

# CSR

2021 Report





## Purpose

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We enable our clients to achieve their individual missions.

The name Aristotle means “the best purpose,” which is derived from the Greek words *aristos* (best) and *telos* (purpose). At Aristotle, our best purpose is to enable our clients to achieve their individual missions. Whether it is fulfilling the distribution needs of a pension plan, the funding goals of a university, the yearly distributions of a foundation, or the retirement objectives of an individual, we are inspired by the impact that our disciplined investment processes can have in fueling the aspirations of our clients.



### CLIENTS

Our first and primary responsibility is to our clients. We believe this is the foundation for our success.



### EMPLOYEES

We are committed to creating a culture of honesty, hard work and integrity and fostering a setting that spurs intellectual growth.



### COMMUNITY

We commit time, talent and resources to give back to our local communities.



### FIRM

Through strong leadership and adherence to the Aristotle philosophy, we strive to deliver attractive long-term returns to our shareholders.



# Values

## 1. We Place Our Clients' Interests First



Our first and primary responsibility is to our clients. This is the foundation for our success.

## 2. We Act with Integrity



We hold ourselves to the highest moral and ethical standards. We are steadfast in our commitment to integrity.

## 3. We Achieve Excellence Through Accountability and Collaboration



We strive for excellence in our daily activities and aim to provide our clients a quality experience. We hold ourselves accountable for our mistakes and learn from them. We collaborate with the common goal of meeting our clients' needs and achieving our company's purpose.

## 4. We Empower our Employees



Our employees are our most important asset. We will reward quality customer service, problem solving, and implementation of improved processes that strengthen the organization. We welcome innovation and continuous improvement.

## 5. We Are Respectful



We encourage a culture of mutual respect, where we value diversity, strive for inclusion, and spur intellectual growth.

## 6. We Value Community



We strive to make a meaningful difference as an active participant in our communities.



## Aligning our Values and Goals

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At Aristotle, Corporate Social Responsibility is honoring our company values while progressing towards global sustainability goals.

We seek to fulfill our primary responsibility to our **clients** by ensuring we maintain a diverse, engaged workforce that is more than ready to meet the challenges and opportunities of a dynamic market environment head-on. Our **employees** are our greatest asset, and we rely on them to make the right choices required of our mandate for excellence. We support each employee in making their own unique contribution to our **communities**. Our efforts align with our commitment to the global Sustainable Development Goals (SDG) we believe apply most directly to our operations.

## Our Commitment to the SDG

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The UN Sustainable Development Goals (SDGs) are a globally recognized framework for advancing sustainability. In 2015, the United Nations adopted 17 SDGs as part of the agenda to end poverty, protect our planet, and ensure prosperity. At its heart, the 17 SDGs are an urgent call for action by all countries - developed and developing - in a global partnership. They are designed for participation by many different stakeholders, including communities, businesses and organizations, who support the goals in a variety of ways to combat these global challenges in economic, social and environmental dimensions.

Aristotle supports the SDG Framework. Our company's purpose and values align with the five SDGs listed below:

### 3 GOOD HEALTH AND WELL-BEING



Aristotle provides various health and well-being benefits to our employees, including insurance subsidies, telemedicine, group fitness activities and resources to promote mental and physical wellbeing.

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### 5 GENDER EQUALITY



Our company is committed to advancing gender equality and ensuring women's full and effective participation. We firmly believe in equal opportunities for leadership at all levels of decision-making at the company.

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## 8 DECENT WORK AND ECONOMIC GROWTH



Aristotle aims to provide gainful employment and promote sustainable economic growth. We seek to create an environment of respect where employees feel empowered to deliver quality service and support to our clients.

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## 10 REDUCED INEQUALITIES



Our company is committed to promoting diversity, equity, and inclusion within our organization and throughout our communities. Our independent DEI council focuses on raising awareness, forming partnerships and leading initiatives.

