

Your Investments Can Make A World of Difference



We live in an age when corporations are expected to be more than profitable. We expect them to care about issues like protecting the environment and respecting human rights.

It's important to us that the companies you invest in are good corporate citizens. So, through Counsel Portfolio Services, IPC Private Wealth, and IPC Portfolios, we maintain active engagement with the companies we hold through our ESG policy (ESG stands for environmental, social and governance factors).

WHAT DOES ESG INVOLVE?

ESG is a rapidly growing area of focus in the investment community. It encompasses all of the major factors that determine whether a corporation is acting ethically and responsibly to individuals, society and the world.



Environmental: A focus on any activity or negligence that result in harmful effects on the natural environment. Issues include hazardous waste, carbon emissions, energy consumption, water management and protection of habitats.



Social: Situations that affect the welfare of a company's employees, customers or suppliers are identified. Issues include employee safety, labour rights, conditions of workplaces where supplies are sourced, how communities are impacted and how consumer relations are managed.



Governance: Assessing governance involves whether or not a company operates in a responsible manner. Issues include independence of its board, executive compensation reflecting shareholder interest, anti-corruption measures, and proper accounting and audit practices.

Three Pillars for ESG

Active ownership

- Proxy voting
- Corporate engagement

ESG integration for specialists

- Identify, monitor and manage ESG risks and opportunities
- Promote the inclusion of ESG factors in their investment policies and processes



Exclusion of companies

- Controversial weapons
- Tobacco
- Thermal coal mining
- Thermal coal power generation

Active Ownership: We approach responsible investing through active ownership. It means that we actively work on influencing the ESG behaviour of companies we own, when improvement is needed. This approach aims to make a difference in the way all companies respect the environment, society and their shareholders. We practise active ownership through proxy voting activity and corporate engagement.

Integration: We encourage our investment specialists to identify, monitor and manage ESG risks and opportunities that are, or could become, material to long-term performance and understand and recognize the importance of ESG factors across industries, geography and time. We also evaluate the ESG integration practices for potential new investment specialists, and we review it in our regular due diligence meetings with our existing specialists.

Exclusions: Our newest ESG pillar is the exclusion of certain investments - companies that we won't invest in for ethical reasons. This list includes:



Controversial Weapons – As part of the commitment by the broader IGM Financial group of companies, we do not invest in companies involved in the production, use or distribution of anti-personnel land mines or cluster munitions. We have expanded this exclusion list to include companies with verified involvement in weapons such as Depleted Uranium, Nuclear Weapons, Chemical Weapons, Biological Weapons, Incendiary Weapons and White Phosphorus Weapons.



Tobacco – We are excluding companies within the Tobacco sub-sector whose business is primarily – that being 50% or greater – the manufacture and distribution of tobacco products.



Thermal Coal Mining – this excludes companies that derive 30% or greater of their revenue from thermal coal mining.



Thermal Coal Power Generation – the exclusion of companies whose power generation output is derived from 30% or greater from the use of coal.

HAVING THE BEST OF BOTH WORLDS

As an individual, you want an investment portfolio designed to reach your financial objectives and life goals. As a member of the larger community, you want to invest in companies held accountable to certain ethical standards. Our responsible investing approach gives you the best of both worlds. We have the freedom to seek investment opportunities, while influencing environmental, social and governance practices of companies at home and globally.



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