

Controversial Activities

powered by Syntax's Affinity™ data

Values-Based Investing

Our Controversial Activities Lens allows asset owners and investment managers to screen their portfolios to exclude or quantify exposure to businesses deemed controversial or misaligned with the values of their investment mandate.

The Controversial Activities Lens includes companies that are considered controversial or traditionally misaligned with socially responsible or sustainable investment principles.

The Lens is segmented into the following groups:

- Tobacco and Nicotine
- Alcohol
- Cannabis
- Gambling
- Pornography
- Oil and Gas
- Coal
- Nuclear
- Palm Oil
- For-Profit Education
- Animal Products
- Weapons and Defense
- Civilian Firearms
- Prisons and Law Enforcement

We have defined a broad range of industries commonly considered controversial - allowing portfolios to be screened depending on the particular values of a given investment mandate.

Syntax's proprietary and patented Functional Information System (FIS[®]) technology is a standardized language for tagging businesses, products, and associated activities and resources with standardized functional identifiers.

Using these identifiers, FIS technology allows Integrum ESG to tag and link companies' main revenue-generating activities as well as underlying business characteristics, such as how a company's product is used by its customers or the raw materials used in the company's production process.

Once companies are tagged with such identifiers, we can group these companies by shared functional attributes or by properties and relationships that respond similarly to market events.

Controversial Activities Explained

Each group in the Controversial Activities Lens is defined using a rules-based query for underlying FIS tags.

Companies earning revenues from product lines whose classifications match the query belong to the Controversial Activities Lens.

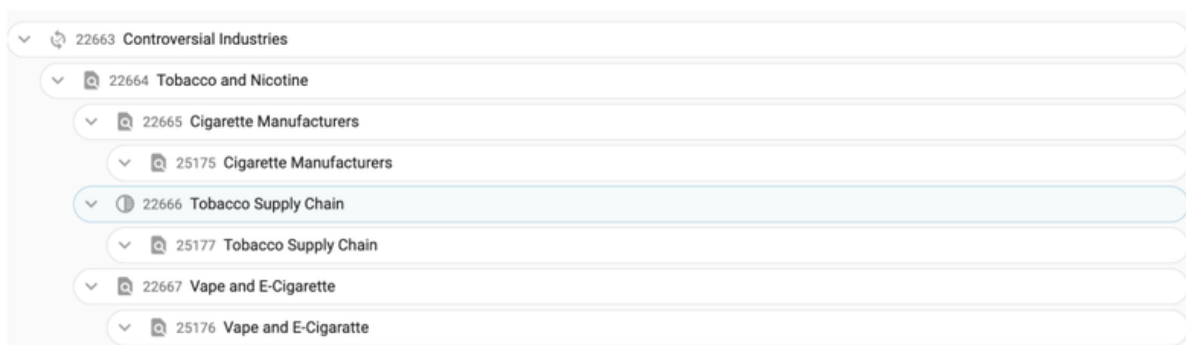
Example: Rayonier Advanced Materials Inc.

Segments		1,630,308.00	Revenue (thousands USD) ▾	
RS A1	High Purity Cellulose	1,301,622.00	100.00%	77.39%
PL A1.1	1031: Acetate for Cigarette Filters	871,752.00	66.97%	51.83%
PL A1.2	1112: Cellulose and Wood Fibers for Fluff Pulp	341,128.00	26.21%	20.28%
PL A1.3	1044.11: Chemical Additives	88,742.00	6.82%	5.28%
ADD	1 PL(s) to RS A1			
RS A2	Paperboard	227,628.00	100.00%	13.53%
PL A2.1	1132.2: Paper and Paperboard Products	227,628.00	100.00%	13.53%
ADD	1 PL(s) to RS A2			
RS A3	High-Yield Pulp	126,897.00	100.00%	7.54%
PL A3.1	1117: Pulp; sold through distributor	126,897.00	100.00%	7.54%
ADD	1 PL(s) to RS A3			
RS A4	Eliminations	-25,839.00	0.00%	0.00%

(Screenshot from Syntax's internal database frontend)

Rayonier Advanced Materials is a company that develops a range of wood-related products. Their largest product line, accounting for 51.83% of FY'2024 revenue, is Acetate for Cigarette Filters.

Now, let's examine the "Tobacco and Nicotine" category within the Controversial Activities Lens:



(Screenshot from Syntax's internal database frontend)

The "Tobacco Supply Chain" category within the "Tobacco and Nicotine" parent group is defined as follows:

"Companies in the Tobacco Supply Chain group either manufacture components for cigarettes and other tobacco products or distribute tobacco products."

