

# ESG Philosophy & Process – ESG screens

ESG Category Title	ESG Screens / Exclusions – Detailed description
<b>Tobacco</b>	Exclude all tobacco, nicotine alternatives and tobacco-based producers. Secondary exposure (distribution, licensing, retailing or supplying / packaging) limited to a 10% revenue threshold
<b>Controversial Weapons</b>	Exclude all companies with ties to controversial weapons ^
<b>Conventional Weapons</b>	Limit exposure to conventional weapons production to 10% revenue threshold
<b>Nuclear Weapons</b>	Exclude all companies that have an industry tie to nuclear weapons
<b>Small Arms - Civilian Firearms</b>	Limit exposure to small arms or civilian firearms (and ammunition) production and retailing to 10% revenue threshold
<b>Adult Entertainment</b>	Exclude all adult entertainment producers. Secondary exposure (distribution or retailing) limited to 5% revenue threshold
<b>International Norms</b>	Exclude all companies that fail UN Global Compact compliance and exclude companies listed of various monitored sanction lists *
<b>Coal - Mining, Generation and Transportation</b>	Exclude all coal companies (as a primary business) as per GICS sub-industry. Also a 10% revenue limit on any other exposure to coal via mining, power generation (utilities) or transportation (excludes met coal)
<b>Uranium - Nuclear Power</b>	Limit exposure to uranium mining to 5% revenue threshold
<b>Nuclear Power - Supplier and Power Generation</b>	Limit exposure to nuclear power generation and nuclear power suppliers to 10% revenue threshold
<b>Gambling</b>	Limit exposure to gambling operators to 10% revenue threshold
<b>Unconventional Oil &amp; Gas extraction</b>	Limit exposure to unconventional oil and gas extraction to 5% revenue threshold #

See BAM's Stewardship Policy for further details. Screening criteria definitions use MSCI ESG Research. Revenue thresholds are calculated using publicly disclosed revenue from the company's prior year financial statements, as supplied by our external service provider.

^ Controversial weapons = Companies that have any ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.

\* Sanction lists = European Union, OFAC (Office of Foreign Assets Control), OFAC Non-SDN Iranian, OFAC Foreign Financial Institutions Subject to Correspondent Account or Payable-Through Account Sanctions (the "CAPTA List"), United Nations Security Council, Swiss, Japan, Australia, Canada, Hong Kong, Singaporean, United Kingdom

# Unconventional Oil & Gas = Oil sands, oil shale (kerogen-rich deposits), shale gas, shale oil, coal seam gas, coal bed methane as well as Arctic onshore/offshore.