Sustainable Finance Disclosure

Ownership Capital B.V. (the "**Investment Manager**") aims to achieve investors' financial objectives while incorporating sustainability risks into the investment process and philosophy. A 'sustainability risk' means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

The Investment Manager focuses on companies that are potential or existing sustainability leaders, and sustainability is incorporated into the investment process through the consideration of ESG factors throughout each step of the Investment Manager's initial stock selection process. The investment portfolio is actively managed through an engaged-ownership approach whereby financial and extra-financial factors (including environmental, social & governance ("ESG") issues) are analysed and integrated into the investment decision-making process, and enhancements are stimulated to reduce portfolio risk and create long-term value.

As part of the Investment Manager's ESG integration, ESG factors are incorporated throughout all steps of the Investment Manager's stock selection process: screening, investment due diligence and investment monitoring and engagement. During the screening phase, the Investment Manager conducts a high-level ESG and management analysis of the target company whereby the Investment Manager assesses whether the company meets certain minimum ESG standards that the Investment Manager has set including, but not limited to, access to the senior management team and a willingness to engage, board independence and no evidence of repeated social or environmental misconduct in the last 5 years. In the next stage, the investment due diligence phase, the full management profile and ESG analysis is completed. This analysis is performed in parallel with the in-depth financial analysis. The Investment Manager scores the company using the Investment Manager's own ESG analysis tool, which is an extensive questionnaire based on different ESG factors. ESG factors are defined as measures used to evaluate the company across Management, Environmental, Social and Governance categories. Examples of these criteria include:

- Management - Succession Plan and Managerial Strength.
- Environmental - Formal Environmental Policy, Climate Change and Greenhouse Gas Emissions, Pollution, Waste Management and Energy and Water Usage.
- Social - Health and Safety Certifications and Human Capital Management.
- Governance - Board Independence, Ethics and Compliance.

Based on the ESG integration analysis, as outlined above, the Investment Manager is able to identify companies with attractive and long-term business strategies. The companies which align with the investment principles of the Investment Manager, including good environmental and social indicators, and are trading at an attractive price relative to the Investment Manager's valuation, based on the 10-year financial analysis, will likely be selected for the portfolio.

Following selection, the Investment Manager actively engages with all portfolio companies on a continuous basis. This engagement includes addressing key areas highlighted for improvement during the investment due diligence process. Examples would include board composition, diversity, management compensation structure and improving reporting on ESG factors. Working together with management, the Investment Manager encourages portfolio companies to invest in the future in order to achieve sustainable growth and business durability that is the foundation of long-term success.

If a sustainability risk associated with an investment materialises, it could lead to the loss in value of an investment. By integrating both financial analysis and ESG analysis within our investment decision, the investment team seeks to understand all relevant fundamental long-term sustainability risks for the targeted investment.