Within the FIS system, we can define queries that bring in product lines according to the descriptions of these controversial industries.

We can define the "Tobacco Supply Chain" group as follows:

Companies that manufacture components FOR manufacturers of tobacco products

OR

Companies that distribute tobacco products

The Acetate for Cigarette Filters classification matches this query and is therefore a member of the "Tobacco Supply Chain" group, within the overarching "Tobacco and Nicotine" controversial activity.

None of Rayonier Advanced Materials' other product lines are affiliated with any of our Controversial Activities.

Therefore, Rayonier Advanced Materials' total exposure to Controversial Activities would be 51.83%, wholly constituted by the "Acetate for Cigarette Filters" product line.

Appendix: Controversial Activities

Group	Description
Cigarette Manufacturers	Companies in the Cigarette Manufacturers group manufacture cigarettes and other tobacco products.
Tobacco Supply Chain	Companies in the Tobacco Supply Chain group either manufacture components for cigarettes and other tobacco products or distribute tobacco products.
Vape and E-Cigarette	Companies in the Vape and E-Cigarette group manufacture vapes and E-cigarettes.
Alcohol Manufacturers	Companies in the Alcohol Manufacturers group manufacture alcohol. This group includes breweries, distilleries, and wineries.
Alcohol Supply Chain	Companies in the Alcohol Supply Chain group either produce ingredients for alcohol manufacturing or distribute alcohol products.
Recreational Cannabis	Companies in the Recreational Cannabis group manufacture or sell recreational cannabis/cannabis products.
Medical Cannabis	Companies in the Medical Cannabis group manufacture or sell medical cannabis products.
Casinos and Gambling Establishments	Companies in the Casinos and Gambling Establishments group own or operate casinos, betting shops, online gambling facilities, and casino lessors.

Group	Description
Coal Extraction and Coal Derivatives	Companies in the Coal Extraction and Coal Derivatives group mine and extract coal resources.
Coal Equipment and Services	Companies in the Coal Equipment and Services group provide miscellaneous logistics and services to the coal industry.
Coal Power Generation	Companies in the Coal Power Generation group generate electricity using coal as the fuel source.
Uranium Mining and Refining	Companies in the Uranium Mining and Refining group extract raw uranium or refine uranium products.
Nuclear Power Generation and Related Equipment / Services	Companies in the Nuclear Power Generation and Related Equipment / Services group generate nuclear power or provide related products or services.
Miscellaneous Nuclear	Companies in the Miscellaneous Nuclear group participate in other nuclear energy activities, such as military applications of nuclear technology.
Palm Oil	Companies in the Palm Oil group produce palm oil and oil palm seeds.
For-Profit Schools	Companies in the For-Profit Schools group operate private educational institutions.
Student Loans	Companies in the Student Loans group finance private student loans.
Fur and Leather Products	Companies in the Fur and Leather Products group manufacture non-artificial fur or leather products
Animal Produce	Companies in the Animal Produce group produce food from livestock.

Group	Description
Animal Pharma and Equipment	Companies in the Animal Pharma and Equipment group provide products or services for livestock agriculture.
Pork Products	Companies in the Pork Products group are involved in producing pork or pork products.
Military Weapons	Companies in the Military Weapons group manufacture and service military weapons and weaponry components.
Military Non-Weapons	Companies in the Military Non-Weapons group provide non-weaponry equipment to the military.
Military Software and IT Services	Companies in the Military Software and IT Services group provide software and IT services to the military.
Military Infrastructure	Companies in the Military Infrastructure group provide infrastructure, such as housing and warehouses, for the military.
Civilian Firearms	Companies in the Civilian Firearms group manufacture or sell firearms and ammunition for civilian use.
Prisons	Companies in the Prisons group operate prisons or provide services to prison operators.
Surveillance Equipment	Companies in the Surveillance Equipment group provide equipment to surveillance and law enforcement agencies.
Surveillance Software and Services	Companies in the Surveillance Software and Services group provide software and services to surveillance and law enforcement agencies.

Group	Description
Law Enforcement Supply Chain	Companies in the Law Enforcement Supply Chain group provide miscellaneous equipment and services to law enforcement agencies.

If you have any questions on this dataset or any other Integrum ESG data solutions, please email contact@integrumesg.com.

Integrum ESG has contracted with Syntax LLC ("Syntax") to use Syntax's Affinity™ data to analyse, develop and market the Controversial Activities dataset within its Business Involvement Intelligence product.

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