Annex to SRI Policy – Negative screening

Principles

Negative screening is one of the approaches we use to implement our socially responsible investment (SRI) policy. We conduct in-house analyses, aided by non-financial data from external providers, to screen out companies whose activities do not comply with regulations or whose practices we deem incompatible with our SRI approach.

We apply negative screening to two types of investments:

- **Direct investments**, i.e., individual corporate securities (equity and debt) held in portfolios managed by BCV for its investment funds, discretionary management agreements, and full and occasional advisory agreements.
- **Indirect investments**, i.e., investments in products managed by third parties (e.g., ETFs, investment funds, structured products).

Negative screening is not applied to indirect real-estate investments, derivatives and structured products issued by BCV but managed by a third party.

For direct investments, we exclude companies that belong to certain sectors or that do not comply with certain standards. We have two levels of restrictions, one for our ESG range and the other for our ESG Ambition range (see table on next page).

Owing to the nature of indirect investments, the ESG information available for these products may not be as detailed or consistent, meaning that we cannot uniformly apply our exclusion criteria to the entire product.

Nevertheless, when managing portfolios that include indirect investments, we aim to limit and monitor exposure to practices that we deem incompatible with our SRI approach. Residual risk cannot be eliminated for indirect investments. Our policy is to give preference to ESG solutions, and we aim to continually improve the integration of ESG criteria into our fund selection and portfolio management. Our product documentation sets out the specific approaches applied.

Exclusion criteria applied to BCV products

	Controversial weapons	Thermal coal (extraction and power generation)	Unconventional fossil fuels	Violations of the UN Global Compact	Adult entertainment	Tobacco
ESG	Zero tolerance	>15% revenues	>15% revenues	Zero tolerance	Zero tolerance	>15% revenues
ESG Ambition	Zero tolerance	>5% revenues	>5% revenues	Zero tolerance	Zero tolerance	>5% revenues

Definitions

Controversial weapons: Companies involved in any way with cluster munitions, landmines, biological or chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.

Thermal coal: Companies whose declared or estimated revenues derive at least partially from the extraction and sale to third parties of thermal coal (including lignite, bitumen, anthracite, and steam coal) or from coal-fired power generation.

Unconventional fossil fuels: Companies whose declared or estimated revenues derive at least partially from unconventional fossil fuels, i.e., oil sands, oil shale (kerogen-rich deposits), shale gas, tight oil, and coal-bed methane, or from oil and gas extraction north of the Arctic Circle (approx. 66.5° north).

Violations of the UN Global Compact: Companies that have committed violations of the UN Global Compact. In the event of conflicting conclusions from non-financial data providers, the SRI Committee will decide whether to apply exclusion criteria based on the fund managers' recommendation.

Adult entertainment: Companies whose revenues derive at least partially from the production and publication of adult entertainment in the following categories: X-rated films, pay-per view programs or channels, sexually explicit video games, books or magazines with adult content, live shows of an adult nature, and adult online content.

Tobacco: Companies whose revenues derive at least partially from business activities related to tobacco (supply, production, distribution, retail sale, and licensing of tobacco-related products).