

# Better Future Strategy Sustainability Report 2024

Global Challenges, Innovative Solutions: A  
Fundamental Approach to Sustainable Growth



JENNISON ASSOCIATES

# Table of Contents

<b>1. A Message from Our Investment Team</b>	3
<b>2. Better Future Strategy Overview</b>	4
<b>3. Portfolio Positioning by SDG Alignment</b>	7
<b>4. Strategy Sustainability Characteristics &amp; Alignment</b>	8
<b>5. Sustainable Investing at Jennison</b>	9
<b>6. The Three Pillars of Innovation that Aim to Make a Positive Global Impact</b>	10
<b>6.1 Good Health &amp; Well-Being</b>	10
<b>6.2 Inclusive Growth</b>	13
<b>6.3 Environmental Sustainability</b>	18
<b>7. Focused Stewardship Philosophy</b>	22
<b>8. Engagement Highlights</b>	23
<b>9. Sustainable Standards: What We Avoid and Why</b>	24

# Innovation for Growth

*We believe companies that address global challenges will experience rising demand for their products and services. We expect these companies to experience healthy revenue and profit growth, while driving positive change.*

Welcome to the inaugural Sustainability Report for Jennison's Better Future Strategy. The Better Future Strategy was conceived as a natural extension of our Global Equity team's expertise in identifying and investing in growth companies worldwide. Built on Jennison's established track record of investing in enduring secular global trends, this strategy aligns with our commitment to both performance and sustainability.

In our view, the companies that deliver exponential growth over the long term are those that continuously innovate, adapt, and reinvent themselves. They string a sequence of great business ideas together to create wave after wave of strong growth. The Better Future Strategy is dedicated to identifying and investing in precisely these kinds of companies — those that not only exhibit the potential for market leadership but also contribute meaningfully to a more sustainable and resilient world.

At the heart of our strategy is a belief that robust growth and positive change are interconnected forces that, together, fuel long-term growth. In today's complex and interconnected global economy, we believe companies that prioritize sustainable practices and enduring value creation aren't just creating a pathway to a better future for the world; they are gaining a competitive advantage. Sustainable investing has recently navigated a period of intense debate and reflection. As global challenges like climate change continue to demand innovative solutions,

differing expectations and the absence of standardized terminology and labels have raised questions from both critics and advocates alike. However, this scrutiny is also driving an essential shift: the inconsistencies that have challenged sustainable investing are now paving the way toward greater clarity in language, and a stronger focus on meaningful outcomes.

The investment management industry is uniquely positioned to steer capital toward companies whose products and services drive measurable and positive real-world outcomes. By integrating sustainability considerations into investment decisions and by targeting companies that offer solutions to environmental and social challenges, financial participants have the opportunity to contribute to innovation and positive change.

The Better Future Strategy, [which is also available as a UCITS fund](#), was built to deliver on this vision. By combining rigorous bottom-up fundamental analysis with a deep understanding of sustainability issues, our Strategy seeks to deliver to clients attractive long-term returns while contributing to a more sustainable future.

Thank you for reading our inaugural sustainability report. We hope it provides valuable insights into the opportunities that are actively building toward a better future.



**Mark B. Baribeau, CFA**  
Head of Global Equity,  
Better Future Portfolio Manager



**Rebecca Irwin**  
Global Equity and  
Better Future Portfolio Manager



**Michael J. LaBella, CFA**  
Head of Sustainability

## Better Future Strategy Overview

### Jennison Better Future Strategy

Jennison's Better Future Strategy seeks to achieve two key objectives: delivering attractive long-term investment returns and contributing toward a more sustainable and inclusive world.

We consider an investment only when it meets both of these objectives, ensuring alignment with our vision for a better future.

The Strategy targets innovative growth companies that are addressing pressing global challenges as identified by specific UN Sustainable Development Goals (SDGs). Key areas of focus include:

- **Good Health & Well-Being:** We seek advances in medicine and healthcare products that transform treatments and enhance clinical outcomes, ultimately improving the quality and longevity of life.
- **Inclusive Growth:** We invest in innovations that empower individuals and communities, improving global living standards. This includes technological advancements that boost productivity, connectivity, and financial inclusion, as well as human capital elevation through investments in companies dedicated to workforce education, skills advancement, and community development.
- **Environmental Sustainability:** We focus on transformative companies that facilitate the energy transition by innovating energy production, consumption, and efficiencies. Additionally, we invest in companies rethinking the production and use of goods to promote sustainable consumption.

Our rigorous fundamental research focuses on a very select group of companies with businesses known for their innovation and disruption, driving structural shifts within their industries.

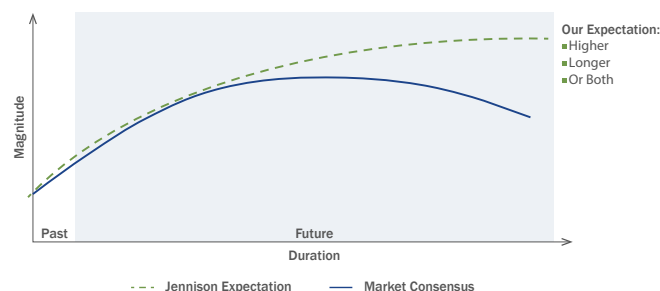
We achieve this through a concentrated, unconstrained global equity approach, typically encompassing 30 to 45 carefully selected stocks.

There is no guarantee our objectives will be met.

## Our Investment Philosophy

Our core belief is that companies tackling global challenges will see growing demand for their products and services, leading to robust revenue and profit growth while driving positive change. Oftentimes, market participants underestimate the extent to which a company can grow, or they assume it will revert to the mean. We believe that excess returns can be generated by investing in market-leading companies with unique business models, positively-inflecting growth rates, and long-duration competitive advantages.

### Market participants often underestimate the magnitude and duration of growth companies



Source: Jennison. The examples above are for illustrative and educational purposes only and should not be considered investment advice.

## Our Focus

Our rigorous fundamental research focuses on a very select group of companies with businesses known for their innovation and disruption, driving structural shifts within their industries. We actively seek companies with defensible models and significant barriers to entry, supported by secular demand trends and superior product offerings.

### Highly Experienced Team

	Total number	Average years' experience
Portfolio Managers	2	32
Research Analysts	17	20
Sustainability Research Analysts	4	13
Client Portfolio Managers	4	32

Source: Jennison  
As of 12/31/24.

