



Framework for Corporate Social **Responsibility** (CSR)



FRW: Framework for Corporate Social Responsibility (CSR)

Effective Date: April 1, 2021

Reach of Policy: VMIL & VMWM

Date Approved: April 1, 2021

Scope: This framework governs Victoria Mutual Investments Limited, Victoria Mutual Wealth Management Limited and its staff and employees in conducting corporate social activities.

Recalls/Retires: N/A

Also see: VM Group Investment Policy, VMIL Corporate Governance Policy, VM Foundation Manual Draft 2020, PSOJ Governance Code 2016



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Key Terms

Corporate Citizenship	Refers to Victoria Mutual Investment Limited's (VMIL) responsibilities toward society.
Corporate Social Responsibility	A business model that helps a company be socially accountable to itself, its stakeholders and the public.
Environmental, social and governance (ESG) criteria	A group of standards used by socially conscious investors to screen investments.
Ethical Investment	The practice of selecting investments based on ethical or moral principles.
Socially Responsible Investment	An investment that is considered socially responsible due to the nature of the business the company conducts.
Volunteer	A person who offers to take part in an enterprise or undertake a task for free.



1 Introduction

The Victoria Mutual Investments Limited's (VMIL) Framework for Corporate Social Responsibility is guided by the **VMIL Corporate Governance Policy** Principle 15 which states:

The VM Group is committed to the high standards of Corporate Social Responsibility. The Board should ensure that VMIL acts ethically and responsibly with honesty, integrity and in a manner consistent with the legitimate interests and expectations of stakeholders and the broader community.

The Board should ensure that its activities are seen to be a good corporate citizen, supporting stakeholder interests including employees, environmental, social, governance and economic matters. The best interests of VMIL and the VM Group should be understood within the parameters of being a sustainable enterprise and a responsible citizen having regard to the following:

- i. To consider not only financial performance but also the impact of the VM Group's operations on all stakeholders, the public and the environment;
- ii. To consider the protection, enhancement and investment in the well-being of the economy, society and the environment;
- iii. To ensure that the VM Group's performance and interaction with its stakeholders is guided by high ethical standards;
- iv. To ensure that collaborative efforts with stakeholders are embarked upon to promote ethical conduct and good corporate citizenship;
- v. To ensure that measurable corporate citizenship programmes are implemented; and
- vi. To ensure that management develops corporate citizenship policies.

According to the World Business Council on Sustainable Development, CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large. It encompasses **Financial Responsibility, Social Responsibility** and **Environmental Responsibility**.



1.1 Rationale

During its more than 140-year history, the Victoria Mutual Group has been committed to meeting the needs of ordinary Jamaicans who wish to become financially independent. The VM Group has exemplified its commitment to the development of the Jamaican people through its philanthropic work in the community since its inception. Victoria Mutual Investments Limited (VMIL) is an extension of the VM Group's passion for serving Jamaicans across the globe and, through the Victoria Mutual Foundation (VM Foundation), executes its efforts to see Jamaicans succeed in every aspect of life.

Aligned with VM Group's priority of becoming a Model Corporate Citizen, the VM Foundation was officially launched on May 8, 2018, as the vehicle through which Victoria Mutual will positively transform the lives of Jamaicans globally.

The Victoria Mutual Foundation's work is focused on improving the welfare of Jamaicans through leadership and nation-building, youth empowerment and health and family life programmes. It is funded by VM's members and individuals who wish to see Jamaicans successfully take their rightful place in the world. It is independent of any political ideology. It believes that no situation is beyond hope.

Accounts of the charitable works undertaken by a company or its related foundation are best supported by a rationale for such undertakings, as it is expected that the plans for such CSR efforts will be comprehensively thought out and planned. CSR rationale should speak to the issues faced by the company in its industry and as a member of its local, regional and global community.



1.2 Alignment

The strategy of the VM Group is consistent with its aim to help its Members and Clients create and maximize wealth, so they can transform their lives. The VM Group has identified four (4) strategic goals that will help it fulfil its purpose *vis*:

- Strong Integrated Financial Group
- Modern Mutual
- Employer of Choice
- Empowered Members

1.3 Framework Owner

This framework is owned by the Chief Executive Officer (CEO) of VMIL. Execution of the mandate contained herein can be delegated to a designate of the CEO's choosing.



