

Axiom Asia Private Capital

Environmental, Social and Governance (“ESG”) Policy

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1	7 September 2017
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1. Approach to Responsible Investing

As one of Asia's most local and experienced private equity fund management firms, Axiom Asia is conscious that its investment management activities and business operations can have a positive impact on businesses, communities and the environment.

We see ourselves as long-term stewards of our clients' capital and this philosophy leads us to focus on the long-term prospects of the assets we invest in. We intend to promote a sustainable future for businesses, communities and the environment and have therefore developed the following environmental, social and governance ("ESG") policy.

In developing this policy, Axiom Asia had given consideration to a range of codes, standards and frameworks, such as the United Nations Principles for Responsible Investments ("UNPRI") and the MAS Guidelines on Environmental Risk Management (Asset Managers). Notably, Axiom Asia has been a UNPRI signatory since 2017.

2. Principles for Responsible Investments

The six UNPRI Principles for Responsible Investment are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice.

The principles were developed by investors, for investors. In implementing them, signatories contribute to developing a more sustainable global financial system.

Axiom Asia strives to incorporate these six principles in our decision-making processes:

- 1) We will incorporate ESG issues into investment analysis and decision-making processes.
- 2) We will be active owners and incorporate ESG issues into our ownership policies and practices.
- 3) We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- 4) We will promote acceptance and implementation of the Principles within the investment industry.
- 5) We will work together to enhance our effectiveness in implementing the Principles.
- 6) We will report on our activities and progress towards implementing the Principles.

3. Range of Environment, Social and Governance Issues

A definitive list of environmental, social and governance (ESG) issues does not exist. It would not be possible or desirable to produce a list, or a set of definitions, that claimed to be exhaustive or definitive. Any such list would inevitably be incomplete and would soon be out of date.

However, we also believe there are some ESG issues that are so fundamentally detrimental to the creation of long-term sustainable businesses that we have adopted a negative screening process in our investment process.

Nonetheless, the table below provides examples of ESG issues, for guidance purposes that Axiom Asia considers in its investment decisions on underlying managers ("GPs").

Environmental (E)	Issues relating to the quality and functioning of the natural environment and natural systems. These include: biodiversity loss; greenhouse gas (GHG) emissions, climate change, renewable energy, energy efficiency, air, water or resource depletion or pollution, waste management, stratospheric ozone depletion, changes in land use, ocean acidification and changes to the nitrogen and phosphorus cycles.
Social (S)	Issues relating to the rights, well-being and interests of people and communities. These include: human rights, labour standards in the supply chain, child, slave and bonded labour, workplace health and safety, freedom of association and freedom of expression, human capital management and employee relations; diversity; relations with local communities, activities in conflict zones, health and access to medicine, HIV/AIDS, consumer protection; and controversial weapons.
Governance (G)	Issues relating to the governance of companies and other investee entities. In the listed equity context these include: board structure, size, diversity, skills and independence, executive pay, shareholder rights, stakeholder interaction, disclosure of information, business ethics, bribery and corruption, internal controls and risk management, and, in general, issues dealing with the relationship between a company’s management, its board, its shareholders and its other stakeholders. This category may also include matters of business strategy, encompassing both the implications of business strategy for environmental and social issues, and how the strategy is to be implemented. In the unlisted asset classes governance issues also include matters of fund governance, such as the powers of Advisory Committees, valuation issues, fee structures, etc.

4. The Axiom Asia Responsible Investing Process

Additionally in accordance with Articles 4 and 5 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosure Regulation – “SFDR”), Axiom Asia as the delegated portfolio manager of ONE Fund Management S.A. makes the following disclosures in this section 4 with respect to AXIOM ASIA 6-A SCSp, SICAV-RAIF and AXIOM ASIA 7-A SCSp, SICAV-RAIF (the “Funds”), each a Luxembourg reserved alternative investment fund promoting environmental and social characteristics within the meaning of Article 6 of the SFDR.

In accordance with Article 7(2) of the SFDR, Axiom Asia does not consider adverse impacts of investment decisions on sustainability factors given the overall difficulties in obtaining the necessary information and the resources required to put in place the necessary processes.

Axiom Asia has also established a remuneration process that does not to encourage risk-taking which is inconsistent with the risk profiles of the clients and of the Funds, including with respect to sustainability risks, being defined as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of an investment.

