

Shareholder Engagement Policy 2022

This statement provides AKO's approach with regards to each requirement as set out under Article 3g of the new European Shareholder Rights Directive II (SRD II).

Integration of shareholder engagement in AKO's investment strategy

AKO Capital LLP serves as the Investment Manager to several investment funds (the "AKO Funds").

Our aim is to grow capital over the long term.

Our investment philosophy is to own the best assets for the long term.

We believe that if a company is run well and has good corporate governance it is more likely to be successful in the long-term.

We follow a stock picking approach underpinned by fundamental, intelligence-based research, mainly conducted in-house. We rely primarily on proprietary qualitative fundamental research supported by quantitative methods.

As part of our fiduciary duty, we believe that it is in the best interest of our clients to promote good corporate governance by engaging with our portfolio companies. A key part of our investment process is engagement with company management to better understand their businesses, the material risks and opportunities including those related to governance, social and environmental issues as well as their oversight and risk management policies and practices.

We are mindful that the level of engagement permitted by companies varies and depends on a number of factors including, but not limited to, the size of our investment relative to the company's total capital.

Monitor investee companies on their strategy, financial and non-financial performance and risk, capital structure

A key element of AKO's investment process is the continued monitoring of investments.

Each AKO Investment Analyst is responsible for monitoring a number of specific portfolio companies.

Ongoing monitoring includes, but is not limited to:

- Regular meetings with company management;
- Attending company shareholder events such as capital market days, quarterly conference calls and roadshows; and
- Internal analysis of publically available data.

Monitor investee companies on social and environmental impact and corporate governance

Responsible investing is a deeply embedded part of the investment process.

AKO is committed to maintaining an investment approach that incorporates ESG matters and as such is a signatory of the United Nations-supported Principles for Responsible Investment ("UNPRI").

During our regular meetings with investee companies AKO may engage with management on a variety of issues, including ESG matters that present a potential material risk or an opportunity for the company. The outcomes of all company engagements are shared across the entire investment team.

If any new significant ESG issue arises, AKO strives to investigate it as soon as possible. The decision to engage with the company depends on both the materiality of the ESG issue and the size of the holding. When we engage with a company about an ESG matter, we aim to understand the financial as well as the real economic implications of the issue. We also seek to better understand mitigation strategies and changes to existing processes which might prevent similar issues from occurring in the future and strive to follow-up on progress in future engagements.

We have developed our own proprietary Sustainability score framework, fully integrated in the investment decision making process, which is updated with new ESG-related public information as part of our ongoing monitoring of the sustainability issues of our portfolio companies.

Conduct dialogue with investee companies

AKO strives for a close working relationship with investee companies with regular dialogue and interactions.

Efforts are also made to attend any capital markets days hosted by a portfolio company and should a company participate in a sell-side led roadshow, AKO will, if appropriate, seek to meet with the company during the roadshow.

Ideally AKO prefers interactions with companies to be confidential and on a one-to-one basis. However, sometimes the only interaction offered is a group meeting or call.

AKO's policy is not to be made an insider and, as such, our dialogue with companies is conducted in such a way as to manage and mitigate the risk of being told price sensitive non-public information. We expect companies and their advisers to adhere to our policy in this regard.

We believe that, as part of the ongoing engagement effort, we have the responsibility to provide feedback to our portfolio companies on material risks and opportunities, including but not limited to environmental, social and governance issues to promote good practices which we think will help generate long-term sustainable returns. We achieve this through our dialogue with the management team or board members and through the exercise of the AKO Funds' voting rights.

Exercising voting rights and other rights attached to shares

AKO Capital LLP as Investment Manager to the AKO Funds is permitted to vote on behalf of the Funds.

As AKO's investment philosophy is founded on investing in the best companies with high-class management, where it decides to vote, it is usually inclined to vote with management and boards.

However, there are exceptions to this general approach:

Voting against management

On rare occasions, AKO may decide to vote against management on certain issues if it is in the best interests of the AKO Funds to do so. Such reasons may include but are not limited to: proposals that

materially reduce shareholder rights and/or limit the equitable treatment of shareholders; management incentives that are not aligned with shareholders' best interests; reduced board effectiveness or reporting transparency; or long term value-destructive proposals.

AKO's preference is to engage with companies privately and confidentially in order to facilitate an open dialogue conducive to resolving any potential areas of concern. We may also decide to engage with the members of the board. On occasions, we may decide to vote against the re-election of board members we view as responsible for failing to address our concerns on material issues. However, in seeking to act in the best interests of AKO Fund's, from time to time we may consider it is better to reduce or exit an investment rather than to continue such a dialogue.

The AKO Funds are managed by different portfolio managers who have full discretion to make independent decisions to vote the shares in the best interests of their respective Funds. As such, in very rare occasions, voting decisions in individual Funds may be different from one another.

CFDs

AKO has determined that it is in the best interests of certain of the AKO Funds to gain exposure to certain company shares by entering into Contracts for Difference ("CFDs") with one of the Funds' Prime Brokers in place of owning the actual shares. In these cases, the AKO Funds do not actually own the physical shares and therefore we are not entitled to their associated voting rights.

As the Prime Broker typically holds the actual physical shares as a hedge to our CFD position, we may from time to time ask the Prime Broker to vote on our behalf. However, this is not always possible; the Prime Broker's physical position may not match our own as they will be looking at their net holding in the underlying shares across their entire client base, not just at the position attributable to the AKO Funds.

As noted above, there is no guarantee AKO will always vote. In determining if, when and how the voting rights should be exercised, AKO will usually consider the following factors:

- the percentage of the share capital held of the issuer;
- the size of the position in the portfolio;
- the country in which the issuer has its registered office;
- the strategy behind the decision to invest in that particular stock and the impact of the resolutions on that thesis; and
- the administrative costs or any other related costs.

AKO will attend some, but not all, company general meetings. As such, when we vote, it will sometimes be done in person and sometimes via a proxy.

AKO's policy is generally not to disclose our voting intentions publicly, however we typically share our voting intentions if asked by company management. In rare cases where we may vote against the management, we would aim to raise concerns and our voting decision with the companies ahead of voting and explain to them the rationale behind our decision.

AKO's policy is also not to publicly disclose our voting record for reasons of confidentiality and the risk of disclosure of sensitive portfolio information. We may, however, consider a request for disclosure from an investor in one of our Funds.

When it is in the AKO Funds' best interests, we may arrange to lend out company shares. In such cases we believe the financial upside outweighs the requirement to vote. However, should we decide it is in the Funds' best interests to vote, we will seek to recall such shares so that we may do so. We may also decide to keep a portion of the shares to be able to vote.

Cooperation with other shareholders

AKO typically prefers to engage with companies directly and on a confidential basis. However, in times that we believe it is in the best interests of the AKO Funds, we may speak with other significant shareholders and/or investor groups.

We will not normally agree to vote in concert with other shareholders.

Communication with relevant stakeholders of the investee companies

Our communications to relevant stakeholders will be undertaken in the same way and with the same controls as if we were talking to the company itself.

Managing actual and potential conflicts of interest in relation to our engagement

It is a fundamental objective of AKO to act in the best interests of the AKO Funds and the investors in those funds at all times. This is a key part of our duty of care to our clients.

As part of this objective, we have in place a comprehensive Conflicts of Interest Policy and Register which sets out the steps we take to identify, manage and mitigate actual and potential conflicts of interest.

This policy will be made publicly available via our website and will be reviewed on at least an annual basis.