Product safety and impact	20	6.9%	1.6%	18	10.5%
Environment	Environmental policy and strategy	19	6.6%	1.3%	19	11.1%
Social	Labor rights	19	6.6%	1.1%	14	8.2%
Governance	ESG strategy and oversight	18	6.3%	1.1%	16	9.4%
Social	Human rights	17	5.9%	1.1%	13	7.6%
Environment	Material use and sourcing	17	5.9%	2.0%	13	7.6%
Governance	Other governance	17	5.9%	1.7%	16	9.4%
Governance	Shareholder protection and rights	17	5.9%	1.1%	13	7.6%
Governance	Executive compensation	15	5.2%	1.1%	13	7.6%
Social	Digital ethics	12	4.2%	1.4%	12	7.0%
Social	Other social	11	3.8%	0.5%	11	6.4%
Environment	Regulation	11	3.8%	0.5%	9	5.3%
Social	Health and safety	10	3.5%	0.4%	9	5.3%
Environment	Pollution and waste management	10	3.5%	0.7%	10	5.9%
Environment	Water use and efficiency	10	3.5%	1.1%	8	4.7%
Governance	Related-party transactions	8	2.8%	0.9%	7	4.1%
Governance	Audit and accounting	7	2.4%	0.7%	6	3.5%
Social	Diversity and inclusion	6	2.1%	0.3%	6	3.5%
Environment	Other environmental	6	2.1%	0.2%	6	3.5%
Total		288	100.0%	100.0%	112	65.5%



Engagement Case Studies

The engagement case studies on the following pages demonstrate our approach to building constructive relationships with management teams through exchanging information and supporting positive change in their businesses.



Case Study: **Ajinomoto**

Business: Ajinomoto is a global leader in amino acids and Japan's largest seasonings firm.

Key Issue: Product safety and impact.

Strategies: International Growth, International Leaders, Global Leaders, and Global Shariah.

Background

Ajinomoto has a long history of amino acids research and application. This has recently led to uses for amino acids in industries such as healthcare and semiconductors. However, the company is best known for creating the flavor enhancer monosodium glutamate (MSG) as well as other foods and seasonings. Some of these products have faced scrutiny for their associated health risks.

After our initial due diligence, we determined some of the claims were unfounded. Nevertheless, before initiating a position in the company, we wanted to know what internal processes Ajinomoto had in place to mitigate these risks.

Activity and Outcome

Clarifying misconceptions

It was imperative that we understood the safety of MSG due to it accounting for 15 percent of Ajinomoto's total company sales. MSG has faced concerns about its safety since the publication of a critical article in a U.S. medical journal in the 1960s. More recently, however, the Food and Drug Administration and the United Nation's Joint

FAO/WHO Expert Committee on Food Additives (JECFA) have both determined there is no credible evidence that MSG is harmful when consumed as part of a person's diet. Our research leads us to agree with these assessments, given that MSG has a stronger flavor profile than salt but with significantly less sodium.

Ajinomoto also distributes several artificial sweeteners, including aspartame. The company is a market leader in aspartame, with approximately 15 percent global market share. We engaged with the investor relations team at Ajinomoto to understand how it addressed claims of health risks associated with aspartame.

Ajinomoto representatives reassured our investment team about aspartame's safety by detailing how the company constantly communicates the safety of its products to the public. These communication efforts include referencing scientific evidence, such as JECFA's reassessment of the safety of aspartame. Ajinomoto also leverages research done by beverage manufacturers who purchase aspartame from the company. All of this information is relayed to relevant stakeholders, informing these groups about the safety of the company's products.

Engagement driving investment action

Although we still have some questions about artificial sweeteners, we believe the company's financial risks are minimal, given that artificial sweeteners account for approximately 1 percent of Ajinomoto's total sales.

Following our extensive due diligence and engagement with the company on its potential risks, we became comfortable initiating a position in Ajinomoto.



Case Study: **Localiza**

Business: Localiza is a leading diversified mobility platform in Brazil.

Key Issues: Executive compensation, ESG strategy and oversight, environmental policy and strategy, GHG emissions or climate change strategy, and human capital management.

Strategy: Emerging Markets Growth

Localiza is Brazil's largest provider of car rentals, fleet rentals, and car subscriptions by market share. Founded in 1973, the firm has grown into one of the largest publicly traded car rental businesses globally. The company's management team is widely respected for its ability to deliver on strategic objectives. Our recent engagement with Localiza's chairman, lead independent board director, and head of investor relations focused on reviewing the firm's ESG policies.

Activity and Outcome

Incentive structure and succession planning

We primarily sought to understand the company's stock grant program, which aims to instill an ownership mindset among its executives. With the founding leadership beginning to step back from day-to-day operations, the stock grant program supports leadership continuity and includes a backloaded vesting schedule tied to financial and ESG metrics. Currently, only the CEO and chief operating officer (COO) participate in the plan. While we support the program's structure and intent, we recommended broadening participation to include more diverse leaders. Expanding the group of beneficiaries could bring additional perspectives and enhance oversight of potential risks.

Progress on environmental disclosures

We also discussed Localiza's progress on environmental matters. Although the company has not yet set a science-based emissions reduction target, it does offset its Scope 1 and Scope 2 emissions. Company representatives shared that they are actively evaluating several SBTs and anticipate disclosing a formal commitment soon. We intend to follow up with Localiza's ESG team regarding future disclosures, particularly around carbon offsets.

Gender diversity and human capital development

Our engagement also addressed gender diversity within the company. Women represent about half of middle management, but just one of 12 senior managers is a woman. Localiza responded positively, noting it has committed resources toward career development programs for women and internal initiatives aimed at raising awareness of gender equity. One such initiative is a company-hosted podcast that highlights perspectives on gender diversity.

Conclusion

Localiza's approach to ESG reflects a thoughtful and proactive management culture. We value the transparency and responsiveness shown during this engagement and look forward to continuing our dialogue with the company on these and other stewardship matters.

Escalation

Portfolio companies can and do disagree with issues Sands Capital identifies as relevant and in the best interests of long-term shareholders during our engagements. Because of our long-term investment horizon, however, we can be both patient and persistent in discussing our concerns with management or, if necessary, with the board.

