

# William Blair B.V.

## Principal Adverse Impacts Statement

### Summary

William Blair B.V. (“William Blair” or “Investment Manager”) considers positive and adverse impacts of its investment decisions on sustainability factors, including environmental, social and governance (“ESG”) factors. Although ESG risks and other ESG factors are taken into account as part of the investment process for all of the Funds in accordance with article 6 (1) of the Sustainable Finance Disclosure Regulation (“SFDR”), the Investment Manager cannot currently consistently evaluate the adverse impacts of investment decisions made on a uniform set of sustainability factors with respect to the Funds for the purposes of SFDR, given that the regulatory environment in which the Investment Manager is operating is evolving, with guidance from competent authorities still developing regarding how ESG factors and their adverse impacts are defined and evaluated. The Investment Manager will keep its approach to this matter under review. This Principal Adverse Impacts Statement (“PAIS”) applies only to those William Blair SICAV Funds that promote ESG characteristics in accordance with Article 8 under SFDR.

### Identification and Prioritization of Principal Adverse Sustainability Impacts and Indicators

As an active manager whose heritage is built on rigorous, fundamental analysis William Blair has long realized that these factors have a meaningful impact on a company’s ability to create sustainable value. The Investment Manager 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 Investment Manager. William Blair has developed a qualitative ESG ratings system that is fully aligned with its views on the ESG factors that affect company or issuer 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.

**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. 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 Investment Manager. William Blair's investment process takes into consideration issues that may affect shareholders prior to the Investment Manager 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 Investment Manager 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 believes in the importance of integrating key ESG considerations into our investment processes. We believe that integrating targeted material ESG factors alongside traditional financial metrics in our fundamental research helps us make a more holistic assessment of investment risks and opportunities and is commensurate with the pursuit of superior risk-adjusted returns on behalf of our clients and their beneficiaries. ESG insights are primarily informed by proprietary research, including issuer/company meetings and data aggregation from multiple internal and external resources. Our assessment of potential ESG risks and opportunities for different industries and issuers/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.

## Summary of Engagement Policies

As a fiduciary and as a shareholder on behalf of our clients, William Blair seeks transparency and disclosure of material, decision-useful information from investee companies as a matter of course. To that end, equity teams from William Blair Investment Management, LLC engage 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.

Equity research analysts routinely meet with the management of companies as part of our 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 Investment Manager's ESG leadership team may also participate.

William Blair's debt team seeks to engage with issuers with the view of promoting best practices as well as addressing ESG developments. In addressing ESG developments, the Investment Manager will seek to prioritize engagement with issuers with a deteriorating track record and/or where deficiencies become evident through controversies and/or incidents. William Blair seeks to engage with issuers throughout all stages of the investment cycle. We engage directly with (quasi) sovereign and corporate issuers and other stakeholders periodically as well as when we have information for new bonds entering the market. Our goal is to provide feedback and guide the issuer towards specific targets and results relevant to our investment standards. Engagement runs over a period of time to allow for certain outcomes to materialize.

Engagement with sovereigns serves an important role in fact finding and information enhancement, in particular given the fact that the digital distribution of policy and economic information or data is often less frequent and detailed in developing countries when compared to developed markets. Country visits allow for interaction with government officials, trade unions, employers' associations, media, international finance institutions (including the IMF, the World Bank and regional supranational banks) and independent research institutions. This allows for engagement on issues broader than macroeconomic issues and fiscal policy, many of which are relevant to environmental, social and governance concerns that exist in the respective societies. ESG specific issues are often not part of the responsibilities of the ministries of finance and central banks who generally conduct investor relations. In order to specifically address ESG topics, we participate in forums that specifically focus on these issuers with the involvement of companies and representatives of sovereign issuers, such as those organized by the Emerging Market Investors Alliance.

## Global Steward Commitments

William Blair's commitment to responsible investing is demonstrated by its support of industry networks and stewardship frameworks, including the following:

- United Nations Principles for Responsible Investment
- Investor Stewardship Group
- Framework for U.S. Stewardship and Governance
- International Corporate Governance Network
- Japan Stewardship Code
- Korea Stewardship Code
- Emerging Markets Investors Alliance

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### Important Information

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