



# **2020 SUSTAINABILITY REPORT**

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## Firm ESG Philosophy

Polen Capital ("Polen") is committed to integrity and ethical practices in all aspects of our business. Environmental, social, and corporate governance ("ESG") considerations are a fundamental part of that commitment. We believe sustainable business practices are essential to delivering value to all our stakeholders.

## Mission

Our firm's mission is to preserve and grow client assets to protect their present and enable their future. This mission is rooted in our firm's investment philosophy—seek to identify financially sound, competitively-advantaged companies that we can own for many years and offer the potential for sustained superior growth.

## Purpose: Our Why

We believe true fulfillment of our mission extends beyond achieving measurable success for our client portfolios. Our purpose as a firm, or our "why," rests on three pillars—our clients, colleagues, and community. We are passionate about making a meaningful difference in the lives of our clients because we know how important it is to provide financial security and peace of mind.

Our "Why Wall" showcases some of the investors we serve—the firefighters who invest in their pension plans, employees who invest in their company's retirement plan, and families that put their savings in one of the Polen strategies.



We are committed to our colleagues, investing in personal and professional development, well-being and fostering an open and inclusive environment.

We are also committed to the communities in which we live. We are passionate about community involvement and sharing our resources and talents to benefit others.

It is our belief that the stronger we are as a community, the more enduring we are as a firm.

## Core Values

**We are guided by three Core Values:**

- **Do the right thing:** Our clients are the reason we are in business. We make every decision with the best interests of our clients, employees, and external partners in mind.
- **Do more than expected:** Excellence, not perfection, is the base; unexpected service and performance is the goal. Going a step further sets us apart from the competition.
- **Respect the individual:** We build trust with both clients and colleagues by acting with integrity and respect. We seek diversity of thought and encourage inclusion through collaboration, recognizing that world-class results are achieved together.

## 2020 ESG Update

### Employees and Office

**As of the end of 2020, Polen Capital employed 116 professionals across three offices.**

- The firm is 71% employee owned, and all employees have compensation tied to the firm's success.
- We broadened firm leadership, hiring three 20+ year industry veterans to lead operations, distribution, and strategy.
- We added two new members to our Advisory Committee, an independent committee that provides strategic perspectives.
- We expanded our office presence internationally, opening a new office in London.

- We transitioned to a fully remote work environment. The change was seamless because we maintain a Results-Only Work Environment (“ROWE”). ROWE enables employees the flexibility to structure their own approach to work and helps achieve a work/life balance.

## Employee Engagement

**We believe open communication and transparency strengthens internal connections and ties to our mission.**

- In 2020, the management team held our regular three tri-annual firm meetings and held weekly and monthly firm meetings during the pandemic.
- Management solicits employee feedback regularly through mini-pulse surveys.
- Polen Capital was named as one of the “Best Places to Work in Money Management” by Pensions & Investments for the fifth year in a row.
- The pandemic prompted us to be creative in our engagement activities to keep employees connected. We organized a live trivia series, family movie night, and two online cooking classes, including one where we cooked and (virtually) shared a Thanksgiving meal together. We also sent several surprise gift boxes to all employees.
- New hires connected through virtual happy hours and meet-and-greets.
- We utilized our internal channels to communicate through the pandemic, including coffee chats, 30-day fitness challenges, a parental support group, and a Polen recipe swap.
- Our Operating Committee scheduled 10-minute check-in’s with employees at all levels, including our CEO who had a check-in with each employee.



## Training and Development

**We embrace a growth mindset and encourage each other through learning, practice, and continuous improvement.**

- Our commitment to training and development is unwavering. In 2020, we held internal mock presentations for all our strategies, providing the dual benefit of presentation skills practice and education on our portfolios.
- All employees continued to receive an annual training budget of \$5,000 to promote personal and professional development.
- Each department conducted lunch and learn sessions to share relevant topics in their areas.
- Our Culture Club, an employee-led weekly book club started in 2018, remained active reading and discussing topical books for our firm and culture.

Employees receive \$5,000 per year for personal and professional development

## Mental Health and Well-Being

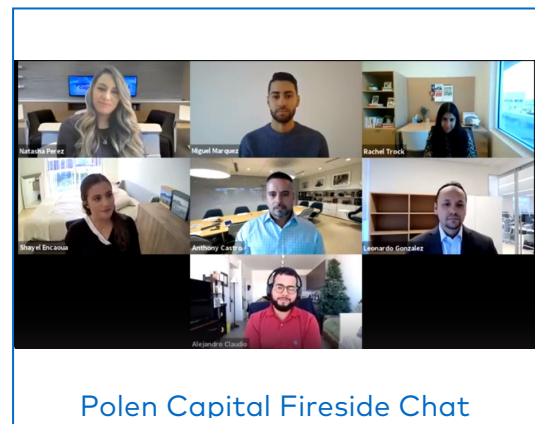
**Polen Capital is committed to the health and well-being of all employees.**

- We cover 100% of health insurance premiums for our employees and their dependents and fund employee health savings accounts to offset the cost of doctor visits, prescriptions, and other medical expenses.
- We support nutrition by offering free, healthy daily lunch, snack, and beverage items. The firm's headquarters has an onsite fitness center with access to yoga, meditation, and massages. Workspaces are outfitted with standing desks and walking treadmills.
- Mental health is a top priority, and the firm provides support with individual counseling, coaching, and therapy.
- In 2020, we offered additional benefits to our employees in an effort to ease the stress and challenges of working from home. These benefits included virtual babysitting, virtual tutoring, and a childcare subsidy of up to \$2,000 per month.
- All employees have unlimited paid time off.

