



Responsible Investment Policy

Axiom approach to responsible investing holistically integrates environmental, social, and governance (ESG) considerations into our investment process, organizational structure, and firm culture. Axiom is an investor-led, performance-driven partnership implementing a differentiated fundamental, bottom-up, dynamic growth investment philosophy across the entire organization. As fiduciaries, investors, and responsible stewards of our clients' capital, we construct portfolios of dynamic growth companies designed to meet our clients' needs and deliver sustained, risk-adjusted performance over the medium-to longer term.

Axiom believes that structural factors, including ESG considerations, are material to achieving investment outperformance and managing investment risk. Therefore, Axiom has integrated the analysis of structural factors into our dynamic growth investment process since our inception in 1998. Axiom believes that significant investment opportunities arise when companies improve their structural and sustainability characteristics. To advance favorable outcomes, the investment team incorporates these considerations into our regular engagement with company managements. We evaluate progress on an ongoing basis and incorporate those developments into our proprietary risk and return rating, which influences our position sizing and proxy voting. Our structured, transparent, and repeatable framework ensures that we uniformly account for a variety of structural and sustainability factors while upholding our fiduciary duty to act in the best interests of our clients. In addition, Axiom incorporates strategy and account specific exclusions based on client directed ESG and other preferences.

Axiom's entire organization is committed to responsible investing in every aspect of our business activities. We also strive to understand our client's sustainability preferences and deliver transparent and customized reporting that meets their needs. Leading our responsible investing initiatives is Axiom's dedicated Management & Sustainability Committee composed of senior executives from every functional area of the firm. Our Management & Sustainability Committee works across the entire organization to ensure that everyone at Axiom is advancing our responsible investing policies and practices. As an independent, employee-owned partnership, responsible investing is integral to Axiom's corporate culture of excellence. To that end, Axiom is a supporter of the Task Force on Climate-related Financial Disclosure (TCFD), the Paris Agreement, and is a signatory to the internationally recognized Principles for Responsible Investing (PRI).

[Axiom's Approach to Responsible Investing](#)

Axiom seeks to invest in companies that integrate environmental, social and governance ("ESG") factors into their management practices and strategies.

The environmental, social, and governance characteristics evaluated are company specific and driven by an analysis of company fundamentals that may include, but are not limited to:



Environmental

Environmental factors encompass (1) pollution management and (2) energy efficiency. Air quality beyond greenhouse gases is also considered as are other emissions including the generation of particulate matter, mercury and other potentially harmful chemicals. The management of water, wastewater, solid waste and hazardous materials are also evaluated as part of the company's pollution control, oversight and abatement efforts.

Regarding energy efficiency, energy requirement per unit of production is considered as well as the reliance on renewable versus non-renewable sources. The strategic commitment of a company to invest in energy efficiency opportunities is a particular area of focus as are the company's potential to participate in developing and commercializing green technologies especially as they relate to sustainable energy.

Social

Social considerations include (1) human capital (2) accessibility and customer welfare (3) data security and privacy (4) transparent disclosure (5) marketing practices and (6) regulatory or licensing concerns.

Human capital encompasses training, healthcare, employee development, labor practices, diversity and inclusion, compensation policies, benefits, retention initiatives, and community engagement.

Accessibility and customer welfare includes extending the availability of products and services as well as customer health and safety.

Data security and privacy encompasses data management, data protection, data dissemination and data monetization.

Transparent disclosure relates to making available accurate and comprehensive information to enhance customer decision making.

Marketing practices include labeling, advertising, and sales policies.

Regulatory or licensing concerns relate to any practices that are subject to enhanced regulatory or licensing risks because of potential adverse societal impacts.

Evaluation and Measurement – Environmental & Social

In order to assess and measure the environmental and social characteristics of a company, Axiom will use a combination of:

- Axiom's internal assessment of the environmental and social characteristics that are qualitatively analyzed as part of Axiom's fundamental investment process



- Axiom’s assessment of the models provided by the SFDR’s mandatory principal adverse indicators (“PAIs”)
- Axiom’s use of third-party ESG ratings providers, such as MSCI, to measure and monitor the Environmental and Social Pillar scores assessed at the company level as well as compliance with the UN Global Compact

Axiom may use additional third party ESG indicators such as RepRisk and Bloomberg, amongst others. Fluctuations in sustainability indicators may reflect the evolution of the composition of individual strategies.

Governance

Governance matters include (1) management depth (2) incentive alignment (3) board composition (4) business ethics and competitive practices and (5) supply chain management.

Management depth focuses on the industry experience and tenure of key individuals, the overall robustness of the leadership team, succession planning, industry experience, and diversity.

Incentive alignment addresses compensation practices, remuneration framework, alignment with interests of shareholders and impacts on the organization and other participants in the value chain.

Board composition focuses on the balance between employee and non-employee directors, the role of independent directors overall as well as on key committees, the experience, reputation and qualifications of board members and their commitment to the company. Board diversity is also a key consideration in evaluating board composition including an assessment of both demographic and professional experience diversity.

Business ethics and competitive practices include the companies stated policies, track record, and reputation for adherence to industry best practices for conduct. Transparency and compliance reporting are also evaluated.

Supply chain management includes all aspects of materials sourcing, supplier selection, distribution and logistics practices including adherence to established codes of conduct throughout the relevant supply chains.

Evaluation and Measurement – Governance

In order to assess how well companies are governed, Axiom may use a range of different metrics associated with each of the five areas listed above, which may involve the use of proprietary tools, the analysis of financial statements and related materials of companies, direct interactions with the management and/or governance information and ratings from third-party data providers.

- Fundamental analysis of a company’s governance using a proprietary ratings framework that provides a holistic assessment of the governance practices of a company. Axiom will seek to invest in companies that have responsible practices and policies in place across the majority of these areas to ensure that they are best placed to evolve in a sustainable manner over the long-term.



- Axiom will incorporate data from third-party ratings provider, MSCI, into its assessment of good governance practices. Using MSCI's Governance Pillar Score, Axiom will seek to invest in companies that have a minimum score of 2/10.
- If a company does not have suitable practices and policies in place across a majority of our fundamental factors and it scores less than 2/10 on MSCI's Government Pillar Score, Axiom will seek to focus on active engagement with the investee company to foster appropriate ESG practices. Axiom further seeks to engage with companies through the use of proxy voting and collaborations.