



JAPAN'S STEWARDSHIP CODE COMPLIANCE STATEMENT

Japan's Stewardship Code Compliance Statement

May 2025

NS Partners Ltd. (NS Partners) supports the objectives of the “Principles for Responsible Institutional Investors” (Japan’s Stewardship Code). NS Partners believes that, all else equal, companies operating with sound business practices, including appropriate attention to environmental issues, social practices and corporate governance, are more likely to present better opportunities for investment than those without.

Principle 1: Institutional investors should have a clear policy on how they fulfil their stewardship responsibilities, and publicly disclose it.

NS Partners has formal policies that govern its approach to responsible investing, stewardship and proxy voting. These policies are reviewed annually and available to clients. They are also available on the firm’s website (<https://ns-partners.cclgroup.com/legal-and-compliance-policies/>).

Principle 2: Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.

Managing conflicts of interest has always been part of the firm’s agreements with its clients. As part of its governance and compliance arrangements, the firm has a Conflicts of Interest policy in place. This policy outlines a procedure for identifying and documenting key potential and existing conflicts of interest to which the firm is subject, along with the management arrangements that have been put in place to mitigate these conflicts to ensure that no detriment is caused to the firm’s clients.

NS Partners strives to create an environment that promotes staff awareness of conflicts of interests and potential conflicts of interests, which is conducive to identifying and resolving issues as they arise. The core aim is to always act in the best interests of clients, treating them fairly in every interaction and communicating with them in an open and transparent manner.

For example, NS Partners utilizes the global proxy voting research and voting services of Institutional Shareholder Services (ISS) to assist in assessing and voting proxies in accordance with its Proxy Voting Policy.

Taking into account NS Partners’ guidelines, ISS prepares voting recommendations for all proposals on which NS Partners is entitled to vote. To ensure that ISS adequately identifies and addresses any actual or perceived conflicts of interest, the Stewardship & Engagement (S&E) team undertakes an annual review of ISS’ policies and procedures concerning ethics and conflict of interest.

Principle 3: Institutional investors should monitor investee companies so that they can appropriately fulfil their stewardship responsibilities with an orientation towards the sustainable growth of the companies.

NS Partners believes ESG factors play a material role in determining risk and return of securities. Therefore, consideration of ESG factors and their direction of travel in terms of improvement versus deterioration forms an important part of the assessment when a new stock is proposed for the portfolio. In-house country research across Emerging Market Portfolios is also carried out, analysing shorter-term political risks as well as longer-term ESG momentum, such as governance, corruption and institutional quality at a country level and how these factors are changing over time. NS Partners’ policy is applied across all regions, however, where applicable, important regional differences and best practices are taken into account.

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The ESG factors NS Partners considers include but are not limited to:

Environment	Social	Governance
<ul style="list-style-type: none">• Carbon emissions• Other greenhouse gas emissions• Waste products• Water usage/management	<ul style="list-style-type: none">• Human rights• Compulsory/child labour• Workplace safety• Responsible supply chain management/procurement• Diversity• Local communities	<ul style="list-style-type: none">• Shareholder rights• Board diversity and independence• Executive compensation• Corruption

NS Partners gathers a broad spectrum of data to be used as part of the investment research process from primary sources such as Bloomberg and MSCI. Stock notes contain an ESG section where ESG scores from MSCI, other providers (where available from Bloomberg) and additional ESG data are analysed and other relevant ESG information presented. The materiality of the ESG risk for each stock is considered and discussed as part of the stock selection process.

Relevant and material ESG factors are different between sectors, regions and stocks. Therefore, NS Partners does not apply the same criteria across all categories. Instead, NS Partners seeks to assess the pertinent factors in each individual case and the impact on both risk and return. NS Partners does not systemically exclude regions, sectors, sub-sectors or companies. Each case is assessed individually and portfolios are monitored on an ongoing basis for significant deterioration of a stock's ESG score and any significant change in ESG related risks. This information is reviewed in the monthly stock meetings when applicable.

Principle 4: Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.

