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.

The Investment Manager's investment strategy includes the assessment of dedecarbonisation, which the Investment Manager considers to be the contribution to stabilization of GHG concentration, reduction of GHG emissions, or the increase of GHG removals and good governance practices. Sustainability risks are identified and integrated into the investment decision-making process. The Investment Manager's proprietary ESG analysis tool is used to assess a company's ESG performance and highlight the key material ESG risks and opportunities for each company. ESG analysis is conducted by the members of the Investment Manager's investment team. The outcome of the ESG analysis informs the long-term risk and return outlook for the investee company, and therefore the investment decision making process.

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 (the "**ESG Questionnaire**"). The ESG Questionnaire is completed for all holdings in the portfolio prior to investment in the relevant target company and updated on an ongoing basis throughout the holding period of the company to ensure that the analysis remains up-to-date. The ESG Questionnaire is completed based on quantitative and qualitative data available through the Investment Manager's internal research, information made available by the issuer through company reporting and publicly available data sources, as well as direct interactions with the company. 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.

Given the focus on investing in companies with good environmental and social indicators, the Investment Manager typically will not invest in companies which score poorly on ESG factors, which are considered material to the target company, as determined by the ESG Questionnaire. In certain cases where the company scores poorly on relevant ESG factors, the Investment Manager may still choose to invest and engage with the company to improve their performance on the ESG factor. The Investment Manager will not invest in companies which score poorly on relevant ESG factors that cannot be improved through engagement. The Investment Manager engages with all investee companies on the material ESG risks and opportunities identified for each business through the proprietary ESG analysis. Engagement is defined as direct interaction between the Investment Manager and the investee companies, including conference calls, emails and in-person meetings.

The investment strategy will assess the ESG performance of every company in the portfolio before and throughout the investment. All companies in the portfolio must be open to direct engagement with the manager and demonstrate a willingness to improve their ESG performance, as determined by the Investment Manager during the due diligence process. Openness to engagement and a willingness to improve ESG performance are determined, prior to investment and on an ongoing basis, through direct communication with the company, as well as an assessment of past ESG practices and performance.

Based on the ESG analysis and 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.

Promotion of Environmental Characteristics

The environmental characteristic which the Investment Manager seeks to promote, under Article 8 of SFDR, is decarbonisation, which the Investment Manager considers to be the contribution to stabilization of GHG concentration, reduction of GHG emissions, or the increase of GHG removals. The Investment Manager seeks to promote decarbonisation through investing in companies with low levels of carbon intensity, which contribute to decarbonisation through their operations and/or products and services and/or have the ability and willingness to reduce their level of carbon intensity over time.

Carbon intensity is a measure of a company's exposure to carbon and is used as a proxy to determine if a company contributes to decarbonisation. Companies with a low level of carbon intensity contribute to decarbonisation as they are considered carbon efficient and can generate revenues with a low carbon footprint. By monitoring and engaging on the carbon intensity of all investee companies in the portfolio, the Investment Manager aims to support decarbonisation.

The Investment Manager uses Scope 1 GHG emissions and Scope 2 GHG emissions, where possible, expressed in carbon dioxide equivalents. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 includes indirect emissions from the generation of purchased energy. Carbon intensity normalizes carbon emissions by company revenues, the metric is calculated as a company's total annual Scope 1 GHG emissions and Scope 2 GHG emissions divided by its annual sales (the amount of CO^2 emissions required to generate US$1 million of revenue).

All companies in the portfolio are assessed for their contribution to decarbonisation using the metric of carbon intensity through the investment due diligence, investment monitoring and engagement stages of the stock selection process described above. In the investment due diligence phase, the carbon intensity of the company is used to determine if the company contributes to decarbonisation. As carbon intensity is expected to vary depending on the market or industry sector, the Investment Manager determines the company's contribution to decarbonisation on a case-by-case basis by taking into account the carbon intensity of the individual company and its market or industry sector and any relevant qualitative data. While the primary metric used to measure the attainment of contribution to decarbonisation is carbon intensity, examples of the additional criteria used to inform the assessment include adoption of formal environmental policies, effective processes for managing carbon intensity, public reporting of GHG emissions and GHG intensity reduction targets.

In the investment monitoring stage, contribution to decarbonisation is assessed at least annually through calculating the carbon intensity of the company. The investment strategy involves active engagement with all portfolio holdings on their level of carbon intensity to understand their approach to decarbonisation and potentially improve their decarbonisation performance over time.

Given the long-term investment horizon of the strategy and focus on investing in companies with strong ESG performance or the potential to become a strong ESG performer, the Investment Manager is expected to invest primarily in companies with low carbon intensity. The Investment Manager may also invest in companies that do not currently have a low carbon intensity but the Investment Manager expects, taking into account the relevant market or industry sector, to reduce their carbon intensity over time. The Investment Manager will not invest in companies that do not currently have a low carbon intensity unless the company confirms through a dialogue with the Investment Manager that they are willing and able to manage and reduce their carbon intensity. The Investment Manager will not invest in companies that do not have a long-term business model compatible with emissions reduction and/or companies that, due to the individual company's market or industry sector, are unlikely to ever have a low carbon intensity.

In respect of the companies that do not currently have a low carbon intensity but confirm they are able and willing to reduce their carbon intensity, these companies may have a relatively higher carbon intensity than the average of the portfolio at the time of investment but are expected to reduce their carbon intensity over time. The Investment Manager conducts an initial assessment before investment to determine if these companies are capable of sufficiently reducing their

carbon emissions over an appropriate period of time and in line with agreed targets. Companies are reviewed at least annually to determine if they remain willing and able to reduce their carbon intensity. This assessment involves direct dialogue with the company as well as an evaluation of past carbon intensity reduction and future targets. The annual assessment includes monitoring company progress on reducing carbon intensity by reviewing the company's (i) reports, including any publicly available reports on carbon emissions; (ii) performance against carbon intensity reduction targets; and (iii) level of progress towards meeting carbon intensity reduction targets. Where the company has not met agreed targets, the Investment Manager will escalate engagement with the company to seek further information as to why the targets were not met, how the company will meet future targets and/or ensure appropriate action is taken to meet those targets. The Investment Manager will not remain invested in companies with high levels of carbon intensity that do not meet agreed carbon intensity reduction targets, unless it determines through its annual assessment and/or escalated engagement that the company shows sufficient commitment towards and progress in reducing their carbon intensity over the long term.