

Controversial Weapons Screening

Introduction

Inrate's Controversial Weapons Screening supports investors in either complying with legal obligations or in reducing the reputational risks associated with an investment in such companies. Inrate currently has identified over 150 companies directly or indirectly involved in controversial weapons.

Inrate uses the term "controversial weapons" to refer to either weapons of mass destruction, such as nuclear or chemical weapons, or conventional weapons, such as cluster munitions

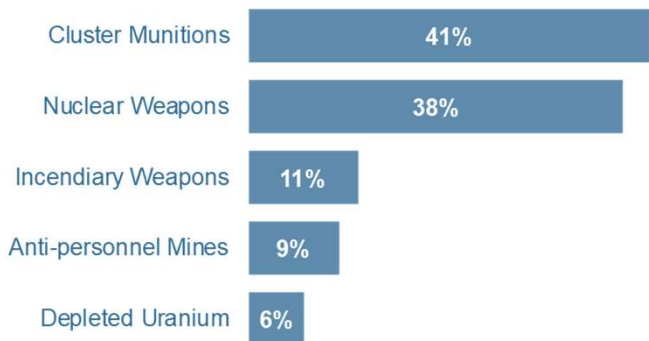
or anti-personnel mines. In most countries, the production and use of controversial weapons is prohibited by international conventions. Moreover, these are deemed controversial due to the excessive and indiscriminate human suffering they cause. In some countries, the financing of companies involved in the development, production, maintenance, sale, transportation or storage controversial weapons is also illegal.

Key Benefits

- **Global coverage** of all known listed, unlisted and public companies involved in controversial weapons.
- **User-friendly** screening allows to select specific categories of controversial weapons and type of involvement.
- **Customizable** to national legal restrictions and different investment policies.
- **Dedicated specialists** in our research team are responsible for conducting the Controversial Weapon Screening.
- **Related companies** and their issued financial instruments available as separate report.
- **Quarterly update** based on newest findings and in-depth annual review.
- **Alert** in case of additional information leads to the exclusion of important companies.

Coverage

% of known companies involved*

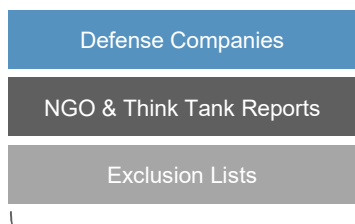


Inrate classifies the involvement in the categories **confirmed** (involvement evident), **probable** (involvement probable based on trustworthy sources), **possible** (involvement questionable) and **no involvement** (no more involvement).

*Currently, no companies known are involved in chemical, biological or blinding laser weapons.

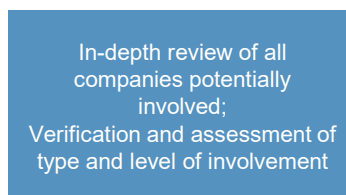
Research Methodology

Primary research



currently ~ 700 potentially involved companies

Peer Review



Sign-off



Regulatory Environment

Various international treaties, which have been signed and ratified by the majority of countries globally, regulate the use and production of controversial weapons. Increasingly countries are developing regulations prohibiting direct and indirect financing of companies involved in controversial weapons, although the legislation in place to date differs from one country to the next. For example, some countries have laws in place regulating the financing of some controversial weapons, but not on all those deemed controversial from a normative or ethical perspective.

Swiss law

According to the Swiss law on war material, only the intentional direct or indirect financing of the development and production of banned war material is prohibited. The purchase of shares, bonds or other financial instruments of a company involved, without such intention, is allowed

International Weapon Treaties

1970	Treaty on the Non-Proliferation of Nuclear Weapons
1975	Biological and Toxin Weapons Convention
1983	UN Convention on Incendiary Weapons
1997	Chemical Weapons Convention
1998	UN Convention on Blinding Lasers
1999	Ottawa Treaty (Mine Ban Treaty)
2010	Convention on Cluster Munitions

Countries Prohibiting Financing Banned Weapons

- Belgium
- Ireland
- Italy
- Liechtenstein
- Luxembourg
- New Zealand
- Samoa
- Spain
- Switzerland
- The Netherlands

About inrate

Inrate is a leading independent sustainability ratings provider based in Switzerland. Since 1990, we link our in-depth sustainability analysis with innovative investment solutions for the financial markets. Our ratings are a measure of the impact companies have with their behavior and products on society and the environment as well as their willingness and ability to effectively tackle the corresponding challenges.

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