

Principal Adverse Impacts Statement

Summary

William Blair Investment Management, LLC (“William Blair” or “Firm”) considers positive and adverse impacts of its investment decisions on sustainability factors, including environmental, social and governance (“ESG”) factors. This Principal Adverse Impacts Statement (“PAIS”) applies only to those William Blair SICAV Funds that promote ESG characteristics in accordance with Article 8 under the Sustainability Finance Disclosure Regulation (“SFDR”). The reporting period will cover 1 January 2022 – 31 December 2022.

Information about Policies on Identification and Prioritization of Principal Adverse Sustainability Impacts and Indicators

As an active manager whose heritage is built on rigorous, fundamental analysis, ESG considerations have always informed William Blair’s investment decisions. The Firm has long realized that these factors have a meaningful impact on a company’s ability to create sustainable value, so William Blair’s core investment philosophies and processes are naturally aligned with ESG integration and sustainable investing principles. The Firm maintains a Sustainability Risk Integration Policy that informs its ESG integration process. The Policy describes key elements related to sustainability risks, materiality, engagement, and governance.

Description of Principal Adverse Sustainability Impacts and Actions

William Blair addresses adverse impacts by systematically integrating what it deems to be financially material ESG factors in its fundamental company research. The assessment of potential ESG risks and opportunities is guided by a proprietary industry materiality framework that was developed internally by the Firm. William Blair has developed a qualitative ESG ratings system that is fully aligned with its views on the ESG factors that affect company performance. Environmental areas of focus include climate change, natural resources stewardship, pollution, and waste management. Social considerations include human capital management, customer well-being, supply chain management and community relations. From a governance perspective, the key focus is on board composition, minority shareholder treatment, management incentives and corporate culture.

Research Process. ESG insights are primarily informed by proprietary research, including company meetings and data aggregation from multiple internal and external resources. Our assessment of potential ESG risks and opportunities for different industries and companies is supported by a proprietary materiality framework that was developed internally by the investment teams, with input from the Sustainability Accounting Standards Board (SASB) and sustainable investment research providers.

In addition to our proprietary ESG research, third-party ESG company ratings are systematically incorporated into our research reports to provide additional context. These ratings are discussed as part of the original buy recommendation, depending on data availability and our assessment of materiality with respect to the investment thesis. William Blair currently utilizes ESG ratings from MSCI ESG Research and routinely monitors the research vendor landscape for additional ESG research inputs. We also continually seek expanded universe coverage and data quality improvement from our existing research providers.

Ownership and Engagement. ESG integration at William Blair also encompasses responsible ownership practices, and we take seriously our responsibility to monitor the effectiveness of company management and exert influence on governance practices through the exercise of proxy voting rights.

Our commitment to responsible ownership is demonstrated by our support of global corporate governance initiatives including the Japan Stewardship Code, and the Korea Stewardship Code. As a member of the Investor Stewardship Group, William Blair also endorses the Framework for U.S. Stewardship and Governance.

Although William Blair is not an activist investor, corporate governance and the treatment of minority investors are important to the Firm. William Blair's investment process takes into consideration issues that may affect shareholders prior to the Firm investing in a particular company. If William Blair is not satisfied that the entity has placed shareholder interests foremost in its thinking regarding its capital allocation and business practice decisions, then the Firm will not invest.

William Blair adopted proxy voting guidelines that are focused on financial returns and consistent with the objectives of sustainability-minded investors. Sustainability-minded investors are concerned with economic returns and with ESG principles that could materially affect future financial outcomes.

Integration. William Blair addresses sustainability risks by integrating ESG factors in a structured, quantitative, and qualitative process that provides a holistic assessment of an issuer's opportunities and risks.

Sustainability risks are also integrated in the investment process through the exclusion of companies engaged in cluster munitions manufacturing. Companies that are subject to sanctions, or that violate global norms and conventions, are also excluded. William Blair also seeks to avoid companies that derive a significant portion of their revenues from tobacco-related businesses or thermal coal mining. In determining whether to invest based upon these principles, William Blair will incorporate industry accepted screening tools from vendors that it deems to be reliable.

Summary of Engagement Policies

As shareholders and fiduciaries, William Blair seeks transparency and disclosure of material, decision-useful information from investee companies as a matter of course. To that end, the Firm engages with companies to better understand key value drivers and growth opportunities; to monitor each company's progress in achieving its strategic, operational, and financial objectives; and to encourage them to be transparent and proactive in the management of material risks.

William Blair's research analysts routinely meet with the management of companies as part of the Firm's investment process and raise ESG-related concerns that may be of interest to investors, including company-specific or more systemic risks, such as climate change, which can be material to financial performance. Engagement dialogue is informed by our industry-focused ESG materiality framework, and may include governance topics (such as improving shareholder rights and board structure), social issues (such as data privacy and human capital management), or environmental factors (such as pollution and waste control). While research analysts are primarily responsible for engaging with companies, portfolio managers and members of the firm's ESG leadership team may also participate.

William Blair's preference is to engage privately and pursue a constructive dialogue with companies over time. Companies with scope for improvement on material ESG issues are identified through a combination of proprietary and third-party research, including screening tools to systematically identify companies exposed to controversial industries or products, or which have potentially violated global norms.

William Blair believes that exercising voting rights is integral to the Firm's active ownership responsibilities. As environmental and social issues are becoming more prominent areas of focus for clients and shareholders more broadly, William Blair believe it is important to periodically review the Firm's proxy voting policy to ensure that it remains well aligned with clients' objectives, along with William Blair's assessment of corporate risk and opportunities. William Blair has adopted proxy voting guidelines that are focused on financial returns and consistent with the objectives of sustainability-minded investors.

Adherence to Responsible Business Codes and Standards

William Blair's commitment to responsible investing is demonstrated by its support of global corporate governance initiatives and business codes:

- United Nations Principles for Responsible Investment (PRI)
- Investor Stewardship Group Framework for U.S. Stewardship and Governance
- International Corporate Governance Network
- Japan Stewardship Code
- Korea Stewardship Code