



Polen Capital ESG Policy Statement

Sustainability is a key focus throughout our business

Polen Capital is committed to honesty, integrity and ethical practices in all aspects of its business. Integrating environmental, social and corporate governance ("ESG") considerations into our day-to-day operations and business decisions is a fundamental part of that commitment.

Our purpose as a firm, or our "why," rests on three pillars—our clients, colleagues, and community. Through our investment strategies, we seek to provide clients with financial security and peace of mind. Our employees are the key to achieving our mission and delivering on our promise to clients, and we focus on creating an empowering environment where colleagues can be their best selves and continuously grow. Our clients and colleagues also make up the very fabric of our communities, and we are dedicated to bettering the environments in which we work and live. We strongly believe this is essential to creating value for our firm and our stakeholders, and to developing a more sustainable and successful long-term strategy for our business.

Our business philosophy extends to the portfolios we build to fulfill our mission – to preserve and grow client assets to protect their present and enable their future. Polen Capital specializes in the management of high-conviction, concentrated portfolios of companies that we believe have the following characteristics:

- Quality: Competitively-advantaged businesses sustainably delivering value through differentiated products/services and a strong culture
- Growth: Secular growth companies sustainably delivering organic revenue and attractive long-term earnings per share growth
- Long-term: Companies that share our long-term, business owner's mindset in management and strategy around sustainability



Our integration of ESG factors supports our aim to deliver attractive risk-adjusted returns to our clients

We believe that management of ESG issues is connected to a company's financial sustainability. As part of a comprehensive assessment of all company risks and opportunities, we integrate relevant and material environmental, social and governance factors into our analysis. We undertake an in-depth appraisal of management team quality, evaluating the history of management decisions and behaviors as well as ongoing behaviors to gain confidence in their skills and judgment. We look for a commitment to a total stakeholder approach and a strong, healthy culture, which we believe leads to positive ESG outcomes for companies. We believe this assessment identifies leaders who exhibit the characteristics we feel are critical for effective management to drive long-term value creation.

Among the governance issues we assess, we seek companies with high-quality, properly incentivized management teams and independent, diversified boards. We believe this structure lends to greater accountability and alignment of the company with shareholder interests. We think of social as the value the company creates for its stakeholders, such as its employees, customers, shareholders, and partners. We observe how the working environment the company cultivates for its employees and the experience it offers its customers often builds loyalty and retention that can strengthen the brand. We consider a company's environmental practices, such as improved energy or water efficiency or product packaging, when we view it as material to the company's long-term financial sustainability. We focus on the value the company realizes from these measures, such as improved operational margins or an enhanced brand.

The consideration of material ESG factors in our investment process is aligned with our fiduciary duty and supports our aim to deliver attractive risk-adjusted returns to our clients.

Polen's approach to ESG integration

ESG analysis is embedded within our fundamental analysis. It is part of our comprehensive review of a company to gain a thorough understanding of the company's business model, margin of safety, growth prospects, industry dynamics and management quality. We assess the value of the company through the eyes of key stakeholders and determine



whether we believe the business is positioned to offer similar or ideally stronger value to key stakeholders over time. Our assessment is based upon a thorough understanding of a business's value proposition, its competitive advantages and financial strength, and the initiatives that management has in place to both enhance value and to mitigate risks. We believe businesses that thoughtfully balance the interests of key stakeholders while delivering exceptional value are in the best position to deliver sustainable outcomes and profitability.

We supplement our internal research with the company ESG ratings and research from Sustainalytics, a third-party ESG data provider that measures a company's exposure to and management of ESG risks. We use the Sustainalytics research in an effort to ensure we have fully accounted for potential risks and to provide a signal for an additional review when we observe a significant difference from our own analysis. Ultimately, we rely on our own evaluation of the company to form our investment decision.

Each member of the investment team is responsible for ESG research and implementing it into the investment process. ESG is fully integrated into our investment process and executed by all investment team members.

