

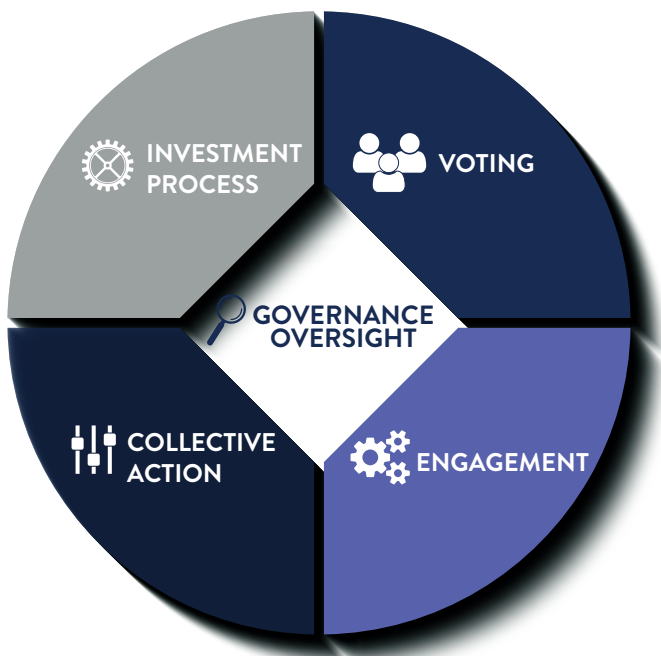
# OUR ESG POLICY

At ILIM, we firmly believe in the power of Environmental, Social and Governance (ESG) factors to both enhance long-term performance and effect corporate change.

As investors, we have the ability to influence the behaviour of the companies we hold. Through our investments, we can make a positive impact on society and the environment, and promote governance practices consistent with high standards of integrity. We strive to be active owners of the companies we invest in, and aim to drive positive change in these companies through informed shareholding voting on ESG matters, constructive engagement and advocacy of the importance of ESG issues in industry and regulatory forums.

## THE FOUR CORNERSTONES OF OUR ESG POLICY

A UN PRI SIGNATORY  Principles for Responsible Investment



### INVESTMENT PROCESS

We offer access to a range of options for clients seeking to incorporate ESG factors into their investment processes and have experience in managing funds using exclusion lists.



### VOTING

Our voting policy promotes ESG policies in the companies in which we invest.



### ENGAGEMENT

We have engaged Vigeo Eiris – an expert in ESG research and engagement activities – to help identify ESG risks and to support our engagement activity within the companies in which we invest. We target companies that have identifiable ESG risks in their businesses and that are laggards on key ESG themes within their respective industries.



### COLLECTIVE ACTION

We are willing to consider collective action where appropriate. We believe that acting collectively with other like-minded investors and industry bodies is the most appropriate means of having a meaningful impact, rather than acting alone. The appropriateness of collaborative action and engagement is considered on a case-by-case basis.



### GOVERNANCE OVERSIGHT

Governance oversight is driven by our dedicated ESG ambassador and governance committee, made up of key members of the ILIM executive team, fund management, operations and client servicing teams.

## OUR PRINCIPLES

We are a signatory to the UN PRI, a voluntary framework for incorporating ESG issues into investment decision-making and ownership practices. As a signatory to the PRI, we actively support the following principles:

- To incorporate ESG issues into investment analysis and decision-making processes.
- To be active owners and incorporate ESG issues into our ownership policies and practices.
- To seek appropriate disclosure on ESG issues by the entities in which we invest.
- To promote acceptance and implementation of the Principles within the investment industry.
- To work together to enhance our effectiveness in implementing the Principles.
- To report on our activities.

### FOR THE PURPOSE OF THIS POLICY, THE FOLLOWING DEFINITIONS APPLY:

**Environmental:** refers to issues affecting the natural environment. Environmental issues include climate change, resource and water scarcity and damage to biodiversity.

**Social:** refers to issues affecting individuals whether they are employees, customers, suppliers or members of the local or broader community. Social issues include human and labour rights, bribery and corruption, human capital management, workplace health and safety, supply chain management, managing operations in regions that include conflict zones and community relations.

**Governance:** refers to issues regarding how companies or assets are run or 'governed'. In particular, this refers to the alignment of a company's board and management with the ultimate owners of the company, its shareholders. Governance issues include board composition and skills, executive remuneration, accounting and audit practices.

## CONTACT US

To find out more about any aspect of our approach to ESG investing, including bespoke services, please speak to your Relationship Manager.

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The PRI is an investor initiative in partnership with UNEP Finance Initiative and UN Global Compact. More information can be found here: [www.unpri.org](http://www.unpri.org)