

# PICTURING A BETTER TOMORROW

2023 SUSTAINABILITY REPORT



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**Jonathan Thomas**  
President and CEO  
American Century Investments

For 65 years, American Century Investments has taken a client-focused, performance-driven approach to helping clients secure their financial futures. Clients are at the center of everything we do because, as our founder James E. Stowers Jr. famously said, “if we make our clients successful, then we, in turn, will be successful.”

In addition to this deep commitment to delivering investment performance, we’re also tremendously proud of our long history of helping clients achieve financial success while also impacting society in a positive way.

Thanks to American Century’s incredibly unique ownership structure, we direct over 40% of our dividends to medical research. Since 2000, that equates to more than \$2 billion dollars directed to the Stowers Institute for Medical Research, a biomedical research organization dedicated to uncovering the causes, treatments and cures for life-threatening diseases that affect millions of people and their families. Our clients know when they invest with us for their financial futures, they also invest in the future of others. It’s all due to the incredible vision and generosity of Jim and Virginia Stowers and the amazing work our people do daily to delight and deliver for clients.

***I like to call us a universe of one because there is truly no one else like us.***

Our long-standing commitment to giving back extends to our innovative and sustainable business practices that build long-term growth and value for our clients, our people and our communities. Sustainability is in our genes, and as we help clients achieve financial success, we also support and help U.N. sustainable development goal 3, to ensure healthy lives and promote well-being for all at all ages.

This fundamental belief that doing well and doing good go hand in hand, what we call Prosper With Purpose®, is at the core of everything we do, including our commitment to our incredible teammates across the globe. As an employer, we strive to make our workplaces diverse, equitable and inclusive, we value and prioritize our employees’ health and well-being, and we partner with them to serve our communities in ways that are personally meaningful to them.

I invite you to learn more about our purpose-driven culture and commitment to the financial health of our clients, the global health of millions impacted by life-threatening diseases and the health and well-being of our people in our 2023 Sustainability Report.







# INTRODUCTION







## ABOUT THIS REPORT

American Century's sustainability means we will be able to continue helping our clients achieve financial success, creating an enduring impact on global health and well-being (U.N. sustainable development goal 3) as more than 40% of our profits go to medical research through our unique ownership structure.



The Corporate Sustainability Council, made up of leaders in human resources, sustainable investing, legal, finance, information security and marketing, represents key business areas in addressing relevant sustainability issues and helps develop and implement initiatives that support long-term growth and competitiveness. The council, with input from a working group made up of people involved in the day-to-day management of these initiatives, evaluates our proprietary sustainability research investment framework and external sustainability standards on an ongoing basis to identify and report on material sustainability topics relevant to our business.

Through this collaborative process, we have identified performance, people and planet issues as material sustainability topics critical to our purpose-driven mission. In this report, we share our progress on

these topics that will drive our resiliency so we can continue with our goal of making clients successful while making an impact on global health.



### Purpose

***Investing with us for financial health is investing in the world's health.***

Generating results for our clients also supports the work of the Stowers Institute for Medical Research, which receives more than 40% of our profits as our controlling owner. We believe doing well and doing good go hand in hand. It's how we help clients prosper with purpose as we make an impact on U.N. sustainable development goal 3, ensuring good health and well-being.



### Performance

Our sustainability report examines our ability to effectively serve our clients, because their financial success and our profits directly fund medical research.

- Client solutions
- Sustainable investing
- Innovation
- Governance
  - Compliance and business ethics
  - Risk management



### People

Our sustainability report examines our ability to compete in a human capital industry, where talent impacts business success that generates funding for medical research.

- Culture
- Talent
- Employee health and well-being
- Community



### Planet

Our sustainability report examines our ability to protect against environmental risks and minimize the impact on the planet that would compromise our business success and funding for medical research.

- Workspaces
- Green Team



# INTRODUCTION WHO WE ARE

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American Century is a leading global asset manager focused on delivering investment results and building long-term client relationships while supporting breakthrough medical research. We serve financial professionals, institutions, corporations and individual investors.

From the beginning, our vision has been to make our clients successful, which in turn would make us successful. This set what is now American Century apart from other firms from the beginning and is the foundation for our continued success.

So while Jim Stowers Jr. started our company in a basement with two funds, three employees, 24 clients and \$100,000 in assets under management in 1958, we now have nine global offices, more than 150 investment strategies, 1,450 employees, nearly 3 million clients and more than \$200 billion in assets under supervision.

And as we make our clients successful, together we impact global health and well-being because of our ownership structure, which sends more than 40% of our profits to medical research.

## AMERICAN CENTURY BY THE NUMBERS\*:

**1,450** total employees

**200+** investment professionals

**\$229B+** firm AUM

**\$2B+** supporting medical research  
\*as of 12/31/2023

### CLIENTS BY TYPE:

Institutional **40%**

Intermediary **39%**

Individuals **21%**

### GLOBAL LOCATIONS:

Kansas City, Missouri <small>(headquarters)</small>	Portland, Oregon
New York	London
Los Angeles	Frankfurt, Germany
Santa Clara, California	Hong Kong
	Sydney

### DIVERSIFIED INVESTMENT CAPABILITIES:

Global Growth Equity	Multi-Asset Strategies
Global Value Equity	Avantis Investors®
Disciplined Equity	Private Equity
Global Fixed Income	

### SOLUTIONS FOR BROAD INVESTOR BASE:

Mutual funds	Separate and subadvised accounts
ETFs	
CITs	SMAAs
UCITS	Model portfolios

### CLIENTS BY REGION:

North America <b>91%</b>	Europe-Middle East <b>4%</b>
Asia-Pacific <b>5%</b>	



# INTRODUCTION TIMELINE

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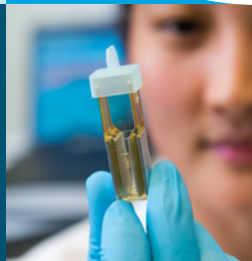
PLANET

With two funds, three employees, 24 clients and \$100,000, James E. Stowers Jr. launches what is now American Century Investments.		Jim Stowers develops one of the first computer-driven stock screening processes.	Jim Stowers is diagnosed with prostate cancer, inspired to give hope to others.	Jim and Virginia create the Stowers Foundation to fund free prostate screening in Kansas City, Missouri.	Virginia Stowers is diagnosed with breast cancer, and the couple's vision for helping others expands.	Jim and Virginia Stowers endow the <a href="#">Stowers Institute for Medical Research</a> from their personal fortune.
<b>1958</b>		<b>1971</b>	<b>1987</b>	<b>1988</b>	<b>1993</b>	<b>1994</b>
The American Century Foundation is created to fund charities. The Stowers Institute 10-acre campus opens.	American Century initiates responsible investing with several tobacco-free portfolios.	Jim and Virginia Stowers found <a href="#">BioMed Valley Discoveries</a> to develop treatments.	BioMed Valley Discoveries, with Johns Hopkins Institute, announces promising results using tumor-destroying bacteria.		American Century and the Stowers Institute receive the Financial Services Cares Award for their roles in the fight against cancer.	Nomura Holdings acquires a noncontrolling economic interest in American Century.
<b>2000</b>	<b>2006</b>	<b>2007</b>	<b>2014</b>		<b>2015</b>	<b>2016</b>
American Century establishes its dedicated sustainable research team.	American Century becomes a signatory to Principle for Responsible Investment.		American Century launches the Avantis Investors® brand.	American Century launches the industry's first semitransparent active sustainability-focused ETFs.	American Century enters private equity markets with the addition of a venture capital team.	
<b>2017</b>	<b>2018</b>		<b>2019</b>	<b>2020</b>	<b>2023</b>	





# PURPOSE





PURPOSE

# HOW OUR IMPACT BEGAN

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American Century is a universe of one among asset managers. We make an impact on good health and well-being as more than 40% of our profits go toward better understanding human health and life-threatening diseases. Since 2000, we've sent more than \$2 billion in dividends to the Stowers Institute, matching our founders' \$2 billion institutional investment of cash and equity that created the Stowers Institute.

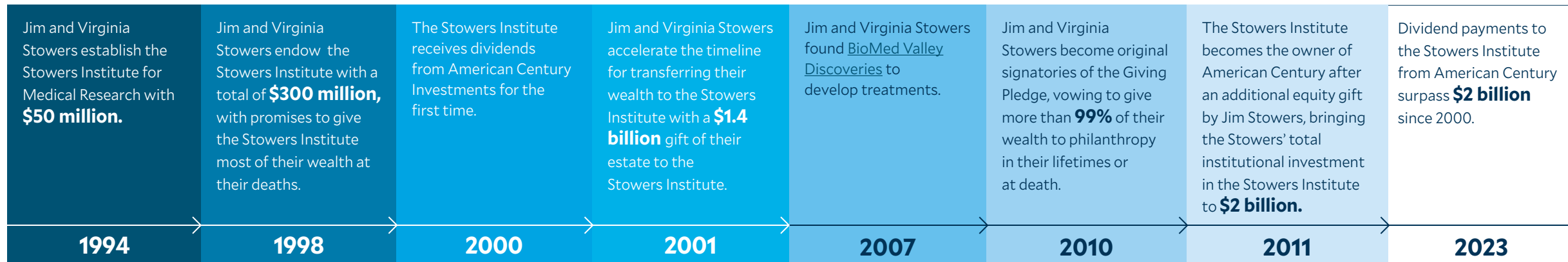
In 1988, years before Jim and Virginia Stowers created the Stowers Institute, they established the Stowers Foundation. Jim Stowers had been diagnosed with prostate cancer in 1987, and his experience sparked the couple's desire to help others facing cancer, beginning with free prostate screenings in Kansas City funded by the Stowers Foundation.

After Virginia Stowers' breast cancer diagnosis in 1993, the couple's vision to help others grew, leading to their 1994 decision to create one of the most innovative and effective medical research institutes in the world and to build it in their hometown, Kansas City. Their decision faced skepticism. They were told it could only be successful on one of the U.S. coasts and that it wouldn't be as effective as endowing an existing research organization. In their determination that the Stowers Institute be in Kansas City, Jim and Virginia knew its success would depend on its ability to draw the best scientists, which they believed could be done with reliable funding.

“ We can make it successful, just by determination, the money, and if we get the best scientists. We have to attract them, because if we don't, it's not going to work.”

Jim Stowers, “[Bringing the best science to KC.](#)”  
Kansas City Business Journal, March 1, 1998

## AN INGENIOUS AND GENEROUS HISTORY





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# HOW OUR IMPACT BEGAN

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## FINANCIAL INDEPENDENCE SETS PATH TO FUTURE IMPACT

The Stowers Institute's equity stake in American Century, which has yielded more than \$2 billion in dividend payments since 2000, allows its scientists the freedom to focus on researching the fundamental questions of biology rather than relying exclusively on grants. This financial security and independence make the Stowers Institute an attractive place to pursue innovative and creative investigations in the biological sciences. The Stowers Institute's financial strength and sustainability continue to attract scientists from around the world. The Stowers Institute recruited three new principal investigators in 2023, resulting in a total of 21 research labs.

**Siva Sankari**, Ph.D. from the Massachusetts Institute of Technology, **Neşet Özel**, Ph.D. from New York University, and **Ameya Mashruwala**, Ph.D. from Princeton University, opened three new labs at the Stowers Institute:

- **The Sankari Lab** researches the fundamental biology of beneficial host-microbe interactions to improve agriculture and human health.
- **The Özel Lab** integrates developmental neurobiology with systems biology and gene regulation with the goal of understanding brain wiring.
- **The Mashruwala Lab** focuses on uncovering the molecular underpinnings of bacterial regulated cell death to uncover possibilities for new therapeutics that influence human health and curb infectious diseases.

The scientists at the Stowers Institute have published more than 2,000 scientific papers since 1997 and are working on 150 ongoing research projects. In 2023, the Stowers Institute published 93 scientific papers, with implications on everything from neurodegenerative pathologies like Huntington's, chromosomal abnormalities impacting infertility and Down Syndrome, cancer-resistant therapy and infertility, anticancer compound treatments, novel cancer therapies and more.



From left to right: Neşet Özel, Ph.D., Siva Sankari, Ph.D. and Ameya Mashruwala, Ph.D.