Axiom Asia aims to create value through a three-stage investment process:

a. Deal Sourcing – Negative Screening and Exclusion

Axiom will not invest in either GPs of underlying funds with an investment focus on or co-investment opportunities in companies that are engaged in the following activities:

- Businesses that are illegal under local laws or global conventions
- Businesses that engage in forced, compulsory or child labour practices
- Tobacco and gambling products
- Weapons manufacturing
- Fossil fuel production
- Adult content production

In the unlikely event that our underlying funds' GPs intends to make investments into the excluded portfolio companies, Axiom Asia may request to be excluded from that particular investment.

b. Due Diligence and Investment

Axiom Asia believes that the assessment of ESG risks and value creation opportunities must be fully integrated within our investment process.

Each deal team, led by a Managing Partner, is responsible for evaluating material ESG risks and opportunities to be presented in the investment memo. In addition, we conduct an in-depth review of the ESG policies adopted by our target investee GPs to assess which GPs could benefit from direct constructive engagement and their receptiveness to such engagement.

The following aspects of the GP's ESG Policy are considered by Axiom Asia during the ESG due diligence process:

- 1) Presence of a Diversity and Inclusion Policy.
- 2) Approach towards identifying and managing ESG Factors within investment and portfolio management process.
- 3) Current implementation status of responsible investing policy
- 4) Does the GP commit to any international or industry ESG guidelines, reporting frameworks or initiatives?
- 5) Does the GP make formal commitments relating to ESG integration in fund formation contracts, LPAs or side letters?
- 6) How does the GP define materiality of ESG Factors?
- 7) Does the GP review the good governance practices in their portfolio companies to ensure compliance with local regulatory requirements?
- 8) Description of the GP process for identifying and understanding material ESG risks and ESG related opportunities during their due diligence process.
- 9) Discussion of impact of material ESG risks and ESG related opportunities on investment decision
- 10) ESG competency and resourcing issues identified by the GPs at portfolio company levels.
- 11) Presence, size and role of the GP's ESG team.

12) Description of GP's corporate engagement and shareholder action approach in relation to ESG stewardship.

Axiom Asia will then grade the GPs into the following categories:

Green	Yellow	Red
A GP that is leading its industry in managing the most material risks and opportunities. Leading GPs may be more resilient to disruptions arising from ESG events. ESG is part of GP's culture and way of working.	A GP has in place an ESG policy and framework but has a mixed track record of managing the most material ESG risks and opportunities, relative to industry peers.	A GP with little or no commitment to ESG with no formal ESG policy and very limited in-house ESG knowledge.

The Investment Committee has ultimate responsibility to signing off on any identified ESG issues from our screening and due diligence efforts. Axiom targets to have an allocation of at least 70% AUM to be green and yellow rated GPs.

c. Active Ownership and Engagement

Axiom Asia actively incorporates Responsible Investing into our on-going engagement approach with our GPs. We will encourage our GPs to raise and identify material ESG issues and environmental risk mitigation measures to the management teams of their portfolio companies, including, where appropriate, board-level individuals.

On an annual basis, Axiom Asia will engage with our GPs to discuss their ESG implementation efforts identified during the due diligence process.

Where appropriate and reasonable, Axiom Asia will support our GPs' efforts to report externally and internally on their ESG approach and performance as related to material ESG issues. Axiom Asia will also communicate our commitment to responsible investing to our GPs and raise awareness of environmental risks and opportunities to our GPs.

Where material ESG risks are identified during the on-going due diligence process, Axiom Asia will highlight and discuss with our GPs to implement appropriate measures to mitigate those risks. The goal throughout Axiom Asia's ownership will be the continuous improvement of ESG factors.

5. Reporting

During LP Advisory Board Meetings, Axiom Asia will give an update on ESG matters in the Axiom funds.

6. Governance and Commitment to ESG Policy

In 2022, Axiom Asia set up an ESG committee to enhance our governance practices in line with the emerging best practices and regulations. The ESG Committee supports the implementation,

monitoring, and development of this ESG policy and is appointed by Axiom Asia's Management Committee.

This ESG Policy and related information will be distributed to all Axiom Asia employees and investors.