

VALUES-BASED INVESTMENT QUESTIONNAIRE

King & Shaxson Asset Management provides a bespoke investment portfolio services for individuals, charities, and corporates. Our service is a highly personal investment management service that not only takes the effort and worry out of investing but is also tailored to suit the underlying client's needs - financial and ethical.

We are able to obtain client's ethical preferences, both negative and positive, through this values-based questionnaire. It is important as it is needed to help determine the balance of your financial and non-financial concerns, and enables us to more accurately reflect your non-financial concerns in the management of your portfolio.

Please answer ALL questions. Failure to do so may constrain our ability to assess the suitability of any particular investment and the general composition of your portfolio. Please answer the questionnaire based solely on your ethical preference surrounding the matter, not around investment-based views.

The questionnaire is broadly split in two, firstly covering areas of avoidance or negative screen, and then covering areas of inclusion or positive screen. You may find it helpful to refer to the notes which explain the questions and terms used in more detail.

Personal Details

Individual Accounts:

Full Name	
Date	
Signature	

For Joint Accounts:

Full Name	
Date	
Signature	

KEY TO CHOICES IN SECTIONS 1 & 2 (negative screen)

- **'Avoid'** means NOT considered for inclusion.
- **'Portfolio Exposure Limit'** allows investors the ability to set a portfolio limit to a controversial sector rather than completely avoid. The limit is based on the allocation at the portfolio level to companies who conduct activity contrary to the screen.
For example, if someone selects a 5% limit to commercial banks, we would not allocate more than 5% to commercial banks.
- **'Acceptable'** means that investments will be considered for your portfolio. Preference will be for those judged to be taking steps to address relevant ethical concerns and the company fits with your other expressed risk preferences.

KEY TO CHOICES IN SECTIONS 3 (positive screen)

- **'Very keen'** means that investments in relevant companies will be sought.
- **'Quite interested'** means investment in relevant companies will be actively considered as opportunities arise.
- **'Not interested'** does not mean that relevant companies will be excluded but that they will only be considered if they meet other expressed investment preferences and criteria

1 Negative Exclusion

For those areas that you regard as important, please indicate the level of exclusion you would like to apply. Remember that your investable universe will reflect the stringency of your exclusions – the more stringent you are, the bigger the impact on your portfolio. We will assume you are not concerned if no answer is given.

1.1 Animal Welfare

Ethical issue	Avoid	Portfolio Exposure Limit		Acceptable
		up to 5%	up to 10%	
i) Animal Products				
ii) Animal Testing - Health				
iii) Animal Testing - Cosmetics				
iv) Animal Testing - Chemicals				
iv) I would permit chemical testing for environmental reasons (such as sustainable pesticides or plant health):			Yes	No

Animal products: primary production of meat, fish and/or dairy products. Where included, we would focus on sustainable production and avoid intensive farming.

Testing for Health: Many products are required by law to be tested for their efficacy and safety. Exposure would be to those who adopt best practices and the '3Rs' policy; reduce, replace, and refine testing to minimise extent of testing.

Testing for Chemicals: Animal testing for chemical purposes occurs in the production of some specialty life sciences and consumer well-being products (such as gut health). Some companies may need to conduct animal testing for environmentally positive products, such as sustainable pesticides to ensure animals such as bees are not harmed.

1.2 Agriculture

Ethical issue	Avoid	Portfolio Exposure Limit		Acceptable
		up to 2%	up to 5%	
i) Genetically Modified Food - Production				
ii) Intensive Farming				

Genetically modified food-production: this technological solution can help produce food more efficiently, but there are concerns over the safety of food produced and its impact on biodiversity

Intensive farming: modern agriculture relies on intensive farming which has led to food surpluses and cheap food, but this has come at the cost of the environment including a loss of biodiversity.

1.3 Human Welfare

Ethical issue	Avoid	Portfolio Exposure Limit		Acceptable
		up to 2%	up to 5%	
i) Adult Entertainment Production				
ii) Tobacco Production				
iii) Alcohol Production				
iv) Pubs & Restaurants				
v) Armaments (harmful)				

1.3 Human Welfare (cont.)

Ethical issue	Avoid	Portfolio Exposure Limit		Acceptable
		up to 2%	up to 5%	
vi) Defence (non-harmful)				
vii) Gambling				

Adult Entertainment Production: Production of pornographic material.

Tobacco production: Companies that produce tobacco products which are a major drain on the health service and an addictive substance.

Alcohol Production: Addictive substances with negative health & social costs. Includes companies whose main business focus is the production of alcohol.

Pubs & Restaurants: This area focuses on companies providing retail food and drink services (which includes alcohol distribution).