## THE STOWERS INSTITUTE BY THE NUMBERS:

### PEOPLE:

3

National Academy of Sciences members

20

principal investigators

60

predoctoral researchers

60

postdoctoral researchers

500

staff members

4

American Academy of Arts and Sciences fellows

4

American Association of Science fellows

### WORKPLACE:

10

acre campus

16

technology centers

4

research training programs

150

ongoing research projects

### IMPACT:

\$1.8B

spent on research

\$2B+

in dividends from American Century since 2000

2,000+

scientific papers





PURPOSE

# MAKING HEALTH BREAKTHROUGHS

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By working for and with us, our employees and clients help support the Stowers Institute’s mission: to make a significant contribution to humanity through medical research by expanding our understanding of the secrets of life and by improving life’s quality through innovative approaches to the causes, treatment and prevention of diseases. The Stowers Institute’s research promotes health and well-being for all, the U.N. sustainable development goal 3. This sets us apart as an asset manager generating an impact on global health while helping clients achieve financial success.



## THE JOURNEY FROM FOUNDATIONAL RESEARCH TO AN APPROVED TREATMENT

In 2001, after decades of research, scientists at other institutions reported that a single gene mutation blocking expression of a protein called sclerostin prevented some patients’ bones from breaking.

In the early 2000s, investigator Robb Krumlauf, Ph.D. and his team at the Stowers Institute discovered Wise, a protein related to sclerostin. Over the next decade, the laboratory conducted experiments to deepen the understanding of how Wise and sclerostin controlled bone growth.

### THE JOURNEY





PURPOSE

# MAKING HEALTH BREAKTHROUGHS

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## DISCOVERING THE NOVEL

A July 2023 study from the lab of Stowers Institute Associate Investigator Randal Halfmann, Ph.D., proposed a [new, radical method for treating Huntington's](#), as well as potentially dozens of other amyloid-associated diseases like Alzheimer's and Parkinson's. In uncovering the structure of the first step in amyloid formation, called the nucleus, the research suggests that it is the early committed steps of amyloid formation, right after the nucleus forms, that cause Huntington's.

Furthermore, Stowers Institute researchers were able to stop amyloid formation altogether by clumping proteins together in cells, opening the door to developing novel therapeutic approaches that could prevent the development of Huntington's before it begins.

"This is a very satisfying discovery for me personally and for my lab because we've been almost single-mindedly trying to figure out this nucleus structure for six years solid and more than a decade in total. And now we finally found it," said Halfmann. "Now that we've demonstrated that we can figure this out for this one example, the hope is that we'll be able to do exactly the same thing for the proteins that are responsible for ALS, for Alzheimer's, for Parkinson's."



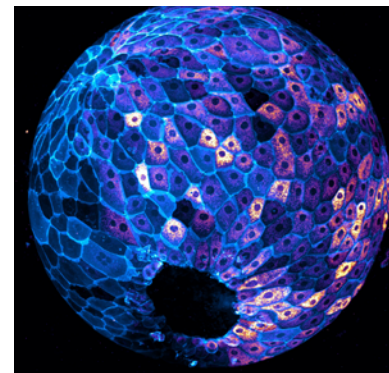
Associate Investigator Randal Halfmann, Ph.D.

## INVESTIGATING THE OVERLOOKED

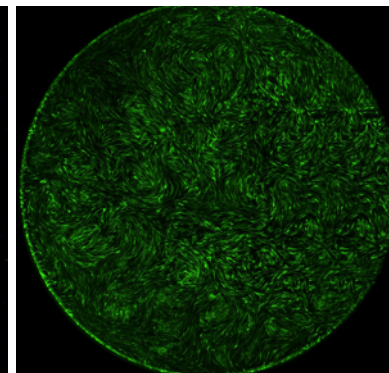
Its independent funding allows Stowers Institute scientists to focus on foundational research that is often difficult to support through private donations or federal grants. In June 2023, Stowers Institute Investigator Jennifer Gerton, Ph.D., published research on arguably [the most overlooked organ: the placenta](#).

"Following birth, the placenta is often tossed in the medical wastebin. This makes it the most overlooked, undervalued, and understudied organ in reproductive science. I feel like generally as scientists and as a society, we're simply not giving the placenta its due consideration," said Gerton. Gerton's research suggests that understanding the placenta could lead to discoveries impacting positive pregnancy outcomes.

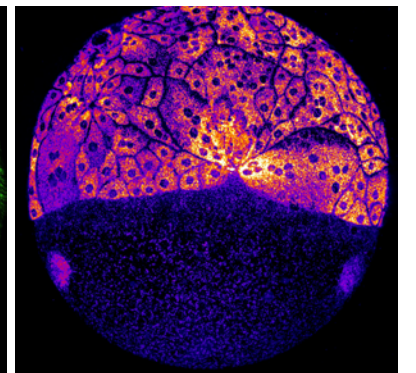
## 2023 IMAGES FROM STOWERS INSTITUTE SCIENTISTS



Zebrafish embryo nine hours after fertilization. Julia Peloggia de Castro, Piotrowski Lab



Human Fibroblast cells expressing GFP. Pedro Morales-Sosa, Rohner Lab



Mitochondria in a zebrafish embryo about six hours after fertilization. Julia Peloggia de Castro, Piotrowski Lab

# "The best is yet to be."

Jim Stowers

# PERFORMANCE







For more than 65 years, we have inspired clients with new ideas and solutions to build optimism and trust in a better future. We always look for innovative designs to solve our clients' investment needs. We initially focused on offering traditional active equity strategies to our clients, then expanded to include fixed-income and multiasset solutions. As client needs have evolved, we have continued to refine and develop our offerings to provide a full range of investment capabilities — from more concentrated portfolios, to an increased emphasis on global markets, to the introduction of systematic investment strategies and to private investment offerings. And we have broadened who we serve — from individual investors to institutional investors and financial advisors — here and around the globe.

As a firm with its beginnings in only offering mutual funds to retail U.S. investors, we have evolved the packaging of our investment capabilities to serve the needs of our global client base, adding separate account, collective trust, offshore mutual fund and retail separately managed account capabilities. We are a strong believer in the exchange-traded fund vehicle as a well-designed structure for a wide variety of investors and have established ourselves as a market leader in the rapidly growing active ETF market, continuing to respond to client demands for more cost-effective investment vehicles.

Quickly after our launch of active ETFs, we introduced Avantis Investors® in 2019, powered by financial science. An evolutionary step forward for active and passive investing, Avantis harnesses a time-tested, academically supported approach designed to increase expected returns by combining consistency of indexing with active management's potential for outperformance, providing low-cost ETF solutions across the equity and fixed-income markets.

In 2023, we entered the private investing space with our introduction of venture capital strategy, an exciting progression of our investment capabilities, as we continue to become a more complete asset manager for our clients and help them reach their financial goals.

### **SOLUTIONS FOR BROAD INVESTOR BASE:**

- Mutual funds
- CITs
- ETFs
- SMAs
- Separate and subadvised accounts
- Model portfolios
- UCITS

### **BROAD INVESTOR BASE:**

- Institutions
- Professional buyers
- Individuals
- Financial professionals

### **DIVERSIFIED INVESTMENT CAPABILITIES:**

- Global Growth
- Global Value
- Disciplined Equity
- Private Investments
- Global Fixed Income
- Multi-Asset Strategies
- Avantis Investors®



PERFORMANCE

# SUSTAINABLE INVESTING

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Our commitment to sustainability begins with American Century's purpose-driven business model, which supports advances in global health through the Stowers Institute for Medical Research while we strive to help our clients achieve financial success. This business model helps shape our culture and makes incorporating sustainability principles into our investment practices a natural fit.

## FUNDAMENTAL PRINCIPLES

American Century seeks to deliver value to our clients by applying an investment-led approach to sustainability when consistent with our fiduciary duty. Given the significant proportion of an investment's market value now comprised of intangibles, the long-term viability of a company's business model and durability of a borrower's cash flow can be increasingly influenced by material sustainability factors.

We believe that sustainable investing, encompassing both process- and outcome-oriented solutions, can produce positive real-world outcomes while generating financial benefits and that incorporating sustainability factors using environmental, social and governance data into our investment processes can lead to more informed decision-making for our portfolios.

Our sustainable investing approach applies to investment strategies that explicitly incorporate sustainability factors using ESG data into the investment process through fundamental research, quantitative data analyses, engagement activities and/or proxy voting. These strategies include fundamental and systematic equities, fundamental fixed income, multiasset strategies and private equity.

American Century's approach to sustainable investing is grounded in three fundamental principles:



**Investment led.** Investment performance is always our primary focus. We incorporate material sustainability factors into our investment processes because we believe that the consideration of these issues can lead to more informed investment decisions and better outcomes for clients.



**Independent insights.** Our investment decisions are driven by proprietary research and tools developed by our sustainable research analysts and investment teams and designed to provide deeper insights.



**Innovation.** To stay ahead of the rapidly evolving sustainable investing landscape, we develop new capabilities designed to achieve clients' specific investment goals.



# PERFORMANCE SUSTAINABLE INVESTING

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For many of our investment teams, considering sustainability-related factors is part of a comprehensive assessment of an issuer’s long-term sustainability, which may help to maximize an investment strategy’s performance. In certain cases, clients have specific objectives related to a portfolio’s sustainability-related characteristics that we address by offering sustainability-focused investment solutions designed to reflect these bespoke requirements.

## APPROACH TO EXCLUSIONS

Our overall approach to sustainable investing is inclusionary rather than exclusionary. We are focused on creating value for our clients rather than imposing values. We believe that, in most cases staying invested and exercising our stewardship capabilities can lead to better financial and real-world sustainable outcomes.

This approach allows our investment teams to:

- Engage with investee companies on material sustainability factors related to industries that may be seen as controversial.
- Vote on resolutions that focus on material sustainability factors that they believe can affect long-term shareholder value.

Although we emphasize inclusion when appropriate, we offer investment solutions designed to meet a range of client preferences that can include investment restrictions such as norms- or value-based exclusions.







# PERFORMANCE SUSTAINABLE INVESTING

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## OVERSIGHT

The following committees and teams are responsible for defining, implementing, managing and overseeing our sustainable investing practices:

- **The management committee** oversees our approach and commitment to sustainable investing, monitors our overall progress in this area and provides the resources needed to support this effort. The management committee updates American Century's board of directors on our sustainable investing strategy and progress at least annually.
- **The investment leadership team**, led by the firm's chief investment officer, includes discipline CIOs, the head of sustainable investing and senior leaders across the investment

organization. The investment leadership team serves as the governing body for specific sustainable investing initiatives, approaches, process enhancements and product development.

- **The Sustainable Investment Council**, comprised of our head of sustainable investing and tenured investment professionals across many of our investment disciplines, is responsible for:
  - Consulting on and reviewing our sustainable investing approach.
  - Supporting the consistent implementation of our sustainable investing approach.
  - Evaluating, developing and innovating our proprietary sustainable investing platform, Sustainability 360™.

- **The head of sustainable investing**, who reports to the CIO, is responsible for driving and executing the firm's sustainable investing strategy and oversees our dedicated sustainable research team. This team, which is part of our investment organization, produces original research on sustainability, delivers in-house training, creates sustainability-focused assessment tools and models, manages stewardship practices and helps to develop innovative sustainability-related solutions for our clients. The head of sustainable investing regularly updates the management committee on our sustainable investing strategy and updates the corporate and mutual fund boards as requested.

Sustainable research analysts coordinate with specific investment teams to support and advance sustainable investing practices in alignment with our approach. Sustainable research analysts are responsible for regularly monitoring an investment team's sustainability research coverage and engagement activity.

Working in partnership with the sustainable research team, our investment teams are responsible for determining how sustainability factors are integrated into the investment process. Our investment teams consider sustainability factors within their processes in alignment with an investment strategy's asset class, style, time horizon, opportunity set and client objectives. Portfolio managers have discretion regarding whether and how sustainability factors impact the team's investment decision-making and, after considering these issues, may conclude that other attributes outweigh sustainability factors when making decisions for a given portfolio.





## SUSTAINABILITY RESEARCH AND ASSESSMENT TOOLS

Independent insights are central to our sustainable investing approach. Our sustainable research team and investment teams work together to develop proprietary research and assessment tools designed to drive better insights and contribute to more informed decision making.

Our proprietary sustainability research platform, Sustainability 360™ (S360™), brings together a wide range of datasets, a quantitative scoring model, information related to engagement activities and qualitative research, providing a holistic view of sustainability-related risks and opportunities at both the individual issuer and portfolio levels. The S360 framework is built for bottom-up issuer-level analyses that can be combined at the portfolio levels. S360 also captures an issuer’s sustainability-related strengths and weaknesses, engagement activity, controversies and additional insights.

