



# **Environmental, Social and Governance Policy**

**Supporting customers and  
communities, investing  
responsibly and delivering  
opportunity**

## Canada Life Asset Management is a UK-based asset manager responsible for managing more than £40bn of equities, fixed income and property.\*

We have been active in the UK for more than 100 years, having first established our life insurance business here in 1903.

We recognise that an important influence on the long-term financial performance of a company is its ability and willingness to address environmental, social and governance risks, or 'ESG' for short.

As an active manager of fixed income, equity and property assets we are also keenly aware of the impacts – both positive and negative – that investment decisions can have in a highly interconnected world on individuals, societies and the environment.

Environmental, social and governance considerations are therefore increasingly important in our approach to managing risk and achieving our clients' long-term investment goals. We seek to incorporate sound management, investment and ethical principles throughout our business activities.

Reflecting this, Canada Life Asset Management (CLAM) is a UK Stewardship Code 2012 signatory, a member of CDP and participates in the ISS pooled engagement service. CLAM has also applied for signatory status of the UK Stewardship Code 2020.\*\*

\*As at 30/06/2021

\*\*CDP is a not-for-profit charity that provides a global disclosure system for investors, companies, cities, states and regions to help manage their environmental impacts.

Institutional Shareholder Services Inc. (ISS) is a leading global provider of environmental, social, and governance solutions for asset managers.

**ESG considerations are increasingly important in our assessment and management of risk and generating value as we work towards delivering our clients' long-term investment goals.**

David Marchant  
David Marchant, Chief Investment Officer,  
Canada Life Ltd, Managing Director,  
Canada Life Asset Management Ltd





**We are keenly aware of the impacts that investment decisions can have in a highly interconnected world.**

In order to achieve the greatest positive impacts our ESG strategy is focused around three key areas.

## 1. Resilience & Performance

We are committed to managing our ESG impact in the most effective, responsible and sustainable manner possible to protect and enhance asset values and the resilience of our investment portfolios products and policies.

We strive to:



### Protect & Enhance

Protect our investments business with robust ethical, risk and governance focused business practices that are embedded into our investment decision process



### Maintain & Review

Maintain procedures to ensure we remain well-versed and prepared for existing and future legislation which impact ESG considerations



### Monitor

Continually monitor, assess and measure our investments from an ESG perspective, and put in place improvement plans and targets



### Report

Report on the performance of our investments against our ESG guidelines and targets and, if appropriate, external benchmarks

## 2. Customers & Community

We understand the impact that our activities can have on society and are aligning our strategy to create a lasting positive legacy.

We strive to:



### Share

Share progress on ESG integration and listen to the concerns of our shareholders, customers, partners and occupiers through regular engagement



### Connect

Connect with local communities where we actively operate to make positive local contributions, help people fulfil their potential and support businesses as they grow



### Engage

Engage with our Real Estate partners, including occupiers, external managers, distributors, suppliers as well as, investee companies, issuers and borrowers on ESG issues



### Manage

Work with Real Estate suppliers and contractors to improve ESG performance throughout our supply chain

### 3. Skills & Opportunities

Employees are key to achieving our ESG commitments. We aim to attract, retain and support qualified and experienced staff who will contribute to our ESG journey and enable the realisation of our ESG objectives.

We strive to:



#### Support

Support our employees to better understand ESG risks, providing relevant staff with training, knowledge sharing and equipping employees with the tools to understand ESG risks and opportunities



#### Embed

Embed ESG in our business culture and encourage our employees to take ESG factors into account in their day-to-day approach



#### Create

Create a work environment that upholds equal opportunities and the values of all employees



We aim to attract and retain staff who will make a positive contribution to our ESG journey.