## Financial modeling of 100-150 stocks under analysis

### Deep fundamental research centered on:



#### Catalysts for Inflecting Growth

- Disruptive technology or service
- Innovative product cycles
- Expandable markets and production



#### Sustainable Competitive Advantage

- Proprietary technology
- Network effects
- Patent protection
- Economies of scale
- Brand strength



#### SDG Alignment

- No Poverty
- Good Health and Well-Being
- Affordable and Clean Energy
- Decent Work and Economic Growth
- Industry, Innovation and Infrastructure
- Responsible Consumption and Production



#### Valuation

- Appropriate valuation methodologies
- Capturing mispricing in magnitude and duration of growth opportunities
- Brand strength

## Performance Snapshot

### Jennison Better Future Composite Returns (%)

	4Q24 (%)	Full Year 2024 (%)	Since Inception
Composite (Gross)	(1.4)	21.0	9.9
Composite (Net)	(1.5)	20.4	9.2
MSCI All Country World Index (Net)	(1.0)	17.5	8.1
Excess Returns (Net)	(0.6)	2.9	1.1

Inception date of Better Future Composite: 3/31/22. Source: Jennison and MSCI. Gross of fee performance is presented before custodial and Jennison's actual advisory fees but after transaction costs. Net of fee performance is presented net of Jennison's actual advisory fees and transaction costs. Performance results are calculated in US dollars and reflect reinvestment of dividends and other earnings. Periods greater than 1 year are annualized unless otherwise noted. Visit <https://www.jennison.com/gips-better-future-composite> for the Better Future Composite presentation, which includes fee information and criteria for composite performance creation. See disclosures at the end of this document for additional performance information, index definitions, and term definitions. **Past performance does not guarantee future results.** The strategy may vary significantly from the benchmark in several ways including, but not limited to, sector and issuer weightings, portfolio characteristics, and security types.

## The United Nation's Sustainable Development Goals Inform Our Investment Framework



**The Strategy focuses on a select group of SDGs that we consider the most compelling investment opportunities, informed by three pillars of innovation that aim to make a positive global impact:**

### 1 Good Health & Well-Being

We seek advances in medicine and healthcare products that transform treatments and enhance clinical outcomes, ultimately improving the quality and longevity of life.

- **Advances in medicine and lifestyle:** Improving quality and longevity of life.
- **Healthcare innovation:** Companies delivering transformative treatments.



### 2 Inclusive Growth

We invest in innovations that empower individuals and communities, improving global living standards. This includes technological advancements that boost productivity, connectivity, and financial inclusion, as well as human capital elevation through investments in companies dedicated to workforce education, skills advancement, and community development.

- **Elevation:** Companies creating meaningful jobs with fair conditions.
- **Technological progress:** Firms enhancing connectivity and access to digital services.



### 3 Environmental Sustainability

We focus on transformative companies that facilitate the energy transition by innovating energy production, consumption, and efficiencies. Additionally, we invest in companies rethinking the production and use of goods to promote sustainable consumption.

- **Low-carbon transition:** Transforming energy production and consumption.
- **Energy efficiency:** Innovations in buildings, processes, and data centers.
- **Sustainable consumption:** Rethinking how goods are made and used.



Source: United Nations

## Portfolio Positioning by SDG Alignment



**SUSTAINABLE DEVELOPMENT GOALS**

As of 12/31/24.

The stock names shown include all of the holdings held in the Jennison Better Future portfolio as of the date mentioned above. Information is supplemental to the Better Future Composite presentation. Please visit <https://www.jennison.com/gips-better-future-composite> for the Better Future Composite presentation.

## Strategy Sustainability Characteristics & Alignment

### SDG Alignment

To be considered for the Better Future portfolio, at least 20% of a company's business activities — revenue, EBITDA, capital expenditure and/or an operational metric — must be aligned to an SDG. However, the companies in our portfolio go much further than this minimum requirement: **The average percentage of Better Future portfolio holdings' financial and operational measures tied to an SDG is 82%.**

**100%**  
of companies are aligned to  
at least one SDG

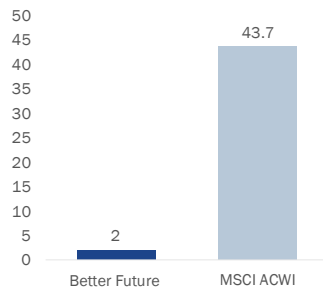
**82%**  
Average percentage of Better  
Future holdings' financial and  
operational measures tied to  
an SDG

### Sustainability Characteristics

When compared to the MSCI ACWI Index, the Jennison Better Future Strategy demonstrates favorable environmental and social performance.

#### Financed Carbon Emissions

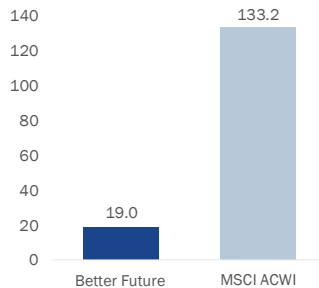
CO<sub>2</sub> emissions per \$M Invested  
(tCO<sub>2</sub>e/\$M)



Source: Sustainable Market Strategies via LSEG Workspace

#### Weighed-Average Carbon Intensity

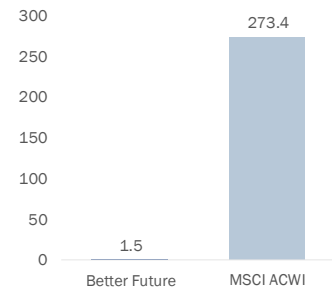
CO<sub>2</sub> emissions per \$M of revenue (tCO<sub>2</sub>e/\$M Revenue)



Source: Sustainable Market Strategies via LSEG Workspace

#### Waste

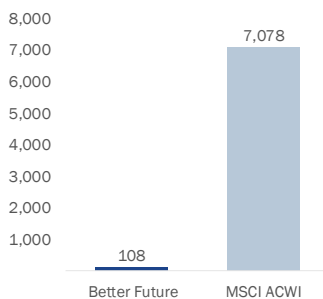
Total waste in tons / \$M Revenue



Source: Sustainable Market Strategies via LSEG Workspace

#### Water Intensity

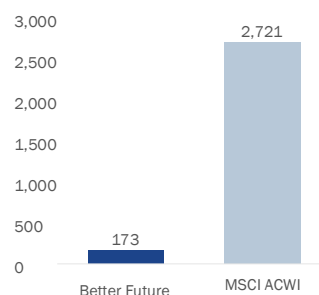
Total water withdrawal in cubic meters / \$M Revenue (/ \$M Revenue)



Source: Sustainable Market Strategies via LSEG Workspace

#### Weighed-Average Energy Use

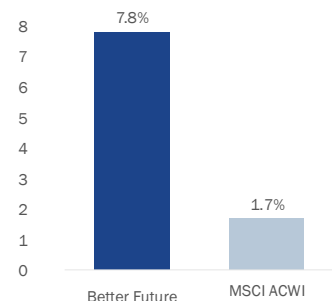
Gigajoules per \$M of Revenue (/ \$M Revenue)



Source: Sustainable Market Strategies via LSEG Workspace

#### Major Disease Treatment

Portfolio exposure to companies involved in the treatment of major diseases (%)



Source: Sustainable Market Strategies via MSCI

All information is as of 12/31/24. Information is supplemental to the Better Future Composite presentation. Please visit <https://www.jennison.com/gips-better-future-composite> for the Better Future Composite presentation.