Active Ownership – Engagement and Proxy Voting

We exercise our active ownership through engagement and proxy voting across all our portfolios.

We generally engage with company management on a variety of topics, including ESG, with a focus on sustainability. In discussions with company management we may seek to better understand how the company is approaching ESG, what is most important to their business, and what ESG initiatives the company is implementing to create value for its stakeholders. Our objective is to truly understand management's strategic thinking over the long term to identify, understand, and appropriately consider ESG risks. As long-term owners in the companies in which we invest, our engagement on material issues may occur over an extended time frame.



We believe proxy voting is a powerful tool that allows us the opportunity to directly influence corporate policy in a way we believe will maximize shareholder value. We also leverage proxy voting matters in company management discussions to express our views and deepen our knowledge about the company. The investment team members undertake close review and consideration of all proxy votes for governance matters and shareholder proposal topics. To assist the review, we subscribe to a third-party service from Institutional Shareholder Services (ISS) for research and recommendations on proxy issues. Specifically, we utilize ISS's Sustainability Voting Guidelines, which support positive corporate ESG actions that promote practices that present new opportunities or mitigate related financial and reputational risks. Our votes typically align with the guidance from the ISS Sustainability Voting Guidelines, but the investment team makes the final determination. If the investment team disagrees with ISS's recommendation, we will document a record of our decision.

We may also connect engagement to proxy voting, enabling us the opportunity to ask questions and exchange perspectives on an issue.

Approach to Exclusions

We focus on investing in businesses with long-term financial sustainability, which we believe naturally leads us to the avoidance of certain sectors. We are happy to consider restrictions that do not materially alter the investment strategy and our ability to deliver strong, long-term risk-adjusted returns.

ESG Stewardship

Stewardship and oversight of ESG activities are performed through several capacities:

- The Advisory Board provides insights and guidance on our ESG effort.
- The investment team heads have direct oversight of the integration of ESG factors in the investment process and within engagement and proxy voting activities.
- The ESG Task Force, a cross-functional group, sets the strategic direction and supports the ongoing advancement of our ESG goals. The ESG Task Force meets at least monthly and reports into the Operating Committee.



- The Portfolio Risk Sub-Committee meets with the Risk and Compliance Committee at least semi-annually, reviewing portfolio risk, including material ESG risks.

Signatory to the United Nations-supported Principles for Responsible Investment (PRI)

The PRI is the world's largest network of asset owners, asset managers, and service providers joined to support the incorporation of ESG factors into investment decisions to promote a more sustainable global financial system. This initiative is centered on six Principles, that signatories will:

- Incorporate ESG issues into investment analysis and decision-making processes
- Be active owners and incorporate ESG issues into ownership policies and practices.
- Seek appropriate disclosure on ESG issues by the entities in which we invest
- Promote acceptance and implementation of the Principles within the investment industry
- Work together to enhance our effectiveness in implementing the Principles
- Report on our activities and progress towards implementing the Principles

We became a signatory to the PRI in 2018 to demonstrate our commitment to our stakeholders to uphold a focus on ESG throughout our investment and business decisions.

Public Supporter of the Task Force for Climate-Related Financial Disclosures (TCFD)

The TCFD is a set of recommended disclosures for reporting on climate-related financial risks and opportunities. We became a public supporter of the TCFD in 2020 to support enhanced disclosure across industries in an effort to better enable investors to identify and assess these risks. We report on our governance and measurement of climate-change related risks in our annual ESG report.

Reporting

We submit the annual PRI Transparency Report detailing how we integrate ESG in research analysis and active ownership. We also provide Sustainalytics ESG reports to our



clients upon request. Additionally, we issue annual Sustainability and ESG reports detailing our ESG integration across the firm and our investment activities.

Our intention is to review this policy at least annually and update the policy as needed to reflect any developments as we go forward. For any questions or to learn more, we invite you to contact us.