When we do not support how issues are addressed by company leadership and its board, we look for opportunities to discuss concerns via annual proxy votes. We are a sizable minority shareholder in many of the companies we invest in, which means companies are typically willing to engage with us.

Ultimately, if management is unable or unwilling to address our concerns, it could reduce our conviction in the company's fit with our investment criteria. In such cases, we reserve the option to reduce our position or sell our shares.

When we do not support how issues are addressed by the company, we may escalate the issues through any of the following channels:

- Advancing the conversation from management to board level.
- Speaking only to independent board members.
- Writing letters to the board of directors.
- Voting on the issue.
- Voting against the relevant board members.
- Potentially reducing our stake or selling the business if we feel the issue has impaired the company's fit with our investment criteria.



Escalation Case Study: WiseTech Global

In February 2025, four of WiseTech Global's independent directors resigned amid disagreements over founder Richard White's ongoing role. These resignations also followed personal conduct allegations against White and uncertainty about the company's leadership transition. Concurrently, guidance for the 2025 fiscal year was reduced due to product rollout delays, raising concerns around board independence, succession planning, and governance stability.

In March 2025, we sent a formal letter to WiseTech's board urgently recommending it to reestablish a majority-independent board, appoint directors with relevant logistics and software expertise, reassess long-tenured director independence, strengthen investor communications, and keep Richard White off board committees.

Shortly thereafter, WiseTech appointed two new independent directors and committed to adding two more, acknowledging investor concerns and signaling intent to improve governance oversight. However, in October 2025, regulators executed a search warrant related to insider trading allegations involving Richard White and others, introducing renewed governance uncertainty.

Despite initial efforts to add new members to the board, the subsequent regulatory investigation represented a material governance setback. We exited the position, concluding the governance risk outweighed the rationale for investment.

Proxy Voting

We believe the proxy vote must be treated with the same care, diligence, and loyalty as any asset belonging to the client.

83 percent of our clients followed our house voting policy in 2025.

Leveraging domain expertise to make informed voting decisions

We are among the largest institutional shareowners of many of our portfolio companies. The management teams of many of these companies often consult with us on their proposals before their general meetings. We use these engagements, along with others we initiate, to gain context and understand the intentions of management's recommendations. When we do not support a proposal, we may offer constructive suggestions to align with long-term shareholder interests.

Voting decisions are typically directed by the lead research analyst and often informed by supporting members of our global research team and internal stewardship specialists. We believe our lead analysts are the most knowledgeable about the company and, hence, best suited to evaluate each proposal in the context of our long-term investment case. They carefully consider the short- and long-term implications of each proposal and seek to vote shares in the best interest of our clients and other long-term shareowners.

To make our voting decisions, we typically consider company proxy documents, our proprietary research on the business, recent discussions with management, and third-party analysis. We receive reports from several independent proxy advisors—including Institutional Shareholder Services (ISS), Glass Lewis, and Stakeholder Empowerment Services—that may help us summarize information from the companies' proxy documents. While we do consider proxy advisors' guidance, we do not delegate our voting or default to their recommendations in our voting decisions. Instead, we make decisions based on our research and our proxy voting policy.

We also develop internal reports to assist in prioritizing proxy topics. We begin each year by collating the significant and contentious proposals of the previous year, using past records and shareholder advocacy information. These issues are cross-referenced with

information from the Council of Institutional Investors to flag potential controversial proposals. This report is shared with analysts covering their respective companies and with portfolio managers to review on a strategic level. It aims to inform analysts and portfolio managers of potentially significant and/or contentious upcoming proxy votes, allowing us time to assess every situation.

Proxy voting policy

We publish our voting policy on our website at sandscapital.com/stewardship. The policy is applied uniformly across all our investment strategies, vehicles, account types, and geographies. A dedicated committee oversees our proxy voting process and maintains our voting guidelines. As active, fundamental research-driven, business-focused investors, we strongly prefer to assume direct responsibility for voting on our clients' behalf. By aggregating such responsibility, we seek to be more effective stewards of our clients' capital. We also retain the voting authority for all pooled funds we manage. However, segregated account clients who maintain their own general or specific proxy voting and governance policies may choose to assume voting rights and have their proxies voted by an independent third party or another named fiduciary or agent. These accounts make up about 17 percent of our client base.²⁷

We generally vote all shares electronically, except for rare instances in which ballots have time constraints or there is a lack of custodian functionality with the ISS voting platform. In these cases, the paper ballot must be filled out by hand and faxed to the custodian for processing.

Account processing and voting process

When a new client has delegated voting authority to Sands Capital, the account is set up in our portfolio accounting system and on our proxy voting platform. The proxy administrator ensures letters of authorization are sent to the client's custodian so its ballots are forwarded to the proxy voting platform. Once the client is set up on the proxy voting platform, the proxy administrator reconciles the ballots of upcoming proxy meetings. If there are any missing ballots, the proxy administrator contacts the client's custodian for the control number(s). Upon receiving the control number(s), the proxy administrator sends them to the proxy voting platform to be uploaded to the platform.

The analyst responsible for voting at a company's proxy meeting is contacted via email through the ISS Communicator tool. This communication includes the meeting information and a link to submit their vote and rationale. The analyst, after determining how they intend to vote, contacts another analyst, portfolio manager, or the firm's proxy specialist for a peer review of their votes and

27. Ibid.



rationale. After the peer review has been completed, the vote is submitted. ISS Communicator notifies the proxy administrator that the meeting has been voted on. The proxy administrator applies the analyst's votes and rationale to all the ballots on the proxy voting platform and checks for peer review. Once the proxy administrator has reviewed the entire ballot, the vote is processed and approved. The proxy administrator stores all materials for the meeting (i.e., audit, proxy research, vote confirmation, etc.).

For 2026, only analysts with fewer than two years of proxy voting experience at Sands Capital will be required to obtain a peer review of their votes and supporting rationale from another analyst, a portfolio manager, or our proxy specialist before submission. In addition, ballots containing four or more shareholder proposals will first be reviewed by the core stewardship team. The team will provide research and serve as an expert sounding board to help analysts assess contentious or complex proposals.