Armaments (harmful): This would include weapons, bombs, ammunition or any product that is used for killing people.

Defence (non-harmful): This would include products and services that may have multiple applications including military applications which are not used directly to cause harm. This could be equipment such as uniforms, services such as education, components such as semiconductors or technology and communications.

Gambling: Companies offering gambling services such as sportsbook betting or casinos.

1.4 Corporate/Governance

Ethical issue	Avoid	Portfolio Exposure Limit	Acceptable
i) Poor Labour Management		N/A	
ii) Aggressive Tax Practices			
iii) Anti-competitive Practices			

Poor Labour Management: This covers the treatment of employees within a business, from human capital development to labour laws. Amazon Inc. is a good example of a company with poor practices.

Aggressive Tax practices: This covers companies who actively push legislative definitions to access loopholes in order to pay less tax. Big tech companies such as Amazon Inc., Alphabet Inc. and Meta Platforms Inc. are frequently the target of criticism that they do not pay sufficient tax despite large earnings.

Anti-competitive practices: This covers companies whose actions prevent or reduce competition in a market which harms other businesses and consumers. Apple Inc. and Alphabet Inc. are two companies that are frequently under investigation for such practices.

Please Note: by selecting avoid in the above categories, this does rule out a number of the large-cap tech names such as Amazon Inc. and Alphabet Inc. These companies make up a large part of global equity markets which has an effect on relative performance if avoided. Whilst many seek to avoid them for the ethical concerns, some investors may prefer to have some exposure, if this is the case, please provide a comment below.

1.5 Negative Exclusion: Client Specific Preference

Should you have any specific areas that you would like to exclude that were not mentioned above, or any comments regarding an ethical issue, please detail in the box below.

2 Specific Industry Focus

2.1 Commodities & Energy

Ethical issue	Avoid	Portfolio Exposure Limit		Acceptable
		up to 5%	up to 10%	
i) Fossil-Fueled Electricity Generation				
ii) Gold (Price)				
iii) Mining (Transition Focus)				
iv) Oil & Gas (Price)				
v) Oil - Exploration & Production				
vi) Gas - Exploration & Production				
vii) Gas Networks				
viii) Nuclear Power Generation				
ix) Carbon Capture				

Fossil-Fueled Electricity Generation: Companies that might be considered include those leading in energy efficiency and the transition to more renewable energy. If selecting avoid, we may still include companies focussed on renewable energy but who have an extremely small legacy exposure but with a clear transition path (such as Orsted).

Gold (Price): An investment which reflects the price of gold, has no involvement with the physical mining.

Mining (Transition-Focus): Companies might be considered if demonstrating leading practices and focused on the mining for metals that are essential to the transition, for example Lithium.

Oil & Gas (Price): Investment in the price of the commodity, not the physical good itself or involvement in its production.

Oil/Gas Exploration & Production: Companies that are involved in the exploration, refining and retailing of oil/gas. Acceptable companies will focus on the efficiency of production and be committed to the transition to renewable sources of fuel.

Gas Networks: Gas is seen by many as a necessity in the transition away from carbon intensive fuels as it is one of the 'cleaner' fossil fuels. It will act as a bridge to renewables, especially in countries in Asia that are still dependant on coal. We will consider investments that are assisting the transition away from more carbon intensive sources and those that are advancing efficiency and technologies.

Nuclear Power Generation: Like gas, nuclear power is seen by many as a necessity in the transition. Yet, concerns remain over its safety and cost, as well as the toxic waste that it produces. We might consider companies providing strategic services to the industry, as well as those pioneering next generation reactors. By avoiding Nuclear Power, this rules out a number of large utilities who have renewable energy operations, such as Iberdrola.

Carbon Capture: Proponents of carbon capture see the technology as essential to reduce the emissions from hard to abate sectors, whilst critics see it as an excuse for business as usual. We will consider companies that are focused on technology for hard to abate sectors.

2.2 Financial Services

Ethical issue	Avoid	Portfolio Exposure Limit		Acceptable
		up to 5%	up to 10%	
i) Banks - Commercial/Retail Lenders				
ii) Banks - Pure Mortgage/Ethical Lending Policy				

2.2 Financial Services (cont.)

Ethical issue	Avoid	Portfolio Exposure Limit		Acceptable
		up to 5%	up to 10%	
iii) Challenger Banks				
iv) Government Debt				
v) Insurance				
vi) Investment				

Banks – commercial/retail lenders: We might consider high street, merchant or investment banks that demonstrate leadership in environmental management, lending policies and putting the customer first.

Banks – pure mortgage/ethical lending policy: Banks with no commercial lending (other than on property) or a rigorous ethical policy concentrating on social or environmental lending.

