

## Manitou Ethical Negative Screen Process

As part of Manitou's approach to responsible investment, our fundamental research begins with a screening process to identify the appropriate investment universe. Included in the screening process is a negative screen to preclude businesses that engage in industries or operate in jurisdictions which we deem to violate our ethical values and principles. Guidelines for exclusion of securities from our investible universe because of ESG factors are established by our ESG Committee and classifies investments based on our tolerance of ESG risks. Manitou's negative screening process includes three categories including Prohibited, Cautionary, and Insufficient Information. In addition, our negative screening process excludes companies residing in or governed by countries that score below the 50<sup>th</sup> percentile on 'rule of law' indices and investment in companies that do not report in accordance with internally recognized accounting standards such as IFRS, US GAAP, or other acceptable accounting principles.

Manitou criteria as follows:

### Manitou classifies the following business activities as “Prohibited”

Prohibited industries are those that Manitou excludes from our investible universe. Under no circumstances will Manitou consider an investment in businesses with ties to these industries. In some instances, Manitou imposes revenue thresholds in which we classify the business as “Prohibited”. Under these revenue thresholds, these business activities are considered “Cautionary”.

#### Contentious Weapons

- Manitou prohibits investments in businesses which have any relation to controversial weapons. We define controversial weapons as those with adverse social and environmental implications that go beyond reasonable military engagements. As an example, Manitou will not consider investment in businesses that engage in practices associated with biological weapons, nuclear weapons and associated nuclear weapon components, collateral damage weapons such as landmines, and other weapons which we deem to violate our ethical principles.

#### Non-military Firearms

- Manitou views that access to civilian firearms introduces increased risks to society. As such, we prohibit investments in companies which act as either producers or distributors of civilian firearms and associated ammunitions. We do not include conventional military weapons in this category and have outlined our view on conventional weapons below. We understand that some businesses may engage in civilian firearm sales as a non-primary business activity. Therefore, we prohibit investments in businesses where civilian firearms and ammunition production, distribution, or sales represent more than 5% of total revenues.

## Tobacco

- Manitou believes that the associated health risks of tobacco and vaping related products outweigh the social benefits of the industry. As such we prohibit investment in any company that produces tobacco and/or vaping related products.
- We understand that some businesses may engage in tobacco production, sales, and/or distribution as a non-primary business activity. As such, we prohibit investments in businesses where tobacco, tobacco related products, and vaping related products represent more than 10% of total revenues aggregated from production, distribution, sales, and licensing.

## Adult Entertainment

- Manitou prohibits investments in adult entertainment industries because of negative social factors. Our organization excludes from our investible universe businesses that produce adult entertainment in excess of 5% of total revenues. In addition, we exclude from our investible universe businesses in which the total aggregate contribution from the production, distribution, and sale of adult entertainment exceeds 15% of total revenues.

## Thermal Coal

- In support of our alignment to the global warming target set forth in the Paris Agreement, Manitou views thermal coal as detrimental to achieving those targets. Manitou prohibits investments into businesses where the mining and/or sale of thermal coal represents more than an aggregate 30% of total revenues. In addition, we exclude businesses in which thermal coal power generation represents more than 30% of total revenues.

## Manitou classifies the following business activities as “Cautionary”

Cautionary industries are those that Manitou considers to be within our investible universe with a higher risk rating captured in our Manitou Grading System. In some instances, Manitou imposes revenue thresholds in which we classify the business as “Cautionary”. Above these revenue thresholds, these business activities are considered “Prohibited”.

## Alcohol

- At Manitou, we take a holistic view of environmental, social, and governance factors as it pertains to our negative screening process. In our view, the consumption of alcohol, in moderation, can be engaged in without adverse health effects. In addition, we believe that the production, distribution, retail, and supply of alcohol and alcohol related products is an integral source of employment.

