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Bank Nagelmackers has taken important steps in integrating sustainability, starting with becoming a signatory of the UN Principles for Responsible Investment (UN PRI) since January 2019.

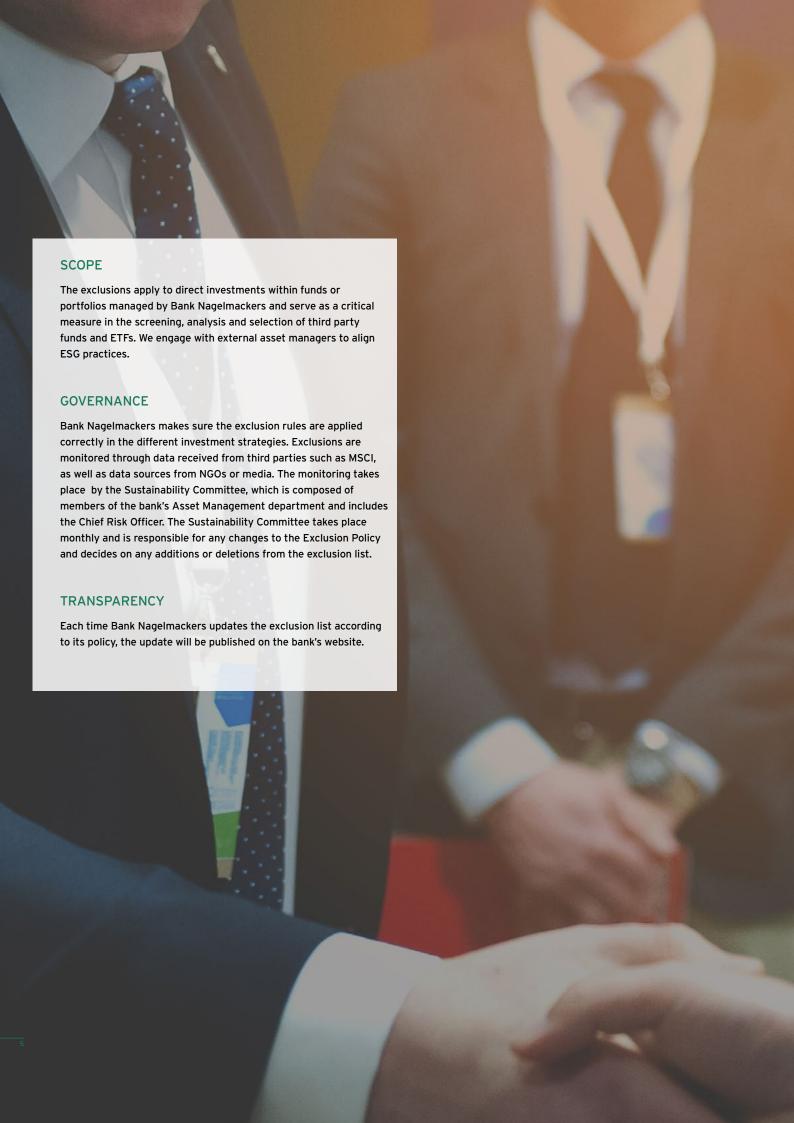
This Exclusion Policy defines a set of exclusions based on a company's involvement in a controversial activity or when it is not adhering to global norms, as well through international sanctions and embargos that may apply to certain nations or companies.

We distinguish two levels of exclusions:

• Company-wide exclusions that our applicable to mainstream strategies as well as sustainable strategies

• Additional exclusions that apply to sustainable strategies only





2. EXCLUSION POLICY OVERVIEW

Bank Nagelmackers uses different sources such as ESG research providers, media sources and NGOs to gain information of companies' involvement in controversial activities and compliance with the United Nations Global Compact principles.

2.1. COMPANY-WIDE EXCLUSIONS

Controversial weapons

Controversial weapons consist of anti-personnel mines, biological and chemical weapons, cluster weapons and depleted uranium ammunition.

