

FISHER INVESTMENTSTM

INSTITUTIONAL GROUP

BELGIAN ECO-LABEL SCREENING POLICY

If a Belgian Eco label certification has been obtained, this policy describes the exclusionary factors, screening thresholds and definitions that would be implemented.

Environment

5% or Greater of Revenue	
Factor	Definition
Genetic Engineering	The recent-year percent of revenue, or maximum estimated percent, a company has derived from genetic engineering related business activities.
Thermal Coal	This factor identifies the maximum percentage of revenue (either reported or estimated) greater than 0% that a company derives from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. It excludes: revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case of vertically integrated power producers); intra-company sales of mined thermal coal; and revenue from coal trading.
10% Threshold Max. Revenue	
Thermal Coal Power Generation	Percentage of power generation from thermal coal.
Unconventional Oil and Gas	This factor identifies the maximum percentage of revenue (either reported or estimated) greater than 0% that a company derives from unconventional oil and gas as per the definition of Febelfin. It includes revenues from oil sands, oil shale (kerogen-rich deposits), shale gas, shale oil, coal seam gas, coal bed methane as well as Arctic onshore/offshore. It excludes conventional oil and gas production, deepwater, shallow water and other onshore/offshore. This factor returns figures for all companies with relevant revenue regardless of the amount; the threshold recommended by Febelfin is 10% (as of 2019).
30% Threshold Max. Revenue	
Oil & Gas Power Generation	This factor identifies the maximum percentage of revenue (either reported or estimated) that a company derives from liquid fuel and natural gas based power generation.

Source: MSCI

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Environment (Continued)

60% Threshold Max. Revenue	
Factor	Definition
Conventional Oil and Gas	This factor identifies the maximum percentage of revenue (either reported or estimated) greater than 0% that a company derives from conventional oil and gas. It includes all types of conventional oil and gas production, including Arctic onshore/offshore, deepwater, shallow water and other onshore/offshore. It excludes revenues from unconventional oil & gas (oil sands, shale oil, shale gas).
30% or Greater of Total Power	
Nuclear Power Generation	Percentage of power generation from nuclear power.

Controversies

Exclude if red flagged	
Factor	Definition
Company Controversy Flag	<p>The overall controversy assessment signals whether a company has a notable controversy related to a company's operations and/or products, and the severity of the social or environmental impact of the controversy.</p> <p>Red - Company is involved in one or more very severe controversies.</p> <p>Orange - Company has been involved in one or more recent severe structural controversies that are ongoing.</p> <p>Yellow - Company is involved in severe-to-moderate level controversies.</p> <p>Green - Company is not involved in any major controversies.</p>
Child Labour Score	This measures the severity of child labor controversies. Factors affecting this evaluation include a history of involvement in child labour-related legal cases, instances of child labor, resistance to improve practices, and criticism by third-party observers. Companies with a score of less than or equal to 3 are excluded (Scale: 1-10, 10 being the best and 1 being the worst).

Source: MSCI.

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Global Norms and Conventions

Adhere to International Sanctions	
Factor	Definition
The Norwegian Global Pension Fund Restriction List	A restricted list provided by Norges Bank to screen for certain SRI issues including companies that have ties to nuclear weapons, coal production, and cluster munitions.
ILO Core Conventions	This factor indicates whether the company is in compliance with the International Labour Organization's fundamental principles. The possible values are Fail, Watch List, or Pass.
UN Global Compact Compliance	This indicates whether the company is in compliance with the United Nations Global Compact principles surrounding human rights, labour, environment, and anti-corruption. The United Nations Global Compact principles are derived from the Universal Declaration of Human Rights (UDHR), the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption. The possible values are Fail, Watch List, or Pass. See the Global Compact Screening methodology document for detailed explanations. Companies who fail the International Labor Organization's Core Conventions also fail the United Nations Global Compact.

Global Sanctions

Adhere to International Sanctions	
Factor	Definition
Australian Department of Foreign Affairs and Trade (DFAT)	These imposed sanctions restrict activities relating to particular countries, goods and services, persons and entities.
Canada's Special Economic Measures Act (SEMA)	These measures include individuals and entities subject to specific sanctions regulations made under the Special Economic Measures Act (SEMA).
EU Sanctions against Russia	A list of restrictive measures against the Russian Federation put in place by the EU.
UN Security Council Resolutions	A consolidated list of countries who have been sanctioned by the UN Security Council in an effort to maintain or restore international peace and security under Chapter VII of the United Nations Charter.
US Office of Foreign Asset Control (OFAC)	Sanctions based on US foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the US.
Burma	Exclude for any type of involvement.

Business Involvement

5% or Greater of Revenue	
Factor	Definition
Adult Entertainment	Companies that are involved in the production, distribution, or retailing of products as material in which the dominant theme is "sexually explicit" conduct, specifically the depiction or description of sexual or excretory activities in a lascivious way.
Alcohol	Companies that produce, distribute, retail, license or supply alcoholic beverages, key products, and services. An alcoholic beverage is defined as any fermented liquor that contains ethyl alcohol or ethanol as an intoxicating agent.
Conventional Weapons	Companies that manufacture conventional weapons and systems. A conventional weapon is defined as a weapon of warfare which is not nuclear, chemical or biological in nature.
Civilian Firearms	Companies that manufacture firearms and small arms ammunitions for civilian markets.
Gambling	Companies that own or operate gambling facilities or provide support or services to the gambling industry. Gambling is defined as the betting or staking of money or something of value, with the consciousness of risk and hope of gain, on the outcome of a game, a contest, or an event, the outcome which is determined by chance.
Life Protection	Companies engaged in the development or manufacture of products that may be used as abortifacients.
Tobacco	Companies that produce, distribute, retail, license or supply key tobacco products and services. Tobacco is produced from the dried nicotine plant.
Weapon Support Systems	Companies that provide weapons systems support and services. This category is comprised of companies that provide equipment, systems, and services in direct support of weapons systems, or that provide systems with direct weapons-related applications.

Source: MSCI

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Business Involvement (Continued)

	Excluded Companies
Factor	Definition
Abortion Provider	Companies that own or operate a facility where an abortion has been performed within the last three fiscal years.
Biological/Chemical Weapons	Companies that manufacture biological or chemical weapons, which are defined as weapons that use pathogens such as viruses, bacteria, and disease-causing biological agents, toxins, or chemical substances that have toxic properties that kill, injure, or incapacitate.
Cluster Munitions	Companies with any industry tie to cluster munitions.
Depleted Uranium Weapons	Companies involved in the production of depleted uranium weapons, ammunition, and armor.
Landmines	Companies that have any industry tie to the manufacture of landmines.
Nuclear Weapons	Companies that manufacture nuclear weapons. A nuclear weapon is defined as an explosive device that derives its destructive force from nuclear reactions, either fission or a combination of fission and fusion.
Non-Medical Testing*	Companies that conduct animal testing for non-pharmaceutical products such as cosmetic, personal care and household cleaning products are excluded.
*Unless adhering to any one of the following positive factors	
AAALAC Accreditation	Companies that are accredited by the Association of Assessment and Accreditation of Laboratory Animal Care (AAALAC) – an organization that promotes humane treatment of animals in science.
Animal Welfare – NIH Assured	Animal testing companies assured by the National Institutes of Health (NIH) – an agency responsible for bio-medical and health-related researches.
Animal Welfare – Support Alternatives	Companies that disclose statements in support of researching or employing alternatives to animal testing.

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