## Diversity and Inclusion

**Diversity of thought, unique perspectives, and inclusivity are part of our core beliefs. We view a diverse workforce as essential to fostering a culture of empathy and open-minded collaboration.**

- As of December 31, 2020, 41% of our employees were women, and 22% of our U.S. employees self-identified as minorities.
- In December 2020, we hired a Diversity & Inclusion Manager to lead the strategic diversity efforts for Polen Capital.
- Our diversity and inclusion strategic plan focuses on recruiting, inclusivity, engaging our local communities, and sustainability.
- We focus on diversity throughout our recruitment process and partner with organizations such as the Toigo Foundation, the Pat Tillman Foundation, Rutgers Center for Women in Business, John Hopkins DEI Collective, the Wall Street Accelerator Program, and Cornell Women in Investing.
- We made donations to the NAACP Legal Defense Fund, the Pat Tillman Foundation, and the Travis Manion Foundation.
- We created an Interview Committee with representation across gender, ethnicity, and LGBTQ employees with the intent of eliminating bias in our intern interview and selection process. Our resulting 2021 Summer intern class is our most diverse since the program began at 50% women and 60% minorities.
- We have reduced gender bias in our job descriptions by using inclusive language and highlighting gender-neutral company benefits, such as our 12-week paid parental leave.
- We engaged in conversations in an effort to increase dialogue and understanding by holding fireside chats: "Being Black in America", "LGBTQ and Allies", and "LatinX", during which employees representing these groups shared their stories and experiences.
- We established the Polen Capital Charitable Diversity Fund, a donor advised fund which directs contributions to our diversity and inclusion objectives.



- Employees participate in annual workforce harassment training. In 2020, all employees participated in conscious inclusion and implicit bias training.
- Our Equal Opportunity Policy outlines our policies addressing discrimination, diversity and inclusion, and fair remuneration.

## Community Involvement – Polen Cares

**We are committed to pursuing the betterment of communities where we work and live to help support, empower, and provide more opportunities for those in need.**

- Our 2020 Make-A-Wish Foundation Golf Tournament raised \$300,000, granting 60 wishes to children with critical illnesses. Over the last seven years, this annual event has raised a total of \$1.2 million, making 241 wishes possible.
- We support numerous food assistance organizations which provide meals to those who need it most. We made donations to No Kid Hungry, Boca Helping Hands, and Compliments of the House, which helped to provide 76,000 meals and 100 food packages. We also continue to support Pine Street Inn and our contribution assisted 95 homeless individuals.
- Polen Capital employees attended the Big Brothers, Big Sisters “Big Night” event in Boston, and our donation supported the creation of 150 mentorships.



- We are proud to continue our support of the American Association of Caregiving Youth, through which we granted two scholarships to youth caregivers.
- In response to the pandemic, we sent hand sanitizers to clients and community heroes.
- In 2020, we instituted a matching gifts program and match employee donations up to \$1,500 annually to double the impact of an employee's contribution to their selected charity. We have since increased this amount to \$2,500.

## Environmental Stewardship

**We take strides to be good stewards of the environment and implement office practices that minimize our impact and use of resources.**

- Our Boca Raton headquarters and our Boston office are in LEED-certified energy-efficient buildings. All our offices are outfitted with motion sensors which turn off lights when no one is present.
- Recycling is supported throughout our offices. Our offices are equipped with water filter systems and we offer reusable mugs and cups to reduce single-use items.
- Document workflow systems have enabled us to reduce paper use while creating efficiencies and supported a seamless transition to a remote work environment.
- We recycle IT equipment through the non-profit Memory for Memory, which monetizes electronics to fund charities that are specifically focused on finding a cure for or caring for those with Alzheimer's disease.
- We track and offset our carbon emissions generated from electricity use, employee commuting, and business travel. The offsets fund a collective set of projects focused on landfill and methane gas capture, improved forest management and wind energy.



## Information Security

**Our clients' trust is invaluable to us, and we have implemented many strategies in an effort to safeguard client information confidentiality and protect our business from cyberattacks.**

- Our Information & Data Security Program addresses the detection, prevention, and responses to cyber-attack and testing and monitoring the effectiveness of key controls, systems, and procedures governing our information infrastructure.
- We conduct regular cybersecurity training to educate staff on best practices for protecting the firm's systems and client data.
- Cybersecurity awareness training covers topics including reviewing the firm's policy, strong passwords, safe web browsing, and detecting and reporting phishing attempts.
- We perform cybersecurity testing annually and have engaged a third-party security consulting firm and information security provider to perform internal and external penetration tests, wireless network and firewall configuration reviews, and provide recommendations for improvement.

## ESG in our Investment Process

**We are focused on being a sustainable firm committed to our stakeholders, and we seek the same from the companies in our investment portfolios.**

- We believe the effective management of ESG risks and opportunities is essential to a company's ability to maintain and grow its competitive advantage, deliver value to stakeholders, and drive long-term, sustainable growth.
- Assessing material ESG factors is an integral part of our bottom-up fundamental research process for evaluating a company's competitive advantage, business model sustainability, risks, and opportunities.
- We generally engage with management to gain insights into their ESG policies and strategy and tend to vote in line with sustainability best practices to maximize shareholder value.

- We are a signatory to the UN-Principles for Responsible Investment to demonstrate our commitment to ESG integration and a public supporter of the Task Force on Climate-Related Financial Disclosures, which aims to promote greater disclosure of climate-related risks, governance, and strategy.

*Signatory of:*



*Supporter of:*



Part 2 of our report will detail how ESG is integrated into our investment process.