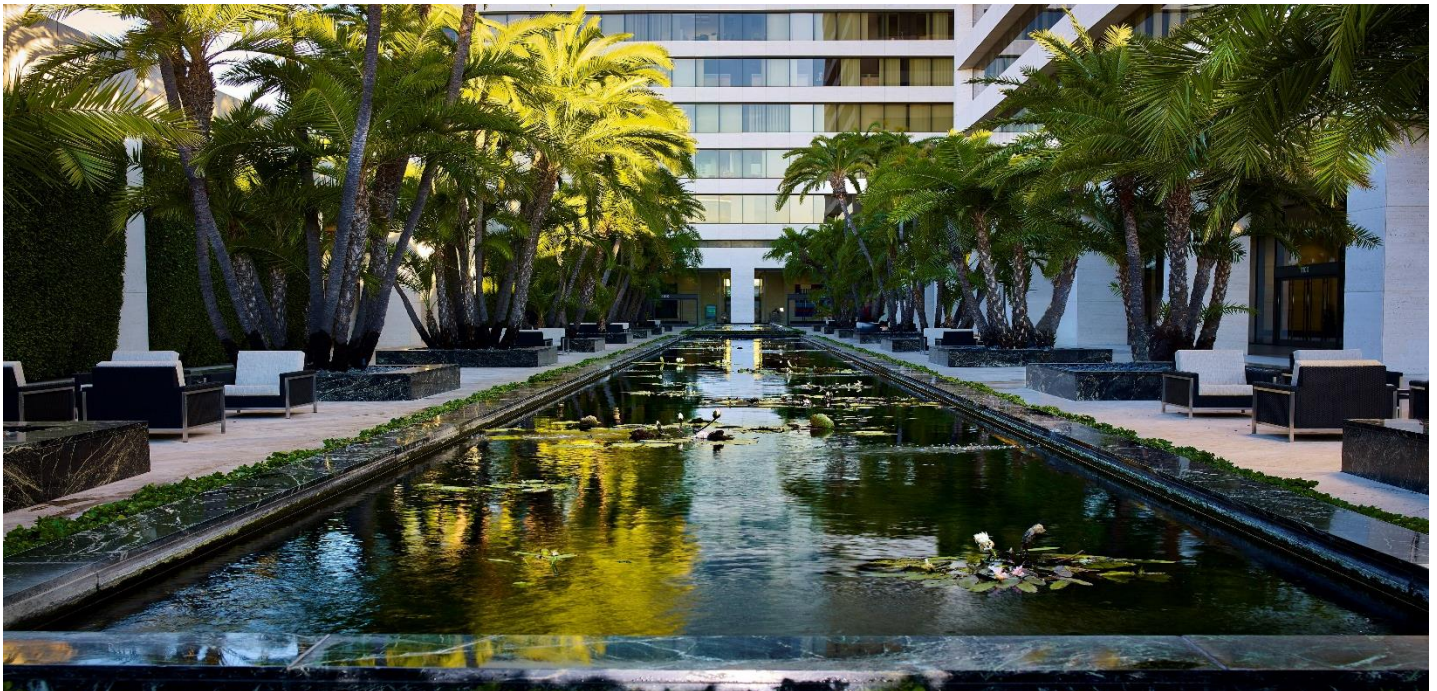
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## 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Aristotle believes in conducting our business in an environmentally sustainable manner. We continue to take proactive steps to further reduce our carbon footprint.

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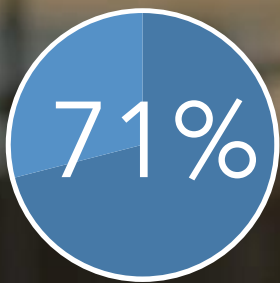


## Clients

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Since Aristotle's founding in 2010, we have focused on seeking to provide clients with value-added investment advice and quality service. As our firm grows and we work on building long-standing client relationships, our priorities remain anchored by our purpose and values. We believe our continuous investment in talent and systems and pursuit of excellence have helped us respond to the evolving needs of our clients while staying true to our team's investment philosophies.