Share blocking

We strive to vote on every company ballot in every geography. While share blocking (in which shares that will be voted at the meeting cannot be sold until the meeting has taken place and the shares are returned to the client's custodian banks) has become less common, it sometimes occurs. In such cases, shareholders wishing to vote their proxies must deposit their shares with a designated depository shortly before the date of the meeting. If there are no compelling reasons to the contrary, we believe the benefit to the client of exercising the vote is outweighed by the cost of voting (i.e., not being able to sell the shares during this period). Accordingly, if share blocking is required, we will typically elect not to vote those shares.

The investment team, in conjunction with the proxy committee, retains the final authority to determine whether to block the shares in the client's portfolio or to pass on voting.

We Voted Against ISS **10 Percent** of the Time in 2025

Voting statistics

We voted on 99.5 percent of all eligible items during 2025.²⁸ Of those votes, we cast 95.9 percent in line with management recommendations and 4.1 percent in opposition to management's recommendations. We voted in line with ISS recommendations 90.4 percent of the time and against ISS 9.6 percent of the time.

All our proxy voting activity for the trailing 12 months is updated and published monthly on our website at 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 emailed directly to clients and consultants and are available to other stakeholders via our public website or upon request.

28. 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 advisor, unsupervised or nonmanaged securities held in a client's account (such as exchange-traded funds), money market securities, or other securities selected by clients or their representatives other than Sands Capital.



Votes Against Management

One of our investment criteria is a clear mission and value-added focus, which includes the overall quality of a company’s management team. Because of our extensive research and diligence before investing in a business, we have a high degree of trust in the management of the companies we own. When voting proxies, we, therefore, place significant emphasis on management recommendations and tend to vote in line with the company. We prefer to use votes against management as a last resort or escalatory measure and will usually seek to engage a company first.

Our votes against management during the reporting period most frequently pertained to proposals on electing directors, compensation, capitalization, blank check items, and shareholder proposals. The graph to the right provides a full breakdown of our votes against management.

Votes in favor of shareholder proposals

Shareholder proposals we voted in favor of in 2025 include the following:

- Approve recapitalization plan for dual-class share structure.
- Adopt a simple majority vote standard.
- Declassify the board of directors.
- Report on child safety and harm reduction.
- Commission third-party audit on working conditions.
- Appoint alternate internal statutory auditor(s) and approve their remuneration.
- Approve capital structure proposals on repurchasing shares.
- Elect directors.

Sands Capital Votes Against Management in 2025

Proposal Type	No. of Proposals	Percentage
Compensation	9	20.5%
Director Election	9	20.5%
Director-Related	8	18.2%
Routine Business	5	11.4%
Social	5	11.4%
Corporate Governance	3	6.8%
Nonroutine Business	2	4.5%
Strategic Transactions	2	4.5%
Capitalization	1	2.3%
Total	44	100%

Rounding may cause totals to vary from 100 percent.

Board of directors

We may vote against directors for a variety of reasons:

- Director qualifications are insufficient and not aligned with the firm's industry or strategy.
- The board is not majority independent.
- There are issues with attendance.
- The director sits on too many boards.
- 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.

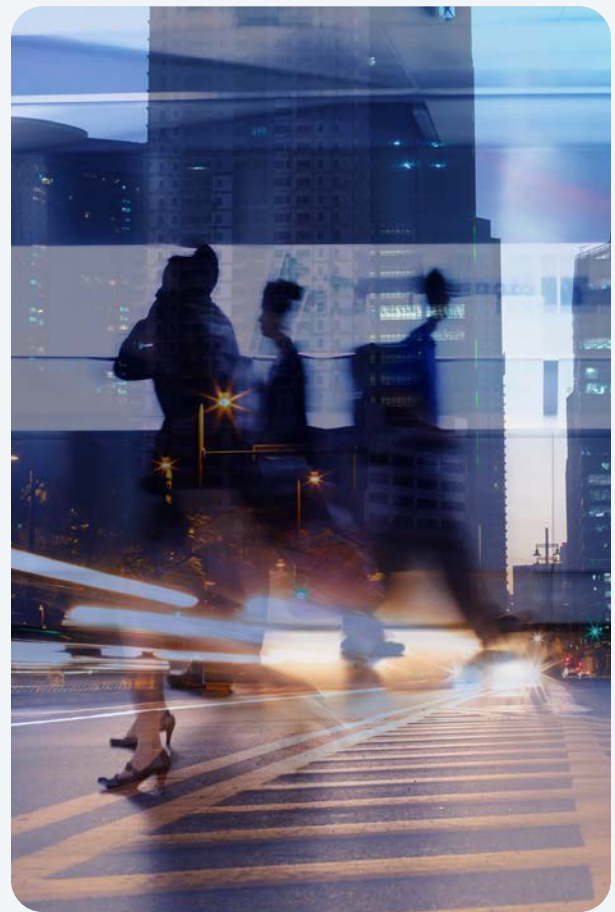
We typically avoid voting against all nominees unless the circumstances are extreme and we need to escalate an issue.

Sometimes, we face trade-offs in our engagement and proxy voting goals. We believe such cases are the reason why a case-by-case approach to engagement and proxy voting works best and why we hesitate to apply a rigid rules-based approach to proxy voting decisions.

Executive compensation

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 we believe 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.

Say-on-Pay proposals as required by the Dodd-Frank Act are less common in markets outside the United States. In these cases, we rely on engagements with companies to share our views on compensation structures aligning with shareholder interests.



Dual-Class Share Structures

We recognize dual-class structures may provide newly public companies a way to combat short-termism and adversarial initiatives. However, such structures also have the potential to introduce 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. As a result, we believe there should be a thoughtful mechanism for the expiration of super-voting rights (often known as sunset provisions) at a specified point in the future or upon a triggering event that makes the most sense for the longevity of the business.

We also support proposals that seek recapitalization to one vote per share, and we are equally supportive of management when sunset provisions are in place. Consistent with our voting over the last three years, in 2025 we continued to vote in favor of a shareholder proposal with recapitalization plans seeking to eliminate dual-class voting structures at Alphabet and Meta. In 2025, these were the only companies for which we had the option to vote on a shareholder proposal regarding dual-class share structures.