Driven by rigorous peer group comparisons, the S360 quantitative scoring model summarizes an issuer’s performance on financially material sustainability factors relative to its peers and, along with other analyses, helps our investment teams make informed decisions. Dynamic and forward looking, the trend adjustment reflects an analyst’s qualitative view of an issuer’s

sustainability practices. Sustainable research analysts may also utilize a “red zone” risk monitor within the S360 platform to identify issuers that have potential higher risk, have limited data disclosure and/or have been involved in controversies related to sustainability issues. This risk monitor includes third-party data inputs to supplement the proprietary S360 Quantitative Score.

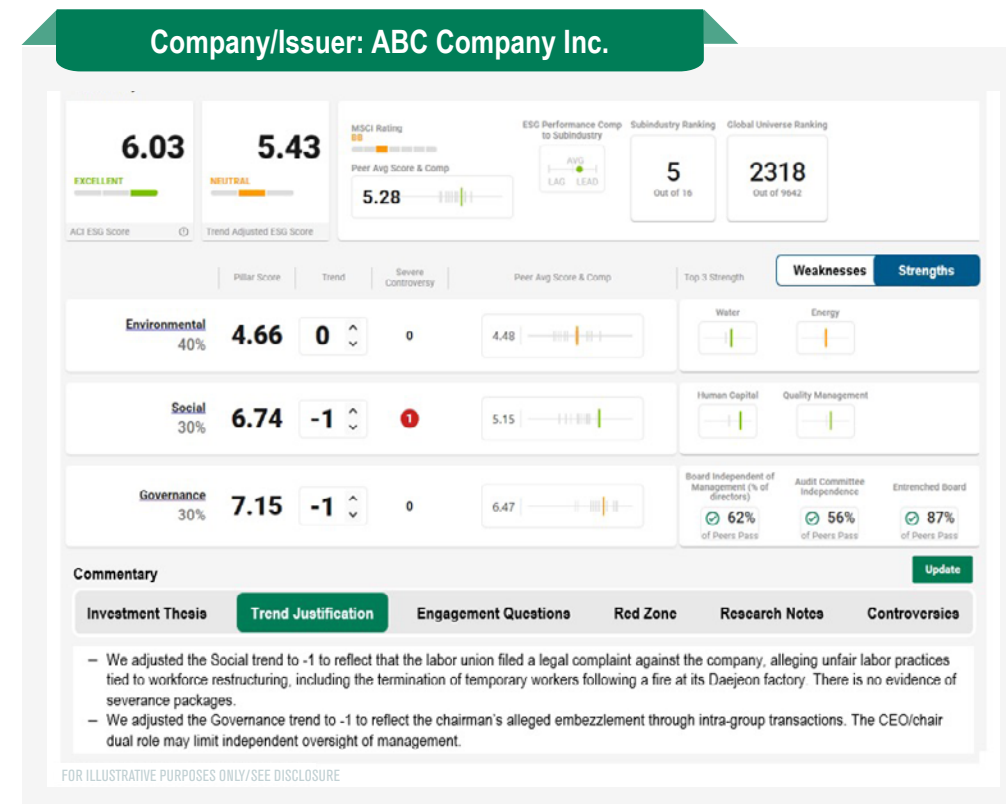
We continue to enhance the S360 platform with additional assessment capabilities and new data sources. The S360 platform is designed to support both the sustainable research team and investment teams while enhancing insights and capabilities for clients.

## DATA AND SOURCES

Our independent insights are derived from our proprietary research and tools, engagement activity and company-reported disclosure (e.g., 10-K, 10-Q, 20-F, GRI-compliant or equivalent sustainability reports, proxy statements). Our assessment tools are informed by academic and/or industry research and third-party data.

Our fundamental equity and corporate credit investment teams use assessment tools that leverage data from third-party providers such as MSCI, Sustainalytics, Standard and Poor’s and/or Institutional Shareholder Services.

## S360 PLATFORM



To evaluate sustainability-related risks for sovereign debt issuers, we use data from a wide range of independent sources, including but not limited to UNESCO, World Bank, U.N. Development Programme and Federal Emergency Management Agency. Municipal securities are evaluated using a combination of publicly available data from FEMA, issuer-disclosed data, data from CreditScope and qualitative analyses.



## S360 AND OTHER ASSET CLASSES

Investment teams utilize the following tools applied to asset classes other than public equities. These tools will be incorporated into the S360 platform in the future:

- **Sovereign Debt Model**

Sovereign debt is evaluated using an in-house model that incorporates data relevant to assessing country risk along with a sovereign issuer's sustainability across our sustainability themes.

- **Corporate Bond Risk Management Tool**

Within our corporate bond strategies, analysts leverage the S360 platform to incorporate sustainability-related risks and opportunities in assessing a security's fair value spread target with our proprietary credit risk management and security selection tool.

- **Municipal Evaluation**

When evaluating municipal bonds, the investment team considers 1) the specific asset being funded (where relevant), 2) the state or other issuing entity and 3) an analyst-evaluated trend. Analysts consider sustainability factors and score based on a proprietary combination of sector-based sustainability factors and qualitative views. Governance is evaluated at both the county and state level.





## PRIVATE INVESTMENTS

The American Century private investments team aims to put capital to work for the greater good, seeking out early-stage companies with the potential to grow while improving people's well-being. The team looks for companies in the health care and climate sectors. Focus areas include delivering advancements in clean air, food, water, shelter, education, health care, sanitation, and climate and environmental sustainability. The team also believes a company's management of sustainability-related risks and opportunities can help improve business outcomes and thus has the potential to create value. As part of its process, the team may also leverage research and resources from our dedicated sustainable research team as appropriate.



## SUSTAINABILITY THEMES WITHIN OUR INVESTMENTS

Our research focuses on five sustainability mega-themes and subthemes that we believe are essential to building sustainable economies in which businesses can thrive. Four of the mega-themes, health care, empowerment, sustainable living and climate, align directly with the U.N. sustainable development goals that are critical to achieving sustainable economic prosperity. In our view, the fifth, technological advancement, is key to achieving a more inclusive, productive and sustainable global economy. We believe that opportunities within these areas will help shape the future of sustainable investing.

 <b>HEALTH CARE</b>	 <b>EMPOWERMENT</b>	 <b>SUSTAINABLE LIVING</b>	 <b>CLIMATE</b>	 <b>TECHNOLOGICAL ADVANCEMENT</b>
Innovative treatment More productive medical equipment and services Access to medicine and health care services New solutions to lower health care costs	Diversity, equity and inclusion Wage structures Human and labor rights Upward mobility	Recycling Product end of life production Food systems Product life extension Sustainable infrastructure	Alternative energy Biodiversity Water Climate mitigation Climate technology Waste management	Digitalization Fintech E-commerce Connectivity Automation

## APPROACH TO MANAGING CLIMATE RISKS AND OPPORTUNITIES

We believe climate change presents material, systemic risks to the global economy and could affect long-term global market dynamics. Our approach to managing climate-related risks and opportunities includes:

- Understanding how issuers are addressing climate risk and innovating solutions.
- Investing in companies that provide innovative solutions to climate-related challenges.
- Exercising our rights as active owners to influence companies' policies and actions.

We are in the process of developing our climate transition plan that will set out our approach to managing climate-related risks and opportunities, including oversight, strategy (including stewardship), risk management, and research and measurements. Our plan will focus on four key areas: carbon emissions, physical risk due to implied temperature rise, biodiversity and water. We believe that addressing these areas through the lenses of mitigation, adaptation and innovation will be critical in supporting a sustainable future for our investments and our planet. Engagement will be an essential component of our plan.





## SUSTAINABLE INVESTING INSIGHTS

[Emerging Trends and New Technology Support the Energy Transition](#)

[Finding the Right Balance: The High Cost of Gene Therapy](#)

[Investing for Impact: Gaps, Trends and Lessons](#)

[Artificial Intelligence: Ethical Concerns and Sustainability Issues](#)

[New Labor Norms: A Case Study in Construction](#)  
*Please visit to learn more about American Century's approach to sustainable investing capabilities*

## 2023 SUSTAINABLE INVESTING HIGHLIGHTS

Strengthened the partnership with the Sustainable Investment Council to further advance initiatives in the areas of integration, engagement, proxy voting and communications.

Increased engagement activity 79% over 2021 in collaboration with our investment teams with an explicit focus on deepening the quality of engagements.

Added a new director of stewardship role to the sustainable research team to accelerate our stewardship practices.

Increased publication of articles to educate clients on a wide range of sustainability-related topics, including the green transition, artificial intelligence, e-waste and the links between climate change, modern slavery and clean energy.

Launched Sustainability 360, our proprietary research platform that brings together sustainability-related tools and data to provide a holistic view of relevant risks and opportunities for individual issuers and portfolios.

Implemented our sector practices framework to further guide investment teams when analyzing environmental- and social-related proxy proposals.

## LOOKING AHEAD

Focus on integration, engagement, proxy voting and communications as we continue to deliver value to clients through an investment-led approach to sustainability.

Further enhance S360, our proprietary sustainability research platform, with new data and resources.

Expand climate analysis capabilities with new data sources and tools.

Complete our climate transition plan that will set forth our approach to managing climate risks and opportunities.

Continue to advance stewardship practices with a focus on increasing long-term value for clients.

Publish a new "Sustainability Snapshot" report for clients that will include quantitative sustainability scores, select sustainability factors, climate and emissions data and trends, and engagement.

As long-term investors and stewards of our clients' capital, we view engagement and proxy voting as essential tools in driving returns and managing risk. We are committed to:

**An investment-led approach.** When fulfilling our stewardship responsibilities, we believe the close collaboration between our investment teams and the sustainable research team leads to a cohesive integration process, more informed investment decisions and, ultimately, better outcomes for our clients.

**Transparency.** We believe transparency regarding stewardship priorities is important for our clients, our investee companies and other key stakeholders. We provide information about how we plan to uphold our active ownership responsibilities and advise investee companies of our key areas of focus. We also encourage company management to be more transparent, as that is critical to us in making informed investment decisions for our clients.

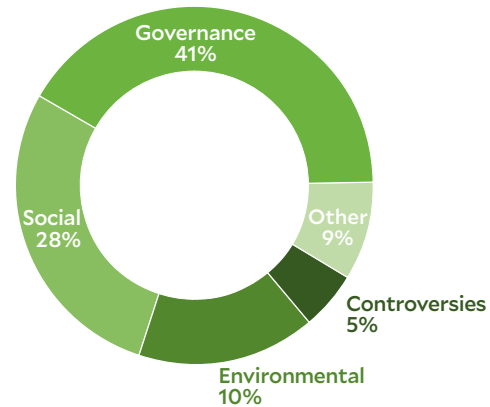
**Constructive engagement.** Engagement contributes to our analysis of a company's long-term sustainability. Our engagement practices apply to both equity and corporate credit investment teams that incorporate the consideration of sustainability factors and traditional financial analysis into their investment processes.

**Prudent proxy voting.** For our equity portfolios, our sustainable research team is guided by our sector practices framework when assessing the financial materiality of sustainability-related issues underpinning each shareholder proposal and makes voting recommendations to our portfolio management teams. We assess proposals on a case-by-case basis, prioritizing shareholder returns, and we generally support those that promote strong governance, increased transparency and consistency in disclosures.

