Sustainability Risk Integration Policy

Introduction

William Blair Investment Management, LLC ("William Blair" or "Firm" or "we") believes that environmental, social, and corporate governance ("ESG" or "Sustainability") factors can be financially material. As such, ESG factors are holistically embedded in the Firm's fundamental analysis of investment risks and opportunities across different asset classes.

Sustainability Risk Integration

William Blair's fundamental equity, fixed income and multi-asset investment teams integrate ESG risks and opportunities into their fundamental analysis of securities, including corporate and non-corporate issuers. Each team emphasizes proprietary research to identify material sustainability risks, consistent with their unique investment process.

Equity Portfolios. Across our fundamental equity strategies, our investment philosophy is based on identifying quality companies that are able to produce excess returns on invested capital over time and use those returns to control their destiny—a concept we refer to as sustainable value creation. We believe that a company's ability to do this is inextricably and increasingly linked to ESG factors, whether it's developing environmentally sustainable new products, improving safety for workers across the supply chain, or enhancing independence and transparency at the board level.

Fixed Income and Multi-Asset Portfolios. ESG integration is also increasingly relevant to our fixed income strategies. As fixed income investors, ESG factors provide a valuable lens through which to evaluate the quality of company management and corporate culture, in addition to cash flows, the balance sheet, and overall business strength. Most important, we believe companies can use sustainable practices to reduce their operating risk, enhancing the risk-adjusted returns of their bonds.

Within our multi-asset portfolios, ESG factors can influence our valuation assessment for countries and currencies from a top-down, macro perspective.

William Blair addresses sustainability risks 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.

Materiality Framework. Not all ESG factors are equal in terms of their influence on a company's financial performance. In fact, the materiality of specific ESG factors varies significantly from industry to industry. That's why our approach to ESG integration starts with determining which ESG factors we believe are material for a given industry.

We have spent a significant amount of time exploring industry specific ESG factors that allow us to make more informed decisions based on our investment philosophy and client objectives. Part of this process involved reviewing the provisional materiality framework developed by the Sustainability Accounting

Standards Board and bringing in experts from sustainability-focused research partners to sharpen our analysts' thinking in terms of materiality assessments. Then, industry by industry, we held internal cross-team discussions to identify which ESG factors to consider in our research and decide how we would begin to prioritize those factors.

Environmental Categories. Sustainability risk related to the environmental factors include the following:

- Climate Change: carbon/greenhouse gas emissions; exposure to potential climate regulation (such as stranded assets); exposure to physical climate changes (such as weather and natural disasters); exposure to market opportunities, innovation, or subsidies in renewable energy
- Natural Resources Stewardship: responsible depletion of natural resources, including water, commodities, and land; impact on biodiversity; exposure to market opportunities; innovation or government subsidies in the areas of energy efficiency, sustainable water, and green building
- Pollution and Waste: toxic emissions and waste; packaging; electronic waste; exposure to market opportunities, innovation, or government subsidies in pollution and waste-prevention and control

Social Categories. Sustainability risks related to social factors include the following:

- Human Capital: employee recruitment, development, and retention (such as pay, benefits, diversity, and inclusion); workplace health and safety; exposure to operational risks from labor unrest
- Customer Well-Being: product quality and safety; responsible marketing; data privacy and security; exposure to market opportunities/ reputation benefits through access to finance, health care, nutrition, or communications
- Supply Chain Management: managing opportunities and risks beyond direct operations
- Community Relations: consideration of other stakeholders; community engagement and development

Governance Categories. Sustainability risks related to governance factors include the following:

- Corporate Governance: board experience and structure (such as independence, entrenchment, and diversity); ownership and control (minority shareholder rights); executive compensation
- Corporate Culture: the extent to which corporate values influence value creation; management track record; compliance with the spirit of laws and regulations; bribery and corruption risk exposure

Systematic Research Integration

The systematic integration of ESG research in William Blair's investment process is also reflected in Summit, the Firm's proprietary online research and communication platform. The home page in Summit includes an ESG overview section alongside William Blair's qualitative investment commentary and pertinent security/company financial data. This ESG overview section integrates data feeds from MSCI ESG Research, which complement the Firm's analysts' ESG insights.

Summit enables analysts to seamlessly access ESG-focused resources for industries and companies by clicking on embedded hyperlinks to the William Blair Materiality Framework and additional third-party ESG research.

Summit also facilitates timely and efficient communication of ESG-focused company meetings and events across investment teams. Analysts can quickly reference industry relevant ESG topics and example questions for management as they prepare for company meetings and add notes to Summit.

Ownership and Proxy Voting Practices

ESG integration at William Blair also encompasses responsible ownership practices, and the Firm takes seriously its responsibility to monitor the effectiveness of company management and exert influence on governance practices through the exercise of proxy voting rights.

William Blair's commitment to responsible ownership is demonstrated by its support of global corporate governance initiatives including the International Corporate Governance Network, 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 us. William Blair's investment process takes into consideration issues that may affect shareholders prior to the Firm investing in a particular company. If the Firm are not satisfied that the entity has placed shareholder interests foremost in its thinking regarding its capital allocation and business practice decisions, then it will not invest.

As environmental and social issues are becoming more prominent areas of focus for clients and shareholders more broadly, William Blair believes it is important to periodically review its proxy voting policy to ensure that it remains well aligned with clients' objectives, along with the Firm'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. Sustainability-minded investors are concerned with economic returns and with ESG principles that could materially affect future financial outcomes.

William Blair makes its Proxy Voting Policy Statement and Procedures and voting activity available on its website at: https://sicav.williamblair.com/investor_services/proxy_voting.fs

Governance and Oversight

Company engagements are integrated in the work of William Blair's investment professionals, primarily the Firm's research analysts and portfolio managers. William Blair has appointed a director of sustainable investing who is responsible for providing leadership in ESG initiatives and directs the firmwide integration of ESG factors into investment processes. The director of sustainable investing leads the Firm's ESG leadership team, which is responsible for the drafting and implementation of William Blair's ESG-related policies and procedures, including the active ownership policy. This group consists of senior investment professionals from different asset class teams and is overseen by William Blair's global head of investment management. William Blair's proxy committee comprises individuals from the compliance, operations, and investment teams, including portfolio manager(s) and analyst(s). The proxy committee reviews the proxy voting policy and procedures annually and revises its guidelines as events warrant.