## Conventional Weapons

- In our view conventional (military) weapons play an integral role in the support of national sovereignty, fair and just international politics, and protection of social rights.
- Manitou prohibits investments in businesses in which more than 5% of revenues result from the conventional weapons and/or weapon component production. In addition, we exclude from our investible universe businesses in which the collective revenues from weapon systems, weapon components, support-systems, and weapons servicing exceed 15% of total revenues.

## Gaming/Gambling

- At Manitou, we take a holistic view of environmental, social, and governance factors as it pertains to our negative screening process. In our view, gambling and gaming, in moderation, can be engaged in without adverse health effects. In addition, we believe that the ownership and operation of gaming and gambling-related businesses is an integral source of employment.
- We carefully consider the risks associated with gaming and gambling business activities and would only consider an investment within our investible universe if the business adhered to the applicable legislation surrounding the business activity.

## Genetically Modified Organisms (GMO)

- Manitou believes that genetically modified organisms (GMOs) are an effective tool against social and environmental injustice. In our view, GMOs are integral to meet the global food demand and enable access to education and employment opportunities in developing nations.
- We do not support the competition practices of large multinational agriculture firms pursuing intellectual property legal action against their neighboring farms and include such factors in our analysis of GMO business activities.

## Nuclear Power

- Manitou believes that effective regulation and oversight of nuclear power business activities can enable nuclear power as a safe and suitable transitional power source for the transition to renewable energy production.

## Oil and Gas

- At Manitou, we take a holistic view of environmental, social, and governance factors as it pertains to our negative screening process. In our view oil and gas exploration, extraction, production, and distribution are integral to the global energy supply. While we recognize the environmental implications of the oil and gas industry, we believe the current availability, costs, and supply of alternative energy sources does not displace the energy demand absorbed by the oil and gas industry. As such, our organization includes oil and gas business activities

within our investible universe with the objective to only support producers who operate in regions with strict regulations and legislation that encourages development of “cleaner” oil and gas processes and solutions.

- We continue to monitor the global energy industry and evaluate alternative energy sources. Our organization welcomes alternative and renewable energy sources in pursuit of our alignment with the targets of the Paris Agreement.

## Pharmaceuticals and Cosmetics

- Manitou believes in the social, economic, and health benefits of access to medicines, vaccines, healthcare/pharmaceutical products.
- When it comes to animal testing of cosmetic products, our organization has zero tolerance with respect to animal testing as performed by the company in which their primary business activity is cosmetic development, production, and distribution. While we do not support it, Manitou accepts that there are regions in which cosmetic products are sold that regulators elect to perform animal testing. As an organization we look for practices such as this to improve over time.
- When it comes to animal testing of pharmaceutical products, our organization understands the need for animal testing as it pertains to the protection of human health. In our view, pharmaceutical companies have a responsibility to limit their animal testing practices to essential applications and ensure that all testing is as humane as possible.

## Manitou classifies the following business activities as “Insufficient Information”

Insufficient information industries are those that Manitou considers to be too early in their life cycle with limited/unclear regulation, standards, track record, and ability to evaluate risk. Manitou has excluded these industries from our investible universe at this time but continues to monitor the industries for improvement. In some instances, Manitou imposes revenue thresholds in which we classify the business as “Insufficient Information”. Above these revenue thresholds, these business activities are considered “Prohibited”.

### Cryptocurrencies

- All cryptocurrencies as an asset class
- All companies deriving 5% or more of their total revenues from cryptocurrency related activities including but not limited to sales, mining, and trading.
- Any company which holds more than 5% of either assets or equity in cryptocurrency

### Recreational Cannabis

- All companies classified as a “Producer” or “Grower”
- All companies deriving 5% or more aggregate revenue from the production, distribution, retail, supply and licensing of Recreational Cannabis-related products



## Manitou classifies the following regional and reporting characteristics as “Prohibited”

Companies residing in or governed by countries that score below the 50th percentile on “rule of law” indices

- World Bank Governance Indicators
- World Justice Rule of Law Index

Companies that do not report in accordance with internationally and internally recognized accounting standards or principles

- As an example, IFRS, US GAAP, or other internationally recognized standards or principles