## Sustainable Investing at Jennison

*At Jennison, we seek to create long-term excess returns for our clients. Sustainability considerations are integrated into our investment process and are key to this endeavor.*

Sustainable investing blends intuitive foresight with rigorous analysis, emphasizing forward-looking assessments to identify pivotal trends. This requires a deep understanding of emerging technologies, data, the evolving regulatory landscape, demographic shifts, and consumer preferences. Assuring the impact of sustainable investing lies in identifying the key metrics and KPIs that underpin a robust fundamental analysis. By harmonizing these elements, Jennison's Sustainable Investment Framework strives to create a comprehensive approach to aligning financial performance with long-term environmental and social goals.

### Comprehensive Research

Our sustainability research is deeply rooted in materiality and is built on comprehensive fundamental analysis of each company's products, services, and operations. We draw on the Sustainability Accounting Standards Board (SASB, now part of IFRS) guidelines and integrate these standards of material issues into our own proprietary insights. This framework helps identify sustainability-related risks and opportunities most likely to impact fundamentals over varying time horizons. Our analysts conduct regular reviews of materiality, identify disclosure topics and metrics that best capture these issues, and apply tailored weights based on industry, regional, and company-specific factors. Sustainability research is integrated into our fundamental analysis alongside other material considerations as determined by our investment teams. This integrated approach ensures that all relevant factors are considered in making informed and responsible investment decisions.

### Focused Stewardship

While we tend to invest in companies with management teams and strategies we endorse, we also engage with company leadership to foster constructive dialogue. This engagement enables our analysts to clarify key issues, communicate our perspectives, and refine our investment insights. Engagements and outcomes are tracked on our investment research platform, allowing teams to monitor

progress and prioritize future engagement activities that support informed, active investment decisions.

### Continuous Monitoring

Leveraging data and technology, we conduct ongoing monitoring of sustainability-related issues and controversies, which is integral to our investment process. This approach ensures that emerging developments are quickly incorporated into our research views, which can influence our stewardship priorities and capital allocation decisions.

## Sustainable Investment Framework

### 1. Environmental and/or Social Contribution

We conduct security-level research to identify companies whose economic activities support environmental or social objectives across three major investment themes: good health & well-being, inclusive growth, and environmental sustainability. Contributions are measured through alignment of revenue, EBITDA, CapEx, and/or OpEx with select UN Sustainable Development Goals (SDGs).

### 2. Do No Significant Harm (DNSH)

Our DNSH assessment determines that investments do not negatively impact environmental or social objectives. This includes a review of controversial business activities, Principal Adverse Indicators (PAIs), and ongoing controversies. If concerns arise, we may engage with the company to seek clarity or improvements. Failure in DNSH disqualifies a security from being considered a sustainable investment.

### 3. Good Governance (GG)

Companies must meet our Good Governance standards, reflecting norms in management, shareholder accountability, employee relations, compensation, and legal compliance. Investment professionals assess these areas using four governance pillars and document their findings.

# 1 Good Health & Well-Being



# The Three Pillars of Innovation that Aim to Make a Positive Global Impact

## 1. Good Health & Well-Being

### Summary

Health and well-being encompass advancements in medicine and lifestyle that have significantly enhanced both the quality and longevity of life. With technology rapidly transforming how medicine is delivered, Jennison's Health & Wellness theme seeks to identify companies within the healthcare sector that are innovating and driving new and better treatments that can make a genuine and profound difference in people's lives. We believe that investing in such new treatments can also help to power sustainable long-term growth trajectories for the innovators, and our long and deep heritage in finding great growth companies aligns well with this thematic.

There have been significant improvements in health outcomes over the recent decades, each driven by new waves of innovation in certain therapeutic areas. These improvements have brought untold benefits in millions of lives. However, our view is that the pace of innovation in this space is likely to accelerate materially in the coming years, as AI, generative AI, and more powerful digital modeling techniques permit months and years of R&D work to potentially be compressed into days and weeks.

At Jennison, we believe that investing in companies advancing innovative treatments for diseases and medical conditions, as well as improving access to essential medicines and healthcare services, is a good way to tap into powerful and potentially accelerating sources of long-term growth. We focus on innovative high-growth companies that can address unmet needs and thereby enjoy sustainable growth while benefiting ever-larger numbers of patients.

### Alignment to SDGs

Jennison's Health & Wellness theme is closely aligned with the United Nations **Sustainable Development Goal (SDG) 3: "Good Health & Well-Being."** This goal is dedicated to ensuring healthy lives and promoting well-being for all, at all ages. Specific targets include reducing maternal mortality, preventing deaths from communicable and non-communicable diseases, increasing access to reproductive healthcare, and achieving universal health coverage. Jennison strives to invest in companies that directly contribute to one or more of these critical targets.

**Case Study** on the following page: UCB



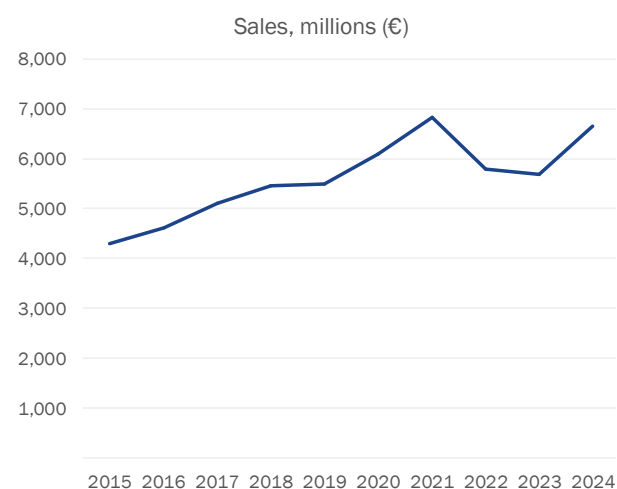
## UCB: A Global Biopharma Company



**SDG Revenue Alignment:**  
100% aligned with SDG 3

### Investment Thesis

- UCB's key new drug BIMZELX® (indicated for psoriasis, HS and various rheumatology indications) is driving positive revenue and earnings growth and momentum for the company.
- BIMZELX® is gaining share as a best-in-class HS treatment, and we expect continued prescription growth trends in the quarters and years ahead.
- The company has an intriguing collection of Phase 2b/3 pipeline assets that offer upside optionality.
- UCB carries some scarcity value, as one of the few healthcare companies with clear visibility into future value drivers for the next few years, with accelerating and durable earnings growth.



Source: UCB.

### SDG Alignment

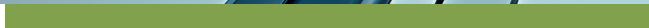
- UCB's biopharma products provide valuable solutions that improve the lives of people living with neurological and autoimmune conditions. The company generated €6.2 billion in revenue in 2024.
- In 2024, UCB's medicines helped more than 3.1 million patients globally.
- Company continues to focus on expanding geographic access, achieving 82% coverage access in 2024, up from 68% in 2023. Over 188,000 people in the U.S. are supported through Patient Support Programs.
- Strong focus on innovation and R&D spend, which represents ~30% of topline: 9 molecules in clinical development; 12 major regulatory approvals for UCB medicines in 2024.