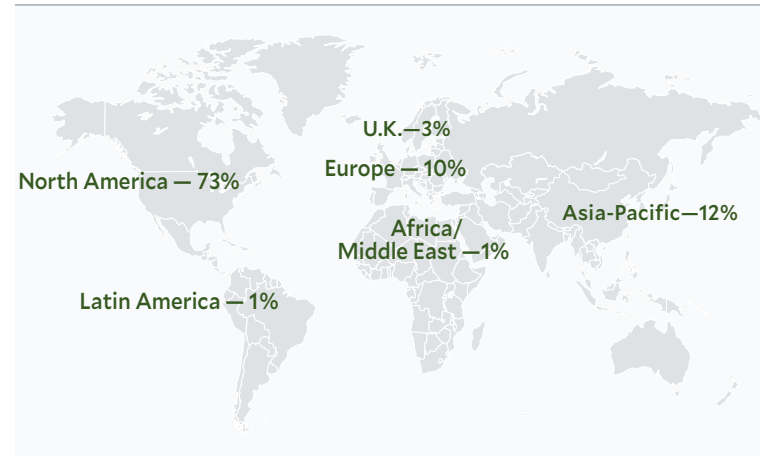
## 2023 ENGAGEMENT ACTIVITY

### ENGAGEMENT SUMMARY

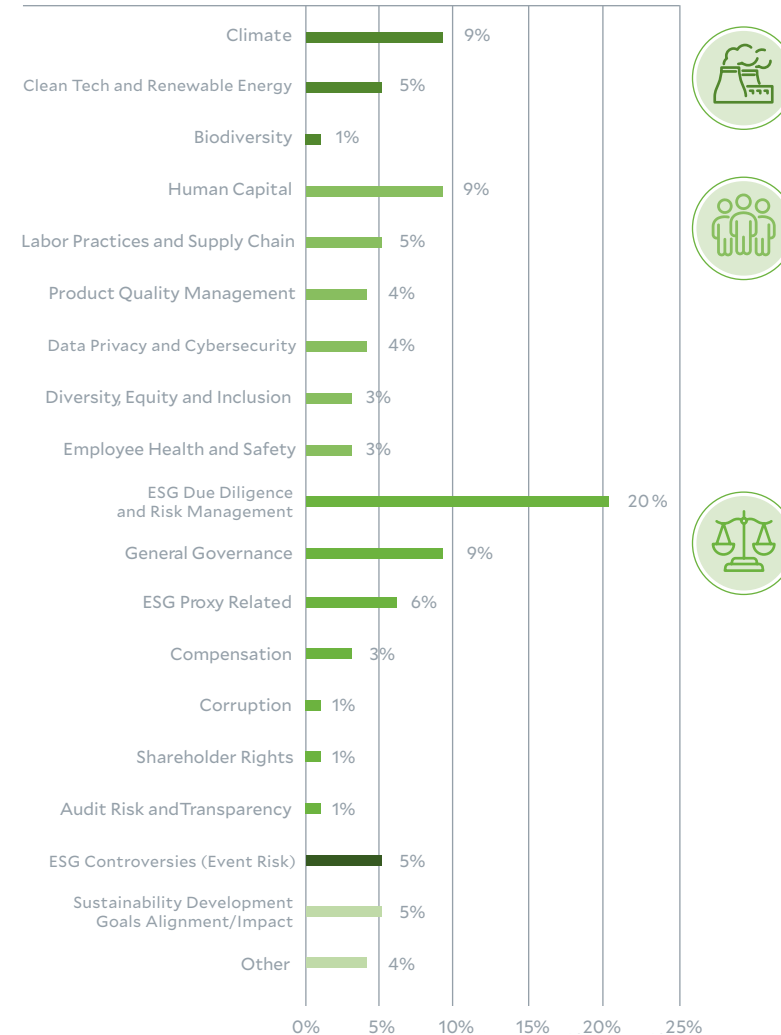
Engagements completed	645
Unique companies engaged	368



### ENGAGEMENT BY REGION



### ENGAGEMENT TOPICS



**Engagement.** Direct engagement with equity and corporate bond issuers is an important element of our sustainable investing approach. While engagement is primarily conducted by our fundamental investment teams, our systematic investment teams have access to our engagement resources and insights. The sustainable research team, in partnership with investment teams, manages our engagement protocol. Engagement activities focus on material sustainability-related factors that we believe could potentially impact the value of the company. The sustainable research team may also engage with companies on our sustainability themes.

Engagement activities may include in-person meetings, written communications and industry forums. This contributes to our sustainability assessments, resulting in more informed investment decisions, and provides the opportunity to:

- Gain a more thorough understanding of a company’s approach to managing sustainability-related opportunities and risks, evolving market dynamics and potential controversial activities.
- Encourage increased transparency around and disclosure of material issues related to sustainability and associated risks.
- Discuss sustainability-related best practices and industry standards.
- Establish expectations regarding a company’s sustainability practices and encourage change as appropriate.
- Inform the positions we take on shareholder proposals.

## GOOD HEALTH IS GOOD BUSINESS – COLLABORATING FOR CHANGE

We recognize the role we can play in improving the health of society and, to that end, participate in ShareAction’s Healthy Markets Initiative. This investor coalition facilitates change by engaging companies on the issue of promoting and selling healthier foods, as determined by government-endorsed nutrient profiling models. These healthier food and beverage products help mitigate global risks to public health. More regulation and growing consumer demand for healthier options mean food companies, supermarkets, food manufacturers and food service providers are at risk. The objective of these engagements is to facilitate a company’s change through increased disclosure, target setting and the monitoring of progress on key issues. The initiative will pivot more toward U.S. food and beverage manufacturers in 2024, as well as the “out-of-home” dining sector.

Collaborative engagements we participated in during 2023 include Nestle S.A., Kellanova, Tesco PLC, PepsiCo Inc., Unilever PLC and Britvic plc.

By bringing investors together and leading collaborative company engagements, the Healthy Markets Initiative seeks to drive real impact in the food and beverage industry. The engagements also increased our insights into the companies’ management and governance of health-related risks and opportunities and provided additional perspective to help inform our proxy voting.



## PROXY VOTING

In voting proxies, American Century is guided by general fiduciary principles. We act prudently and solely in the interest of the beneficial owners of the accounts that we manage. In short, we vote proxies in the manner that we believe will do the most to maximize shareholder value. American Century has adopted written proxy voting policies to help inform our voting decisions.

We utilize Institutional Shareholder Services as input to our proxy voting research process, but we do not delegate or outsource our proxy voting decision-making activities. Although we consider ISS' recommendations, we do not rely on them in deciding how to vote our clients' shares.

We believe certain sustainability factors can potentially affect an issuer's long-term financial performance. Our sustainable research team reviews proxy proposals that have been identified as having potential underlying sustainability-related issues and affect positions held across our equity strategies. Incorporating various inputs, including our sector practices framework and ISS proxy recommendations, the sustainable research team analyzes the financial materiality and potential risks or economic impact of the sustainability issues underpinning proxy proposals and makes voting recommendations to portfolio managers based on those analyses.

The sustainable research team assesses shareholder proposals on a case-by-case basis and may recommend support if it believes there is a link between a proposal, an economic impact and a potential to increase long-term shareholder value. Examples of sustainability-related proxy issues include board independence, director over-boarding, environmental disclosures, human capital management, supply chain management and shareholder rights.

Portfolio managers have the authority and ultimate responsibility for final voting decisions for the portfolios they manage.

Our votes are recorded on the ISS platform, which allows us to track and report overall voting results. Our proxy votes are publicly available on [our website](#).

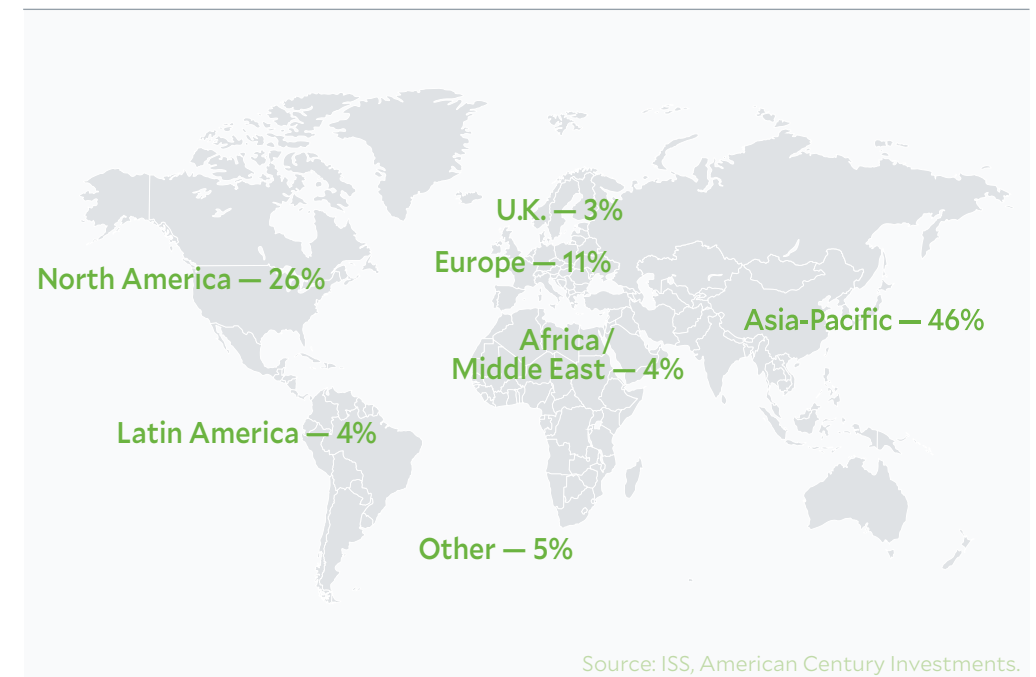
Additional details on our proxy voting policies, including how conflicts of interest are addressed, are available [here](#).

## 2023 PROXY VOTING ACTIVITY

### VOTING SUMMARY

Number of Meetings Voted	12,668
Number of Items Voted	120,848
Votes with Management	86%
Votes Against Management	14%

### VOTING BY REGION





Signatory of:



Member of Healthy Markets Initiative

## INDUSTRY ORGANIZATIONS AND AFFILIATIONS WE SUPPORT

**Principles for Responsible Investment** – As a signatory to PRI, the world’s leading proponent of responsible investing, we demonstrate our commitment to incorporating sustainability-related factors into investment decisions and stewardship practices when doing so is consistent with our fiduciary duty.

**Investor Stewardship Group** – As a signatory, we commit to the six stewardship principles for institutional investors as outlined by the ISG framework.

**Council of Institutional Investors** – A member of CII, an association that promotes effective corporate governance, strong shareowner rights and sensible financial regulations that foster fair, vibrant capital markets.

**Responsible Investment Association Australasia** – A member of this association, whose mission is to promote, advocate for and support approaches to responsible investment that align capital with achieving a healthy and sustainable society, environment and economy.

**CDP** – A member of CDP (formerly Carbon Disclosure Project), a global disclosure system that encourages companies and local, state and regional governments to measure and manage their environmental impacts.

**Task Force on Climate-related Financial Disclosures** – A supporter of TCFD, a global organization that promotes voluntary, consistent climate-related financial risk disclosures.

**Task Force on Nature-related Financial Disclosures** – A supporter of this coalition that aims to provide decision-makers in business and capital markets with better quality information through corporate reporting on nature that improves enterprise and portfolio risk management.

**Investors Against Slavery and Trafficking Asia-Pacific** – A founding member of this investor-led initiative that engages with companies in the APAC region to help “find, fix and prevent modern slavery, labor exploitation and human trafficking in their value chains.”

**Access to Medicine Foundation** – A signatory to the Access to Medicine Index Investor Statement, working with investors to improve the knowledge of how pharmaceutical companies manage risks and opportunities related to access to medicine and antimicrobial resistance and using Access to Medicine Foundation research in investment analysis and engagements with companies.

**ShareAction (Healthy Markets Initiative)** – Part of a coalition of investors to engage companies to promote public health and sustainable growth.

**Human Capital Management Coalition** – A member of a diverse group of asset owners that further elevates human capital management as a critical component in company performance.

**Ellen MacArthur Foundation Community** – A part of the community of the foundation that works with businesses, academia, policymakers and institutions across the globe to develop and promote the idea of a circular economy.



Innovation comes in many forms — all engineered to deliver differentiated capabilities to the market and transform our productivity. Vital to our success as a firm and our employees’ personal success, we are working to foster a culture that inspires innovation. Our pillars of innovation spark creativity, facilitate problem solving and enable delivery.



Hackathons are companywide contests to develop new technology ideas.



Learning programs include micro-, self-directed and targeted learning options.



Labs are designed for team experimentation on the next generation of products and services.



Partnerships will enable us to optimize our technical systems and accelerate technology adoption.

## HACKATHONS

Hackathons are companywide opportunities for employees and contractors to submit ideas, form teams and modernize technology to compete, differentiate, accelerate delivery and embrace new business products and capabilities enabled through our state-of-the-art technology platform. Themes from 2023 hackathons that will be used in 2024 and beyond include:

- Using generative artificial intelligence or large language models with chat or conversational interfaces to customize responses trained on American Century data in support of employees for self-service and efficiency on a variety of internal use cases.
- Using generative AI or large language models to analyze and generate insights, similar to past natural language processing outcomes, in support of portfolio construction, optimization and sales research. This is both from custom builds as well as services provided by technology partners.
- Drafting content and documents in a variety of internal editorial and approval workflows, saving time and adding scale to teams in order to be more responsive to our customers’ changing needs.