As an investment manager, NS Partners is committed to encouraging companies to adopt policies that enhance long-term financial performance. The firm's objective for engagement is generally to promote disclosure and transparency and ensure ESG risks and opportunities are effectively managed. The investment team meets regularly with company management and addresses any relevant ESG concerns in these forums. NS Partners also uses proxy voting as a route to engage with companies and in cases where the team is considering voting against management, they reach out to discuss the issues in greater detail. CC&L Financial Group's S&E team also supports the investment team on proxy voting and engagements with investee companies on ESG concerns.

NS Partners believes entering into a constructive dialogue with investee companies is the best way to improve disclosure and transparency as well as set goals for improvement in areas where there is a shortfall.

NS Partners considers escalation on a case-by-case basis and does not place any formal restrictions on possible escalation measures.

NS Partners' approach to direct corporate engagement, along with its approach to collaborative engagements are described in the CC&L Stewardship and Engagement Policy which is publicly available on the firm's website: (<https://ns-partners.cclgroup.com/legal-and-compliance-policies/>)

Principle 5: Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies.

NS Partners has a fiduciary duty to vote proxies, both in a timely manner and in the best interest of clients. NS Partners utilizes the proxy research and voting services of ISS to help assess and vote proxies in accordance with its Proxy Voting Policy. ISS prepares voting recommendations, in consideration of NS Partners' guidelines, for all proposals on which it is entitled to vote. NS Partners uses these recommendations as a guide, however, certain situations will warrant additional review. Where there is a recommendation to vote against management, NS Partners will reach out to the company to gain a better understanding of the issue at hand. As a result of this engagement and assessment of the relevant information, NS Partners may choose to vote contrary to the ISS recommendation.

Specific proposals related to ESG issues will be reviewed and analysed on a case-by-case basis. NS Partners will generally vote in favour of shareholder proposals that aim to improve disclosure of environmental risks, enhance transparency regarding social issues and promote good governance and greater independence – provided these actions align with the best interests of shareholders.

The following policy is not meant to be exhaustive due to the variety of proxy voting issues NS Partners may be required to consider. NS Partners may depart from these guidelines to avoid voting decisions that may be contrary to clients' best interest. While NS Partners takes its voting responsibilities very seriously and strives to exercise these rights in all cases, there may be situations when it is impractical or impossible for NS Partners to vote. Such circumstances include a limited number of international markets where share blocking applies or when securities are on loan to a third party. Due to the liquidity and administrative challenges, NS Partners will typically not vote in these situations. However, NS Partners may deviate from this approach if the situation warrants.

NS Partners reports proxies to clients on a quarterly basis. Its Proxy Voting Policy is publicly available on the firm's website (<https://ns-partners.cclgroup.com/legal-and-compliance-policies/>)

Principle 6: Institutional investors, in principle, should report periodically on how they fulfil their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.

NS Partners provides clients with firm-level reports related to responsible investing and active ownership activities. NS Partners publishes an annual responsible investment report to update clients on engagement activities, proxy voting outcomes, a selection of ESG characteristics across portfolios, portfolio-level emissions and MSCI ratings of representative portfolios relative to respective benchmarks. NS Partners also

provides a summary of its proxy voting record to its clients on a quarterly basis. Additional information is available to clients upon request.

Principle 7: To contribute positively to the sustainable growth of investee companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the investee companies and their business environment and consideration of sustainability consistent with their investment management strategies.

NS Partners' investment professionals work closely as a team on investment strategy, asset allocation and portfolio construction. Stock research and selection is performed by regional managers, who act as analysts within their markets and specialize by region. Due to the sectorial bias of regions, managers have also acquired specialist knowledge of certain sectors.

The investment team attend monthly regional stock meetings and stock note meetings where they propose new portfolio ideas and ensure alignment with policies. All team members are a part of the Investment Policy Committee (IPC), which meets weekly to review the risk profile of the products as a standard agenda item. NS Partners' Economist & Investment Strategist presents the latest economic and liquidity releases of the previous week. Additionally, the meeting includes discussions of any country-specific news, currency and commodity movements, performance attribution of the previous week, review of all portfolios with similar mandates to ensure consistency with portfolio strategy and risk contributions to the teams' various mandates.

The entire investment team also meets monthly to discuss a geographic region to review current holdings that have moved significantly up or down on a relative basis and on an ad hoc basis to discuss new stock ideas.

NS Partners is supported by the S&E team, who assist with direct corporate engagement, collaborative initiatives and proxy voting.