	2024	
	# of countries	# of LMIC
BIMZELX	35	3
BRIVIACT	42	4
CIMZIA	56	13
EVENITY	28	2
FINTEPLA	35	2
KEPPRA	48	12
RYSTIGGO	6	0
VIMPAT	53	11
ZILBRYSQ	9	0

Source: UCB 2024 integrated annual report.

The company was selected because we believe it is a good representative example of the Health & Wellness theme. Any reference to a specific company or security is for illustrative purposes and does not constitute a recommendation to buy, sell, hold or directly invest in the company or its securities, or an offer or invitation to anyone to invest in any strategy.

# 2 Inclusive Growth



# The Three Pillars of Innovation that Aim to Make a Positive Global Impact

## 2. Inclusive Growth

### Summary

Jennison's Inclusive Growth theme comprises two elements: Elevation and Technological Progress. It focuses on companies that enhance economic opportunities and access to technology, contributing to overall social and economic progress. This theme centers on companies that contribute to improving living standards in communities through the creation of meaningful and worthwhile jobs, with decent working conditions, or provide enhanced connectivity and increased access to digital services that empower individuals and businesses in both developed and developing markets.

Focusing on inclusive growth can help to elevate and extend the growth runways for the companies that are able to innovate and implement these strategies to the benefit of their own customers as well as to the benefit of their workers.

Inclusive Growth refers to fostering economic development and technological advancement that benefit all stakeholders. We believe we can find companies with more enduring growth runways than the average company by investing in those that, as a natural part of their business model, provide access to financial services, skilled jobs, decent wages, and digital tools. By boosting both economic empowerment and digital inclusion, such companies help to support the creation of resilient local economies.

However, the most common theme tends to be new technology, in the form of technology breakthroughs, tumbling computing costs and/or improving connectivity. Generative AI, a significant and profound paradigm shift for technology, and for the world, combines all of these elements.

### Alignment to SDGs

Jennison's Inclusive Growth theme aligns with several United Nations Sustainable Development Goals (SDGs), particularly:

- **SDG 1:** Ending poverty through the creation of sustainable economic opportunities.
- **SDG 8:** Promoting sustained, inclusive, and sustainable economic growth by supporting companies that create decent work and fair wages.
- **SDG 9:** Building resilient infrastructure, promoting inclusive industrialization, and fostering innovation by investing in companies that expand access to technology and digital services.

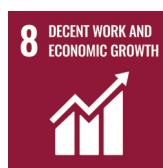
The theme reflects the critical role of the private sector in driving economic growth and poverty reduction while leveraging new technologies to improve productivity and enhance global connectivity. Through investments in companies that contribute to these targets, we support social progress on a global scale.

Case Studies on the following pages:

**Case Study 1:** Nvidia

**Case Study 2:** MercadoLibre

**Case Study 3:** NU Holdings



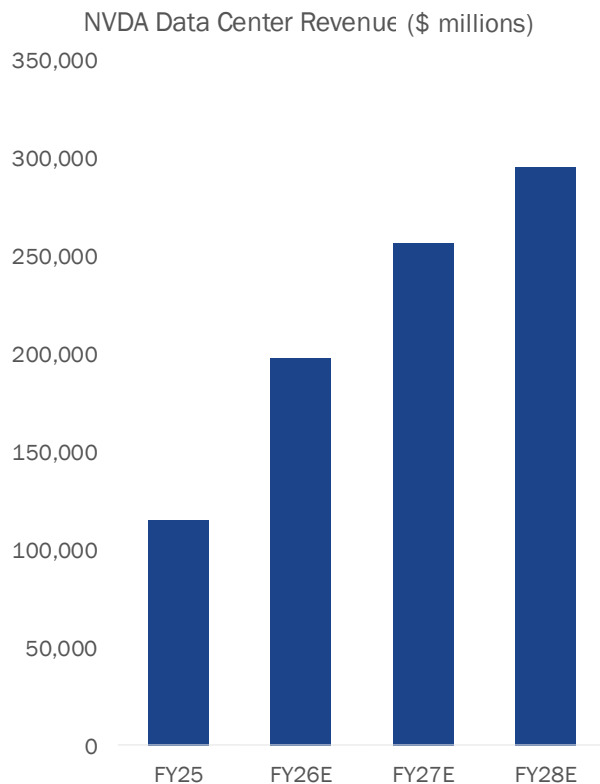
## Nvidia (NVDA): Leader of the AI Compute Era with a Dominant Market Share Position



**SDG Revenue Alignment:**  
100% aligned with SDG 9

### Investment Thesis

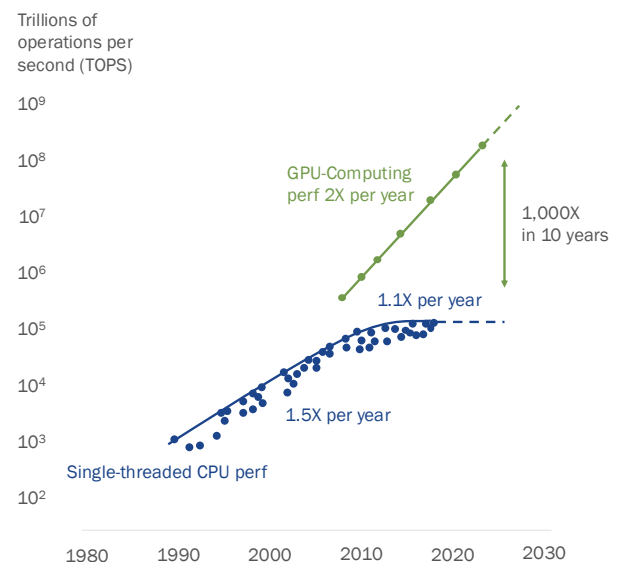
- Leader of the AI compute era with best-in-class technology across both compute and networking.
- Dominant market share position given first-mover advantage and technological leadership in GPUs.
- Key beneficiary of increasing AI adoption across an excellent customer base including Hyperscalers, Enterprises, and Sovereigns.



Source: Nvidia and Jennison. E = estimate.

### SDG Alignment

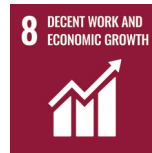
- Nvidia is dedicated to accelerated computing, which tackles a wide range of opportunities such as AI, climate simulation, drug discovery and robotics. The company works top-to-bottom, refactoring applications and creating new algorithms, and bottom-to-top, inventing new specialized processors (RT Cores, Tensor Cores).
- Nvidia has a platform strategy that brings together hardware, systems, software, algorithms, libraries, and services for numerous markets. While the computing requirements of these end markets are diverse, the company addresses them with a unified underlying architecture leveraging its GPUs and networking and software stacks.
- Nvidia's latest Blackwell GPU consumes 4x less power versus its previous Hopper GPU technology platform to train the same LLM in the same amount of time.



Source: Nvidia.

