

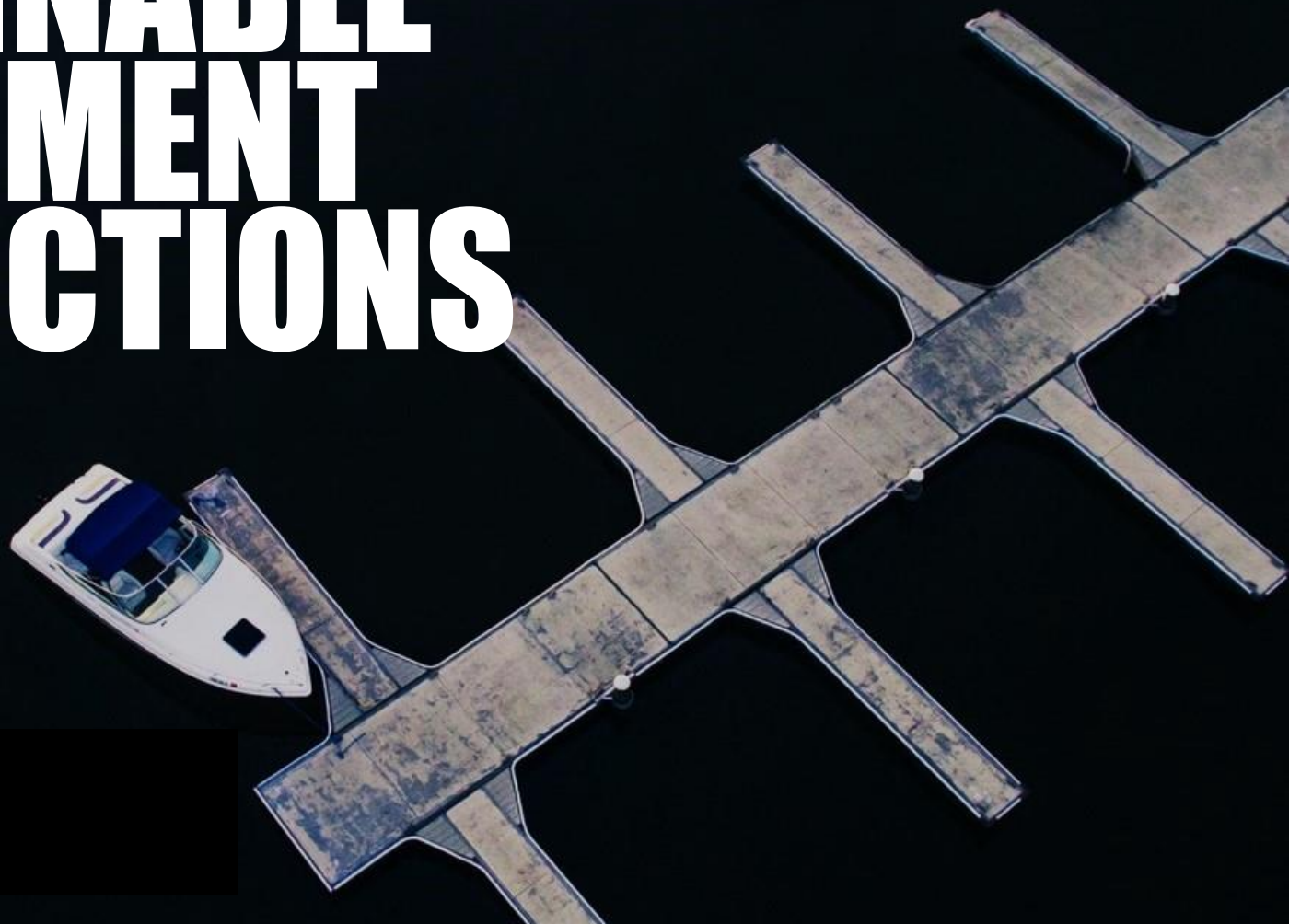
NEWTON

Investment
Management

➤ BNY MELLON | INVESTMENT MANAGEMENT

NEWTON'S SUSTAINABLE INVESTMENT RESTRICTIONS

October 2024



Newton's sustainable investment restrictions

Strategies that follow the Newton sustainable investment process are subject to a set of minimum exclusions referred to as 'sustainable investment restrictions'¹. These restrictions include companies involved in or that generate a material proportion of revenues from activities that are deemed to be harmful from an environmental or social perspective. Specifically, these are:

