Inyova Invest Exclusion Policy – August 2025

At Inyova, we believe that doing good for the planet and growing your wealth should go hand in hand. That's why we exclude business activities and practices that clearly go against our values, our vision for impact, and the expectations of our community of impact investors.

These exclusions are a key part of how we shape a relevant investment universe – one that allows your money to support real progress toward a fairer, more sustainable future.

1. How do we use exclusions?

Our exclusion policy serves multiple purposes in our investment process:

1. **Impact** - exclusion criteria help us identify areas where companies can improve
2. **Values** - by applying exclusions, we ensure that our investments align with the ethical and impact-driven values that are being held by the Inyova community of impact investors.
3. **Performance -** excluding activities that face significant long-term risks (e.g. fossil fuels) helps mitigate the risk of stranded assets.

Note: In addition, we also de facto exclude certain companies by selecting only those that meet positive criteria (e.g., best-in-class status, handprint, footprint).

2. What we exclude – and why

To ensure your investments align with ethical, sustainable principles, we apply clear exclusion rules based on two dimensions: business areas and business practices.

1. **Business areas**: Controversial sectors, products, or services (e.g. fossil fuels, tobacco).
   We break these down by:
   a. **type of involvement** (producer / distributor / service provider) and
   b. share of **revenue (i.e. how much of the company's revenue comes from excluded activity)**

For example, we may exclude **producers** at **0%** and allow **service providers** up to **10%** of revenues from an excluded activity.

2. **Business practices**: Harmful or unethical conduct (e.g. human rights abuses, corruption), further broken down by:
    a. **severity** (potential, moderate, severe, very severe),
    b. **verification** (credible allegation vs. verified breach), and
    c. **remediation** (no measures to comprehensive action).

    We exclude companies with severe or very severe failures, based on credible or verified allegations, where no effective remediation measures are in place.

2.1 Why we allow limited exposure in some cases

While our exclusion criteria are still much stricter than those of most other providers, not everything in our exclusion list is set to 0%. This means we may allow companies into our investment universe who are mostly doing good but have some **limited** activity in excluded areas when we see real potential for improvement. Why invest in companies that aren't perfect?

The reason is twofold: **to increase impact and diversify your portfolio.**

Real-world change often starts from within: Some companies still have limited involvement in areas that we want to see less of, but they also have the tools and scale to drive meaningful change. By investing in companies with credible transition plans and a willingness to improve, we can help accelerate the shift to a more sustainable economy – especially when a company is already taking steps in the right direction. Your investment gives us a seat at the table to raise standards, encourage innovation, and drive measurable improvements.

Beyond this, thresholds also allow us to **diversify and stabilise your portfolio.** Working with thresholds rather than rigid 0% rule for every topic helps us increase diversification, reduce investment risk, and boost the effectiveness of your portfolio

2.2 What is excluded – Exclusions list

Weapons

Topic	Activity	Threshold (revenues)	Exclusion rationale
Controversial weapons*	Anti-personnel mines, cluster munitions, biological, chemical, depleted uranium weapons, nuclear weapons, and white phosphorus weapons.	any (i.e. 0%)	Inhumane by violating proportionality and distinction, breaching international law.
Conventional weapons**	Military combat equipment (e.g. tanks, aircraft, missiles and key components) and civilian firearms (e.g. assault weapons and semi-/automatic firearms).	5%	Main tool in armed conflict, crime, mass shootings, and contributors to the illegal arms trade.

**In line with EU Paris-aligned benchmarks, see Article 12(1)(a) to (g) of CDR (EU) 2020/1818: “companies involved in any activities related to controversial weapons;”*
*** We apply a 5 % threshold to avoid excluding companies that are only marginally involved in the defence sector. This allows us to rely on standardised, high-quality data while maintaining our exclusion of weapons producers. We apply additional qualitative checks to ensure such companies align with our values.*