As of September 30, 2021:



71% OF COMBINED  
AUM IS MANAGED FOR  
INSTITUTIONAL  
CLIENTS\*



WE MANAGE ASSETS  
FOR CLIENTS FROM 33  
DIFFERENT COUNTRIES

\*As of 9/30/2021, the assets under management for each investment team was as follows: Aristotle Capital Management, LLC \$54.87 billion; Aristotle Capital Boston, LLC \$4.41 billion; Aristotle Credit Partners, LLC \$0.56 billion; and Aristotle Atlantic Partners, LLC \$1.23 billion. Each firm is an independent investment adviser registered under the Investment Advisers Act of 1940, as amended.

Our pledge is to commit  
to **excellence**, act with **integrity**,  
execute with **discipline**,  
and invest with **patience**.

## Employees

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### Diversity

The Aristotle organization is comprised of a diverse group of individuals from different countries, backgrounds, ethnicities and ages who have a wide variety of professional and personal experiences. Our commitment to creating an inclusive organization has fostered a culture that encourages team members to express dissenting views. We are committed to creating a culture of honesty, hard work, integrity and intellectual curiosity. We believe diversity is critical for growth and helps us to provide quality service to our clients.

Company Representation as of June 30, 2021:

	All Employees	Managers
Minorities & Women	62%	53%
Minorities	51%	37%
Women	37%	37%

### DEI Council

In 2020, our Diversity, Equity & Inclusion (DEI) Council was created with a commitment to promoting a diverse, equitable, and inclusive culture at Aristotle. The individuals on the Council represent many different professional and personal backgrounds. The Council is independent of other departments, directly communicates with the Board of Managers and liaises with Human Resources (HR) on some collaborative initiatives.

Since its formation, the DEI Council has led initiatives, such as organizing a Diversity 101 webinar on unconscious bias, cultural education, and allyship; distributing a four-part education series on Black history; organizing a mentorship-focused women's panel; and providing various newsletters with educational literature and resources related to DEI topics requested by employees.

The DEI Council strives to:

- Increase constituents' awareness on the topics of DEI
- Provide a safe space to voice DEI-related concerns and serve as a conduit for communication
- Recommend policies to ensure fair and equitable hiring, compensation and promotion — regardless of race, gender, age, nationality, religion, socioeconomic background, sexual orientation, family dynamics, dis(abilities), etc.
- Monitor progress and hold the firm accountable for such policies
- Spearhead initiatives to promote social justice and mobility in our communities



## Employees (Cont.)

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### Wellbeing

Our company provides various health & wellbeing benefits, including subsidies for insurance premiums and an Employee Assistance Plan which provides support for mental health, financial wellbeing, and other concerns.

In March 2020, Aristotle mobilized quickly to create a First Response Team to oversee modifications to our offices and policies and procedures to ensure employee and stakeholder safety. We seek to provide ample flexibility, support and resources to help manage the transition to remote work and have been working closely with employees through surveys and interviews to craft a return to office plan in 2022.

In 2020-2021, we have expanded our employee wellbeing benefits to include:

- Up to 12 weeks of Paid Supplemental Pregnancy Disability Leave
- Intensive Leadership Development Program for managers
- Professional certificate and license reimbursement
- Financial wellness and educational programs
- Telehealth medicine appointments
- Annual Paid Volunteer Day



## Community

Our “Aristotle in the Community” effort has helped foster a culture and ethos at Aristotle where employees participate in their communities. Aristotle partners with several organizations and nonprofits that advance health, education, the arts and human services. This not only supports valuable charitable missions, but also enriches employees’ own lives through teamwork and continuous learning. All employees are provided a fully paid Volunteer Day to use as they choose with any qualified organization.

At Aristotle, our commitment to active participation in our communities has long been fundamental to our firm’s core philosophy. Our community work has included supporting St. Jude in its fight to end childhood cancer and volunteer teaching youth in neighborhoods that are in economic need. Recently, we supported TOIGO, as part of our diversity efforts, and OUR HOUSE Grief Support Center. In addition, annually, Aristotle makes a monetary donation to a charity determined by our employees.

