*Illustrative ESG Risk Appetite*

You can adapt the following table in Excel as part of your consideration for your organisation’s ESG Risk Appetite:

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| --- | --- | --- | --- | --- | --- | --- |
| **Activity/Sector** | **Absolute Exclusion?** | **Conditional? (Threshold/Plan)** | **Conduct/Practice-Based?** | **Life** | **Non-Life** | **Notes/Criteria** |
| **Thermal coal (>10% revenue)** | Yes | Yes (if a credible transition plan) |  | X | X | Exclude above the threshold unless a credible plan exists |
| **Oil sands, arctic drilling** | Yes |  |  |  | X | Often absolute exclusion for non-life |
| **Tobacco production** | Yes |  |  | X | X | Common exclusion for both |
| **Adult entertainment** | Yes | Yes (<5% revenue) |  |  | X | May allow below the threshold |
| **Controversial weapons** | Yes |  |  |  | X | Cluster munitions, nuclear, anti-personnel mines |
| **Gambling** |  | Yes (<5% revenue) |  |  | X | Often conditional |
| **Palm oil (unsustainable)** |  | Yes (must be RSPO certified) |  |  | X | Only if certified sustainable |
| **Human rights (systematic breach)** | Yes | Yes (if remediation, credible plan) | Yes | X | X | Exclude if repeated, unaddressed, or severe breaches |
| **Child/forced labor** | Yes |  | Yes | X | X | Exclude if evidence of use or tolerance |
| **Corruption, tax evasion** | Yes | Yes (if proven remediation) | Yes | X | X | Exclude if ongoing or unremedied |
| **Health controversies (e.g., opioids)** | Yes | Yes (if robust controls/remediation) | Yes | X |  | Especially relevant for life/health |
| **Poor workplace safety** |  | Yes (if improvement plan) | Yes | X | X | Exclude if no action or repeated incidents |