2 Principles

2.1 Shared Values and Responsibility

Our business strategy is designed around solving social issues profitably. We leverage our resources and innovate to create solutions to society's most pressing issues.

2.2 Value for People

At VMIL, we believe that our people are our best assets and are at the foundation of our success. We value our team members and the contributions they make to our organization, to their communities and to their families. We invest in our people and believe they are at the core of all we do.

2.3 Value for Communities

A great community comes together and works towards one common goal, while bettering everyone in the process. While a community is a collective of people, VMIL believes community is active, it's a living thing that has motion and impact and we work through our community to achieve greater good.

2.4 Value for Shareholders

VMIL values its shareholders, particularly for the investment they have made in this company. We are accountable to our shareholders to create value for them for the long-term, in a sustainable way.

2.5 Value for all Stakeholders

VMIL values all its stakeholders, including members, customers and suppliers, as well as employees, community and shareholders.



2.6 Value for Governance

VMIL recognizes the need to adhere to best practice in corporate governance, standards of business conduct and ethical behaviour.

2.7 Responsibility to the Environment

VMIL is committed to managing the use of natural resources in the most effective and efficient manner to reduce its environmental impacts and financial costs. It is also committed to investing in a socially responsible manner so as to maintain a low impact on the environment.

2.8 Measurable

VMIL believes in setting specific goals and targets and the monitoring and measuring progress in achieving our objectives.

2.9 Participation

Service is at the core of our being. As team members of VMIL, we all contribute to our CSR activities through commitments in time, in cash or in kind.



3 VM Foundation

VMIL carries out its CSR activities through the VM Foundation, whose vision is to positively transform the lives of Jamaicans globally.



4 Socially Responsible Investing

VMIL has adopted a strategy of integrating environmental, social and governance (ESG) concerns into its strategic planning and direction. As such, it engenders responsibility in these three areas in its investment and operational decisions. VMIL's philosophy regarding Socially Responsible Investing is captured in the ***VM Group Ethical Investing Policy***, which is reviewed at least bi-annually by the Group Assets and Liabilities Committee (ALCO) and approved by the Group Risk & Finance Committee.

Socially Responsible Investing is not passive. It requires that investors do their part by going beyond analyzing financial statements to conducting due diligence on the company's leadership, the type of products they use and how they impact the environment, among several other factors. This practice may be beneficial in the long-term as companies which do not abide by a minimum standard of guiding principles face the possibility of major fallout. There are unlimited factors which can be considered in making investment decisions in line with ethical investing. Good corporate governance, environment and socio-economic impact are among these factors.

According to Gail Hurley, Policy Specialist, Development Finance at the United Nations Development Programme (UNDP), "It is increasingly recognized that sustainable investment is good for business and that investors do not necessarily have to choose between returns and positive impact.¹" It is important to identify the companies which uphold superior environmental management practices and filter out those which present a threat to the environment whether by direct pollution or the use or production of non-green raw materials in its operations. Once these risks to the environment are identified, regulations will eventually, if not already, be implemented to discontinue harmful practices. This factor therefore not only presents a threat to the environment but also to the future earnings once regulations are imposed. In fact, this may completely alter the direction of the company operations or force it to halt operations indefinitely. Consequently, environmental impact is of important consideration.

Finally, social consideration favors those companies which are deemed to promote the wholistic welfare of all stakeholders and alleviate potential harm to them. For example, companies which encourage the consumption of harmful substances fall within this category. Social factors may also include the advocacy and protection of human rights and promotion of gender equality.

¹ <https://www.undp.org/content/undp/en/home/blog/2019/sustainable-investing--where-are-we-today--.html>



5 Environmental Goals

5.1 VMIL's environmental goals (within the context of business objectives)

- Goal 1.** Develop a culture of volunteerism among employees and other stakeholders.
- Goal 2.** Conserve resources. Reduce or eliminate waste. Implement conservation techniques (use less energy and water at our facilities). Use resources such as water, energy and raw materials efficiently and ethically.
- Goal 3.** Reduce reliance on fossil-fuel based energy sources in favour or renewable energy sources such as solar power.

5.2 VMIL's environmental impacts and legal requirements

Impact 1. By reducing our waste, we will contribute to lowering CO2 emissions and lowering the stress on overpopulated local landfills. We will also be able to cut our waste disposal costs and improve our efficiency. By conserving resources, we will reduce the strain on Jamaica's limited supply of clean water and other utilities. We will also reduce unnecessary expenditure, thereby improving our efficiency.