In 2020, Aristotle partnered with School on Wheels to host a virtual backpack drive with employee match to provide support to homeless students in need to continue their education during these challenging times. Nearly 200,000 students K-12 lacked stable housing in California and are disproportionately Hispanic or Latino. School on Wheels is a Los Angeles-based non-profit focused on bringing academic resources and free tutors to children experiencing homelessness. We believe strongly in reducing inequalities, especially in opportunities for children.

Other organizations and causes we have contributed to in the past include the Disabled American Veterans and the Intrepid Fallen Heroes Fund, the American Red Cross following the devastation of Hurricane Harvey, Direct Relief following the wildfires in California and Chrysalis to support employment efforts for homeless and low-income individuals.



**school on wheels**



**Direct Relief**



**American Red Cross**







## Environment

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**LEED Certified Buildings:** Our Los Angeles headquarters, as well as our Newport Beach and Boston offices, are all LEED Certified Buildings. Through these buildings, we utilize e-waste management, recycling programs and environmentally friendly cleaning products. In addition, these buildings improve our water and energy efficiency.

**Transitioning to Paperless Statements:** In 2021, Over 95% of statements have been delivered electronically, saving tens of thousands of sheets of paper.

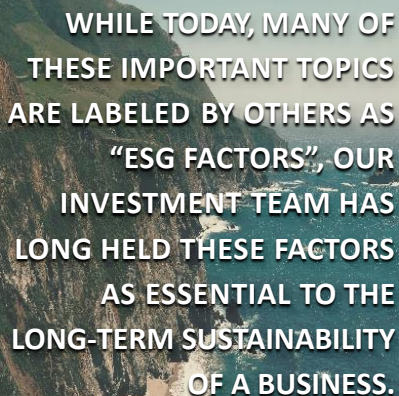
**Reducing Single-Use Plastics:** In 2018 we eliminated bottles of water that were regularly provided to the employees of our Newport Office. We instead encouraged employees to drink water from a filtered source using reusable cups. In 2019, we saved 1521 bottles of water, as compared to the number consumed in 2017.

**Travel:** We are exploring ways in which our firm can promote sustainable travel, such as incentivizing carpooling and increasing the use of video for meetings (resulting in less need for travel between offices).



## Sustainable Investing


Our Investment and Sustainability Teams consider environmental, social and governance factors as part of their analysis of the quality and sustainability of businesses. Our focus includes identifying material risks and opportunities that may impact the business, as well as actively engaging with management teams to promote sustainable initiatives and reporting. Ultimately, we believe our research supports our main objective: the successful execution of our investment philosophy and process with the goal of preserving and growing our clients' capital while seeking to mitigate risk.



WHILE TODAY, MANY OF THESE IMPORTANT TOPICS ARE LABELED BY OTHERS AS “ESG FACTORS”, OUR INVESTMENT TEAM HAS LONG HELD THESE FACTORS AS ESSENTIAL TO THE LONG-TERM SUSTAINABILITY OF A BUSINESS.

### Sustainability: What are We Looking For?

- **Products/Services:** Differentiation through innovation, experience and customer service. Not *just* differentiation through lowest price — which can often lead to squeezing suppliers, underpaying employees and/or compromising quality
- **Social/Environment:** Aim to improve not only operational efficiency, but also employee safety, their environmental footprint and engagement with their communities
- **Management:** Focus on long-term value creation for all stakeholders *versus* focus on achieving short-term financial targets to increase the stock price
- **Disclosure:** Provide highly-transparent financial statements and conservative disclosure policies



*Additional information on each affiliate's approach to sustainable investing can be found in each team's Sustainable Investment Policy, available [on our website](#).*



Supporter



PRI Signatory  
since August 2019



CDP Member since  
December 2019



ICGN Member since  
December 2020

Disclosures:

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