



# **Environmental, Social and Governance Policy**

**Supporting communities,  
enhancing environments  
and growing economies**

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## Going beyond compliance





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

We recognise that our business activities have wide-ranging environmental, social and governance (ESG) impacts. We want occupiers, local communities, investors, staff, suppliers, the people who work, shop and live in our buildings, and the wider society to benefit from our activity – creating positive social and environmental outcomes. We believe that responsibility is integral to deliver superior long term risk-adjusted returns to stakeholders

ESG encompasses a broad range of issues that may of themselves, or in combination, have a material impact on the risk/return characteristics of our investments. Our aim is to incorporate ESG considerations and opportunities into day-to-day business operations.

**\*As at 30/06/21**

**In order to achieve the greatest positive impacts, our ESG strategy is built around four focus areas:**

 <p><b>Resilience &amp; Performance</b> Protect and enhance asset value through energy efficiency and generation (where viable), materials innovation and flood risk mitigation</p>	 <p><b>Community</b> Make a positive contribution locally and encourage our assets to be part of their local community</p>
 <p><b>Health &amp; Wellbeing</b> Develop assets to promote positive wellbeing, improve productivity and increase enjoyment</p>	 <p><b>Skills &amp; Opportunities</b> Assist people and businesses to reach their full potential</p>

**We view delivering long term positive outcomes for our investors and ESG considerations as being inexorably linked. Attention to ESG in the management of real estate reduces project risks, builds social support and generates value.**

Michael White  
Head of UK Property



# Resilience & Performance

Canada Life Asset Management is committed to managing its ESG impact in the most effective, responsible and sustainable manner possible. An environmental management system (EMS) has been established and is aligned to the internationally recognised standard\*. It will assist in the development and continual improvement of environmental performance to the benefit of the business, stakeholders and the wider society.

**We strive to:**



## Acquisition

- Engage with specialist consultants as part of our pre-acquisition due diligence processes to minimise downside risks (including pollution and flooding) and capitalise on investment opportunities for enhancing return
- All existing buildings will only be considered for acquisition if they have an Energy Performance Certificate (EPC) rating at 'D' or higher, unless a feasible strategy can be developed to improve the rating



## Development

- Achieve a minimum rating under the Building Research Establishment Environmental Assessment Method (BREEAM) of 'Very Good' or higher
- Incorporate sustainability into design and maintain records
- Achieve an EPC rating of 'C' or higher for all new developments
- Complete post occupancy evaluation to assess success and consider future development plans



## Reporting

- Report on our environmental impact and carbon footprint through annual reporting
- Participate in the Global Real Estate Sustainability Benchmark (GRESB scheme) on an annual basis and report on progress to investors



## Management

- Work with suppliers and contractors to improve environmental performance through the supply chain
- Ensure excellent provision of waste recycling facilities
- Engage with occupiers to promote sustainability including conservation of energy and water, and diversion of waste from landfill
- Identify, where feasible, cost efficient improvements to protect the future quality of each asset and reflect this in individual sustainability asset plans
- Take advantage of energy/water saving opportunities during the regular repair, refurbishment and replacement of services
- Encourage biodiversity where possible



## As an organisation

- Adhere to all compliance obligations and maintain procedures to remain well-versed and prepared for existing and future environmental legislation
- Educate employees and managers in environmental risks, opportunities and best practice measures
- Improve the environmental performance of corporate operations
- Utilise systems to measure, monitor and manage emerging sustainability risks as an integral part of risk management
- Incorporate sustainability objectives into business planning and reporting
- Monitor the emerging impact of sustainability-related issues on value
- Commit to continual improvement of the EMS



## Monitoring

- Assess and measure the environmental performance of assets under management, with environmental improvement plans and targets put in place for each asset
- Ensure the accuracy of data collection through measures which may include utilisation of industry specific software and Automated Metering (AMR) Technology
- Benchmark sustainability data appropriately
- Utilise monitoring to inform improvement planning

# Health & Wellbeing

Canada Life Asset Management recognise that underpinning a person’s happiness is their health and wellbeing. We acknowledge the innate connection between the environment and human behaviour. Canada Life Asset Management believe assets should contribute positively to occupiers’ health. Considerations will be given both in design and operation.

## Principles of our health & wellness concept:



### Air

Encourage our buildings to promote clean air and reduce or minimize the sources of indoor air pollution



### Water

Aim to deliver safe and clean water through the implementation of proper filtration techniques and regular testing for building occupants to receive optimal quality of water for various uses



### Nourishment

Encourage better eating habits and food culture and avoidance of unhealthy ingredients



### Light

Promote lighting standards that improve productivity and minimize disruption to health



### Fitness

Promote the integration of physical activity into everyday life by providing opportunities and support for an active lifestyle and discouraging sedentary behaviours



### Comfort

Encourage the creation of distraction-free, productive and comfortable indoor environments





## Community

Canada Life Asset Management understand the importance of its activities on the wider society and, as such, has aligned its strategy to create a lasting positive legacy. Where we actively operate we endeavour to connect with communities, make positive local contributions, help people fulfil their potential, support businesses to grow, and promote wellbeing and enjoyment.

### Our activities include:



- Engaging with key local stakeholders through existing forums, so we understand local needs, e.g. through Chambers of Commerce, Business Improvement Districts and customer forums
- Encouraging local communities to influence our thinking during development and decision-making
- Getting involved in community projects and organisations, e.g. volunteering with charities, schools and local groups
- Offering communities opportunities, e.g. charities raising funds and awareness, localised public art and community events

## Governance

Canada Life Asset Management has developed a stringent Corporate Governance framework. All investment decisions are reviewed at the highest level to ensure robust ethical, risk and governance focused business practices are embedded into the decision-making process. This framework is designed to manage investment and operational risks.

### Our governance principles:



- Maintain a regulatory Compliance Manual and related policies and procedures which have been developed by our Risk and Compliance teams
- Engage with external compliance consultants to benefit from independent advice, including quarterly monitoring of compliance arrangements
- Provide regular structured compliance training to every employee
- Ensure accurate and structured reporting to provide stakeholders with a clear picture and understanding of the performance of their investments
- Adhere to Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) requirements to the extent that they apply to us

All employees are required to read and confirm their understanding and compliance with the Code of Conduct/Financial Crime Operating Policy, which includes anti-bribery and fraud protection procedures, refreshed on an annual basis.

# Skills & Opportunities

Employees are core to Canada Life Asset Management. We aim to attract, retain and reward qualified and experienced staff who will contribute to our success. We also work to motivate our staff to meet annual corporate and individual performance goals and strive to enhance long-term shareholder and policyholder value.

**We commit to:**



- Creating a work environment that upholds equal opportunities for all employees and values the diversity of all employees
- Prioritising the welfare of the workforce, ensuring high labour standards and providing encouragement with continual career progression, alongside supported opportunities for professional development
- Supporting opportunities to local businesses and enterprises to aid their future success
- Promoting training and employment opportunities to local people of all ages, abilities and backgrounds

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# ESG Monitoring, Reviewing & Reporting

Canada Life Asset Management will communicate ESG commitments to all employees with training for relevant staff. All those responsible for delivering property management programmes must follow Canada Life Asset Management Property Management Procedures. Canada Life Asset Management are committed to sharing progress on ESG integration at the request of stakeholders.



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

Canada Life Asset Management will also complete an annual GRESB submission in respect of the relevant rated funds that reflects our strong ESG practices. Results will be shared with investors and wider stakeholders

## Getting in Touch

To find out more about Canada Life Asset Managements Real Estate ESG capabilities please get in touch using the below:

### Call us

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### Website

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### Important information

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.