

Global Compact Annual Communication on Progress

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To our stakeholders:

I am pleased to confirm that Cameron Hume Limited reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our continuing actions to improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Yours sincerely



Christian Torkington
Managing Director

1. Executive Summary

This Communication on Progress comes at the end of Cameron Hume's first year as a participant in the UN Global Compact. Our actions during this year have been:

1. Establish leadership for sustainability within our business.
2. Build on our market-leading position as a fixed income investor with an integrated approach to environmental, social and governance (ESG).
3. Engage more broadly with sustainability issues, both locally, nationally and internationally.
4. Plan for the future: integrating sustainability in both our investment process and our business.

A description of practical actions in each of the four issue areas is provided below. Key actions taken by Cameron Hume ("the Company"):

1. The Company confirmed the Managing Director as overall sponsor for sustainability, including formation of policy, implementation of process and measurement of impact for the Ten Principles of the United Nations Global Compact.
2. The Company became a founder investor in a community interest company with the aim of establishing a Global Sustainability Investment Trust.
3. The Company launched a unique "Global Fixed Income ESG Fund" in August 2018. The fund builds on the Company's successful track record in managing to a global aggregate bond benchmark but, in this case, investing only in companies that manage their ESG risks better than their peers.
4. The Company participated in a landmark research project with one of the UK's leading investment consultants and a global data provider. The objective of the project is to determine, with reference to the available historical data, the impact that consideration of ESG factors may have on the performance of fixed income investments.
5. The Company continued to collaborate on sustainability issues internationally, nationally and locally. In addition to engaging asset owners, academics and other influencers in both private and public meetings, the Company: joined the Responsible Investing Association of Australasia; became a signatory to the Implementation Task Force (the Advisory Group to Government on Growing a Culture of Social Impact Investing in the UK); worked closely with the Ethical Finance Hub in Edinburgh on a number of initiatives; and became a signatory to the HM Treasury Women in Finance Charter.

For the coming year, the Company will focus on two areas:

1. Developing an approach to integrate sustainability into fixed income investing.
2. Seeking to implement the principles of the UN Global Compact throughout its own supply chain.

2. Description of Actions

2.1. Human Rights

As an investment manager, we have integrated consideration of human rights issues into our investment approach, including controversial sourcing, access to health care, communications and finance, and opportunities in nutrition and health.

We are committed to complying with the laws that protect our employees and other individuals and in particular strive to comply with the Human Rights Act 1998 that sets out the fundamental rights and freedoms that everyone in the UK is entitled to. It incorporates the rights set out in the European Convention on Human Rights (ECHR) into domestic British law. We support the aims of the Modern Slavery Act 2015 and comply with its terms. On a voluntary basis, we take steps to identify and eradicate modern slavery from our supply chain.

2.2. Labour

As investment managers, we have integrated labour considerations into our investment approach, including labour management, health and safety, human capital development, supply chain labour standards, and pay.

Our aim is for the company to be representative of all sections of society and that each employee feels respected and able to give their best. We are committed to:

1. Eliminating discrimination and encouraging diversity amongst our workforce.
2. A policy of treating all our employees and job applications equally.
3. Complying with the laws that protect our employees and other individuals. In particular, we strive to comply with the Equality Act 2010 that outlaws discrimination and harassment on the grounds of sex, race, disability, age, sexual orientation, gender re-assignment, marriage and civil partnership, pregnancy and maternity and religion and belief.
4. Cameron Hume is a Living Wage employer: everyone at Cameron Hume is paid at or above the Living Wage.

We are signatories to HM Treasury Women in Finance Charter.

2.3. Environment

As investment managers, we have integrated a wide range of environmental considerations into our investment approach, in the areas of climate change, natural resources, pollution and waste, and environmental opportunities.

This is a focus for our implementation plans for next year, including consideration of integration of climate-related disclosures into our investment approach, and addressing our own value chain.

2.4. Anti-Corruption

As investment managers, we have integrated a wide range of governance and anti-corruption considerations into our investment approach, including considerations of business ethics accounting practices ownership, corruption and instability, and anti-competitive practices.

In the Cameron Hume Global Fixed Income ESG Fund, we actively exclude investment in any sovereign issuers that are subject to UN sanctions.

As an FCA-authorized firm, we seek to comply with SYSC3.2.6, which requires firms to establish and maintain "effective systems and controls for countering the risk that the firm might be used for financial crime". Within this, we consider separately the issues of money laundering and terrorist financing, bribery and corruption, fraud, and data security.

3. Measurement of Outcomes

In all of our investing activities, we measure our compliance with either our clients' or our own policies with reference to the MSCI ESG data. We believe this approach to be unique in fixed income investing and to have the merit of providing transparency, consistency and comparability. In our Fixed Income ESG Fund, the average ESG rating by sector is better than the rating of the index.

The Cameron Hume Global Fixed Income ESG Fund was launched successfully during the year.

The Company invested in a community interest company that has now appointed an investment manager for a Global Sustainable Investment Trust.

The Company increased both gender and ethnic diversity of its employees during the year.

All staff underwent refresher training in financial crime during the year and no financial crime issues were identified during the year.