Proxy Voting Case Study: Cloudflare

Business: Cloudflare is an emerging network-as-a-service leader.

Key Issues: Executive compensation and dual-class shares.

Strategies: Select Growth, Global Growth, Global Leaders, and Technology Innovators.

Cloudflare has continued to navigate complex governance and compensation challenges as it scales its global cloud platform. We have maintained an active dialogue with Cloudflare's leadership to monitor its human capital management and share perspectives on aligning executive incentives with long-term shareholder interests. Our engagements have focused on ensuring the company's engineering-led culture can successfully integrate an effective enterprise sales force while maintaining a sustainable compensation framework.

Activity

In the lead-up to the 2025 proxy vote, we engaged directly with Cloudflare's board compensation committee and investor relations team to provide feedback on the firm's pay structures. We specifically addressed concerns regarding the company's equity-heavy compensation model, including the practice of resetting option price targets. While we recognize these adjustments as pragmatic concessions during broader market valuation resets, we expressed difficulty supporting them when combined with additional restricted stock unit grants and poorly timed repricing following earnings and guidance reductions.

During our discussions, we communicated that large, multiyear option grants based on price milestones may not be the optimal long-term incentive structure for the company. We have also maintained a consistent engagement priority regarding Cloudflare's dual-class share structure, which grants founders effective control through super-voting Class B shares. We have advocated for a time-based sunset provision to transition toward more balanced voting rights for minority shareholders.

Outcome and Next Steps

The 2025 annual general meeting represented a partial positive inflection point, with improved director voting results and the addition of newer directors to reduce board tenure concentration. However, we ultimately voted against the executive compensation plan, which did pass with a majority in favor of it. Due to unresolved structural issues in the remuneration plan, we will continue to address our concerns directly through dialogue with the company and, if needed, by voting against Say-on-Pay proposals.

7 Accountability

We are taking steps to monitor and strengthen the policies, processes, and practices that enable effective stewardship on an ongoing basis.



Reviewing Our Policies and Procedures

At Sands Capital, we have numerous policies that govern our responsible investment and stewardship activities. Regular policy review is critical to ensuring we are fully aligned with our values and that our policies enable active stewardship. To evaluate their effectiveness, we use:

- Internal reviews conducted by our own investment and compliance teams and relevant internal stakeholders. All changes and new policies are approved by the relevant oversight body within Sands Capital.
- Reviews by third-party consultants, such as SFA.

Our policies are reviewed regularly, and the methods we use for review vary by policy. The table on the following page outlines the key policies related to our ESG integration and active ownership activities and lays out the related review processes.

Fair, balanced, and understandable stewardship reporting

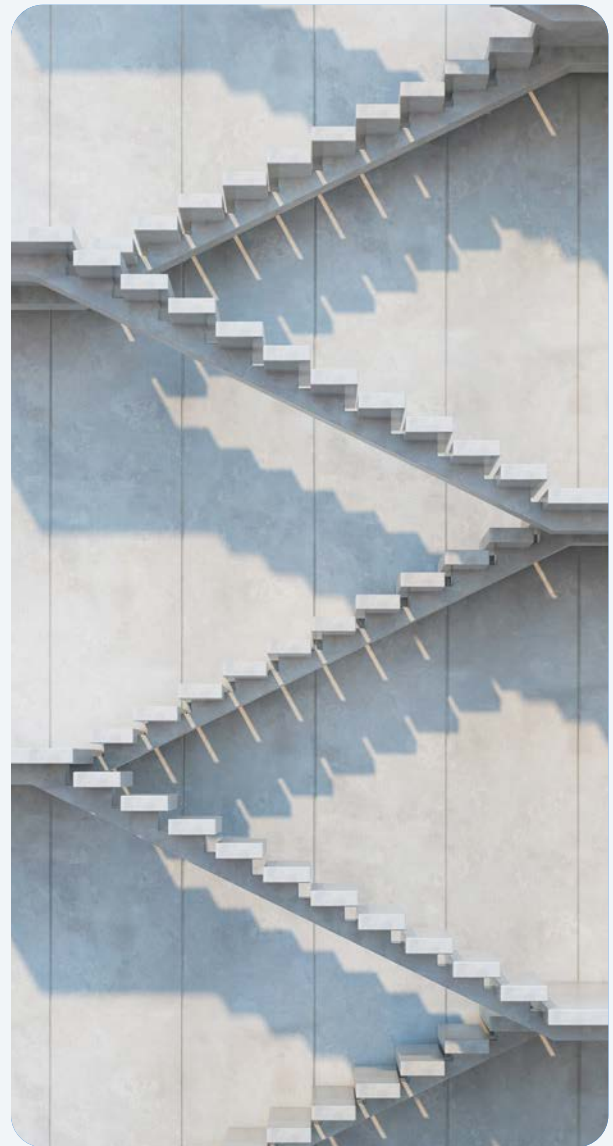
In addition to the commitments laid out in our policies, we work to regularly provide fair, balanced, and understandable reporting on stewardship matters. Our stewardship reporting is subject to the same standards as all other public communications, according to SEC regulations. All our disclosures and marketing materials are reviewed internally by our compliance team. Additionally, we engage third-party consultants to review and provide feedback on specific disclosures. Examples of this reporting include:

- Our annual stewardship report, which is designed to be transparent, publicly accessible, and relevant. We have made a concerted effort to provide context and real-world examples that give our stakeholders a complete story. The report goes through levels of approval by the director of stewardship, head of marketing and communications, and co-chief investment officer and CEO.
- In-depth quarterly reports, which we provide to our clients. These reports include investment performance, ongoing stewardship efforts, and engagement case studies for our flagship investment strategies comprising 92 percent of client capital under management.

In addition to internal and consultant reviews, our stewardship reporting also continues to evolve in response to client feedback.

