William Blair Investment Management, LLC
Sustainability Risk Integration Policy

Introduction

This Policy relates to the integration of sustainability risks in the investment decision-making processes of William Blair Investment Management, LLC ("William Blair" or the "Investment Manager"). This Policy is required pursuant to Article 3(1) of the Sustainable Finance Disclosure Regulation 2019/2088 ("SFDR"), which applies to William Blair as an investment manager of the William Blair SICAV and any "financial product" that it manages, which includes AIFs, UCITS and separate managed accounts.

William Blair believes that environmental, social, and corporate governance ("ESG" or "Sustainability") factors can be financially material. As such, ESG factors are holistically embedded in William Blair's fundamental analysis of investment risks and opportunities across different asset classes.

What is Sustainability Risk?

Sustainability Risk: an environmental, social or governance event or condition that, if it occurs could pose material negative impact on the value of an investment. More simply, what is the impact/risk of an ESG event or condition on an investee company.

Sustainability Risk Integration

The integration of sustainability risks and the management of these risks is determined on an asset class-by-asset class basis, specifically specialized in Global Equity, U.S. Growth & Core Equity and Emerging Markets Debt by teams of portfolio managers and analysts. It is these investment teams that implement investment decision-making, and William Blair has, in consultation with these investment teams, formulated this Policy.

William Blair's investment teams integrate ESG risks and opportunities into their fundamental analysis of securities, including corporate and non-corporate issuers. Each investment team emphasizes proprietary research to identify material sustainability risks, consistent with their unique investment process. The investment teams integrate financially material ESG factors ("ESG Factors") within the investment research analysis process and takes into account a holistic assessment of an issuer's opportunities and risks, which ultimately informs investment recommendations.

Equities

Materiality Framework. The Global Equity and U.S. Growth & Core Equity teams' assessment of potential ESG risks and opportunities for different issuers, industries, and companies is supported by a materiality framework that was developed internally by the investment teams, with input from the Sustainability Accounting Standards Board ("SASB") and sustainable investment research providers. Building on this framework, we developed a proprietary qualitative ESG ratings system that is fully aligned with our views on the ESG Factors that affect performance.

For equity strategies, teams integrate sustainability risks into their company analysis using the Investment Manager's materiality framework, which highlights industry relevant ESG attributes that inform an initial investment thesis and ongoing due diligence. Materiality of ESG Factors varies across companies, industries and sectors. The materiality framework guides the assignment of qualitative ESG ratings by the research analysts, reflecting their assessment of companies' practices relative to industry peers.

It is the equity teams' belief that there exists a link between off-balance-sheet risk factors and a company's financial performance. The essence of corporate success lies in building intrinsic strengths in the management of human capital, financial resources, and stakeholder relationships, and delivering quality, innovation, service and value to customers. Companies that lead in these critical areas may produce better returns on capital over time with greater consistency and less risk. The equity teams believe that integrating an analysis of sustainability risks alongside traditional financial metrics in its fundamental research helps them make a more holistic assessment of corporate risk and opportunities and is commensurate with the pursuit of superior risk-adjusted returns.

Factors driving sustainability risks 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.

Fixed Income

For debt strategies, the investment team utilizes a proprietary scorecard to assess environmental, social and governance risks for issuers. The fixed income team's assessment of ESG Factors for emerging market debt sovereign issuers is guided by a proprietary scoring model that incorporates data obtained from third party vendors and by publicly available sources. For corporate issuers, the team identifies material sustainability issues within each ESG pillar using the SASB Materiality Map as a starting point. Research analysts score sub factors on a qualitative basis based on an issuer's disclosures and interactions with management, which are rolled up to an ESG pillar score.

Sovereign Bonds

All sovereign investments are assessed by their exposure to and management of the following environmental and social characteristics (the "E/S Characteristics"):

- Environmental characteristics including vulnerability to physical and economic impacts of climate change and other natural disasters, climate change mitigation efforts, energy transition risk and energy security as well as natural resource management.

- Social characteristics including living standards, income inequality, respect for human rights (including the right to life, the right to freedom of association and the right to health), poverty and income inequality, gender inequality, availability of and access to healthcare and education, personal safety and housing, food security, demographic change, employment rights and social cohesion.

Corporate Bonds

For corporate bonds, factors are categorized and analyzed through the following framework taking into account sector materiality and differences.

- Environmental factors: climate change, natural resource stewardship and waste management.
- Social factors: equality/non-discrimination, labor standards, health & safety, supply chain management, business model sustainability, community relations and customer well-being.
- Governance factors: corporate governance, anti-corruption, risk management and transparency

Systematic Research Integration

William Blair integrates material ESG Factors within the investment research analysis process and takes into account a holistic assessment of an issuer's opportunities and risks, which ultimately informs investment recommendations.

For equity strategies, ESG Factors are taken into account in our fundamental assessment of the quality of corporate management and sustainable value creation potential. The Investment Manager holistically integrates ESG analysis in the investment process by considering these factors alongside others that we believe can impact risk-adjusted returns.

For sovereign debt, the investment team embeds ESG Factors in valuation tools and relies on a multitude of inputs, including scores from its proprietary sovereign risk model, when choosing to invest in a country. The investment process regarding sustainability is based on three pillars:

1. Integration of E/S Characteristics
2. Engagement with issuers
3. Exclusion from investment

For corporate debt research, the investment team uses a proprietary scorecard to assess ESG risks for emerging market corporate issuers. For each of the ESG pillars, factors are assessed on a qualitative basis based on a company's disclosures and interactions with management and external data and ratings sources.