Impact 2. By reducing our reliance on fossil fuels, we will be contributing to reducing hazardous pollution, reducing the effects of climate change and help spur new jobs in the clean energy sector.

Legal Requirement 1. The Governance Committee will be responsible for ensuring that VMIL's performance and interaction with its stakeholders is guided by the Constitution and the Bill of Rights.

Legal Requirement 2. The Board of Directors and Staff Members are governed by the Group Code of Business Ethics and Conduct.

Legal Requirement 3. The Board of Directors and Staff Members are governed by the VMIL Corporate Governance Policy



5.3 VMIL's targets and programmes to reduce negative environmental impacts and/or attain compliance with legal requirements

- KPI 1.** % of team member volunteering and/or contributing to the VM Foundation
- KPI 2.** Energy usage per employee
- KPI 3.** % of energy usage coming from renewables
- KPI 4.** % of expenditure on CSR projects
- KPI 5.** % financial literacy program activities executed on time & within budget

5.4 Ensuring employees' environmental awareness and competence

Training & Awareness related to this framework will be included in the employee onboarding process.



6 Roles and Responsibilities

6.1 Reviewing progress and making improvements

CSR activities are reported to the Corporate Governance Committee of the Board of Directors at least quarterly.

The Corporate Governance Committee will report upwards to VMIL's Board of Directors.

This framework will be reviewed at least annually.



7 Appendices

Appendix A: *Allocation of Time/Resources*

AREA OF FOCUS		% TIME/RESOURCES	RATIONALE
Social	Health & Family	10%	Healthy family is the basis for healthy individuals, stable children and adults that are ultimately financially independent. We are dedicated to supporting the fabric of the Jamaican society in this area through parenting support, the promotion of healthy lifestyles and supporting national programmes aimed at increased access to health care.
	Leadership & Nation-Building	20%	We are committed to contributing to national leadership initiatives, that promote and foster community and individual leadership development.
	Youth Empowerment	20%	As an investment firm, we believe in investing in the future of the nation and believe that the most efficient use of our resources is an investment in the youth of the nation.
	Financial Literacy	20%	We combine educational opportunities and financial literacy to empower the investment community to make more informed decision to grow their financial wealth.
Environment		15%	We believe that the environment is crucial to the future of the globe. We want to do our part in preserving our natural resources for the sustainability of life itself.
Maintaining and Promoting Integrity and Ethics in Business		15%	We believe in integrity as a core belief and that all business must be carried out ethically and with integrity
TOTAL		100%	



Appendix B: ***Projects***

B-1 Social

1. Health & Family
 - Run With Wealth
2. Leadership & Nation-Building
 - Wealth Talks
 - Serving on national private sector or volunteer organizations
 - Board Directorship – Government and Non-profit organizations
3. Youth Empowerment
 - Sunbeam Boy's Home, Bushy Park, St. Catherine
 - Jamaica Children's Home
4. Financial Literacy
 - Internship Programme – 2021 Goal
 - Scholarship in Banking & Finance – 2022 Goal

B-2 Environment

1. International Coastal Clean-Up



Appendix C: *References*

References	
Policies	<ul style="list-style-type: none">• VM Group Investment Policy• VM Foundation Manual Draft 2020
Procedures	N/A
Task Lists	N/A
Governance Codes	PSOJ Corporate Governance Code 2016

Appendix D: *Revision History*

Summary of Changes

Version	Changes	Done by	Date
1.0	Creation of Framework	Nicole Adamson	December 7, 2020

Review

Version	Reviewed By	Date Review
1.0	Corporate Governance Committee	April 1, 2021



Approval

Version	Approved By	Date Approved	Date Effective
1.0	Corporate Governance Committee	April 1, 2021	April 1, 2021



Framework for Corporate Social Responsibility

Statement of Adoption

The foregoing Framework for Corporate Social Responsibility document dated December 7, 2020, has been presented at the Corporate Governance Committee Meeting of The Victoria Mutual Investments Limited, and has been adopted for approval on April 1, 2021.

Chairman

Milton Samuda (Mr.)

Company Secretary

Keri-Gaye Brown (Ms.)

Date: April 1, 2021
