

# PRACTICAL APPLICATION FOR REPORTING

THIRD QUARTER 2014

## SOCIALLY RESPONSIBLE INVESTING

A greater emphasis is now being placed on Socially Responsible Investing (also known as sustainable, social conscious or ethical investing) defined as any investment strategy which seeks to consider both financial return and social good.

Our clients recognize the increasing constituent interest associated with the social impact of their investment decisions and are expanding their ethical considerations within their investment and risk management process.

Through our Compliance Monitoring service, we are able to empower clients to run screens on various social issues. Within the sample report on page 2, we detail four different social screens including environmental performance, human rights, terrorism and tobacco. The environmental performance rule screens for entities based on criteria such as toxic emissions, oil and chemical spills. Based on the many current geopolitical concerns globally, we have also executed a screen to identify companies with ties to countries that sponsor terrorism. These examples are a subset of the more than 50 types of issues that we are able to screen for Socially Responsible Investing.

These materials are provided for general information purposes only and do not constitute legal, investment or other professional advice on any subject matter.



**BNY MELLON**



## Prohibited Companies Sample Report

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**Guideline:**Environmental Performance (66 Exceptions : 0 are New)

Must not hold companies in the bottom 10% of environmental performance based on superfund sites, toxic emissions, oil or chemical spills and penalties. ( Guideline # 96105 - Applies to Individual Securities )

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**Guideline:**Human Rights - Child Labor (5 Exceptions : 0 are New)

Must not hold companies with alleged child labor controversies at either direct operations or in the supply chain within the last three years ( Guideline # 95887 - Applies to Individual Securities )

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**Guideline:**State Sponsors of Terrorism (8 Exceptions : 1 are New)

Must not hold companies with ties to Cuba, Iran, Sudan and Syria ( Guideline # 96106 - Applies to Individual Securities )

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**Guideline:**Tobacco Production (3 Exceptions : 0 are New)

Must not hold companies that manufacture tobacco products ( Guideline # 95886 - Applies to Individual Securities )

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