**We encourage a culture  
of team and individual  
accountability.**

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# Governance

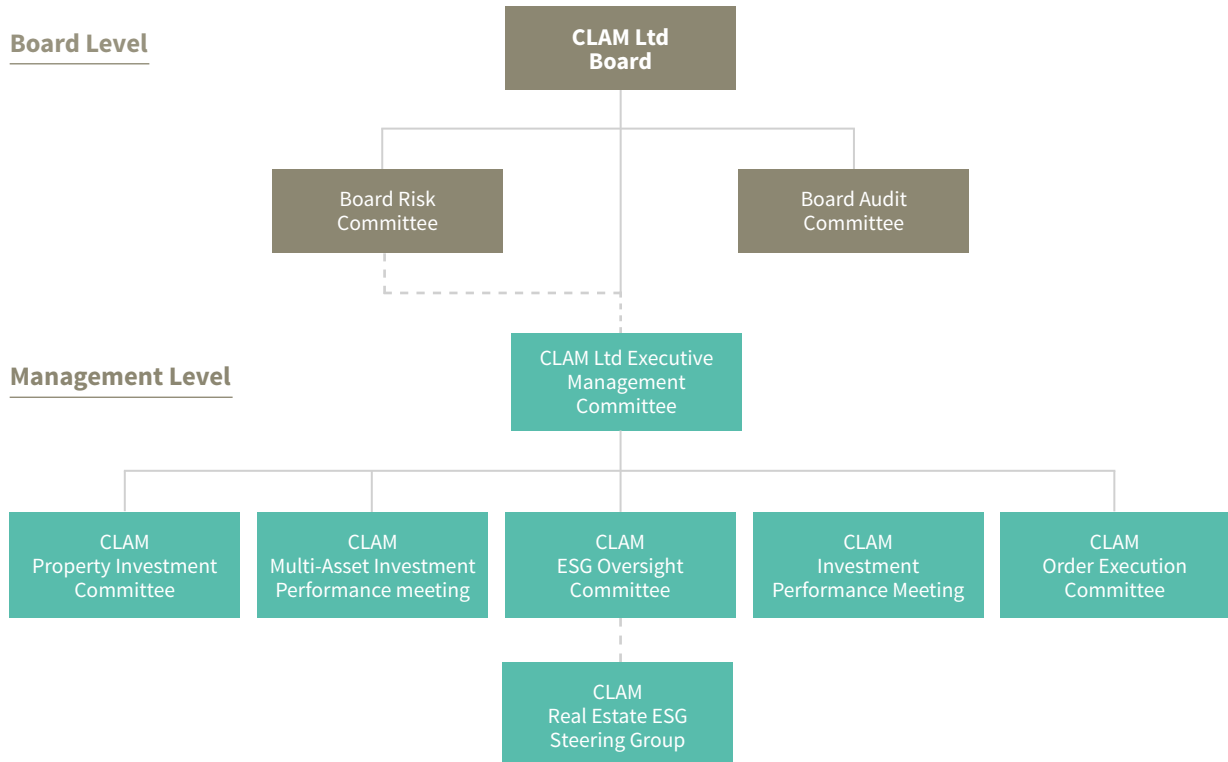
**Our governance structure and processes ensure our approach to ESG is embedded throughout our business.**

We encourage a culture of team and individual accountability through integrating ESG in asset planning and review meetings. Our reporting on ESG metrics through these meetings allows us to measure our progress and development against the delivery of our key ESG strategic objectives. The integration of ESG factors in investment decisions is part of the remuneration criteria of our investment desk heads.

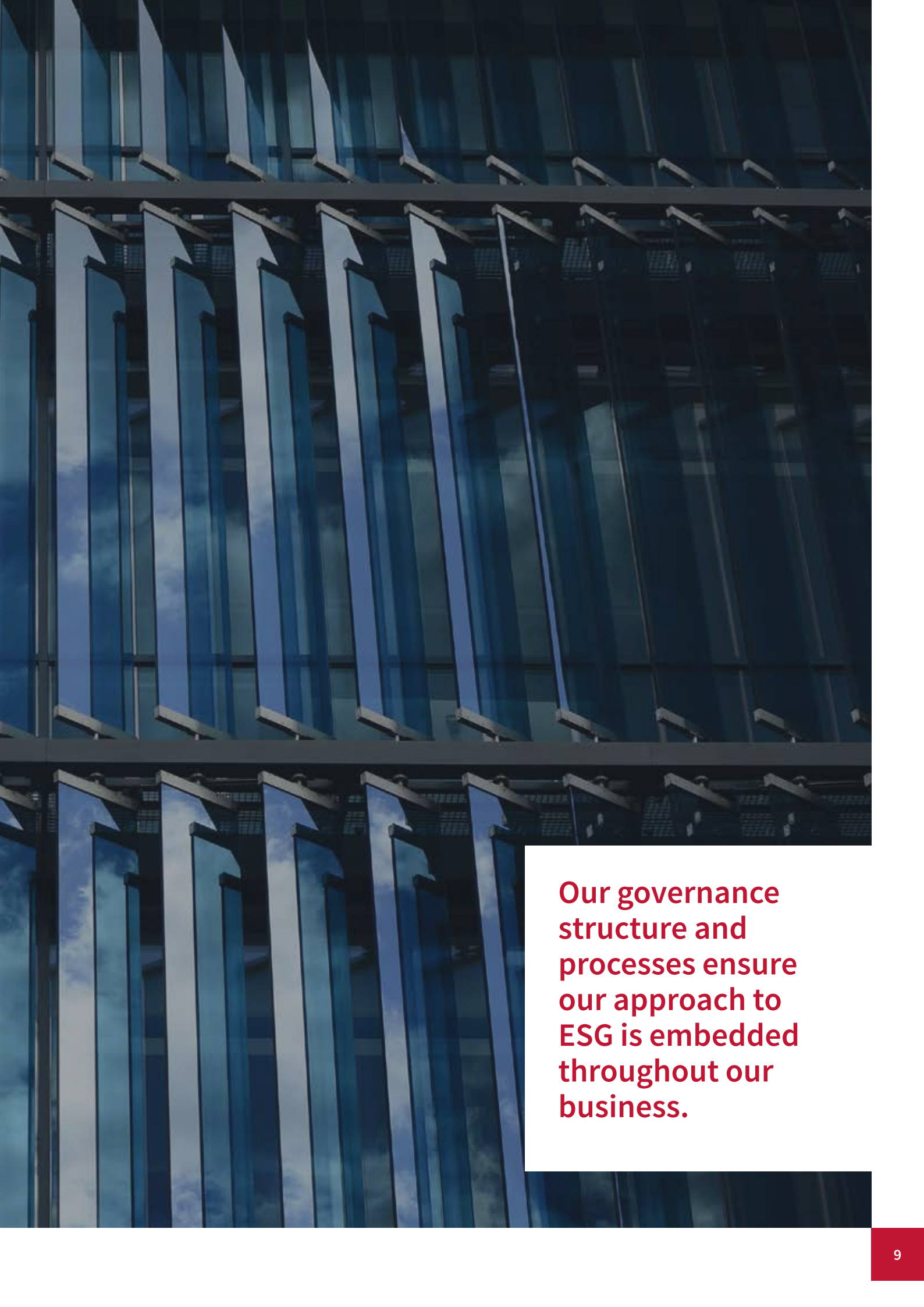
Members of our ESG Oversight Committee include the Managing Director of Canada Life Asset Management & Chief Investment Officer of Canada Life Ltd, the Chief Operating Officer, Asset Management; Head of Credit Research, Head of Investment Governance; Lead Counsel, Asset Management. Other members of the fund management teams or oversight functions may be invited by the Chair to attend, as appropriate