Challenger banks: Consumers now face a growing choice of who to bank with, with access to challenger banks who offer a more streamlined and targeted banking service.

Government debt: Governments borrow for investment in infrastructure including hospitals, education, transport but also other areas such as defence.

Insurance – we might consider general insurers and life assurers that lead in the area of responsible insurance.

Investment – we might consider investment firms such as fund managers and financial advisers that are leaders in the area of responsible investment.

2.3 Information, Communication & Telecommunications

Ethical issue	Avoid	Portfolio Exposure Limit		Acceptable
		up to 5%	up to 10%	
i) IT Software				
ii) Media				
iii) Telecommunications				
iv) Cybersecurity				
v) Social Media				
vi) Data Centres (Operators)				

IT Software – we might consider investments in software developers that improve social or environmental outcomes such as educational tools or energy efficiency programmes.

Media – we might consider investment in newspapers, radio, TV etc where the group demonstrates editorial freedom and operate fair and transparent practices.

Telecommunications – we might consider investments in communication mobile and fixed line phone operators which the modern world depends upon.

Cybersecurity – As the world becomes increasingly digital, the threat of cyber-attacks has grown exponentially, data security is therefore essential to a safe and sustainable future. This is an area which may have exposure to the defence sector in its application but from a nonharmful perspective.

Social media – This covers companies such as Meta who provide social media platforms, questions have been raised in recent years over the allowance of fake news & hate comments as well as how companies process users' data.

Data Centres (Operators) – The demand for data has risen dramatically with the boom of Artificial Intelligence which is powered by data centres, energy consumption is a significant concern but we may consider operators who use sustainable energy sources.

2.4 Manufacturing

Ethical issue	Avoid	Portfolio Exposure Limit		Acceptable
		up to 5%	up to 10%	
i) Vehicles - ICE				
ii) Chemicals (General)				
iii) Chemicals (Environmental)				
iv) Electric Vehicles				
v) Hydrogen Vehicles				
vi) Paper & Packaging (Sustainable)				

Vehicles (Internal Combustion Engine) – We might consider investment in manufacturers involved in ICE for hybrid cars or who are leaders in the transition to electric vehicles.

Chemicals (General) – we might consider investment in chemical manufacturers that have appropriate environmental management systems in place.

Chemicals (Environmentally Focussed) – we might consider investment in chemical manufacturers that make products which have key environmental benefits (such as for plant health).

Electric Vehicles – Companies that predominantly focus on the manufacture of EVs.

Hydrogen Vehicles - Companies that predominantly focus on the manufacture of Hydrogen Vehicles.

Paper & Packaging – we might consider investment in companies that source paper from sustainable sources, and minimise their resource and energy usage.

2.5 Property & Construction

Ethical issue	Avoid	Portfolio Exposure Limit		Acceptable
		up to 5%	up to 10%	
i) Commercial Property				
ii) Medical Property				
iii) Residential Housing (private)				
iv) Social housing				
v) Road Construction				
vi) Student Accommodation				
vii) Data Centers (Building owner)				

Commercial property – This includes offices, retail outlets and industrial warehouses (we'll consider environmental impact, as well as brownfield development or urban regeneration).

Medical property – This includes property let to primary healthcare trusts, GPs and assisted living.

Residential Housing – Property used for owner occupation or buy-to-let that is either affordable housing or leading in environmental credentials.

Social housing – Companies that work with local authorities to provide social housing for vulnerable adults with care and support needs.

Road construction – Road construction with a focus on those that demonstrate best practice and minimise environmental impact.

Student Accommodation – we might consider investment in companies that own or operate buildings that are used for student halls of residence.

Date Centres (Owners) – We may consider investment in companies that own buildings that house data centres if they demonstrate best practices for energy usage.

2.6 Retail Focused

Ethical issue	Avoid	Portfolio Exposure Limit		Acceptable
		up to 5%	up to 10%	
i) Car (ICE) sales/leasing				
ii) Clean Vehicle sales/leasing (EVs/Hydrogen)				
iii) General Retailers (High Street)				
iv) General Retailers (Online)				
v) Supermarkets				
vi) Fast Fashion				
vii) Air Travel				

ICE sales/leasing – we might consider companies that sell or lease vehicles that have ICEs.

Clean vehicles sales/leasing – Sales or lease of vehicles that have an electric or other clean tech engine such as hydrogen.

General retailers (High Street) – companies that own bricks and mortar stores with a credible supply chain policy and environmental management plan.

General retailers (Online) - companies that operate solely online with a credible supply chain policy and environmental management plan.

