



UIA (Insurance) Ltd

**Socially Responsible Investment
Policy**

UIA (Insurance) Ltd - Socially Responsible Investment Policies

The aim of our socially responsible investment (SRI) policy is to deliver superior performance while incorporating social, ethical and environmental concerns into the way we manage our investments. Our fund managers do this by actively investing in companies providing solutions to these problems and avoiding companies that make them worse.

We believe that companies must accept responsibility for, and actively seek to reduce, the environmental impact of their activities. They should respect internationally recognised labour standards, implement equal opportunities policies, adopt programmes for employee development and provide safe and healthy working environments for their employees. They must take positive steps to ensure that they do not violate human rights or use the products or services of others that do. They must implement policies and practices to ensure a high standard of corporate ethics and citizenship.

The cornerstone of our investment philosophy is the belief that the world economy needs to move to a more sustainable model in order to address the significant social, ethical and environmental problems created by the current global economic model. A sustainable approach is one that meets the needs of the current population without compromising the ability of future generations to meet their own needs. We believe that companies conducting their business in a sustainable and responsible manner are more likely to succeed over time.

We recognise that consumers are increasingly demanding ethical products and services. They are more likely to recycle, to switch to green energy and to buy fair-trade goods. The political agenda is changing with climate change agreements such as Kyoto Protocol providing a spur to the development of new environmental technologies. Regulation is affecting many sectors of economy through new standards to improve energy efficiency and implement emissions trading schemes, meaning higher costs for heavily polluting companies and industries. Companies breaching regulations on toxic waste, landfill and pesticide controls face stiffer penalties. Best practice codes such as the Combined Code on Corporate Governance, the Carbon Disclosure Project and the UN Principles of Responsible Investment are rapidly gaining wider acceptance. Companies not adopting these are increasingly scrutinised by investors, customers and the wider community. Through our fund managers, we subscribe to these initiatives.

Our fund managers understand how these global concerns affect the companies in which we propose to invest and therefore, engagement is central to their SRI process. Our fund managers meet the senior management of companies prior to investing, and on a regular basis throughout the holding period. They use these opportunities to gain more information about the companies, including their operations and their approach to corporate governance and social responsibility. They cover issues of sustainability including employee and supply chain labour standards, health and safety, human rights and environmental management. They maintain detailed records of these meetings to monitor how companies modify their behaviour and follow up on their commitments to us. They also communicate to them our views on best practice as we believe that companies that combine good governance and corporate responsibility are well positioned for long-term success. They can influence companies in the direction of more sustainable business practices.

Our fund managers' engagement with the companies also occurs through voting at annual general meetings. They expect companies to disclose information on their exposure to and management of key environmental, social and corporate governance risks. Where companies publish insufficient information, then they may abstain or vote against the resolution to adopt their report and accounts.