

Responsible Investment

We seek to identify investment opportunities, reduce risk, and enhance value by addressing “ESG” (environmental, social and governance) issues across the investment life cycle.

Businesses and society are facing acute challenges on a global scale. Whether a changing climate or a changing workforce, demands for greater transparency or stronger data privacy, these – and many other challenges – are only poised to grow. They are intense reminders of our need to stay nimble, focused, and innovative. Significant challenges are often what push us most to learn and grow. We strive to incorporate ESG considerations into our decision-making and management practices by identifying and managing the issues we believe are most relevant to our investments.

As a firm we regularly evaluate how we can best incorporate ESG considerations into our investment process to conscientiously invest on behalf of our clients.

Responsibility:

Companies must evolve with the world around them. The expectations and conditions that businesses confront are more complex than ever before. We strive to be a partner to our companies as they face this future. We support their processes, programs, and policies to enable our shared success. We are able to share relevant best practices and benchmarks as well as provide connections to trusted experts and tested tools to drive progress. We share resources and tools, host virtual and in-person events, and connect

companies with leading global experts. All of these touchpoints are designed to help our portfolio companies achieve results and long-term benefits.

People:

Culture is the most important component of any organization. Our culture is based on our one-firm approach– the idea that everyone participates in everything we do. This ideal remains central to our ethos. We hope that our people have pride in their work, but do not worry about who gets credit. We hope that they trust that when the Firm wins, they win.

We embed the following principles in our investment process:

- Positive selection; where the investor actively selects the companies in which to invest; this can be done either by following a defined set of ESG criteria or by the best-in-class method where a subset of high performing ESG compliant companies is chosen for inclusion in an investment portfolio.
- Activism; strategic voting by shareholders in support of a particular issue, or to bring about change in the governance of the company.
- Engagement; investment funds monitoring the ESG performance of all portfolio companies and leading constructive shareholder engagement dialogues with each company to ensure progress.
- Consulting role; the larger institutional investors and shareholders tend to be able to engage in what is known as 'quiet diplomacy', with regular meetings with top management in order to exchange information and act as early warning systems for risk and strategic or governance issues.
- Exclusion; the removal of certain sectors or companies from consideration for investment, based on ESG specific criteria.
- Integration; the inclusion of ESG risks and

opportunities into traditional financial analysis of equity value.