Energy

Topic	Activity	Threshold (revenues)	Exclusion rationale
Coal (conventional)**	Extraction, energy generation, processing, refining, and marketing.	1%	Key driver of the climate crisis, with increasing risks of stranded assets.
Oil (conventional)**	Extraction, energy generation, processing, refining, and distribution.	5%	Key driver of the climate crisis, with increasing risks of stranded assets.
Gas (conventional)**	Extraction, energy generation, processing, refining, and distribution.	10%	Key driver of the climate crisis, with increasing risks of stranded assets.
Fossil fuels (conventional)	Provision of services for coal, oil, and gas	10%	Extension of fossil era by enabling

	production and/or distribution.		continued fossil fuel production.
Unconventional fossil fuels	Arctic/deepwater drilling, fracking, oil sands	5%	Associated with even higher climate, environmental, and reputational risks, alongside even increased risk of stranded assets.
Nuclear power	Uranium mining, processing and enrichment, fuel production, and the operation of power reactors. Key components and/or services such as technical support, maintenance, and nuclear waste management.	5% (production) 10% (services)	Non-renewable energy source with unresolved radioactive waste issues, high costs, safety concerns, and risks of proliferation.
Biomass***	Generation of electric power using biomass.	50%	Emissions of around 100g CO_2/kWh, making it comparable to or worse than some fossil fuels.

*** In line with EU Paris-aligned benchmarks, see Article 12(1)(a) to (g) of CDR (EU) 2020/1818: "companies that derive 1 % or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite; companies that derive 10 % or more of their revenues from the exploration, extraction, distribution or refining of oil fuels; companies that derive 50 % or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels;"*
**** In line with EU Paris-aligned benchmarks, see Article 12(1)(a) to (g) of CDR (EU) 2020/1818: "companies that derive 50 % or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO2 e/kWh."*

Health and addiction

Topic	**Activity**	**Threshold (revenues)**	**Exclusion rationale**
Alcohol	Production and distribution of beer, wine, spirits.	5%	Increased healthcare costs, reduced productivity, and societal harm.
Gambling	Operations and services, including casinos and online betting platforms.	5% (operations) 10% (services)	Increased financial insecurity and social inequality.
Pornography	Production and distribution of adult	5%	Exploited individuals and harmful

	entertainment.		social and psychological impacts.
Tobacco****	Production and distribution of traditional tobacco, e-cigarettes, and heat-not-burn products.	0% (production) 5% (distribution)	Leading cause of preventable deaths globally, with significant societal health costs.

***** In line with EU Paris-aligned Benchmarks, see Article 12(1)(a) to (g) of CDR (EU) 2020/1818: "companies involved in the cultivation and production of tobacco;"*

Animal welfare & biodiversity

Topic	**Activity**	**Threshold (revenues)**	**Exclusion rationale**
Animal testing	Companies that are (1) testing for non-pharmaceutical products, (2) doing so beyond legal requirements, and (3) have no policy including a commitment to the 3R principles ('Replacement, Reduction and Refinement').	any (i.e. 0%)	Unnecessary cruelty lacking relevance to modern human health outcomes.
Animal welfare	Factory farming, live export, fur and exotic leather production and distribution.	0%, 5%, 10%	Pollution, cruelty, risk of antibiotic resistance, and zoonotic diseases.
GMOs	Genetically modified seeds, plants, and/or animals for agricultural use.	5%	Biodiversity threats, increased chemical dependency, and perpetuated economic dependencies in the Global South.
Meat*	Products based on red meat from ruminants and non-ruminants.	50%	Significant climate impact from deforestation and methane.
Palm oil	Certification to Roundtable on Sustainable Palm Oil (RSPO) is less than 80% and no policy including a commitment to 'No Deforestation, No Peat and No Exploitation' (NDPE).	5%	Deforestation, habitat destruction, and human rights abuses in supply chains.

Pesticides	WHO-classified "highly hazardous" or "extremely hazardous" pesticides.	5%	Harmful to ecosystems and human health through persistent environmental contamination.
Stem cell research	Involvement in human reproductive cloning research.	any (i.e. 0%)	Ethical concerns over human dignity and risk of misuse.