The company was selected because we believe it is a good representative example of the Inclusive Growth theme. Any reference to a specific company or security is for illustrative purposes and does not constitute a recommendation to buy, sell, hold or directly invest in the company or its securities, or an offer or invitation to anyone to invest in any strategy.

## MercadoLibre (MELI): A Disruptive Force in LatAm E-Commerce and Online Payments Industry



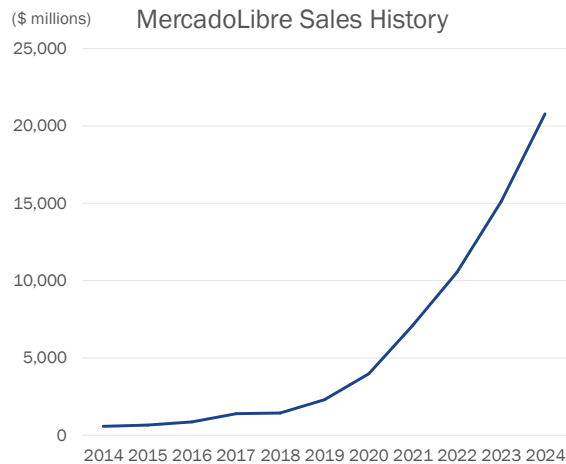
**SDG Revenue Alignment:**  
35% aligned with SDG 8

**Additional SDG alignment:**



### Investment Thesis

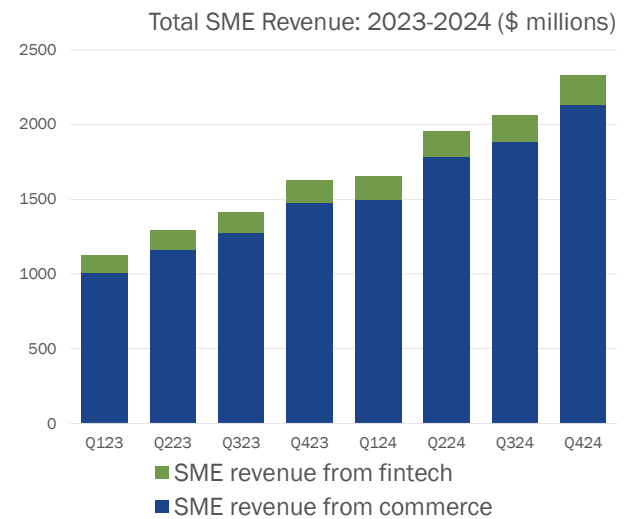
- Largest online commerce and payments ecosystem in Latin America.
- Its driving mission to democratize commerce and financial services in Latin America should continue to unlock years of profitable sustainable growth.
- Fosters entrepreneurship and social mobility, contributing to the development of a large, growing e-commerce and fintech market opportunity in the region.
- Exceptional competitive positioning and management team has delivered outsized top-line growth and margin expansion.



Source: MercadoLibre.

### SDG Alignment

- MELI's business model focuses on bringing its technology platform to underserved populations and SMEs, with its marketplace and fintech platforms boosting the development of digital, commercial, and financial inclusion.
- MercadoLibre is the main source of income for over 1,800,000 families in Latin America, as of 2024.
- Over 45 million loans were granted to entrepreneurs and SMEs in 2023, empowering them to grow their business.
- Over 574,000 SMEs currently offer their products on the platform, of which 73%+ are family-owned businesses as of 2023.



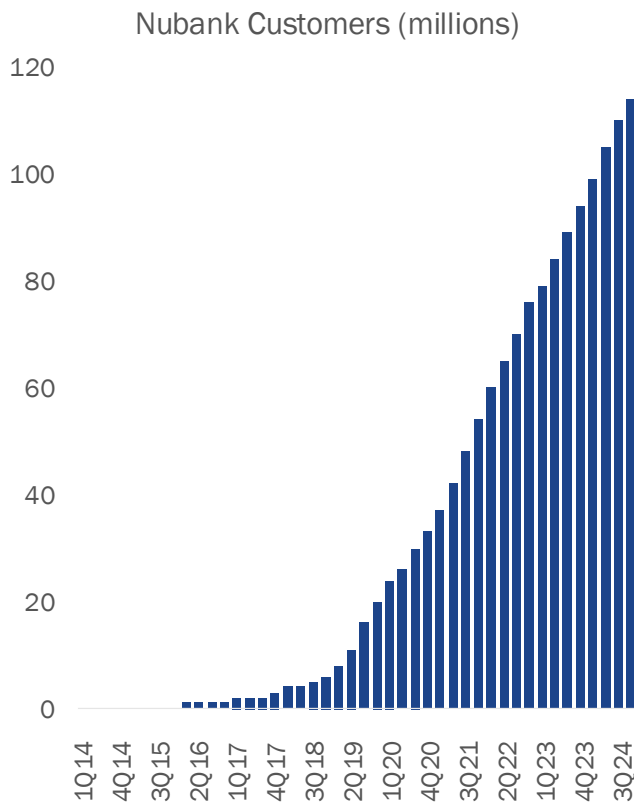
Source: MercadoLibre.

The company was selected because we believe it is a good representative example of the Inclusive Growth theme. Any reference to a specific company or security is for illustrative purposes and does not constitute a recommendation to buy, sell, hold or directly invest in the company or its securities, or an offer or invitation to anyone to invest in any strategy.

## Nubank (NU): Breaking New Ground in Digital Banking

### Investment Thesis

- Nubank is disrupting the LatAm financial services industry, with a technology-first approach.
- One of the most successful neobanks with high engagement and principality with its customers, driving strong and durable top-line growth.
- Its technology-first approach means it has a low cost to service, which in turn is driving strong operating leverage.
- Has created one of the strongest brands in Brazil, and is now expanding to other LatAm geographies.



Source: Nubank.

The company was selected because we believe it is a good representative example of the Inclusive Growth theme. Any reference to a specific company or security is for illustrative purposes and does not constitute a recommendation to buy, sell, hold or directly invest in the company or its securities, or an offer or invitation to anyone to invest in any strategy.