Asset Management







**Our governance structure and processes ensure our approach to ESG is embedded throughout our business.**

In managing assets on behalf of our clients, we apply our ESG strategies in the following four areas.

## Managing ESG Risks In Our Portfolios

ESG is a key part of our holistic assessment of investment and business risks carried out by our investment managers and analysts in constructing and monitoring portfolios.

In addition to developing our own ESG analysis, we also draw on research provided by specialist ESG research organisations, third-party company analysis and investee companies' own reports.



The environmental risks that we assess and monitor may include:

- A company's contribution to climate change
- The impact of a company's activities on natural resources
- The production and disposal of hazardous waste

The social risks we may consider include:

- Poor working and safety conditions
- Bribery and corruption
- Denial of labour rights
- Controversial sourcing in supply chains
- Product liability issues

## Voting

Using voting rights in a constructive and considered way is an essential tool for engaging with companies to effect positive change.



We have a track record of voting against company management on governance issues such as excessive or poorly structured remuneration, lack of board independence or the absence of separation between the roles of chairman and chief executive.

We also have a record of voting in favour of shareholder resolutions that focus on social and environmental issues such as promoting workers' rights or the reduction of negative environmental impacts.

## Engaging with Company Management

We are long-term shareholders with extensive experience in engaging with companies to bring about positive change.



Our experience as long-term shareholders and debt investors has taught us that, in many cases, constructive and regular engagement with company management can produce desirable outcomes that benefit our clients and the company itself.

We take our responsibilities as a major shareholder and representative of our clients extremely seriously. Where we identify that a company's management has not addressed ESG risks adequately, we seek to engage with the company directly or with other shareholders to work towards positive change.

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## ESG and Property Investment

Canada Life Asset Management's Property Team are committed to managing their ESG impact in the most effective, responsible and sustainable manner possible.



By incorporating forward-looking ESG considerations into real estate investment decisions at an early stage in the investment process we aim to significantly reduce project risk. In addition, we use ESG-focused management and improvement of property assets to generate additional value for our clients.

CLAM is an established participant in the Global Real Estate Sustainability Benchmark (GRESB), the leading ESG benchmark for real estate funds across the world. The Property Team also assesses property-related ESG risks through its Environmental Management System, an ISO14001-aligned framework for developing and improving environmental performance.

## Getting in Touch

To find out more about Canada Life Asset Management's ESG policy, please get in touch

### Call us

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### By email and website

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### Important information

This document and ongoing objectives, strategy and performance measures related to ESG integration will be reviewed regularly to ensure continuing alignment between corporate objectives and client requirements.

No guarantee, warranty or representation (express or implied) is given as to the document's accuracy or completeness.

The value of investments may fall as well as rise and investors may not get back the amount invested.

Please note that while Canada Life Asset Management Limited and Canada Life Limited are regulated as stated below, property management and the provision of commercial mortgages are not regulated activities.



At the heart of our business is a range of investment solutions designed to meet investors' needs.



Canada Life Asset Management is the brand for investment management activities undertaken by Canada Life Asset Management Limited, Canada Life Limited and Canada Life European Real Estate Limited. Canada Life Asset Management Limited (no. 03846821), Canada Life Limited (no.00973271) and Canada Life European Real Estate Limited (no. 03846823) are all registered in England and the registered office for all three entities is Canada Life Place, Potters Bar, Hertfordshire EN6 5BA. Canada Life Asset Management is authorised and regulated by the Financial Conduct Authority. Canada Life Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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