

STIC Investments ESG Negative Screening Guideline

STIC Investments excludes investment in companies that meet the following requirements.

- Production of and trade in tobacco and narcotics
- Gambling, casinos, and equivalent enterprises
- Production of or trade in adult entertainment
- Companies that seriously violate the Ten UN Global Compact Principles¹ (related to human rights, labor, environment, anti-corruption)

STIC Investments seriously considers excluding investment in companies that meet the following requirements.

- Companies whose major shareholders have violated the major laws
- Companies that violate the major environmental/social/governmental laws
- Companies with higher carbon emissions than other industries or with a high risk of generating a negative impact on the environment
- Companies with a high risk of generating a negative impact on the safety of workers through handling hazardous chemicals or engaging dangerous labor activities
- Companies that engage in significant disputes with major stakeholders including protests and lawsuits

¹ The Ten Principles of the UN Global Compact

① Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

② Labour Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

③ Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

④ Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.