



SUSTAINABILITY SCREENING GUIDELINE

PURPOSE

IMCO defines screening as using a set of filters to determine which categories of investments are ineligible to be included in our portfolio. Screening is an important part of IMCO's approach to sustainability and is utilized to reduce risks associated with certain investments. To formalize our approach, IMCO has developed a Screening Guideline (the "Guideline") to inform our process for screening out select investments.

SCOPE

IMCO invests through a range of active and passive strategies that are managed internally and externally. The Guideline is applicable to all investments and asset classes where we can meaningfully influence and/or control the investable assets. It also informs our investment process where we do not control or meaningfully influence investment decisions.

OUR APPROACH

We have implemented a screening process that is research-based, repeatable and defensible. In deciding whether to screen out a category of investments, IMCO considers, among other things, factors such as the practicality of identifying companies that are exclusively or primarily involved in the screened-out categories of investments, the near- and long-term investment and risk implications to client portfolios of screening out such investments and the reputational issues for IMCO and its clients.

The screened-out investments are framed by IMCO's [Sustainable Investing Policy](#) with a view to investing in sustainable investment opportunities and avoiding excessive long-term economic, regulatory and reputational risks.

OUR PROCESS

The Management Investment Committee ("MIC") approves the list of screened-out investments, as amended from time to time, based on the Sustainable Investing team's recommendations, the application of the screening process and any other considerations that they regard as relevant.

SCREENED-OUT INVESTMENTS

Controversial Weapons

IMCO excludes investments in companies involved in the production of controversial weapons, including anti-personnel landmines, cluster munitions, chemical weapons, biological weapons, white phosphorus, depleted uranium munitions and nuclear weapons.

Firearms

IMCO excludes investments in companies that derive a certain amount of their revenue from the manufacture of firearms and small arms ammunitions for civilian markets. The exclusion does not cover companies that cater to the military, government and law enforcement markets.

For-Profit Prisons

IMCO excludes investments in companies that derive a certain amount of their revenue from the operation of for-profit prisons and detention centres.

Tobacco


IMCO excludes investments in companies that derive a certain amount of their revenue from the production of tobacco products.

Thermal Coal Mining

IMCO excludes investments in companies that derive a certain amount of their revenue from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties.

Arctic Oil & Gas Production

IMCO excludes investments in companies that derive a certain amount of their revenue from arctic oil & gas production, either offshore or onshore.



Additionally, under IMCO's Sanctions, Anti-Money Laundering, Counter-Terrorist Financing and Anti-Bribery and Corruption Policy, IMCO may exclude investments in entities that have been sanctioned under Canada's *Special Economic Measures Act* or *United Nations Act*.