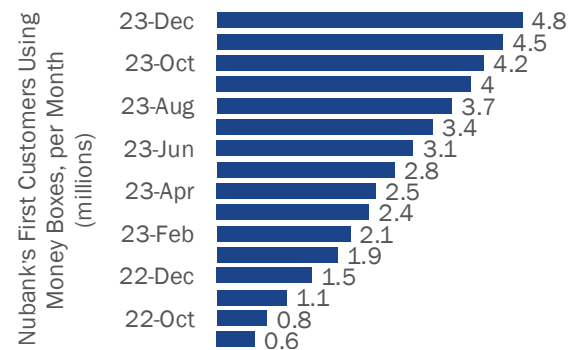
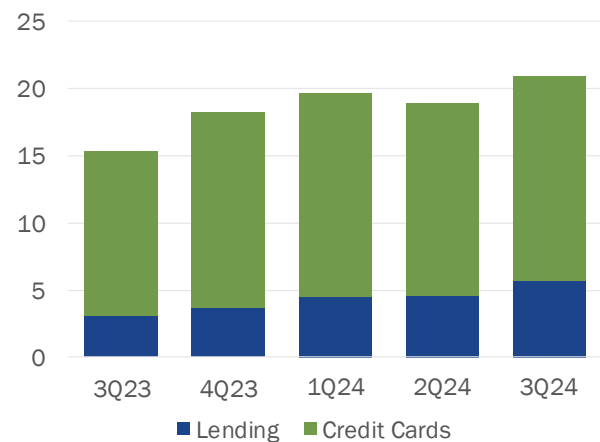


### SDG Revenue Alignment: 99% aligned with SDG 1

### SDG Alignment

- Nubank is one of the largest digital financial services platforms in the world, serving over 114 million customers across Brazil, Mexico, and Colombia. Its mission is to fight complexity in the financial system and increase access to financial products and services, thereby empowering individuals with financial independence, and doing so at a much lower cost to its customers than the competition.
- 80% of prepaid card users are new to the financial services market.
- 30% of customers in Colombia are first-time credit card holders.
- Nubank clients saved an estimated \$11 billion in fees in 2023, significantly alleviating financial strain and contributing to broader financial well-being for millions across Latin America.

### Access to Financial Services: NU Total Portfolio (\$ billions)



Source: Nubank.

# **3 Environmental Sustainability**



# The Three Pillars of Innovation that Aim to Make a Positive Global Impact

## 3. Environmental Sustainability

### Summary

Jennison's Environmental Sustainability theme encompasses the transition to a low-carbon economy and the shift toward more sustainable consumption patterns. Addressing climate issues requires transformative changes in both how energy is produced and consumed, as well as how goods are manufactured and utilized. The technological innovations required to improve energy efficiency in all forms of buildings, all manner of processes and even in the rapidly expanding stock of data centers in the world help to create growth opportunities for companies at the leading edge of such developments. Genuine innovations should help companies create durable competitive advantages and runways for growth.

One critical aspect of this approach is the energy transition, which relies on technological progress such as advancements in energy efficiency and the adoption of cleaner energy solutions. Companies involved in renewable energy production, energy-efficient industrial processes, and decarbonization strategies play a key role in this transition.

Another key element is sustainable consumption, whereby companies that move toward more responsible consumption and production patterns can leverage emerging market opportunities and evolving regulations. Implementing resource-efficient practices lowers operational costs and risks while enhancing brand value. As consumer demands shift and new legislative standards arise, these companies stand to gain a competitive edge, driving both financial and environmental progress.

### Alignment to SDGs

Jennison's Environmental Sustainability theme aligns with several UN Sustainable Development Goals (SDGs), including:

- **SDG 7:** Clean energy, which focuses on ensuring access to modern, sustainable energy.
- **SDG 12:** Responsible consumption and production, which emphasizes sustainable resource use, waste reduction, and circularity in production and consumption patterns.

Through investments in renewable energy technologies, energy efficiency, and sustainable consumption models, Jennison supports companies that are addressing both climate change and resource sustainability.

Case Studies on the following pages:

**Case Study 1:** Ferrari

**Case Study 2:** Hermès International



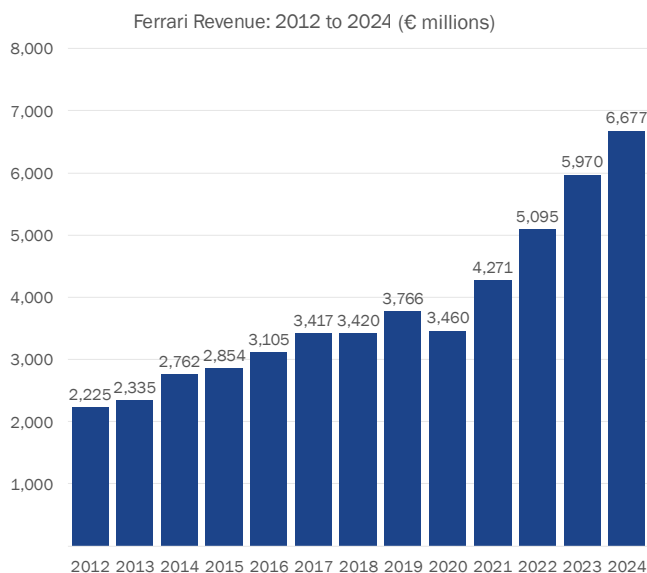
## Ferrari: A Global Brand Embracing Hybrid Technology



**SDG Revenue Alignment:**  
50% aligned with SDG 7

### Investment Thesis

- The Ferrari brand resides at the very top of the luxury pyramid with unparalleled brand strength and pricing power.
- Its highly supply-constrained pricing model drives a level of scarcity that enables highly durable growth against almost any macroeconomic and/or geopolitical backdrop.
- The scarcity of its products and the correlated pricing power enables Ferrari to deliver EBITDA margins approaching 40%.
- We value Ferrari for its consistency and strong financial and operational metrics, enabling it to deliver strong compounding return potential.

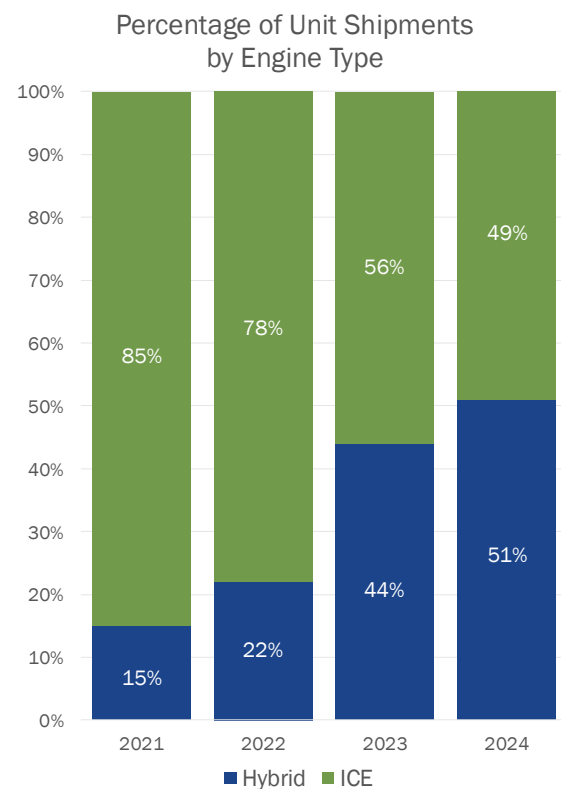


Source: Ferrari.

The company was selected because we believe it is a good representative example of the Inclusive Growth theme. Any reference to a specific company or security is for illustrative purposes and does not constitute a recommendation to buy, sell, hold or directly invest in the company or its securities, or an offer or invitation to anyone to invest in any strategy.

