



# EIC ENVIRONMENTAL VALUE

## Socially Responsible Investing (SRI) Screening Process

In areas targeted for **DIVESTMENT** based on sustainability principles, our negative screening process excludes companies, as follows:

### ANIMAL RIGHTS

- testing in the absence of a testing policy and certification by the National Institutes of Health or the The Association for Assessment and Accreditation of Laboratory Animal Care
- factory farms

### BIODIVERSITY

- genetic modification of agricultural products
- raw materials sourced from areas with high levels of environmental concern

### ENVIRONMENTAL CONTROVERSIES

- environmental controversies (e.g. biodiversity, climate change, waste, water stress...)
- companies with major controversies, based on a grading system provided by MSCI, Inc.

### FOSSIL FUEL RESERVES

- evidence of fossil fuel reserve ownership (e.g. coal, natural gas, oil....)

### IMPACTS OF PRODUCTS AND SERVICES

- poor records of environmental consideration in financing or investment activities
- producers of chemicals with low safety ratings
- producers of products with high carbon footprints and levels of waste

### TOBACCO

- producers of tobacco

### WEAPONS

- manufacturers of unconventional weapons (e.g. landmines, cluster munitions, nuclear weapons...)

In areas of concern for **ADVOCACY**, investment eligibility is determined using positive and negative Environmental, Social and Governance (ESG) screens, as follows:

- negative screening identifies companies with a carbon intensity (scope 1+2) greater than sector average, companies in environmentally-sensitive industries and companies with significant human or labor rights controversies
- positive screening identifies efforts toward improvement, including increased management oversight, transparency and reporting, implementation of reduction goals, and investment in research and development initiatives
- positive factors are weighed against negative factors to determine final investment eligibility

*Holdings in EIC Environmental Value are subject to change. The inclusion or exclusion of securities is not intended as recommendation, nor is there any implication about past or future performance or profitability. Because the social screens applied to an SRI account/portfolio may exclude securities of certain issuers, industries and sectors for non-financial reasons, EIC may forgo some available market opportunities. As a result, the account/portfolio investment returns may be affected. In addition, since EIC will generally sell the securities of a company that no longer meets the social screens, its portfolio turnover rate may be higher than it would otherwise, and securities may be sold when not otherwise beneficial to do so. EIC votes proxies for SRI portfolio securities consistent with social and environmental guidelines except where doing so would be potentially harmful to shareholder value.*