Example of Improving Stewardship and Transparency Through Regular Review

We continue to refine and strengthen our stewardship program through regular policy reviews. In 2025, we initiated a comprehensive update of our stewardship policies with the support of an external consultant. This process includes identifying areas in which we can improve clarity, eliminate redundancies, and address emerging issues not currently covered. We expect this review to lead to a simplified yet comprehensive policy framework that will effectively enhance transparency around our stewardship efforts and support more valuable communication with stakeholders.



Key policies relevant to ESG integration, active ownership activities, and review processes

Policy Description	Review Process
Stewardship Policy This overarching policy details our ESG integration process and the guiding principles behind it.	Cross-Functional Stewardship Group This policy is overseen and administered by the cross-functional stewardship group composed of professionals who are responsible for guiding our stewardship program execution. The cross-functional stewardship group sets goals and objectives and monitors and reports progress.
Proxy Voting Policy and Procedures The policy specifies internal processes for our proxy voting activities. Additionally, all proxy votes are recorded and publicly shared on our website under our stewardship documents.	Proxy Voting Committee This policy is overseen by our proxy committee, which consists of five permanent members: the chief administrative officer, the chief compliance officer, a director of client relations, the director of stewardship, and a member of the research team. The proxy committee meets at least annually and as necessary to fulfill its responsibilities. A majority of the members of the proxy committee must be present to transact business. The chief administrative officer or designee acts as secretary of the proxy committee and maintains a record of proxy committee meetings and actions. As part of a broader annual internal controls examination conducted by an external party, our procedures are tested to verify our proxy voting is conducted as outlined in our Proxy Voting Policy.
Engagement Policy The policy details our approach to engagement.	Cross-Functional Stewardship Group The policy is administered by the cross-functional stewardship group, a group of professionals who are responsible for guiding the execution of our stewardship program, including engagement activities.
Modern Slavery Act Annual Transparency Statement This statement introduces us, our business, and our efforts to address modern slavery through our business operations, investment activities, and training.	Core Stewardship Team The current statement was published by the core stewardship team on June 18, 2025. It is reviewed annually and signed by our co-chief investment officer and CEO.
Service Provider Due Diligence Policy The policy outlines our approach to conducting due diligence on unaffiliated service providers and vendors.	Chief Administrative Officer The chief administrative officer reviews the policy as needed. The most recent review was conducted in April 2025. The head of each functional team is responsible for the implementation and monitoring of this policy and its embedded procedures for service providers engaged by the functional team. A third-party risk management (TPRM) firm and a software application help the team implement this policy and the related procedures. The head of each team is responsible for ensuring all applicable service providers are evaluated for risk and, if necessary, using the TPRM firm to conduct and review assessments.
Vendor Code of Conduct We maintain a vendor code of conduct embedded within our service provider due diligence policy. This code sets forth our expectations for current and future vendors.	Chief Administrative Officer The chief administrative officer reviews the code for any updates or changes needed as part of the service provider due diligence policy review.



Managing Conflicts of Interests

Sands Capital believes effective management of conflicts of interest, a key aspect of global and regulatory risk management, is critical for ensuring good client outcomes. As a fiduciary and an investment advisor to a variety of clients, we understand the actual or potential conflicts of interest that are inherent in our activities.

Policies and processes concerning potential conflicts of interest

To address conflicts of interest, Sands Capital has established a conflicts of interest board made up of senior executives and led by the general counsel and chief compliance officer. The board assesses and makes recommendations with respect to conflicts of interest and related policies and procedures with the best interests of clients and beneficiaries in mind.

Sands Capital also maintains numerous policies that address potential conflicts of interest in the investment process:

- The Code of Ethics sets forth standards of conduct, including compliance with federal securities laws, reporting of personal securities transactions, and prompt reporting of violations of this code.
- The Research, Portfolio Management, and Portfolio Implementation Policy addresses manipulative trading practices.
- The Form ADV sets forth Sands Capital's policy for placing client trades and disclosing its procedures for seeking to obtain the best execution on client trades.

- The Insider Trading Policy implements reasonable procedures, considering the nature of Sands Capital's business, designed to prevent the actual or apparent misuse of material nonpublic information by Sands Capital staff members.
- The Proxy Voting Policy and Procedures lays out procedures for the identification and voting of proxies, as well as procedures for resolving material conflicts of interest before voting client proxies.

As set forth in various Sands Capital policies, it is the responsibility of each staff member to identify potential conflicts. To ensure the policies are implemented at the core of our practices and are adhered to, all staff members are required to confirm their review of the Code of Ethics annually. All of our staff also receive training on an ad hoc basis when a policy is updated. These trainings are designed to:

- Provide staff with an awareness and understanding of potential conflicts of interest.
- Provide staff with an understanding of their responsibilities.
- Drive continuous improvement in the management of any conflicts.

Sands Capital requires all staff to disclose potential conflicts of interest in regular quarterly and annual compliance attestations. The firm provides supplementary training to all investment staff, equipping them to effectively address risks specific to corporate engagements and related stewardship activities. This includes training on situations in which staff may come into possession of material nonpublic information.

Potential conflicts of interest scenarios

While it is rare for conflicts of interest to arise at Sands Capital, we remain highly committed to identifying conflicts that might occur. The table below identifies several potential conflict scenarios that are addressed by our policies and processes.

Management and Actions

Scenario 1

Sands Capital votes on behalf of a segregated client who is affiliated (parent or subsidiary) with a listed company owned in the client's account(s).

In cases in which we have full voting discretion for the client, we would vote in line with our Proxy Voting Policy in accordance with the client's investment management agreement. As conflicts of interest that may impair our ability to vote proxies objectively are identified, the Proxy Voting Policy requires staff to escalate the conflicts to the chief administrative officer and/or chief compliance officer. Upon notification, the chief administrative officer and/or chief compliance officer will notify the proxy committee, which will determine whether the conflict is material. If it is determined to be a material conflict with the proxy proposal, we will vote on the proposal in accordance with the determination of the proxy committee. Guidance from independent third parties may be used for recommendations on how to vote on the proposal.

Scenario 2

Sands Capital votes on behalf of a client who owns a listed company in their account and is affiliated with the investment advisor of a fund vehicle that is subadvised by Sands Capital.