### SDG Alignment

- Ferrari has a clear path in place to transition to hybrid/EV and integrate newly introduced powertrain technologies, thus promoting emissions reduction/efficiency.
- Hybrids comprised 51.3% of total shipments in 2024, up from 44.2% in 2023 and 21.6% in 2022, surpassing ICE vehicles for the first time.
- Ferrari's 2024 product portfolio included six hybrid engine models, and the first EV Ferrari is expected to launch in Q4 2025.
- The 2026 portfolio will consist of 55% hybrid, 5% EV, and 40% ICE; by 2030, 40% of the product portfolio will be EV and 40% will be hybrid.
- Ferrari's hybrid units reduce emissions generated during the use phase by ~30% versus its traditional ICE units.

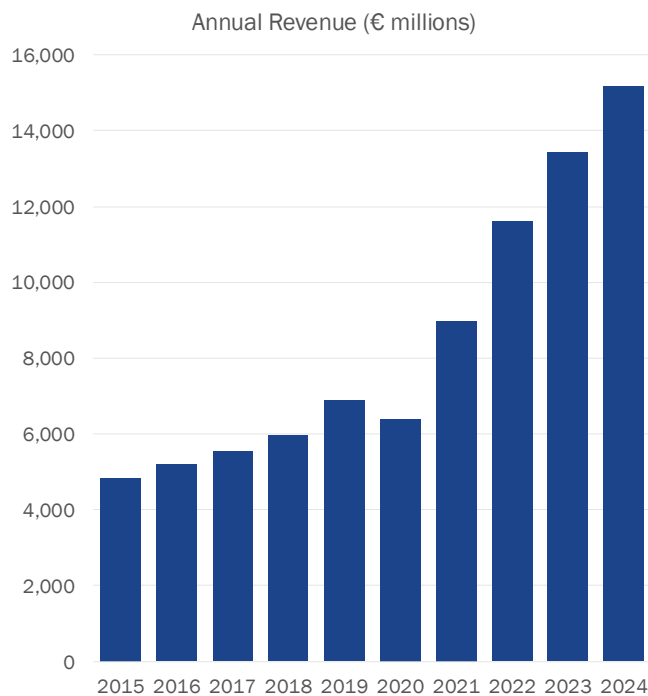


Source: Ferrari.

## Hermès: A Durable Brand with Healthy Diversification Across Product Lines

### Investment Thesis

- We believe that Hermès should continue to deliver significant and consistent above-average top-line growth for longer, driven by the defensiveness and visibility of its business model and the powerful and durable equity of the Hermès brand.
- Its strong brand desirability has translated into healthy diversification across different product categories, all of which are helping to drive double-digit revenue growth for the company for a sustainable period of time.
- Strong brand equity, pricing power, and operational excellence translate into industry-high operating margins of over 40%, and exceptionally high ROCE.



Source: Bloomberg

The company was selected because we believe it is a good representative example of the Inclusive Growth theme. Any reference to a specific company or security is for illustrative purposes and does not constitute a recommendation to buy, sell, hold or directly invest in the company or its securities, or an offer or invitation to anyone to invest in any strategy.



**SDG Revenue Alignment:**  
75% aligned with SDG 12

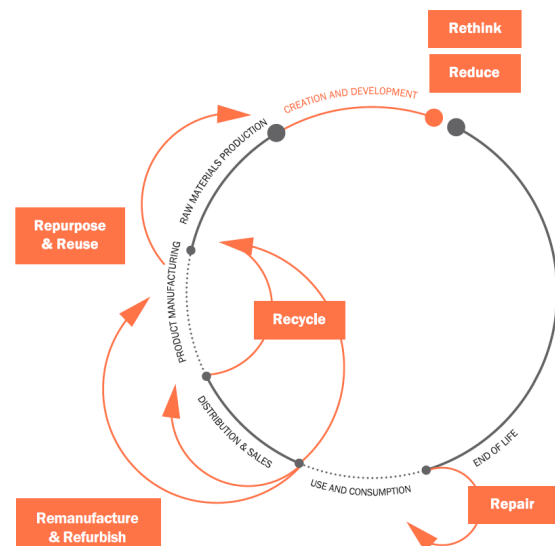
### Additional SDG alignment:



### SDG Alignment

- Hermès promotes sustainable consumption by creating durable products designed for repair and recycling. Hermès products are designed to last generations, with options for repair and renovation.
- Hermès has meticulously reviewed over 90 raw material supply chains to ensure ethical and sustainable practices.
- Hermès conducted over 200,000 product repairs in 2024 as part of its commitment to durability.
- 100% of Hermès' gold and silver is sourced from recycled sources, while 70% of leather suppliers are LWG-certified.
- In 2024, 100% of métiers conducted life-cycle assessments (LCAs) to improve environmental impact, up from 80% in 2023.

### Actions and resources in relation to resource use and circular economy



Source: 2024 Hermès Universal Registration Document.

## Focused Stewardship Philosophy

### A Meaningful Engagement Approach

At Jennison, we emphasize a focused approach to stewardship, believing that meaningful engagements with companies are essential to fostering long-term value creation for our clients. While we typically invest in firms whose management teams and strategies align with our values, we also believe constructive dialogue is critical for gaining insight and clarity on pertinent issues that directly inform our investment decisions.

Our stewardship strategy is firmly rooted in our proprietary, bottom-up research. We concentrate our efforts on evaluating company strategy and disclosures, identifying potential business risks, and analyzing performance trends over time. When engagements are deemed necessary, they are prioritized based on criteria such as the size of our position, the materiality of the issues at hand, and our past interactions with the company. The type of engagement — ranging from written communication and direct meetings to collaborative efforts — is then determined to maximize effectiveness.

Our integrated team of portfolio managers, investment analysts, and sustainability research analysts routinely engages with company management. Every engagement activity and its outcomes are documented on our research platform. This systematic tracking allows us to monitor progress, prioritize future engagements, and make informed investment decisions that align with our focused stewardship philosophy.

If a key issue remains unresolved, we continue to monitor the situation and consider follow-up actions. Should there be a lack of satisfactory progress, we may take further action, such as reducing or divesting our position, or conveying our views through proxy voting. This ensures that our engagements remain purposeful and directed toward achieving meaningful outcomes.

### Categories of Engagements

Environmental	Social	Governance
Climate Change	Supply Chain Management	Board Oversight
Environmental Management	Labor Practices (Operational)	Shareholder Rights
Clean Technology	Product Safety & Quality	Executive Pay-for-Performance
Renewable Energy	Data Privacy & Security	Core Committee Independence (Audit, Nomination, Compensation)
Circular Economy	Employee Health & Safety	Accounting Irregularities
Biodiversity	Modern Day Slavery	Anti-Bribery & Corruption
Stranded Assets	Stakeholder Relations	
Raw Materials	Human Capital Management	

There is no guarantee these objectives will be met.

## Engagement Highlights

### Case Study: A Commitment to Ethical Sourcing and Greater Transparency

Recognizing past stakeholder concerns regarding ethical sourcing and supply chain transparency in the retail and fashion sector, we engaged with the Company to explore and better understand their current approach. The Company had previously experienced scrutiny and controversies linked to labor practices, especially related to limited visibility beyond their immediate Tier 1 suppliers. Given the heightened global focus on human rights and responsible supply chain management, our dialogue was essential to ascertain whether the company's efforts had evolved positively.

