

Ethical Engagement Policy

This is the Ethical Engagement Policy, developed following extensive customer consultation and directs how our funds will seek to influence the social, ethical and environmental impacts of our investments. It reflects customers' wish for TCAM to encourage the adoption of the highest standards of Corporate Governance in the companies in which it invests. It also informs our choice of partners and suppliers.

Human Rights & Armaments

TCAM supports the principles of the Universal Declaration of Human Rights and will challenge organisations that:

- undermine basic, universal human rights, e.g. tolerate unfair discrimination;
- support, or benefit from, governments that oppress human rights;
- manufacture or transfer armaments to oppressive regimes;
- manufacture torture equipment or other equipment that is used in the violation of human rights.

Trade & Labour Rights

TCAM will seek to:

- protect workers from exploitation, e.g. oppose child labour;
- support poverty reduction, e.g. encourage the adoption of Fairtrade or ethical trading principles;
- advocate an end to trade which fuels conflict or undermines human rights, e.g. displaces people from their lands;
- encourage the promotion of co-operative enterprises.

Consumer Protection

TCAM will promote:

- responsible marketing practices, e.g. with regard to marketing to children, the marketing of tobacco products and of breast-milk substitutes;
- the health and safety and labelling of products, e.g. genetically modified foods.

Social Inclusion

TCAM will promote greater access to:

- health services and basic medicines;
- basic financial needs; education;
- basic necessities, e.g. water.

Genetic Modification

TCAM will challenge businesses involved in the application of genetically modified organisms (GMOs) which:

- damage the environment, e.g. through the uncontrolled release of GMOs;
- compromise human health, e.g. through a failure to account for significant risks.

Environmental Sustainability

TCAM will encourage businesses to reduce pollution and their environmental impact, and in particular:

- reduce reliance on fossil fuels - which contribute to climate change - and increase their use of renewable energies and energy efficiency;
- end the production of chemicals that nature cannot easily breakdown and which build up and contaminate plants and animals;
- end the exploitation of nature - which results in the loss of plants and animals and their surroundings - and
- consider more sustainable natural products and services.

Animal Welfare

TCAM will encourage:

- a move away from intensive animal farming systems, e.g. battery cages;
- an end to the reliance on animal testing for cosmetic or household products;
- support for the development of alternatives to animal testing;
- an end to the trade in fur;
- an end to blood sports, which involve the use of animals or birds to catch, fight or kill each other.

Corporate Governance

TCAM will challenge companies to:

- adopt and implement all appropriate codes of best practice, e.g. the Combined Code of Corporate Governance;
- avoid excessive pay to directors and rewards for failure; have strong safeguards against fraud, bribery and corruption.

Customer Consultation

TCAM will regularly reappraise customers' views on these and other issues and develop its Ethical Engagement Policy accordingly.

From time to time, CIS will seek to represent customers' views on the issues contained within this Policy, through, for example, its campaigning activities.

On occasion, CIS may take a stance on issues not included within this Policy.

* The Co-operative Asset Management has been an independently authorised and regulated business since August 2009. Previously it was part of the Co-operative Insurance Society and its subsidiary companies. This EEP was developed by the Cooperative Insurance Society and its customers but continues to apply.