## 2023 INNOVATION HIGHLIGHTS

**24 hackathon projects** were approved for implementation to improve productivity and meet our client’s changing needs.

**Launched Artificial Intelligence & Machine Learning Model Governance Council** to better understand impacts and capability and boost productivity.

Our innovations lab and municipal credit team received a **2023 Drexel LeBow Analytics 50 award from Drexel University** in Philadelphia for an innovative project that uses machine learning to analyze credits.

## OWNERSHIP

American Century Companies Inc. is a privately owned company and the ultimate parent of a group of subsidiaries involved in asset management and the distribution of investment products, collectively referred to as American Century Investments. This group includes American Century Investment Management Inc., our U.S.-based, Securities and Exchange Commission-registered investment adviser. ACC's equity ownership is divided among:

- The Stowers Institute for Medical Research and affiliated entities
- Tokyo-based Nomura Holdings Inc.
- American Century employees and others

Nomura acquired a noncontrolling economic interest in American Century in 2016. Our two firms share many common values, including a commitment to making a positive long-term impact on the environment and society and contributing to the achievement of the U.N. sustainable development goals.

## BOARDS OF DIRECTORS

American Century Investments has a corporate board of directors that oversees the business and fund boards that oversee the family of American Century mutual funds and ETFs.

## MANAGEMENT COMMITTEE

American Century's management committee is responsible for the strategic direction of American Century Investments and all day-to-day decisions involving the companies. The group includes our CEO and leaders of six key areas of the company — investment, operating, legal, client, investment solutions and people — engendering alignment and accountability across the firm.

## CORPORATE BOARD OF DIRECTORS

As with other corporations, the stockholders of ACC have elected a board of directors that is responsible for the oversight of the management of ACC and indirectly all its subsidiaries, including American Century Investment Management Inc. The board's responsibilities include governing the organization by establishing broad policies and objectives; selecting, appointing, supporting and reviewing the performance of its officers; ensuring the availability of adequate financial resources; approving significant corporate transactions and initiatives; approving annual budgets; and accounting to the stockholders for the company's financial performance.

## AMERICAN CENTURY CORPORATE BOARD OF DIRECTORS



**Richard W. Brown**  
Chair of the board,  
Stowers Institute



**Alejandro Sánchez Alvarado, Ph.D.**  
Executive director and chief scientific officer, Stowers Institute



**Patrick Bannigan\***  
Executive vice president and chief financial officer, American Century Investments



**Abby Freeman**  
Board member,  
Stowers Institute



**Charles German**  
Executive vice president and general counsel, Stowers Resource Management



**Gina Kaiser**  
Board member, Stowers Resource Management



**Brent Kreider**  
President,  
BioMed Valley Discoveries Inc.



**Robert Stark**  
CEO, Nomura Private Capital LLC



**Tomoyuki Teraguchi**  
Representative executive director and vice chair, Nomura Holdings Inc.



**Jonathan S. Thomas\***  
President and CEO,  
American Century Investments



**David A. Welte**  
Board member,  
Stowers Institute

\*Interested directors



## FUND BOARDS

Three fund boards of directors and trustees oversee the various American Century U.S.-based mutual funds and ETFs. These boards represent the interests of fund shareholders and oversee the management of the funds by American Century Investment Management Inc. The fund boards meet quarterly to monitor a wide range of topics including, without limitation, investment performance, shareholder service, administration, regulatory compliance and fund operations.

As required by the Investment Company Act of 1940, the boards consist predominantly of independent directors unaffiliated with American Century. The independent directors select and nominate new independent directors in the event of board vacancies and have their own legal counsel. President and CEO Jonathan Thomas is the sole American Century representative on the fund boards.

### AMERICAN CENTURY KANSAS CITY FUND BOARD

Independent chair:

**Jan M. Lewis**

Brian Bulatao

Thomas W. Bunn

Chris H. Cheesman

Barry Fink

Rajesh K. Gupta

Lynn M. Jenkins

Gary C. Meltzer

Jonathan S. Thomas\*

\*Interested director

### AMERICAN CENTURY MOUNTAIN VIEW FUND BOARD

Independent chair:

**Tanya S. Beder**

Jeremy I. Bulow

Jennifer Cabalquinto

Anne Casscells

Jonathan D. Levin

John M. Loder

Jonathan S. Thomas\*

\*Interested director/trustee

### AMERICAN CENTURY NEW YORK FUND BOARD

Independent chair:

**Reginald M. Browne**

Jeremy I. Bulow

Thomas W. Bunn

Barry M. Mendelson

Jonathan S. Thomas\*

\*Interested trustee





Our firm is committed to implementing best-in-class governance practices and meeting the highest ethical standards. It is how we earn and keep our clients' trust.

## BUSINESS CODE OF CONDUCT

To keep the confidence and trust of our investors and the general public, American Century employees approach their work with integrity and an unwavering determination to act in accordance with the law and the highest standards of ethical conduct and fair dealing in every situation. Our Business Code of Conduct exists to make employees aware of the company's commitment to the highest degree of ethical business standards and includes our Code of Ethics and policies related to outside employment, directorships, independent contracting and gifts and entertainment.

## CODE OF ETHICS

The Code of Ethics guides the personal investment activities of American Century employees — including full- and part-time employees, contract and temporary employees, and officers and directors (and members of their immediate families). The Code of Ethics defines parameters for employees' personal securities transactions to ensure no conflict with the interests of clients' portfolios.

Based on their job functions, employees are assigned one of four Code of Ethics classifications. Each classification carries different reporting requirements and trading restrictions. All employees must complete Code of Ethics training annually. And new persons who are granted access to portfolio

transactions or daily holdings complete training within 10 calendar days of their classification change.

Our Code of Ethics review committee oversees employee trading activity, reviews violations and determines any appropriate sanctions. The committee also reviews potential conflicts of interest, such as outside directorships.

American Century also claims compliance with the CFA Institute Code of Ethics and Standards of Professional Conduct.

## HUMAN RIGHTS

As a global organization and good corporate citizen, American Century is committed to respecting the U.N. Guiding Principles on Business and Human Rights and strongly opposes slavery and human rights violations. We promote high ethical standards and expect suppliers to exhibit high standards as well. As such, we intend to avoid conducting business with or supporting any organization involved in the categories of serious exploitation as provided for in current modern slavery legislation:

- Trafficking in persons
- Slavery and servitude
- Forced marriage
- Forced labor
- Debt bondage
- Child labor
- Deceptive recruiting for labor or services

Despite our assessment that there is a low risk of modern slavery issues occurring in our supply chain, American Century is committed to maintaining processes to identify and prevent such issues. We follow an established vendor management program that defines the processes for procuring goods and services from external vendors. In 2023, we enhanced our online vendor management process to incorporate due diligence questions related to modern slavery and human trafficking.

To further this support, American Century is one of the initial members of an investor coalition dedicated to the fight against modern slavery: Investors Against Slavery and Trafficking Asia-Pacific. IAST APAC is an investor-led initiative convened to promote effective action among investee companies in the APAC region to find, fix and prevent modern slavery, labor exploitation and human trafficking in their value chains.

As investors, we expect companies to meet their reporting and compliance obligations and, in doing so, encourage companies to examine broader risks of labor exploitation as a leading indicator of modern slavery. We are committed to building our understanding of and incorporating best practices into our operations and continually look for ways to advance these issues.



## REPORTING WORKPLACE PROBLEMS AND CONCERNS

American Century maintains a Reporting Workplace Problems and Concerns Policy that encourages employees to report any potential problems or concerns. The policy outlines who the employee should contact based on the nature of the issue. An employee also has the ability to anonymously submit a concern using a hotline or online reporting platform, both of which are managed by a third-party vendor who notifies American Century of the matter. No adverse action will be taken against anyone who in good faith notifies the company of a concern, reports an incident prohibited by any policy or assists in the follow-up or investigation.

## ANTI-CORRUPTION AND BRIBERY

Our antibribery compliance committee oversees the firm's comprehensive Anti-Bribery Policy and program designed to comply with the U.S. Foreign Corrupt Practices Act, U.K. Bribery Act 2010 and similar laws and regulations worldwide. No gifts, meals, entertainment or anything else of value may be given or provided to any government official, person who might be believed to be a government official or politically exposed person unless approved by the appropriate legal and compliance personnel. All gifts, entertainment and anything else of value must comply with our Business Code

of Conduct and Gifts and Entertainment Policy and be reported in the firm's travel and expense reporting system. All employees must certify annually their awareness of and compliance with the Antibribery Policy.

## POLITICAL CONTRIBUTIONS

American Century generally does not make corporate contributions to state or local officials or candidates, political parties or political action committees.

Our comprehensive Political Contributions Policy is designed to comply with U.S. Securities and Exchange Commission Rule 206(4)-5, the Financial Industry Regulatory Authority Rule 2030 and Municipal Securities Rulemaking Board Rule G-37, which address "pay-for-play" practices by investment advisers and municipal securities dealers. Among other measures, the policy requires employees to preclear their personal political contributions.

All employees must complete annual certifications stating that they have read and understand the Political Contributions Policy, have precleared and reported their political contributions to the compliance department and have not asked anyone, including a spouse or family member, to make a prohibited contribution on their behalf. Our compliance department monitors compliance with Rule G-37 quarterly and submits appropriate filings to the Municipal Securities Rulemaking Board.

## PRODUCT GOVERNANCE

Our products and markets committee determines a product strategy that will meet the needs of clients and align with the firm's overall business strategy. In addition to the PMC, five other groups provide ongoing governance of the firm's investment products:

- Index committee
- Investment oversight committee
- Complex securities committee
- Trade oversight committee
- Valuations committee



# PERFORMANCE RISK MANAGEMENT

INTRODUCTION

PURPOSE

PERFORMANCE

PEOPLE

PLANET

Risk management is an inherent part of our corporate culture. A comprehensive framework guides awareness, identification and management responsibilities across all levels of the firm. We promote an environment that requires integrity, fosters innovation and encourages sound business practices. Working with the legal and compliance departments, each business unit is responsible for the ongoing evaluation of the business environment it operates within to identify emerging risks and implement and/or enhance risk management policies, processes and controls tailored to its business unit.

In addition, senior leaders from across the organization serve on various risk oversight committees, including the investment oversight committee, trade oversight committee, complex securities committee and Code of Ethics review committee. The internal audit department performs objective assessments using tests that independently assess the effectiveness of the company's control environment. The Productivity Quarterly Review provides a platform for formal assessment of productivity efforts, oversight of enterprisewide risk and identification of emerging risks.

## CYBERSECURITY, DATA PROTECTION AND CLIENT PRIVACY

Trust underpins any solid relationship and assumes great importance for us because clients entrust their financial futures to our care and count on us to keep that information confidential. Our Privacy and Security Policy explains how and why we collect certain information, while our Privacy Notice details how we collect, share and protect clients' personal information.

Because safeguarding our operations and clients' personal information is paramount, American Century deploys cutting-edge technologies to help prevent, detect, assess and respond to information security and cybersecurity risks. A steering committee of representatives from each business function oversees information security policies that align closely with the NIST Cybersecurity Framework, industry best practices and relevant regulations.

The information security team continuously monitors our data protection systems, provides risk assessment and consults on appropriate security countermeasures. An annual system and organization controls audit provides an external review of our information security controls and their effectiveness.

Our ongoing employee awareness program informs and reinforces information security policies by coordinating communications for our compliance, privacy, physical security, information security and business continuity groups. New employees must read and acknowledge the Confidential Information and Asset Policy. The information security team provides additional security training to the company's information technology developers.

Information security due diligence on third-party firms and vendors includes:

- A formal review process for vendors that handle sensitive information.
- Background checks on third-party employees who would have access to sensitive information or login access to our systems.
- Confidentiality agreements with third-party firms and vendors with access to critical data.

## 2023 CYBERSECURITY, DATA PROTECTION AND CLIENT PRIVACY HIGHLIGHTS

Aligned closely with NIST CSF, industry best practices and relevant regulations.

Provided mandatory cybersecurity training for all employees and ad hoc training for specific topics like phishing.

Implemented a program that delivers immediate training to employees who click on links in simulated phishing emails and aligns phishing campaigns to replicate real-world situations.