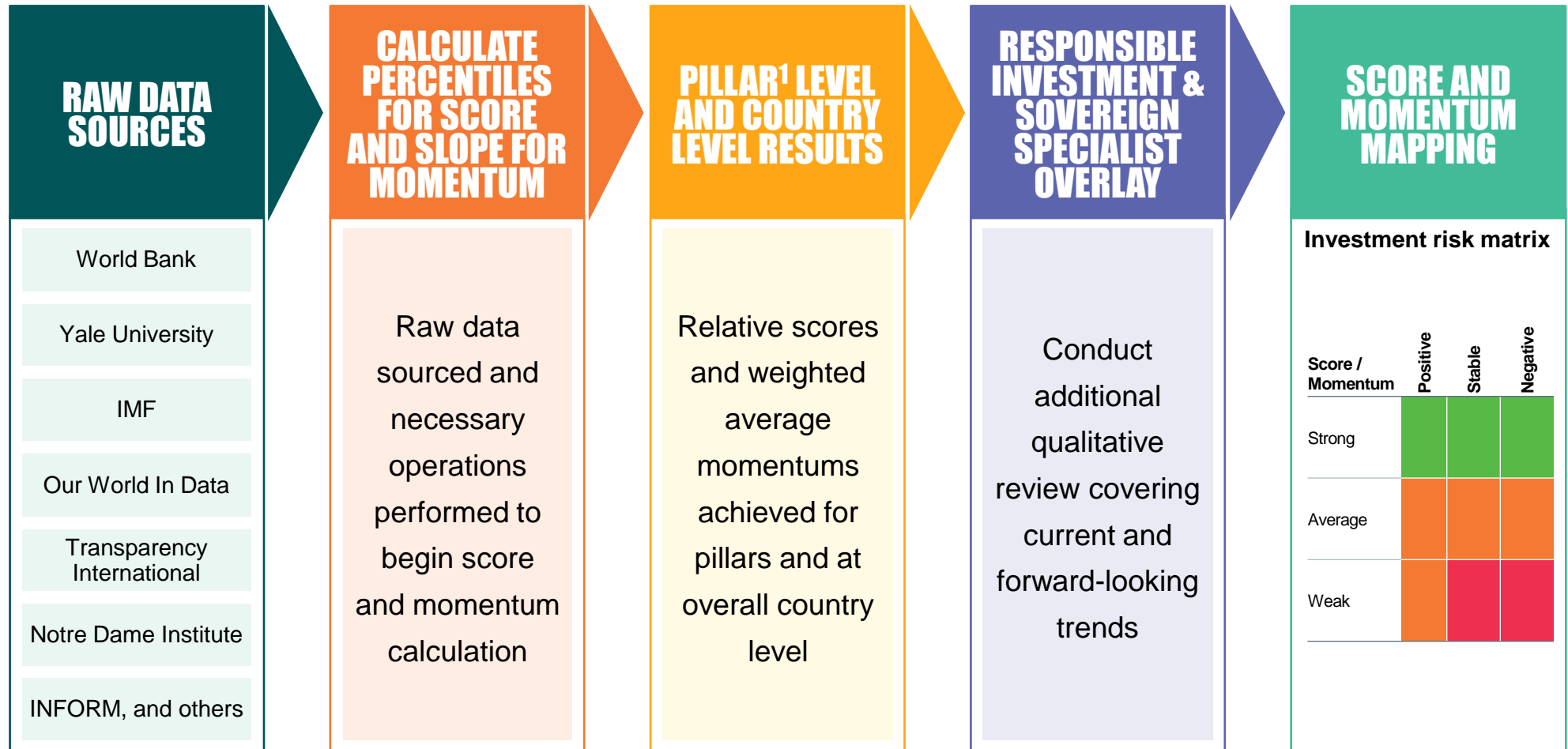
Tobacco production	Corporate issuers that generate any revenues (>0%) from the manufacture of tobacco products.
Tobacco retail and supporting products	Corporate issuers that generate more than 10% of revenue from products that support the tobacco industry and/or retail or wholesale tobacco products manufactured by other companies.
Breaches of the UN Global Compact	Corporate issuers deemed to have violated one or more principles of the UN Global Compact (UNGC).
Controversial weapons manufacture	Corporate issuers that are flagged for current or recent involvement in the manufacture of any of the following weapons: anti-personnel mines, cluster munitions, chemical weapons, biological weapons, nuclear weapons, incendiary weapons, non-detectable fragments, blinding laser weapons, white phosphorous weapons, depleted uranium weapons.
Alcohol production	Corporate issuers that generate 10% or more of revenues from the manufacture of alcoholic beverages.
Gambling operations	Corporate issuers that generate 10% or more of revenues from the owning and/or operation of a gambling venue.
Adult entertainment	Corporate issuers that generate 10% or more of revenues from the production of adult content or the owning and/or operation of adult entertainment venues.
Thermal coal extraction	Corporate issuers that generate 10% or more of revenues from the extraction of thermal coal.
Arctic oil & gas	Corporate issuers that generate 10% or more of revenues from the exploration of oil and gas in Arctic regions.
Oil sands	Corporate issuers that generate 10% or more of revenues from the extraction of oil sands.
Shale energy (fracking)	Corporate issuers that generate 10% or more of revenues from shale energy exploration and/or production.
Oil & gas extraction	Corporate issuers that generate 10% or more of revenues from the extraction of oil and/or gas.

Note: ¹ Some strategies following the Newton Sustainable Investment process may choose to add to these exclusions – but may never subtract.

Source: Newton, 25 October 2024.

Sustainable sovereign process

Methodology



Note: ¹ Four pillars – economic, natural, human and institutional. Source: Newton, 2024.

All countries are scored to determine their current sustainable sovereign score (strong, average, weak) as well as their momentum (positive, stable, negative). The momentum is assessed over the last six years to see if the indicators have been on an improving or deteriorating trajectory. The strategy does not invest in sovereign bonds which are scored red and additional written justification is necessary prior to investment in sovereign bonds scored orange.

For illustrative purposes only. Newton, in its discretion, may utilize any or all of the methods described.

No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

Newton will make investment decisions that are not based solely on ESG. Other attributes of an investment may outweigh ESG analysis when making investment decisions. The way that ESG and sustainability is assessed and the assessment of their suitability for Newton's sustainable strategies may vary depending on the asset class and strategy involved. For Newton's sustainable strategies, ESG analysis is performed prior to investment for corporate investments (single name equity and fixed income securities). The analysis will then also follow the Newton sustainable investment process to ensure it fits with the wider Newton sustainable investment philosophy.



Important information

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Newton Investment Management Limited

BNY Mellon Centre
160 Queen Victoria Street
London EC4V 4LA
Tel: 020 7163 9000

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www.newtonim.com

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