In cases in which we are a subadvisor of a fund that holds a company owned by a client, we would vote in line with our Proxy Voting Policy in accordance with the client investment management agreement. As conflicts of interest that may impair our ability to vote proxies objectively are identified, the Proxy Voting Policy requires staff to escalate the conflicts to the chief administrative officer and/or chief compliance officer. Upon notification, the chief administrative officer and/or chief compliance officer will notify the proxy committee, which will determine whether the conflict is material. If there is determined to be a material conflict with the proxy proposal, we will vote on the proposal in accordance with the determination of the proxy committee. Guidance from independent third parties may be used for recommendations on how to vote on the proposal.

Scenario 3

Sands Capital votes on behalf of a client who is an officer or director of a listed company that is owned in the client's account.

In cases in which a client is also an officer or director of a company owned in their portfolio, we would vote in line with our Proxy Voting Policy in accordance with the client investment management agreement. As conflicts of interest that may impair our ability to vote proxies objectively are identified, the Proxy Voting Policy requires staff to escalate the conflicts to the chief administrative officer and/or chief compliance officer. Upon notification, the chief administrative officer and/or chief compliance officer will notify the proxy committee, which will determine whether the conflict is material. If it is determined to be a material conflict with the proxy proposal, we will vote on the proposal in accordance with the determination of the proxy committee. Guidance from independent third parties may be used for recommendations on how to vote on the proposal.

Scenario 4

Sands Capital votes on behalf of a segregated client on a proposal that has been put forth by the client.

In cases in which a client has submitted a proposal to a company we hold in any strategy, we would vote in line with our Proxy Voting Policy in accordance with the client investment management agreement. As conflicts of interest that may impair our ability to vote proxies objectively are identified, the Proxy Voting Policy requires staff to escalate the conflicts to the chief administrative officer and/or chief compliance officer. Upon notification, the chief administrative officer and/or chief compliance officer will notify the proxy committee, which will determine whether the conflict is material. If it is determined to be a material conflict with the proxy proposal, we will vote on the proposal in accordance with the determination of the proxy committee. Guidance from independent third parties may be used for recommendations on how to vote on the proposal.

Scenario 5

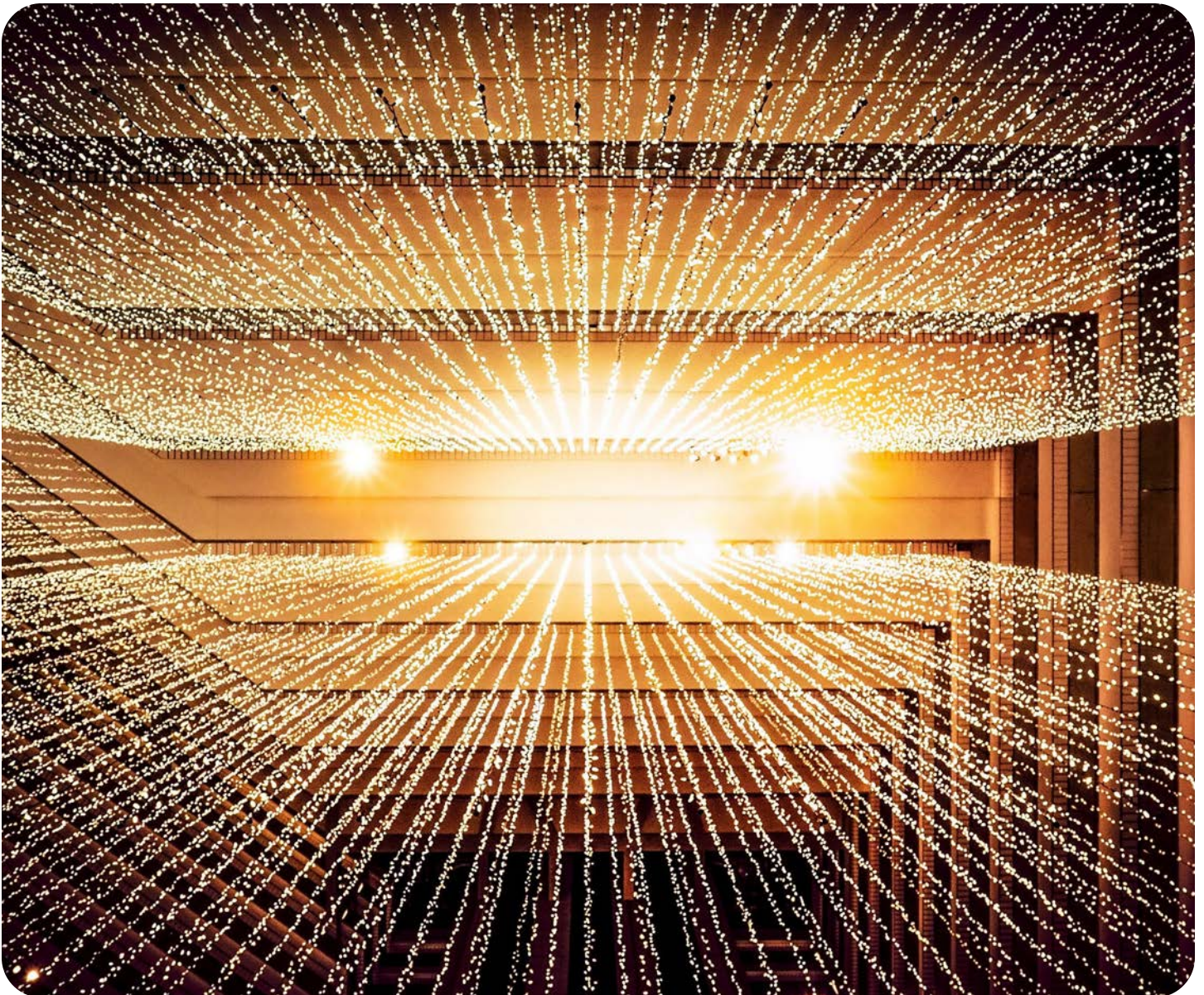
Sands Capital votes on behalf of clients in a listed company with which a Sands Capital staff member, who has influence over the voting decisions, presumably the lead research analyst or a portfolio manager, has an affiliation.