Throughout our engagement, the Company demonstrated sincere determination and measurable progress, confirming its dedication through tangible actions. A compelling indication of their commitment was the notable volume of audits they conducted across their supplier networks, totaling over 21,000 supplier audits over the course of the year. This comprehensive approach provided reassurance about the company's proactive stance in safeguarding ethical standards and addressing potential risks within their supply chain.

While acknowledging these positive strides, we offered constructive recommendations to further enhance their transparency, particularly by advising the Company to publicly disclose their sub-supplier lists. The company embraced our recommendation, acknowledging broader industry expectations and committing to publishing this information in the future. We view this decision as a positive and meaningful step toward deeper transparency and accountability.



## Sustainable Standards: What We Avoid and Why

*Our exclusions policy guides our investment strategy by avoiding industries and practices that do not align with our sustainability objectives.*

The Better Future Strategy employs a rigorous exclusions policy as a cornerstone of its sustainable investing approach, designed to align portfolio holdings with globally recognized ethical and environmental standards. The policy prohibits investments in companies that engage in controversial activities or generate revenue from sectors deemed misaligned with the Strategy's sustainability objectives. This includes adherence to guidelines from respected entities such as the Norwegian Government Pension Fund Global and the Swiss Association for

Responsible Investments, and restrictions based on UN Global Compact principles, which includes involvement in controversial weapons, thermal coal mining, tobacco production, and other high-impact sectors.

Specific exclusion thresholds, outlined in the table below, detail the revenue-based limits and activity-specific restrictions that the strategy applies to ensure its investments uphold these values.

### Screening Criteria for Better Future Strategy

Norms Based	
Controversial Weapons Involvement	Any Tie
Nuclear Weapons Involvement	Any Tie

Source: Jennison.

Industry/Regional Standards	
Febelfin for Conventional Oil and Gas	10%
Febelfin for Unconventional Oil and Gas	10%
UN Global Compact	Yes
Norwegian Government Pension Fund Global	Yes
The Swiss Association for Responsible Investments (SVVK-ASIR)	Yes

Source: Jennison.

Value Based	Max Revenue
Tobacco Producer	0%
Tobacco Retailer	20%
Tobacco Distribution	20%
Tobacco Suppliers	20%
Gambling	5%
Adult Entertainment	5%
Thermal Coal Mining	0%
Thermal Coal Generation	0%
Defense/Weapons – Civilian Firearms – Producer	5%
Defense/Weapons – Civilian Firearms – Retailer	5%
Conventional Weapons	5%
Weapons Support Systems	20%
Alcohol Producer	5%

Source: Jennison.

## Disclosures

Data is as of December 31, 2024.

Performance results are calculated in U.S. dollars and reflect reinvestment of dividends and other earnings. Periods greater than 1 year are annualized unless otherwise noted.

Certain data provided is based on a representative Jennison Better Future portfolio. The representative portfolio was selected because it is in the composite, and we believe the holdings, characteristics and risk profiles are representative of these strategies.

The views expressed herein are those of Jennison Associates LLC investment professionals at the time the comments were made and may not be reflective of their current opinions and are subject to change without notice. Forecasts may not be achieved and are not a guarantee or reliable indicator of future results.

Certain third-party information in this document has been obtained from sources that Jennison believes to be reliable as of the date presented; however, Jennison cannot guarantee the accuracy of such information, assure its completeness, or warrant such information will not be changed. Jennison has no obligation to update any or all such third-party information. There is no assurance that any forecasts, targets, or estimates will be attained.

References to specific securities and their issuers are for illustrative purposes only and are not intended and should not be interpreted as recommendations to purchase or sell such securities.

This material is only intended for investors who meet qualifications as institutional investors as defined in the applicable jurisdiction where this material is received. This material is not for use by retail investors and may not be reproduced or distributed without Jennison Associates LLC's permission. These materials are for informational or educational purposes only. The information is not intended as investment advice and is not a recommendation about managing or investing assets. Jennison makes no representations regarding the suitability of any securities, financial instruments or strategies described in these materials.

This material may not take into account all individual client circumstances, objectives or needs. Jennison makes no representations regarding the suitability of any securities, financial instruments or strategies described in these materials for particular clients or prospects.

This material is not intended as an offer or solicitation with respect to the purchase or sale of any security or other financial instrument or any investment management services. It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

In providing these materials, Jennison is not acting as your fiduciary. These materials do not purport to provide any legal, tax or accounting advice. Asset allocation strategies do not assure a profit or protect against loss in declining markets.

Jennison Associates is a registered investment advisor under the U.S. Investment Advisers Act of 1940, as amended, and a Prudential Financial, Inc. ("PFI") company. Registration as a registered investment adviser does not imply a certain level of skill or training. Jennison Associates LLC has not been licensed or registered to provide investment services in any jurisdiction outside the United States. Additionally, vehicles may not be registered or available for investment in all jurisdictions. Prudential Financial, Inc. of the United States is not affiliated in any manner with Prudential plc, incorporated in the United Kingdom, or with Prudential Assurance Company, a subsidiary of M&G plc, incorporated in the United Kingdom.

Please visit <https://www.jennison.com/important-disclosures> for important information, including information on non-U.S. jurisdictions.

References to indices, benchmarks or other measures of relative market performance over a specified period of time are provided for your information only and do not imply that the portfolio will achieve similar results. The index composition may not reflect the manner in which a portfolio is constructed. While an adviser seeks to design a portfolio which reflects appropriate risk and return features, portfolio characteristics may deviate from those of the benchmark.

The MSCI All Country World Index is a free float-adjusted market capitalization weighted index designed to measure the equity market performance of developed and emerging markets. It comprises approximately 24 developed and 21 emerging market country indexes. The financial indices referenced herein are provided for informational purposes only. When comparing the performance of a manager to its benchmark(s), please note that the manager's holdings and portfolio characteristics may differ from those of the benchmark(s). Additional factors impacting the performance displayed herein may include portfolio-rebalancing, the timing of cash flows, and differences in volatility, none of which impact the performance of the financial indices. Financial indices are unmanaged and assume reinvestment of dividends but do not reflect the impact of fees, applicable taxes or trading costs which may also reduce the returns shown. All indices referenced in this presentation are registered trade names or trademark/service marks of third parties. References to such trade names or trademark/service marks and data is proprietary and confidential and cannot be redistributed without Jennison's prior consent. Investors cannot directly invest in an index.

MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaim all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages.

2025-4762711



# JENNISON ASSOCIATES



Jennison Associates LLC  
[www.jennison.com](http://www.jennison.com)

---



55 East 52<sup>nd</sup> Street, New York, NY 10055  
One International Place, Suite 4300, Boston, MA 02110

---



212-421-1000  
617-345-6850

---