** The 50 % threshold ensures we always exclude pure-play meat producers, while allowing us to use reliable data when assessing companies.*

Exploitative practices

Topic	**Activity**	**Threshold (revenues)**	**Exclusion rationale**
For-profit correctional facilities	Operation, management or provision of staffing services to private prisons.	5%	Risk of putting profit over rehabilitation and exacerbated systemic racial and economic disparities.
Predatory lending	High-interest loans, hidden fees, lack of transparency, targeting minority, low-income, or elderly borrowers.	any (i.e. 0%)	Financial distress and perpetuating cycles of poverty.

Violations of international norms

Topic	**Activity**	**Threshold**	**Rationale**
Violations of the UN Global Compact and the OECD Guidelines for Multinational Enterprises*****	Failure to uphold basic global standards, including respect for human rights, labour rights, environmental protection, and anti-corruption practices.	Credibly alleged, imminent or verified failure without taking corrective action.	Disregard for international norms, undermining human rights and trust, whilst promoting controversial business practices.

****** In line with EU Paris-aligned Benchmarks, see Article 12(1)(a) to (g) of CDR (EU) 2020/1818: "companies … in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;"*

2.3 Going beyond the data

While our exclusion rules are based on clear, data-driven thresholds, they are also guided by values. Before any company is included in our portfolios, we apply a final detailed, qualitative review of their operations to ensure that nothing conflicts with Inyova's broader mission.

This additional step allows us to exclude companies that may technically pass the numbers, but clearly contradict our sustainability and impact goals. For example, a fast fashion brand or a company developing software exclusively for airports may not be flagged by data alone but we would still not deem it a fit and reject it at this qualitative fit check phase. We may allow a firm that gets 20% of their revenues from services related to the meat industry if the other 80% are meaningfully contributing to a sustainable transition, but not if the rest of the revenues are ineffective and fail to support a meaningful transition to more sustainable practices.

This extra layer helps ensure that your money supports companies that align with your values – reinforcing our commitment to integrity, consistency, and real-world impact.

3. How we designed this policy

Our exclusion policy is shaped by a mix of what we believe in and what works in practice. We want your money to align with your values – but we also need to make sure exclusions can be implemented fairly, consistently, and effectively. To strike that balance, we consider:

- Our commitment to aligning portfolios with long-term sustainability goals and ethical values – not only because it reflects what we stand for, but also because it helps build resilient, future-proof portfolios in a changing world.
- Minimum standards set by regulation and relevant eco-labels.
- What's become common in the industry – and where we think we can do better
- The availability and quality of data, (so we can actually apply the rules effectively and fairly).
- Leaving room for impact: Thresholds allow our impact experts to select from a broader pool of companies that are contributing to sustainability, enabling meaningful engagement, and helping to diversify your portfolio. This flexibility creates space for real-world influence and future-oriented investment decisions.

Especially, the availability of reliable and credible data for evaluating company activities is crucial to the effective implementation of the exclusion policy. In cases where data is insufficient or unreliable, companies may be flagged for further scrutiny.

We also recognise that the landscape of exclusions is dynamic. As new issues emerge, or as industries evolve, our exclusions may be updated to reflect these changes and to align with our broader sustainability goals.

4. Implementation: screens, monitoring and taking action

We work with a professional external data provider, ISS ESG, to screen companies against our exclusions. Specifically, we use three of their research modules:

- Norms-Based Research (NBR)
- Sector-Based Screening (SBS)
- SDG Solutions Assessment (SDGA)

This setup lets us monitor all relevant exclusion criteria on an ongoing basis. We get alerts whenever something changes, such as when a company crosses a revenue threshold or a new controversy emerges.

If that happens, we open a dialogue with the company to understand the issue and whether they're willing to take action. If not, we escalate the process – and fully divest if needed.

In short, exclusions aren't just a one-time check. They're part of an active system that helps keep your portfolio aligned over time.

5. Final provisions

This policy is based on the Inyova Organisational Guidelines (October 2023) and takes into account relevant regulatory requirements for managing reputational risks, including the risk of greenwashing. It also reflects the guidance published by FINMA in November 2021 (FINMA Guidance 05/2021: "Preventing and combating greenwashing").

In addition to other measures we take, this policy defines the exclusion criteria that guide our investment universe, as one important part of our broader impact investment strategy.