

Criteria for ES and G scores for Natural Resource strategies

Governance:

Do we honestly believe that the board is representing stakeholders' interests and especially minority shareholders?

1. Is there a majority shareholder with potentially conflicting interests?
2. Has the board responded to continued management disappointments?
3. Have there been poor capital allocation decisions?
4. Has the board exercised reasonable oversight of compensation policies for senior management?
5. Is the board seeking controversial changes or fighting logical changes in the annual meetings?
6. How difficult would it be for us to change the board's makeup if needed (relevant factors include company domicile, differentiated voting rights, board classification, etc)?
7. Has the company and/or responsible board member(s) tried to reach out to investors on any matters that we're aware of?
8. Have they responded to advisory votes despite them not being mandatory?
9. Is the board composition and governance in line with or close to best practice (including for example gender balance, number of independent directors, designated lead director, well constituted key board committees, reasonable board turnover)?
10. Is the company resident in a market/country where governance/regulatory oversight is poor?
11. Is the company too small to meet best standards, but is nonetheless showing a generally good commitment to governance to the extent practical?
12. Have our external ESG input providers, or shareholder activists, expressed a material concern about governance, and if so has the company given a satisfactory response?

Environmental & Social:

Is the company providing solutions to support long term environmental & social goals (and in doing so, is the company more likely to have a sustainable competitive advantage for over the long term) and is it operating in an acceptable way?

1. Is the company providing ways to increase access and supply, decrease demand and waste, and/or or improve or assure the quality of water/energy/food?
2. Does the company have sufficient disclosure of E & S characteristics?
3. Are the E&S characteristics and disclosure improving over time (if they need to)?
4. Do interactions with the company give us a belief that its management takes E/S issues seriously and understands how/why they are important to us (and other investors)?
5. Is the company operating in markets where environmental or social regulatory oversight is weak (and if so, have they made efforts to ensure that standards don't fall to the lowest legal level relating to, for example, child labour, pollution/emissions, product safety)?
6. Are the company's *actions* (lobbying etc) consistent with its public policies etc?
7. If relevant given the company's sector and scale, does it have credible plans to address the impact of climate change?
8. Are there indications of unreasonable anti-consumer behaviour, for example predatory lending, cartel membership, efforts to 'cheat' or game regulatory standards?
9. Have any of our external ESG input providers, or activist shareholders, expressed a material concern about E or S issues, and if so has the company given a satisfactory response?
10. Is the company too small to meet best standards, but is nonetheless showing a generally good commitment to governance to the extent practical?