

Davy Ethical Investment

Policy & Ethical Restrictions

About Davy

Established in 1926, the Davy Group is Ireland's leading provider of wealth management, asset management, capital markets and financial advisory services.

Davy has continually broken new ground in the industry by bringing about the expansion of financial and capital markets in Ireland and providing new opportunities for investors and growing companies. For clients seeking ethical investments and/or socially responsible investments, we apply a core set of screening criteria.

At Davy, we constantly strive to build the most appropriate portfolios for our clients and we realise that generating sustainable investment returns is a key requirement. We have done this with absolute commitment to effective corporate governance, and a strong culture and ethos of compliance.

Screening

Davy uses "EIRIS" software to screen companies before an investment is made for ethical mandates. EIRIS is a leading global provider of independent research into the environmental, social and governance performance of companies. As an independent not-for-profit organisation, EIRIS has over 28 years' experience promoting responsible investment and helping consumers, charities and advisers invest responsibly. For more information, please visit www.eiris.org.

Engagement

At Davy, we are cognisant that a company's approach to ethical issues may have an adverse impact on shareholder value. We highlight issues through ShareAction.

ShareAction, formerly known as FairPensions, is a registered charity that promotes responsible investment by pension schemes and fund managers. It is based in London.

ShareAction's aim is to improve corporate behaviour regarding environmental, social and governance issues. The advocacy group focuses on encouraging pension funds to implement responsible investment strategies. The charity engages with corporations through shareholder action. Its work is driven by the fact that

people indirectly have shares in companies through their participation in pension schemes and other financial products.

ShareAction runs campaigns and publishes research. It is supported by a number of member organisations, such as Greenpeace, ActionAid, Amnesty International UK, UNISON, Access and Christian Aid.

Ethical Advisory Committee

An Ethical Advisory Committee has been appointed by Davy and has an independent chairperson. The purpose of the Ethical Advisory Committee is to advise on the ethical constraints applying to the investments made by Davy, to assist the Davy Investment Committee in determining the ethical investment criteria and to monitor the adherence to these criteria. It is the intention that the ethical investment criteria employed will be reviewed and agreed on a semi-annual basis by the Ethical Advisory Committee.

Reporting

Charities with ethical mandates receive Charity MarketWatch, a quarterly publication which outlines our current view on world markets and ethical issues.

Ethical Restrictions

Using EIRIS software, we screen out companies that may be unacceptable to some of our charity clients under the following headings. We also seek to invest in companies that act to safeguard the environment and that promote "Fairtrade".

Tobacco

Exclude all companies that derive more than 5% of turnover from the production or sale of tobacco.

Armaments

Exclude all companies that derive more than 5% of turnover from military sales.

Gambling

Exclude all companies that derive more than 5% of turnover from gambling.

Pornography

Exclude all companies that provide adult entertainment services other than through mobile communications, magazines or newspapers.

Exclude all UK companies that publish wholesale pornographic magazines or newspapers.

Contraceptives

Exclude all companies that produce abortifacients or contraceptives.

Animal Testing

Exclude all companies that derive more than 3% of turnover from the manufacture of cosmetic products other than those not tested on animals.

Human Rights

Exclude all companies that have not responded to or have a limited response to allegations of breaches of human rights principles against the company.

Child Labour

Exclude all companies that have unaddressed allegations of breaches of core international labour organisation standards on child labour against themselves or companies in their supply chain.

Breast Milk Substitutes

Exclude all companies that derive more than 15% of turnover from the production or sale of breast milk substitutes.

Please note that there is no guarantee that the ethical screening criteria employed by Davy will exactly match your own ethical requirements. Further information on the criteria employed by Davy is available on request.

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J&E Davy, trading as Davy, is regulated by the Central Bank of Ireland. Davy is a member of the Irish Stock Exchange, the London Stock Exchange and Euronext. In the UK, Davy is authorised by the Central Bank of Ireland and authorised and subject to limited regulation by the Financial Conduct Authority. Details about the extent of our authorisation and regulation by the Financial Conduct Authority are available from us on request.

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