



An Everence Company

# Stewardship investing

Values + Risk Screens

Stewardship investing is a philosophy of financial decision making motivated and informed by faith convictions. It balances social and financial considerations, according to a set of positive stewardship investing core values.

Key components in the Praxis stewardship investing philosophy include company screening, shareholder advocacy and community development investing.

Our Values + Risk Screening approach combines comprehensive, values-based investment screens with risk-based screens on issues of environmental, social, and governance concern\*. This process is designed to tilt our portfolios toward positive social impact and ensure that sustainability data is integrated into both passive and active investment strategies. The screens help avoid harmful sectors and companies while seeking to maximize positive impact on behalf of investors.

The following screening summary provides an overview of this process:

## Values screens

**Abortion** – Restrict companies that:

- Are engaged in the development or manufacture of abortifacients.
- Are providers of abortions.

**Adult entertainment** – Restrict companies that:

- Produce adult media products including movies, magazines, books, calendars and websites.
- Own and/or operate adult entertainment establishments.
- Derive significant revenues from the rental, sale or distribution of adult entertainment media products.

**Alcohol** – Restrict companies that:

- Derive material revenues from the manufacture of alcoholic beverages.
- Derive significant revenues from the supply of raw materials necessary for the production of alcohol.
- Derive significant revenues from the distribution of alcoholic beverages.

**Cannabis** – Restrict companies that:

- Produce and/or sell cannabis for recreational use.

**Firearms** – Restrict companies that:

- Produce small-arms ammunition or firearms.
- Derive significant revenues from the wholesale or retail distribution of firearms and small-arms ammunition.

**Gambling** – Restrict companies that:

- Derive material revenues from the production of goods used exclusively for gambling.
- Derive material revenues from ownership and/or operation of betting establishments.
- Derive material revenues from gambling support services.



**Nuclear power** – Restrict companies that:

- Have an ownership interest in a nuclear power plant and derive a significant amount of electricity from nuclear sources.

**Predatory lending** – Restrict companies that:

- Derive significant revenue from direct or indirect predatory lending practices.

**Russia** – Restrict companies that:

- Are domiciled in Russia.

**Tobacco** – Restrict companies that:

- Produce tobacco products including cigarettes, cigars, pipe tobacco and smokeless tobacco products.
- Derive significant total revenues from the production and supply of raw materials and other products necessary for the production of tobacco products.
- Derive significant revenues from the wholesale or retail distribution of tobacco products.

**Weapons production and support systems** – Restrict companies that:

- Produce nuclear or conventional weapons or weapons systems.
- Produce customized components for nuclear or conventional weapons or weapons systems.
- Derive material revenue from the provision of weapons support systems and services.

## Risk screens

**Environment** – Restrict companies that fail to effectively manage and address their environmental risks/operational impact, particularly regarding the necessary low-carbon transition of the economy, using the following criteria:

- MSCI's Low Carbon Transition Risk assessment, which measures companies' exposure to and management of risks and opportunities related to the low carbon transition.
- Environmental controversies.

**Social** – Restrict companies that fail to effectively manage and address their social risks/operational impact, based on forward-looking data as well as past performance, using criteria including:

- Supply chain labor standards.
- Human rights practices.
- Controversial sourcing.
- Employee health and safety.
- Product safety and quality.

**Governance** – Restrict companies that fail to effectively manage and address their governance risks/operational impact, based on forward-looking data as well as past performance, using criteria including:

- Accounting metrics.
- Board and committee compositions.
- Controversies.
- Pay figures.
- Policies and practices.

Want to learn more? Ask for our *Everence stewardship investing core values* and *Everence stewardship investing philosophy* handouts or visit [praxisinvests.com/insights](https://praxisinvests.com/insights) to read stories about how this philosophy makes a difference in the real world.

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*\*The Everence stewardship investing screens may not apply to all investments purchased through Everence relationships. Talk to your Everence representative for more information.*

*The Fund's stewardship investing strategy could cause the fund to sell or avoid securities that may subsequently perform well, and the application of social screens may cause the fund to lag the performance of its index.*

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