Companies involved in the production of controversial weapons or weapon parts (including cluster munitions, antipersonnel mines and depleted uranium) are excluded by virtue of Belgian legislation (Mahoux Act). A company is considered involved if the activity consists in manufacturing, using, repairing, putting up for sale, selling, distributing, importing or exporting, storing or transporting antipersonnel mines, submunitions and/or inert ammunition and armor with depleted uranium or any other industrial uranium within the meaning of the Act, and with a view to its dissemination.

All companies involved in the production of controversial weapons or weapon parts are excluded from investment.

All companies which are directly involved in nuclear weapons and derive more than 10% of their revenues from nuclear weapons, are excluded from investment.

International sanctions

Countries subject to sanctions of the United Nations, the United States or the European Community are excluded from investment.

Embargos

Entities subject to financial sanctions under the national Financial Sanctions List and the EU Consolidated Financial Sanctions List are excluded from investment.

Anti-corruption

Countries that are systematically corrupt, severely neglect basic social and political rights, or that are subject to UN Security Council sanctions are excluded from the investment universe. These countries include: Afghanistan, Burundi, Central African Republic, Congo DRC, Iran, Iraq, Libya, Mali, Myanmar, North Korea, Somalia, South Sudan, Sudan, Syria, Yemen, Zimbabwe.





2.2. EXCLUSIONS IN SUSTAINABLE STRATEGIES

In addition to the company-wide exclusions described in the previous section, sustainable strategies also apply exclusions related to the following controversial activities or global norms:

Civilian firearms

All companies that are listed as 'Produced' of firearms and small arms ammunitions destinated for civilian markets are excluded from investment. These do not include companies that service the military, government or law enforcement.

All companies that derive 5% or more total revenue from the production and distribution (both wholesale or retail) of firearms and small arms ammunitions for civilian use, are excluded from investment.

Nuclear weapons

The following companies are excluded from investment.

All companies that manufacture nuclear warheads and/or whole nuclear missiles.

All companies that manufacture components that were developed or are significantly modified for exclusive use in nuclear weapons (warheads and missiles).

All companies that manufacture or assemble delivery platforms that were developed or significantly modified for the exclusive delivery of nuclear weapons.

All companies that provide auxiliary services related to nuclear weapons.

All companies that manufacture components that were not developed or not significantly modified for exclusive use in nuclear weapons (warheads and missiles) but can be used in nuclear weapons.

All companies that manufacture or assemble delivery platforms that were not developed or not significantly modified for the exclusive delivery of nuclear weapons but have the capability to deliver nuclear weapons.

All companies that manufacture components for nuclear-exclusive delivery platforms.



Conventional weapons

The following companies are excluded from investment.

All companies deriving 5% or more revenue from the production of conventional weapons and components.

All companies deriving 15% or more aggregate revenue from weapons systems, components, and support systems and services.

Tobacco

The following companies are excluded from investment.

All companies classified as a "Producer".

All companies deriving 5% or more aggregate revenue from the production, distribution, retail, supply and licensing of tobacco-related products.

Adult entertainment

The following companies are excluded from investment.

All companies deriving 5% or more revenue from the production of adult entertainment materials.

All companies deriving 15% or more aggregate revenue from the production, distribution and retail of adult entertainment materials.

Gambling

The following companies are excluded from investment.

All companies deriving 5% or more revenue from ownership of operation of gambling-related business activities.

All companies deriving 15% or more aggregate revenue from gambling-related business activities.

Alcohol

All companies deriving 10% or more revenue from the production of alcohol-related products will be excluded from investment if they have not put in place a Responsible Policy and the necessary remediations and actions to reduce the health impact of harmful drinking such as excessive drinking, underage drinking, drinking during pregnancy or when operating machinery or vehicles.

Suppliers, distributors and retailers of alcohol-related products will not be excluded from investment.

Global norms

The United Nations Global Compact (UNGC) is a principle-based framework for businesses, stating ten principles in the areas of human rights, labor, the environment and anti-corruption. All sustainable strategies by Bank Nagelmackers apply a normative screening. Companies that repeatedly violate one or more of the ten principles of the UNGC and who do not take appropriate measures to rectify the violation, are excluded from investment.