## LOOKING AHEAD

Modernization of cloud architecture, identity and access management, and governance and assurance programs.

Enhancements of cloud security and application security program.



## BUSINESS CONTINUITY AND RESILIENCY

Our wide-ranging, global business continuity and resiliency programs focus on preparing for and recovering from unpredictable events and activities (e.g., technological, environmental, terrorist) that could disrupt normal business operations and affect the physical safety of our employees.

Our crisis management team coordinates activities firmwide among the emergency response, business continuity, information technology and business unit management groups. The business continuity team develops and manages enterprisewide planning and recovery activities, including separate recovery plans for each critical business area and evaluates potential impacts of changing regulations to recovery planning. Dedicated staff work with critical business units to maintain and evolve business continuity operating procedures.

## 2023 BUSINESS CONTINUITY AND RESILIENCY HIGHLIGHTS

Achieved 100% text messaging and email contact rate through improvements to our domestic and international emergency notification platform.

Consolidated our disparate vendor information into a single framework under our third-party risk management oversight process.

Fully deployed our work-from-home strategy and disconnected from our alternate workforce relocation centers and our mobile workforce provider.

Distributed secure access client and remote desktop connections to assigned devices and virtual sessions during disaster recovery exercises.

Greatly reduced connection issues and distributed flexibility during a disaster recovery event.

## LOOKING AHEAD

Transition our business continuity recovery framework to one of operational resiliency, with a focus on business process and infrastructure resiliency.

Evolve our disaster recovery strategies to include more resiliencies and a decentralized recovery framework.

Develop a broad resiliency and recovery strategy that is cross-functional across all business sectors and adaptable to dynamic business and technology environments.





# PEOPLE



## WINNING BEHAVIORS

Our ownership structure and its impact on curing life-threatening diseases, including cancer, uniquely motivates us and our employees. We see the work we do every day driving progress in medical research and leading to treatments for diseases, giving us incredible meaning as we contribute to every initiative we pursue. The values that drove our founders to create the Stowers Institute guide our organization and shape the way we do business. These values guide how we work together to compete and win and serve as a baseline of mindsets and actions we strive for when hiring, developing talent, doing our jobs, working as a team, anticipating and meeting client needs and assessing performance. We talk about these values as are our winning behaviors, which exemplify how we provide greater value to our clients every day.

## COMMUNICATING WITH OUR TEAMS

American Century hosts quarterly all-company town hall meetings. The open dialogue facilitates accountability and curiosity and supports our collaboration as we focus on clients. Our four town hall events in 2023 fostered executive transparency and accessibility with a Q&A panel with the management committee, platformed employees with internal speakers exemplifying our Winning Behaviors, and brought outside expertise with guests like Alejandro Sánchez Alvarado, president and chief scientific officer of the Stowers Institute. The town halls covered our annual results, strategic priorities, new capabilities and 65th anniversary.

The company also provides a variety of channels designed to keep employees informed, engaged and connected to our culture on initiatives, benefits and news across the firm, including our companywide intranet (Connect), a weekly email newsletter (REWIND), a communications program for people leaders (ACiQ), on-site digital signage and more. In addition, employees also have direct access to the most senior members of the firm to maintain open lines of communication.

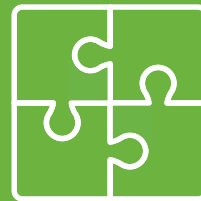
## WINNING BEHAVIORS



Client Focused



Courageous  
and Accountable



Collaborative



Curious and  
Adaptable



Competitively  
Driven



## EMPLOYEE RECOGNITION

We are committed to celebrating our values, our culture, and our people. One way we celebrate our culture and employees is with the annual James E. Stowers award and celebration, which began in 1984. At the 2023 event, “Dream Makers,” employees from across the world gathered at Kansas City’s T-Mobile Center to celebrate the James E. Stowers award nominees for everything they do and everything all employees do that makes American Century a special place. We recognized five honorees and two winners: **Jackie Wagner**, vice president and senior portfolio manager, and **Joyce Huang**, chartered financial analyst, vice president and senior client portfolio manager.



## COLLABORATIVE SPACES

We are deliberate about using employees’ time in the office to grow our connection, strengthen our culture and serve our clients. Office space plays an important role in fostering this vision. We invested in a remodel of our Kansas City campus that provides flexible, collaborative areas on each work floor, and after opening new spaces in 2022, including **The Connection Lounge** offering mixed-use space for meeting, eating or gaming and an on-site, subsidized doggy day care, Canine Capital from Woof’s Play & Stay, we continued the renovation of our headquarters with a newly redesigned lobby experience. The Treehouse, our on-site coffee bar, anchors our hospitable lobby space for colleagues and clients to meet, collaborate and recharge.

Our people are our greatest asset, making our talent strategy a critical focus of the firm.

We recruit and select the best people for each available position — hiring **247** full-time roles in 2023.

We equip early career professionals with real-world experience and skill sets — hiring **51** internships in 2023.

We focus our learning and development efforts on our ability to serve clients — offering digital and live courses as well as a mentorship program with **33** new pairs matched in 2023.

We engage and retain employees by offering meaningful work and opportunities to grow and thrive in their careers — resulting in **87** internal hires and promotions in 2023.

We seek inclusion and belonging and foster a mindset of curiosity and growth — encouraging courageous conversations in **22** diversity, equity and inclusion-sponsored events and more than 10 industry and community partnerships in 2023.

## RECRUITING AND RETENTION

Our recruiting and selection efforts are committed to attracting a diverse group of the best candidates and selecting the best people for each available position. This promotes teamwork, creativity and innovation in the workplace, which closely aligns with our Winning Behaviors.

We have built both internal and external talent pipelines. Our internal referral program leverages our employees' unique understanding of our culture to identify individuals who align with our ethos. Additionally, we utilize many sources, including our external partnerships, to identify diverse talent for open roles, creating active pipelines and expanding our sourcing aperture to broaden the top-end of our recruitment funnel. This process produces a diverse applicant pool, encompassing both new talent and existing American Century professionals.

Our compensation approach is grounded in meritocracy, recognizing and rewarding employees based on their individual contributions and skill sets. We strive to offer competitive total compensation packages designed to appeal to a diverse range of talent. Total rewards include salary, incentive compensation and a generous benefits package. We use annual data from independent third-party global salary surveys to help ensure our compensation remains market competitive. We are confident that our approach enables us to attract, motivate and retain top talent.

Many factors support our high retention rate:

- Purpose-driven culture
- Impact on global health
- Learning and development opportunities
- Employee recognition program
- Comprehensive benefits package
- Wellness initiatives
- Transparent communication
- Community involvement

### 2023 TALENT HIGHLIGHTS

**19,404** hours of training

**88%** retention rate

**\$125,300** tuition reimbursements



## LEARNING AND DEVELOPMENT

To best understand and serve our clients, American Century employees must continually look for opportunities to learn. Whether our employees are actively looking to strengthen their knowledge as “students of the business” or increase their technical skills, we offer resources to help meet everyone’s needs so they can align the degree and depth of knowledge they seek with the role they aspire to reach.

### Students of the Business

We offer on-demand and live firmwide learning opportunities so that all employees can be students of the business. Our Workday learning opportunities are specific to American Century, while we offer Coursera for self-paced, online learning from world-class universities on a wide range of topics from productivity tools to data management to business acumen. American Century provides a Coursera license to employees upon request.

We also connect employees to external courses to learn about our industry and provide a corporate subscription to leading financial news services so employees can stay abreast of current news and trends in the industry.

### Certifications and Academic Degrees

Employees who choose to pursue and receive a certification or designation in specific areas of expertise build their knowledge and skill set and gain credibility. Their commitment demonstrates that they are dedicated to our industry, our company and our clients. American Century encourages employees to take courses through

an accredited institution or certification program that will contribute to their careers. We help employees who take this step through tuition reimbursement.

Reimbursement can be used for a course leading up to a degree program or a certification that relates to the employee’s current position or future position at American Century.

### Internship Programs

Our summer internship program presents opportunities for undergraduates and MBA students across the U.S. to learn about our industry and culture. In addition to immersing themselves in their daily responsibilities, they also participate in multiple networking events, which allow them to establish connections with their fellow interns and colleagues.



### Analyst Development Program

We have designed a clear path for MBA students who come to American Century as interns to become full-time employees. Our Analyst Development Program offers full-

time analyst positions to top talent in our MBA internship program. Individuals who have been hired into our Analyst Development Program have generally been placed on an investment team within two years of joining American Century. This clear path to a career in investment management draws top talent from MBA programs across the world and makes us a competitive place to intern and begin a career.

### Mentorship Programs

Mentorship is an important and intentional part of how we’re developing talent at American Century, and we offer two mentorship programs.

Our enterprisewide mentorship program, RISE (Reach, Inspire, Support, Empower), began in fall 2021 with 13 mentorship pairs. Since then, we have matched a total of 62 pairs who have participated in a spring or fall cohort. Today, RISE is our flagship, firmwide mentoring program that matches employees across the globe. Many pairs have extended their connection well past the initial cohort and attribute their success in the firm to these associations.

Introduced in 2023, SURGE is American Century’s mentoring program for summer interns designed to assist interns to be successful during their summer internship experience, transition them into the workplace and position them to learn new skills. It gives mentors an opportunity to share knowledge, impact the next generation of the workforce and form strong relationships with potential future employees. In 2023, 100% of American Century’s summer interns participated in SURGE.

## DIVERSITY, EQUITY AND INCLUSION

From the beginning, American Century’s vision has been to help our clients achieve their financial objectives, believing that their success would lead to ours. Through the appreciation of the diverse experiences of our employees, we are able to perform at our best for our clients. We not only respect and honor our people, but we value our differences and how they make us unique. The diversity of experiences, perspectives and talent make us stronger and lead our innovation. We believe that a diverse, highly skilled team, representing different experiences, thoughts and perspectives for our business and client needs, leads us to a deeper, stronger understanding of our clients and allows us to deliver superior solutions and build long-term relationships. Diversity, equity and inclusion are core to a healthy, high-performing culture and are necessary to create a winning work environment and a strong sense of belonging.

### OUR APPROACH

The goal of our DEI program is to help us systematically challenge what we think we know. It fosters a mindset of curiosity and growth by underscoring unconscious bias, exposing different views and encouraging healthy discourse. We invest in a diverse and inclusive culture that supports the behaviors and actions that result in moving our business forward. The cyclical process of learning, unlearning and relearning is how we create the opportunity for growth.

**Learn** more about ourselves and each other. **Unlearn** beliefs and biases holding us back. **Relearn** the behaviors and actions most likely to move our business forward.

Our DEI strategy is rooted in our fiduciary responsibility to company performance for our clients. Additionally, Equal Employment Opportunity Commission guidance and other legal frameworks were dutifully recognized and respected in the creation of our DEI strategy to ensure compliance.

## 2023 DEI HIGHLIGHTS

**22** DEI-sponsored events

**10+** industry and community partnerships

**95%** of our current employees have participated in a “Disrupting Everyday Bias” session since joining the firm, growing our capacity for DEI learning.



We hosted our third annual Early Insights Program – Investment Analyst Track, a three-day event attended by 15 pre-MBA and master’s students. Each program participant was assigned a mentor from our investment management group to support the participant’s business education. The participants received an invitation to interview for an internship in our Analyst Development Program. We designed this educational program to provide career insights, mentorships and resources to a diverse pool of students interested in exploring this industry and career path.



American Century’s **Rich Weiss**, multiasset strategies chief investment officer and executive sponsor of the Pride business resource group, was recognized by LGBT Great as one of its Top 50 Executive Allies.



**Jackie Wagner**, American Century vice president and senior portfolio manager, took the No. 2 spot on Citywire’s list of the top 30 most consistently outperforming female fund managers of 2023.



**Jennifer Simmons**, an American Century financial consultant who leads the community engagement committee of Mosaic business resource group and is the co-founder of the Black Association of American Century Employees chapter of Mosaic, was recognized as a Rising Star by the National Investment Company Service Association.

## LOOKING AHEAD

Seek partnerships with talent pipeline organizations.

Integrate principles of diversity and inclusion into our onboarding process and learning experiences.

Infuse diversity within our talent programs with a lens on inclusion and belonging.

Continue to foster connections and learning through our employee-led business resource groups and enterprise level learning.

