



Exclusion Policy: Natural Resource portfolios

Version	Comment
1.0	Initial document approved by RI Committee 31 st January 2024
1.1	Changes to description of breach of UNGC principles and OECD guidelines. Removal of text re nuclear power. October 2024

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Exclusions (NR version)

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.

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. We do not invest in companies with more than 5% of revenue from the manufacture or retail of civilian firearms and ammunition, from weapons systems, components, and support systems and services.

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.

Oil and Gas extraction:

We exclude companies whose activity is exposed to exploration and production of oil & gas (conventional and/or unconventional) with over 10% 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 and thermal coal-based power generation, we exclude:

- Companies generating more than 1% of revenues from thermal coal mining extraction;
- Companies generating more than 20% of revenues from thermal coal-based power generation;
- Companies with annual thermal coal extraction of 70 MT or more without intention to reduce.

Nuclear:

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 incorporates standard house exclusions as well as those specific to Natural Resource equity strategies