In cases in which a Sands Capital staff member is affiliated with a company and has influence over voting decisions, we would vote in line with our Proxy Voting Policy in accordance with the client investment management agreement. We must attest quarterly about any directorships or influential roles with public and private companies to avoid this situation. As conflicts of interest that may impair our ability to vote proxies objectively are identified, the Proxy Voting Policy requires staff to escalate the conflicts to the chief administrative officer and/or chief compliance officer. Upon notification, the chief administrative officer and/or chief compliance officer will notify the proxy committee, which will determine whether the conflict is material. If it is determined to be a material conflict with the proxy proposal, we will vote on the proposal in accordance with the determination of the proxy committee. Guidance from independent third parties may be used for recommendations on how to vote on the proposal.

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Tools and Service Providers

Tools and service providers enable us to better fulfill our client and stakeholder needs. We believe the responsible use and management of our providers is integral to ensuring thoughtful stewardship.





Complementing Domain Knowledge With Appropriate Tools and Service Providers

Executing a successful stewardship program is resource-intensive, in our experience. Therefore, we strive to responsibly use and manage our tools and service providers. These providers offer us access to aggregated datasets, tools, and frameworks that would be difficult for us to create on our own. Managed well, these providers enable us to accomplish more for our clients and other stakeholders.

Our Tool Stack lists the service providers we use in our stewardship program. It includes independent third-party research providers that assist our analysts' decisions. The reports generated by these providers often include helpful assessments of our portfolio companies' performance and governance practices. However, we do not rely solely on third-party reports.

Our Tool Stack

ESG Research	MSCI ESG Research	MSCI Carbon Footprint Calculator/ Climate Value-at-Risk	Sustainalytics
Proxy Voting Research	Institutional Shareholder Services	Glass Lewis	Stakeholders Empowerment Services
Business Involvement Screening	MSCI ESG Research	Sustainalytics	
Standards and Frameworks	SASB Standards (now integrated into ISSB)	Task Force on Climate-Related Financial Disclosures	UN Global Compact
Technology Platforms	FactSet	Microsoft Power BI	

Sustainalytics, a Morningstar company, 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 Standards help companies disclose relevant sustainability information to their investors. Available for 77 industries, the SASB Standards identify the sustainability-related risks and opportunities most likely to affect an entity's cash flows, access to finance and cost of capital over the short, medium, or long term, and the disclosure topics and metrics that are most likely to be useful to investors. The UN 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, trading as FactSet, is a U.S. financial data and software company. Glass Lewis is a provider of global governance solutions. Stakeholders Empowerment Services is a corporate governance research and advisory firm. Microsoft Power BI is a unified, scalable platform for self-service and enterprise business intelligence. Microsoft is a Sands Capital holding.

To support the development of our stewardship program, we also engage with third-party consultants and specialists who offer comprehensive assessments of our ESG practices, in-depth research that complements our domain expertise, and tools, such as carbon accounting software.

Sands Capital's policy is to conduct diligence on its service providers using a risk-based approach. Our business managers are responsible for assessing the importance of the services provided and the suitability, performance, and commercial value of the service provider to the firm and our clients. Our legal, operations, and technical professionals contribute to conducting ongoing due diligence that we deem appropriate based on our risk assessments. Furthermore, service providers that deliver mission-critical services, as determined by risk assessments, are an important component of our business continuity plan, considering that a disruption in service could affect the firm's operations and, ultimately, our clients.

We may also use an outside TPRM specialist to supplement our vendor examinations. The TPRM program may use different due diligence processes tailored to vendor type and the risks presented. Certain reviews are conducted entirely in-house by subject matter experts. When used, the TPRM specialist contacts new and existing vendors (when applicable) on our behalf to complete due diligence questionnaires and obtain system and organizational control audits, assessments, policies and procedures, and other required documentation based on the risk profile of the service provider. Furthermore, the TPRM specialist reviews all materials submitted by the service provider and flags areas of concern to the business relationship owner at Sands Capital. While the TPRM specialist conducts the due diligence on our service providers, the business relationship owner focuses on assessing the performance and commercial value of the service provider to the firm and our clients.

A typical assessment seeks to evaluate the service provider's internal controls, audit report (if applicable), information security policy and/or privacy policy, data breaches, business continuity plan, conflicts of interest, significant personnel changes, pending litigation, and any material changes to its business, operations, and financial stability, among other factors.

In the event of an unsatisfactory review, risk assessment, or performance not meeting our expectations, we may choose to engage with the service provider at our discretion to resolve our concerns. If we determine the service provider is unable to effectively address our issues, we will terminate our contract with the provider.

Generally, the service providers supporting our stewardship program meet our performance expectations. With regard to ESG data research providers, we believe in supporting active feedback loops in an effort to increase data quality. When we find an inaccuracy in data or incomplete information on a business under our research coverage, we may flag the concern to the service provider and inform company management of our findings.

Missing data can have an adverse impact on a company's ESG rating. To assist our portfolio businesses, we will occasionally work with them to help effectively disclose the data sought by the

research providers. In our experience, emerging market companies are more prone to what we consider to be subpar ESG ratings that can be attributed to incomplete data disclosure. In some cases, these companies need guidance on the most effective formats and channels to convey information to the ESG research providers.

Collaborative Engagement for Better Data

In 2024, we became a member of II-HRD a collaborative initiative in which institutional investors work together to advance the corporate human rights data environment. We believe this will enable investors to systematically incorporate human rights data in support of their investment and stewardship decision-making. We joined as a collaborating investor, participating in the working groups focused on MSCI and Sustainalytics, to advocate for better, more comprehensive corporate human rights data and to help drive industrywide alignment. Work on this initiative has continued throughout 2025, and we expect to see continued progress in the coming year.