## PARTNERSHIPS

### Industry



A global membership organization specializing in developing LGBT+ diversity and inclusion within the investment and savings industry.



ROBERT TOIGO FOUNDATION

A nonprofit organization that fosters the career advancement and increased leadership of underrepresented talent by creating mechanisms for greater inclusion from the classroom to the boardroom.



A nonprofit association providing forums for the development of operational best practices in the investment management industry. American Century is a founding member of Nicsa's North American Diversity Project.



Founded in 1940, ICI is the trade association for American and international investment companies, including mutual funds, closed-end funds, exchange-traded funds and unit investment trusts. ICI recently began to take significant steps to foster diversity and inclusion in the fund industry. Members of American Century currently sit on the ICI's diversity and inclusion committee.



A Morgan Stanley-led initiative that works to empower the next generation of diverse leaders.

### CEO ACTION FOR DIVERSITY & INCLUSION

Aims to rally the business community to advance diversity and inclusion within the workplace. The CEO pledge outlines a specific set of actions the signatory CEOs will take to cultivate a trusting environment where all ideas are welcomed and employees feel comfortable and empowered to have discussions about diversity and inclusion.

### Community



A nonprofit that connects students in Kansas City urban school districts with professional networks.



The nation's largest organization dedicated to giving young people knowledge and skills for economic success.



A public charter school serving students pre-K through 12th grade who reside in the Kansas City 33 School District. The organization believes that all schools working together in a joint effort to support families is the very best way to ensure quality education is attained for all children.



An organization that advocates, promotes and facilitates the success of the LGBT business community and its allies through the guiding principles of equality, inclusion, economics and education.



An organization that connects the military community, including service members, military spouses and veterans, with American businesses to create economic opportunity and a strong and diversified workforce.



A nonprofit that helps children realize their potential and build their futures by nurturing children and strengthening community.



American Century is a member of the Chamber and participates in and/or sponsors several programs and initiatives that include the KC Chamber's diverse business committee, genKC and the Military & Veteran Affairs Program.

## BUSINESS RESOURCE GROUPS

Our BRGs are employee-led, employer-recognized groups of individuals who share common interests in working together to foster a diverse, equitable and inclusive workplace. In providing a steady cadence of opportunities to learn and build relationships, our BRGs are a significant waypoint for our learning journey. They have created space for healthy dialogue to challenge our approaches on recruiting, benefits, policies, learning and development, marketing and communications, and community investment.

The mission of BRGs is to recognize and appreciate diverse experiences and create avenues for them to positively impact our talent acquisition strategy, employee onboarding experience and talent development opportunities.



## 2023 BRG HIGHLIGHTS

**54%** of employees are members of a BRG

**20%** of employees participate in two of more BRGs

**12** educational firmwide events hosted by our BRGs

**20** global diversity dates recognized by our BRGs, including events such as Women's History Month (Accelerate), National Military Appreciation Month (Charlie Mike), Pride Month (Pride), Juneteenth (Mosaic), Hispanic Heritage Month (Mosaic) and National Disability Employment Awareness Month (Enable).

The Enable and Pride BRGs raised more than \$32,000 to help fight AIDS as part of the 2023 AIDS Walk Kansas City. For the first time ever, the Stowers Institute also partnered with American Century for this event. With more than 60 participants, the American Century-Stowers Institute team ranked the highest in donations.

The Emerging Professionals BRG sponsored Shadow Week, which partnered 38 pairs of employees to expose participants to other roles in the firm and advance their knowledge as students of the business.

### Learning topics and speakers:

- **Imposter Syndrome** with Robin Buckley, sponsored by Emerging Professionals.
- **Women Embracing Equity: Toward Advancement** with Krishauna Hines-Gaither, sponsored by Accelerate.
- **Breaking Barriers in Male-Dominated Fields** with Katherine Holland (executive director of KC2026), Karen Garcia (Los Angeles County firefighter and paramedic) and Katie Coleman (financial advisor and president of Coleman Financial Group), sponsored by Accelerate.
- **Energy Leadership** with Hope Yin and Joy Zhao, sponsored by Mosaic.



## BUSINESS RESOURCE GROUPS



### ACCELERATE

Representing women and their allies, this BRG focuses on accelerating change to engage, inspire and develop the women of American Century to impact business performance and establish our firm as a place where women thrive.



### CHARLIE MIKE

Dedicated to “continuing the mission” by supporting and engaging with veterans and first responders in American Century, Charlie Mike promotes managerial effectiveness, leadership development and communication, driving total business performance and establishing the firm as a place where those who serve want to work.



### EMERGING PROFESSIONALS

Representing those who are new or returning to the workforce, career changers and their allies, this BRG focuses on providing a variety of professional development, community involvement and networking opportunities to help cultivate the firm’s future leaders.



### ENABLE

Supporting team members with physical and neurodivergent disabilities, team members with ties to people with disabilities, and their allies, Enable gives a voice and place to share their experiences and knowledge to advance a more inclusive environment and to strengthen the firm’s position as an employer of choice for people with disabilities.



### MOSAIC

Representing diverse groups, ethnicities and cultural backgrounds and their allies, this BRG focuses on linking the company’s work to internal and external communities to help create an environment that allows employees to be their authentic selves. The three chapters of Mosaic represent Black, Asian, Latinx and Hispanic employees.



### PRIDE

Representing members of the LGBTQ+ community and their allies, this BRG focuses on creating an inclusive environment that ensures LGBTQ+ employees feel safe, welcome and valued.



PEOPLE

# EMPLOYEE HEALTH AND WELL-BEING

INTRODUCTION

In addition to making a direct impact on health and well-being through our relationship with the Stowers Institute, we also have a direct impact on the health and well-being of our employees through our workplace policies, benefits and culture.

We offer our employees and their families a health program that Healthy KC, a workplace wellness certification program of the Greater Kansas City Chamber of Commerce and Blue Cross and Blue Shield of Kansas City, ranked “platinum,” the highest level of recognition. Our platinum certification reflects our policies, programs or processes across four pillars of health:

- Nutrition
- Physical fitness
- Tobacco cessation initiatives
- Mindfulness/whole person

Our comprehensive benefits package is equally available to all U.S.-based regular employees scheduled to work 20 hours or more a week and each employee’s spouse, domestic partner or plus one and any children.

- **Spouse** - A lawful spouse
- **Domestic partner** - An individual with whom the employee has a committed relationship, shares the same residence with financial and household responsibilities for at least 12 consecutive months and neither the employee nor the individual is legally married to another individual
- **Plus one** - An individual other than the employee’s domestic partner, spouse or child (who would otherwise qualify as a dependent child under this plan) who has shared your principal residence for at least 12 consecutive months and continues to do so
- **Child** - A child by birth, legal adoption or placement for legal adoption (children are covered until the end of the year in which they reach age 26 even if married)

We have provided our comprehensive benefits package and assistance to our LGBTQ+ employees and their dependents since 1999. Our medical, dental, vision and employee assistance program benefits are available to same-sex spouses and domestic partnerships. Our benefits include gender-affirming care for those 18 years and older, family formation assistance including infertility and cryopreservation benefits when medically necessary and adoption and surrogacy benefits.

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## LOOKING AHEAD - EMPLOYEE HEALTH AND WELL-BEING

Demonstrate health leadership through WELL at scale. The program helps leaders prioritize health and well-being across our organization or real estate portfolio. WELL is an evidence-based road map for taking action toward our organization’s health and well-being priorities while celebrating progress and embedding a culture of health across our organization.

Utilize the No. 1 health and well-being platform, Virgin Pulse, to enhance our Healthtrack Wellness Program. Virgin Pulse offers personalized resources to support well-being, develop healthy routines and manage chronic conditions.

Provide access to thousands of livestream and on-demand workout, cooking and mind/body session videos for our employees through Corporate Fitness Works.



PEOPLE

# EMPLOYEE HEALTH AND WELL-BEING

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## COMPREHENSIVE BENEFITS



### HEALTH AND WELLNESS

#### Medical benefits:

- Medical coverage with generous employee subsidy
- Health savings and flexible spending accounts
- Dental and vision benefits
- Gender-affirming care
- A \$2,000 reimbursement for travel expenses undertaken to obtain medical care
- Virtual care via Teladoc for visits like general medicine, mental health, dermatology and nutritional counseling

#### Healthtrack Wellness Program for employees and significant others:

- Exercise and wellness programs including customized health coaching.
- Rewards for completing healthy activities.
- On-site fitness centers with group fitness classes as well as health club reimbursement for offices without fitness centers.
- Chronic condition and weight management programs.
- Confidential online health management portal.
- On-site health screenings and flu shots.

#### Employee Assistance Program:

- Lyra Health wellness benefits for benefits-eligible employees; each employee's spouse, domestic partner or plus one; and children:
  - Digital and self-guided mental health resources.
  - 12 confidential and free sessions with a certified coach or licensed therapist.



## BALANCE AND GROWTH

- 10 stock market holidays\*
- Two floating holidays
- 20 or 25 days of paid time off †
- Hybrid work model: three-plus days in the office and additional flexibility
- Comprehensive learning and development opportunities
- Back-up dependent care
- Doggy daycare (for Kansas City employees)
- 10 weeks parental leave ‡
- Five days bereavement leave
- Five days caregiver leave §

\*Typically  
 † Increases to 25 after four years of service time  
 ‡ Can be taken at any time in the first year after birth or adoption of a child  
 § To care for a family member with a serious health condition



## FINANCIAL WELL-BEING

- Competitive compensation, including annual incentive plans
- Retirement plan, with 401(k) employer match of up to 5% and an additional annual employer contribution of 0%, 5% or 10%, tied to a measure of the company's performance
- 529 education savings plan employer match
- Group term life and accidental death and dismemberment insurance
- Supplemental life insurance
- Short-term and long-term disability insurance
- Critical illness insurance
- Long-term care insurance
- Pet insurance
- Tuition reimbursement
- Identity theft protection
- Infertility and cryopreservation medical coverage
- Surrogacy and adoption assistance, which has received 100 Best recognition from the Dave Thomas Foundation for Adoption
- Legal plan
- Service anniversary awards
- Commuter benefits





## EMPLOYEE GIVING AND VOLUNTEERING

Giving for the greater good is a core tenet of our culture, inspired by the generosity of our founders and motivated by the impact we have on global health through the Stowers Institute. We have designed our community and philanthropy programs to amplify the support that our employees give to their communities in ways that are personally meaningful to them. Dollars for Donors, our matching gifts program, is successful because it puts our employees at the center of our community engagement. Our employees participate in Dollars for Donors at a rate three times higher than the national average.

We match monetary donations dollar for dollar and each volunteer hour with \$25. In all, American Century will match as much as \$10,000 for each employee. We match each employee's donations up to \$7,000 annually to 501(c)(3) organizations and up to an additional \$3,000 annually for contributions to disaster relief. In 2023, disaster relief matching gifts were directed to organizations like the American Red Cross, Doctors Without Borders and Heart to Heart International to support specific causes that are meaningful to employees.



### 2023 COMMUNITY HIGHLIGHTS

**5,784** volunteer hours\*

**\$1,067,749** in matches †

**600+** nonprofits supported †

**3x** national average percentage of employees using charitable matching

### TOP ORGANIZATIONS SUPPORTED BY AMERICAN CENTURY EMPLOYEES

Harvesters - The Community Food Network

United Way

Rose Brooks Center

Stowers Institute for  
Medical Research

Ronald McDonald  
House Charities

Operation  
Breakthrough

Children's  
Mercy Hospital

\*Reported by employees through Dollars for Donors  
† Dollars for Donors matches produced by employee monetary donations and volunteer time



## AMERICAN CENTURY CHAMPIONSHIP

Throughout the history of the tournament, the American Century Championship has raised nearly \$8 million for local, regional and national charities. Celebrities and sports legends alike gather in Lake Tahoe, Nevada, each July to compete in this golf tournament. It has earned a reputation for being one of the most family-oriented, philanthropic, prestigious and reputable celebrity golf tournaments in the country.

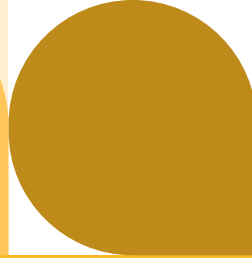
For our 25th anniversary as title sponsor, during the practice rounds at the 14th hole, players had three chances to chip a silver anniversary ball into a bull's-eye mark from 25 feet. For each bull's-eye in the "Chip for Charity Challenge," American Century made an additional \$250 donation to the Stowers Institute for a total of \$25,000.

