



Exclusion Policy: Global Equity portfolios

Version	Comment
1.0	Initial document approved by RI Committee 31 st January 2024
1.1	Revision of text relating to UNGC and OECD-related exclusions

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Summary:

We do not invest in companies involved with weapons, tobacco, large-scale coal-mining or coal-fired electricity generation, fracking, for-profit prisons, or in companies which are in very severe and unresolved breach of the Principles of the United Nations Global Compact and/or or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

Full details are below.

Controversial Weapons:

We do not invest in issuers involved in the production, sale, storage or services for and of anti-personnel mines and cluster bombs, prohibited by the Ottawa and Oslo treaties or issuers involved in the production, sale or storage of chemical, biological and depleted uranium weapons.

UN Global Compact & OECD Multinational Guidelines

We exclude any issuers that are in very severe and unresolved breach of the Principles of the United Nations Global Compact and/or or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

Tobacco:

We do not invest in companies that manufacture complete tobacco products (thresholds for application: revenues above 5%), including cigarette manufacturers, as no product could be deemed to be child labour free.

Unconventional Oil and Gas:

We exclude companies whose activity is exposed to exploration and production of unconventional oil & gas (covering shale oil, shale gas and oil sands) with over 30% of revenues.

Coal:

We exclude investments in mining, utilities, and transport infrastructure companies that are developing thermal coal projects with a permitted status and that are in the construction phase. We also exclude investments in companies with thermal coal projects in earlier stages of development, including announced, proposed, with pre-permitted status, monitored on a yearly basis.

Concerning mining extraction, we exclude:

- Companies generating more than 20% of revenues from thermal coal mining extraction;
- Companies with annual thermal coal extraction of 70 MT or more without intention to reduce.

For companies considered too exposed to be able to phase out from thermal coal at the right pace, we exclude:

- All companies that derive over 50% of revenues from thermal coal mining extraction and thermal coal power generation;
- All companies that derive between 20% and 50% of revenues from thermal coal power generation and thermal coal mining extraction, with a poor transition path.

Nuclear Weapons:

We exclude:

- companies involved in the production, sale, storage of nuclear weapons of states which are not Party to the Treaty on Non-Proliferation of Nuclear Weapons and of states signatories of the Treaty on Non-Proliferation of Nuclear Weapons but not members of NATO.
- companies which are involved in the production of nuclear warheads and/or whole nuclear missiles as well as components that were developed and/or significantly modified for exclusive use in nuclear weapons;
- companies that obtain 5% or more of their total revenue from the production or sale of nuclear weapons, excluding revenues from ownership and dual use components as well as delivery platforms.

Note: the above list represents our standard house exclusions, and no specific additional exclusions apply to Global Equity strategies.