Appendix



UK Stewardship Code Disclosures and Principles Content Map

Section	UK Stewardship Code Disclosure or Principle
Who We Are	Policy and Context Disclosure A: Describe your organization, your investment beliefs, your clients or beneficiaries, and how that informs your approach to stewardship.
Who We Serve	Policy and Context Disclosure A: Describe your organization, your investment beliefs, your clients or beneficiaries, and how that informs your approach to stewardship. Policy and Context Disclosure E: Describe how you maintain a dialogue with clients and/or beneficiaries.
Oversight	Policy and Context Disclosure B: Describe how your resources enable effective stewardship.
Approach to ESG Integration	Principle 1: Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries.
Promoting Well-Functioning Markets	Principle 2: Signatories identify and respond to market-wide and systemic risks to promote well-functioning financial markets.
Active Ownership	Principle 3: Signatories engage to maintain or enhance the value of assets. Principle 4: Signatories actively exercise their rights and responsibilities.
Accountability	Policy and Context Disclosure C: Describe your stewardship policies and processes, and how you review them. Policy and Context Disclosure D: Describe how you manage stewardship-related conflicts of interest to put the best interest of clients and beneficiaries first.
Tools and Service Providers	Principle 6: Signatories actively exercise their rights and responsibilities.



Policies

[Stewardship Policy](#)

[Proxy Voting Policy and Procedures](#)

[Engagement Policy](#)

[Modern Slavery Act Annual Transparency Statement](#)

[Vendor Code of Conduct](#)

[ESG Principles](#)



Our core stewardship team.

Core Stewardship Team

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[Ashley Patton](#), Sr. Stewardship Analyst

[Christopher Jenkins](#), Sr. Proxy and Stewardship Specialist

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Disclosures

The views expressed are the opinion of Sands Capital and are not intended as a forecast, a guarantee of future results, investment recommendations, or an offer to buy or sell any securities. The views expressed were current as of the date indicated and are subject to change. This material may contain forward-looking statements, which are subject to uncertainty and contingencies outside of Sands Capital's control. Readers should not place undue reliance upon these forward-looking statements. All investments are subject to market risk, including the possible loss of principal. There is no guarantee that Sands Capital will meet its stated goals. Past performance is not indicative of future results. A company's fundamentals or earnings growth is no guarantee that its share price will increase. The specific securities identified and described do not represent all the securities purchased, sold, or recommended for advisory clients. There is no assurance that any securities discussed will remain in the portfolio or that securities sold have not been repurchased. You should not assume that any investment is or will be profitable. Company logos and website images are used for illustrative purposes only and were obtained directly from the company websites. Company logos and website images are trademarks or registered trademarks of their respective owners and use of a logo does not imply any connection between Sands Capital and the company.

As part of our ongoing research, Sands Capital regularly engages with the management teams and, if appropriate, board members of portfolio businesses to better understand each business's long-term strategic vision and management of risks and opportunities, including those pertaining to environmental, social, and governance (ESG) matters. The use of the term "active ownership" and Sands Capital's engagement with management teams and board members does not involve any direct or indirect attempt to exert pressure to implement specific measures, change policies, or otherwise influence control over the issuer. The companies illustrated represent a subset of current holdings in the Sands Capital portfolios 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. These examples are not a complete list of engagements or results and should not be interpreted as indicators of investment performance or ESG impact. 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 twelve months please contact a member of the Client Relations Team at 703-562-4000.

As of December 31, 2025, Ajinomoto, Alphabet, Amazon, Anta Sports Products, ASML Holding, Axon Enterprise, BYD, Carpenter Technology, Cloudflare, Contemporary Amperex Technology, Dino Polska, Galderma, Globant, H World, HDFC Bank, International Container Terminal Services, Meta Platforms, Microsoft, Nu Holdings, NVIDIA, On Holding, Pandora, Phoenix Mills, Samsung Electronics, ServiceNow, SK hynix, Spotify, Taiwan Semiconductor, Tencent, Titan, Walmart de México, Waste Connections, and WEG were holdings in Sands Capital strategies. As of December 31, 2025, Sands Capital had closed all positions in CP All, Dexcom, Localiza, and WiseTech within its flagship funds.

This report contains examples of the type of fundamental research Sands Capital conducts and, as such, contains the opinions and comments of Sands Capital at points in time. Additional or subsequent information may cause Sands Capital's views to change. This report is not a complete analysis of all material facts and therefore is not a sufficient basis alone on which to base an investment decision. This material may include summaries and references to research notes, emails, conference calls, and meetings, and there is no guarantee or representation that this information is complete, current, or accurate.

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Risks Associated with Sands Capital's Approach to ESG: Application of Sands Capital's ESG process may affect the Fund's exposure to certain issuers, sectors, regions, and countries and may affect the Fund's performance depending on whether certain investments are in or out of favor. Sands Capital's ESG process (including adherence to any exclusion criteria) may result in the Fund forgoing opportunities to buy certain securities when it might otherwise be advantageous to do so or selling securities for ESG reasons when it might be otherwise disadvantageous for it to do so. As a result, the Fund's performance may at times be better or worse than the performance of funds that do not use ESG or sustainability criteria. There are significant differences in interpretations of what it means for an issuer to have positive ESG factors. The portfolio decisions Sands Capital makes may differ with other investors' or advisers' views. Socially responsible norms differ by country and region, and an issuer's ESG factors or Sands Capital's assessment of such may change over time. Sands Capital's assessment of a company's ESG factors could vary over time to reflect changes in a company's performance, which could mean that a company could move from being an investment of the Fund to being divested due to ESG concerns, or conversely change from being previously considered not suitable for investment, to becoming investable. Where companies are subsequently considered not investable for ESG reasons, there may be a delay such that the Fund is temporarily invested in such companies as Sands Capital seeks to execute the transactions in an orderly manner to minimize the impact on the Fund. When conducting its ESG process (including compiling and maintaining any exclusion list), Sands Capital will rely on data obtained through voluntary or third-party reporting that may be incomplete, inaccurate, estimated, or unavailable, which could cause Sands Capital to incorrectly assess an issuer's business practices with respect to ESG or to incorrectly include or exclude an issuer on or from any exclusion list. ESG data from data providers used by Sands Capital often lacks standardization, consistency, and transparency, and for certain issuers and guarantors, such data, including ESG ratings and scores, may not be available, complete or accurate or may be estimated.

Notice for non-US Investors.

#20260430-5357139

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