Supermarkets – we might consider those that work with suppliers to foster equitable and sustainable supply chains.

Fast fashion – we might consider fashion companies that demonstrate sustainable supply chains and ethical labour practices.

Air travel – We might consider airlines that have credible plans for reducing their environmental footprint and/or are pioneering new technologies such as Sustainable Aviation Fuel.

3 Positive Focus

KEY TO CHOICES IN SECTIONS 3

- **'Very keen'** means that investments in relevant companies will be sought.
- **'Quite interested'** means investment in relevant companies will be actively considered as opportunities arise.
- **'Not interested'** does not mean that relevant companies will be excluded but that they will only be considered if they meet other expressed investment preferences and criteria

3.1 Environmentally Directed

Ethical issue	Very Keen	Quite Interested	Not Interested
i) Energy Efficiency			
ii) Energy Storage (Batteries etc)			
iii) Environmental Consultancy			
iv) Environmentally Friendly Food Production			

3.1 Environmentally Directed (cont.)

Ethical issue	Very Keen	Quite Interested	Not Interested
v) Renewable Energy			
vi) Resource Management & Recycling			
vii) Sustainable Forestry			
viii) Sustainable Products (Plastic Solutions etc)			
ix) Public Transport			
x) Infrastructure (Environmentally-Directed)			

Energy Efficiency – Improving energy efficiency both reduces emission intensity where traditional forms of energy are still used, and reduces the strain on renewables where demand is high.

Energy Storage – Storing energy is an essential component of the transition to renewables, often the demand for energy is highest when the supply of renewables is lowest. Being able to store excess energy and deploy when there is a deficit will make renewables more reliable.

Environmental Consultancy – Every major project has to consider its environmental impact, but not many companies have the core competency to do this. This has led to a burgeoning demand for environmental engineers and consultants.

Environmentally friendly food production – The social and environmental costs of intensive farming has led to a surge in demand for organically produced food, yet supply has struggled to keep pace.

Renewable energy – The increasingly visible impact of climate change has spurred governments to take action and set targets for increasing their renewable energy capacity. This is across multiple technologies, predominantly wind and solar.

Resource Management & Recycling – Humanity’s demand for ecological resource and services greatly exceeds what the Earth’s ecosystem can regenerate in that year, and this disparity is only growing. We need to do more with less through recycling, re-using and promoting a circular economy.

Sustainable Forestry – In all their varieties, forests are the “lungs of the world” and home to a wide range of fauna and flora. They have undergone systematic exploitation which has resulted in their rapid decline, but attention has shifted to reforestation. Timber is also a sustainable building material when produced responsibly.

Sustainable products – Consumers have become increasingly aware of the environmental impact of the products that they use leading to companies producing products such as environmentally benign washing power and natural alternatives to synthetic chemicals.

Public Transport – Better transport links have both environmental benefits, taking cars off of the road, and social benefits as it enables mobility. Increased demand has put significant strain on existing infrastructure and operators.

Infrastructure – innovators in the move towards a low carbon society, such as those who manufacture and install charging points for electric vehicles.

3.2 Socially Directed

Ethical issue	Very Keen	Quite Interested	Not Interested
i) Healthcare			
ii) Microfinance			
iii) Renewable Energy - Community Owned			
iv) Social Welfare			
v) Health, Safety & Security			
vi) Fitness & Well-being			

3.2 Socially Directed (cont.)

Ethical issue	Very Keen	Quite Interested	Not Interested
vii) Infrastructure (Socially-Directed)			
viii) Education			

Healthcare – The world’s population, at least in developed countries, grows steadily older increasing the pressure on healthcare. The demand for drugs, care and equipment is only growing with populations and demographic changes.

Microfinance – Small-scale loans to SMEs or co-operatives in developing countries, often targeting those under-served such as in rural communities or the empowerment of women.

Renewable Energy Community Owned – Production and distribution of energy from renewable sources that are owned by the local community.

Social Welfare – This includes a variety of areas seeking to improve the social situation of disadvantaged people, including the work of development banks in emerging markets.

Health, Safety & Security – This has become a core part of ESG considerations for companies, improving standards has led to demand for services of companies providing necessary equipment.

Fitness & Wellbeing – Services or products for consumers, as lifestyles change there is growing demand for exercise products, gyms and nutrition.

Infrastructure – Socially orientated infrastructure projects, such as educational buildings and libraries. This may include general infrastructure that supports deprived communities.

Education – The provision of education is a key component of improving people’s socioeconomic situations, enhancing social mobility.

3.3 Positive inclusion: Client Specific Preference

Should you have any specific areas that you would like to include that were not mentioned above, or any comments regarding an ethical issue, please detail in the box below.

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