The Lake Tahoe Visitors Authority and the Tahoe Douglas Visitors Authority initiated a grant application process after the annual American Century Championship for Lake Tahoe-area nonprofits to benefit from tournament donations. In a typical year, approximately 40 nonprofits receive grants ranging from \$1,000 to \$10,000.



In 2023, **\$800,000** raised at the American Century Championship was donated to the Stowers Institute. Since 1999, the American Century Championship has raised nearly **\$8 million** for charities.





 **PLANET**





Creating sustainable workspaces benefits our employees' health and positively impacts the environment. Our approach to building a healthy workplace also recognizes our shared responsibility to be good stewards of the environment. We are continuously implementing ways to reduce our environmental footprint across global operations and supply chains. Our facilities department is committed to and responsible for our sustainable office buildings and initiatives that are both systemic and behavioral.

### Our strategy follows the reuse-reduce-recycle principles. 2023 highlights include:

- Remodeled several floors of our global headquarters with a focus on creating a healthy environment for employees and reducing the impact on the planet. Lighting, air quality and material used meet current requirements for energy performance, air quality and product ingredients.
- Donated and sold a significant inventory of furniture and unused office supplies that find new life at numerous local nonprofits, police departments, businesses and schools.
- Created a "green" cup for coffee, which includes a discount at Treehouse, our lobby coffee shop.

### 90% of construction waste diverted from landfills through reuse and recycling:

- **100%** metal construction waste
- **100%** carpet tiles
- **65%** light fixtures

### Environmentally friendly disposal of electronic assets:

- Avoided **27,757** pounds of waste.
- Diverted **798** pounds of toxic metals.



## 2023 WORKSPACES HIGHLIGHTS

**11%** reduction in electricity use\* compared to 2019.†

**17%** reduction in water use\* compared to 2019.†

**78%** reduction in paper use\* compared to 2019.†

## LOOKING AHEAD

Demonstrate health leadership through WELL at scale. The program helps leaders prioritize health and well-being across our organization or real estate portfolio. WELL is an evidence-based road map for taking action toward our organization's health and well-being priorities while celebrating progress and embedding a culture of health across our organization.

Publish our climate transition plan that sets out our approach to managing climate-related risks and opportunities, including oversight, strategy, risk management and research and measurements. See [Approach to Managing Climate Risks and Opportunities](#) for more information.

Add battery and glass recycling within our headquarters.

\*In American Century's Kansas City, Missouri, offices.

† 2019 represents the most recent year uninterrupted by COVID-related business disruptions.



### A Sustainable Facilities Life Cycle

Our overall approach is to build and maintain a healthy and sustainable workplace for all.

### Renovations and Construction

We use hundreds of various products in renovations and new construction. For renovations in our Kansas City headquarters, we select vendors that make sustainability part of their business model and choose sustainable products.

### Decommissioning

When decommissioning a site, or removing furniture and equipment to prepare for demolition, we divert more than 90% of items away from the landfill by selling, donating or recycling them. We donate furniture and equipment like microwaves and refrigerators to local nonprofits.

### Demolition

When demolishing a site, we divert 75% to 80% of items away from the landfill. We collaborate with our general contractor to recycle construction materials that come from our job sites. All our carpet is recycled or reused. We donate to Habitat for Humanity ReStore, the Kansas City Art Institute and local small theatre companies.

## SUSTAINABLE OFFICE BUILDINGS



### Los Angeles

Our Los Angeles office is in a building certified as LEED® Gold in Core and Shell (2019) and rated by Energy Star (2022).



### Santa Clara

Our new Santa Clara office is in a building that is certified as WELL Health-Safety (2021) and LEED® Gold (2011) and rated by Energy Star (2015).



### New York City

Our New York office is in a building that is certified as LEED® Gold (2021) and rated by Energy Star (2020).



### Kansas City

Our global headquarters uses Fanwall Technology® to reduce energy consumption by 20% to 30%. We actively seek upgrades during our renovations to enhance energy efficiencies such as using thermal shades to reduce glare and heat gain.



## MANAGING OUR ENVIRONMENTAL FOOTPRINT



### Energy Use

- Utilize building energy management systems to help monitor, control and optimize the energy consumption of our facilities' heating, ventilation and air conditioning equipment.
- Use server virtualization and a state-of-the-art data center to gain information technology efficiencies.
- Upgraded to power-efficient desktop monitors.
- Use overhead and desktop lights that shut off automatically after detecting periods of no activity.
- Use 99% energy-efficient LED lighting for most lighting in Kansas City office spaces.
- Select Energy Star-rated equipment and appliances in use across the firm that exceed the federal minimum standards for quality and efficiency.



### Water

- Use sensors that shut off landscape irrigation systems during rainfall.
- Use water-efficient plumbing and appliances such as low-flush toilets.
- Use bottle fillers in employee work areas to encourage the use of reusable water bottles.



### Paper

- Eliminated most personal printers and defaulted centralized printers and copiers to double-sided printing firmwide. In many cases, documents are shared virtually and not printed at all.
- Encourage scanning documents to lessen the need for paper and paper storage such as file cabinets.
- Reduced paper handouts in client meetings, using a digital publication application to share client presentations instead.
- Implemented the use of QR codes for marketing materials at several conferences.
- Use motion-activated towel dispensers and hand dryers.
- Use digital signage in our facilities.



### Waste

- Limited individual trash bins.
- Recycle paper, plastic and electronic batteries.
- Compost food waste where possible and use compostable plateware, utensils, cups and to-go containers. We do not use polystyrene foam cups in cafes or break rooms.
- Offer in-dining options that reduce waste by offering a plated experience.
- Expanded our sustainable branded items for promotions, client giveaways and employee merchandise.



### Transportation

- Subsidize the cost of mass transit with our U.S. commuting benefits program.
- Feature electric vehicle charging stations at our global headquarters and other locations.
- Use videoconferencing when appropriate to reduce the need for business travel.



# PLANET GREEN TEAM

INTRODUCTION

The employee-led Green Team serves to drive and promote sustainability within our office locations and surrounding communities. We collaborate with teammates from across our global offices to promote a comprehensive approach to managing green initiatives at the firm. Through our collaborative structure, we strive to engage all employees and promote action around sustainable environmental opportunities that affect our business, employees, clients and communities.

PURPOSE

The Green Team creates opportunities for employees to learn and share in their passion around environmental sustainability. It is a driver of employee attraction, happiness and retention. The Green Team also provides progressive opportunities for leadership through our officer committee and task force structure. We gather diverse insights and innovative ideas to provide important input to business channels and serve as a source of feedback and driver of action around green efforts that benefit our communities.

PERFORMANCE



PEOPLE

PLANET

## 2023 GREEN TEAM HIGHLIGHTS

Partnered with Arbor Day Foundation and local Kansas City nonprofit Bridging the Gap to plant 25 trees in an area park designated as a “Quality of Life Investment District.”

Coordinated more than 10 distinct campaigns and events across our global offices.

Launched an internal microsite for employee education.

Published nine educational articles and two podcasts for employees.

Increased sustainable merchandise offerings to 27% for employees and clients.

Set a framework for gathering and reporting material environmental data around energy, waste, travel and other key metrics.

## LOOKING AHEAD

Measure and influence the environmental impacts of our company and client-focused merchandise and events.

Reduce our company’s paper impact in both internal use and client interactions.

Promote communication about sustainability by engaging staff internally in initiatives and best practices including internal and community events.





# PLANET GREEN TEAM

INTRODUCTION

The Green Team educates and mobilizes employees around sustainability initiatives that create a positive impact in our offices and local communities:

- Arbor Day native plant and tree planting, *Kansas City*
- Meet the Bees event, *New York*
- Lowland Heath Landscaping, *London*
- Hiking and Planting Day, *Hong Kong*
- Clean Beach Day, *Santa Clara*
- Plastic-Free July campaign, *global*
- Recycling lunch and learn, *Kansas City*
- E-waste recycling day, *Santa Clara*
- Meatless Monday challenge, *global*
- Upcycling coat drive, *Kansas City*

PURPOSE

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## Managing Money, Making An Impact

American Century Investments\* is a leading asset manager focused on delivering investment results and building long-term client relationships while supporting innovative medical research that can improve human health. It's how we and our clients together **Prosper With Purpose**®.

Every day, people are increasingly focused on investing to make the world a better place for themselves, their families, their organizations and the world at large. It is possible to live a more meaningful and impactful life and give back something that's more valuable than money.

When you invest with us, you can also invest in the future of others and have the potential to impact the lives of millions. That's possible because of the distinct relationship with the Stowers Institute for Medical Research, which owns more than 40% of American Century. Our dividend payments provide ongoing financial support for the Stowers Institute's work of uncovering the causes, treatments and prevention of life-threatening diseases, like cancer.

### Together we can become a powerful force for good.

*Many of American Century's investment strategies incorporate sustainability factors, using environmental, social, and/or governance (ESG) data, into their investment processes in addition to traditional financial analysis. However, when doing so, the portfolio managers may not consider sustainability-related factors with respect to every investment decision and, even when such factors are considered, they may conclude that other attributes of an investment outweigh sustainability factors when making decisions for the portfolio. The incorporation of sustainability factors may limit the investment opportunities available to a portfolio, and the portfolio may or may not outperform those investment strategies that do not incorporate sustainability factors. ESG data used by the portfolio managers often lacks standardization, consistency, and transparency, and for certain companies such data may not be available, complete, or accurate.*

#### Sustainable Investing Definitions

- **Integrated:** An investment strategy that integrates sustainability-related factors aims to make investment decisions through the analysis of sustainability factors alongside other financial variables in an effort to make more informed investment decisions. A portfolio that incorporates sustainability factors may or may not outperform those investment strategies that do not incorporate sustainability factors. Portfolio managers have ultimate discretion in how sustainability factors may impact a portfolio's holdings, and depending on their analysis, investment decisions may not be affected by sustainability factors.
- **Sustainability Focused:** A sustainability-focused investment strategy seeks to invest, under normal market conditions, in securities that meet certain sustainability-related criteria or standards in an effort to promote sustainable characteristics, in addition to seeking superior, long-term, risk-adjusted returns. Alternatively, or in addition to traditional financial analysis, the investment strategy may filter its investment universe by excluding certain securities, industry, or sectors based on sustainability factors and/or business activities that do not meet specific values or norms. A sustainability focus may limit the investment opportunities available to a portfolio. Therefore, the portfolio may underperform or perform differently than other portfolios that do not have a sustainability investment focus. Sustainability-focused investment strategies include but are not limited to exclusionary, positive screening, best-in-class, best-in-progress, thematic, and impact approaches.

**S360™ Disclosure:** S360's proprietary scoring model uses third-party data to generate a quantitative score that summarizes an issuer's performance on financially material sustainability factors relative to its peers. The S360 quantitative score is driven by issues and metrics that are most relevant and financially material at the subindustry level and supported by academic and/or industry research. S360 quantitative scores are generated for individual sustainability factors, which are then weighted appropriately and combined to generate separate scores for the three pillars of Environment, Social, and Governance (ESG). These pillar scores are then combined into an overall S360 quantitative score. All scores range from 0-10 and are peer relative within the subindustry. Fundamental investment analysts may apply a trend adjustment of negative or positive 0.5, 1 or 2 to the pillar scores to reflect their qualitative view of an issuer's sustainability practices and/or to account for additional sustainability-related information not captured by the model. The S360 quantitative score is tied to a fiscal year and does not consider historical data at this time. A poor quantitative score, negative trend, or red zone flag does not mean that the security cannot be purchased, as sustainability is one of many factors the investment team takes into account when deciding to purchase a security. References to specific securities are for illustrative purposes only and are not intended as recommendations to purchase or sell securities. Opinions and estimates offered constitute our judgment and along with other portfolio data, are subject to change without notice. Third-party ESG data used by S360's scoring model may lack uniform regulation and reporting standards across sustainability factors. In addition, some of the data may be inconsistent across sources and, in certain cases, incorrect. In addition, data may not currently be available for many issuers and, when available, frequently only includes some but not all of the sustainability factors considered by an investment team.

Risk management does not imply no risk.

The opinions expressed are those of American Century Investments and are no guarantee of the future performance of any American Century Investments portfolio.

The information is not intended as a personalized recommendation or fiduciary advice and should not be relied upon for investment, accounting, legal or tax advice.

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