


LEA 02	Mandatory	Reason: PP 1, 2, 3
Individual/ internal staff engagements	Mandatory	Reason for interaction
Collaborative engagements		<ul style="list-style-type: none"> <li>To support investment performance in B+ member's portfolio</li> <li>To influence corporate behaviour/ identify the risks to investment</li> <li>To engage/ improve ESG issues</li> <li>Other: specify</li> <li>We do not engage. Reason: specify</li> </ul>
Service provider engagements		<ul style="list-style-type: none"> <li>To support investment performance ESG issues</li> <li>To influence corporate behaviour/ identify the risks to investment</li> <li>To engage/ improve ESG issues</li> <li>Other: specify</li> <li>We do not engage. Reason: specify</li> </ul>

# RI TRANSPARENCY REPORT

## 2020

British Columbia Municipal Pension Plan

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Public							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	✓	Public							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	✓	Public							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	✓	Public							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	✓	Public							✓
OO PE 02	Typical level of ownership in private equity investments	✓	Public							✓
OO PR 01	Breakdown of property investments	✓	Public							✓
OO PR 02	Breakdown of property assets by management	✓	Public							✓
OO PR 03	Largest property types	✓	Public							✓
OO INF 01	Breakdown of infrastructure investments	✓	Public							✓
OO INF 02	Breakdown of infrastructure assets by management	✓	Public							✓
OO INF 03	Largest infrastructure sectors	✓	Public							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Public							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Public							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Public							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		✓	Public							✓
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 14 CC		✓	Public							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Public							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Public	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 04	Types of screening applied	✓	Public	✓						
LEI 05	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 06	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 07	Types of sustainability thematic funds/mandates	✓	Public	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 11	ESG issues in index construction	✓	Public	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 13	Examples of ESG issues that affected your investment view / performance	-	n/a	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Role in engagement process	✓	Public		✓		✓			
LEA 07	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 08	Tracking number of engagements	✓	Public		✓					
LEA 09	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 10	Engagement methods	✓	Public		✓					
LEA 11	Examples of ESG engagements	✓	Public		✓					
LEA 12	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 13	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 14	Securities lending programme	✓	Public		✓					
LEA 15	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 16	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 17	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 18	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 19	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 20	Shareholder resolutions	✓	Public		✓					
LEA 21	Examples of (proxy) voting activities	✓	Public		✓					
LEA End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Public	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Examples of ESG factors in screening process	✓	Public	✓						
FI 06	Screening - ensuring criteria are met	✓	Public	✓						
FI 07	Thematic investing - overview	🔒	n/a	✓						
FI 08	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 09	Thematic investing - assessing impact	🔒	n/a	✓						
FI 10	Integration overview	✓	Public	✓						
FI 11	Integration - ESG information in investment processes	✓	Public	✓						
FI 12	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 13	ESG incorporation in passive funds	🔒	n/a	✓						
FI 14	Engagement overview and coverage	✓	Public		✓					
FI 15	Engagement method	✓	Public	✓	✓					
FI 16	Engagement policy disclosure	✓	Public	✓	✓					
FI 17	Financial/ESG performance	✓	Public							✓
FI 18	Examples - ESG incorporation or engagement	-	n/a	✓	✓					
FI End	Module confirmation page	✓	-							



Direct – Private Equity				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PE 01	Description of approach to RI	✓	Private	✓					✓	
PE 02	Investment guidelines and RI	✓	Public		✓					
PE 03	Fund placement documents and RI	🔒	n/a	✓			✓		✓	
PE 04	Formal commitments to RI	🔒	n/a				✓			
PE 05	Incorporating ESG issues when selecting investments	✓	Public	✓						
PE 06	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PE 07	Encouraging improvements in investees	✓	Public	✓	✓					
PE 08	ESG issues impact in selection process	✓	Public	✓						
PE 09	Proportion of companies monitored on their ESG performance	✓	Public		✓					
PE 10	Proportion of portfolio companies with sustainability policy	✓	Public		✓					
PE 11	Actions taken by portfolio companies to incorporate ESG issues into operations	✓	Public		✓					
PE 12	Type and frequency of reports received from portfolio companies	✓	Public		✓	✓				
PE 13	Disclosure of ESG issues in pre-exit	✓	Public		✓					
PE 14	ESG issues affected financial/ESG performance	✓	Public	✓	✓					
PE 15	Examples of ESG issues that affected your PE investments	✓	Public	✓	✓					
PE 16	Approach to disclosing ESG incidents	🔒	n/a						✓	
PE End	Module confirmation page	✓	-							

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Responsible Property Investment (RPI) policy	✓	Public	✓					✓	
PR 02	Fund placement documents and RI	🔒	n/a	✓			✓		✓	
PR 03	Formal commitments to RI	🔒	n/a				✓			
PR 04	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 05	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PR 06	ESG issues impact in selection process	✓	Public	✓						
PR 07	ESG issues in selection, appointment and monitoring of third-party property managers	✓	Public				✓			
PR 08	ESG issues in post-investment activities	✓	Public		✓					
PR 09	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 10	Certification schemes, ratings and benchmarks	✓	Public		✓					
PR 11	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 12	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 13	Proportion of green leases or MOUs referencing ESG issues	✓	Public		✓					
PR 14	Proportion of assets engaged with on community issues	✓	Public		✓					
PR 15	ESG issues affected financial/ESG performance	✓	Public	✓	✓					
PR 16	Examples of ESG issues that affected your property investments	✓	Public	✓		✓				
PR End	Module confirmation page	✓	-							

Direct - Infrastructure				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
INF 01	Description of approach to RI	✓	Public	✓						✓
INF 02	Responsible investment policy for infrastructure	✓	Public	✓						✓
INF 03	Fund placement documents and RI	🔒	n/a	✓			✓			✓
INF 04	Formal commitments to RI	🔒	n/a				✓			
INF 05	Incorporating ESG issues when selecting investments	✓	Public	✓						
INF 06	ESG advice and research when selecting investments	✓	Public	✓			✓			
INF 07	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
INF 08	Types of ESG information considered in investment selection	✓	Public	✓		✓				
INF 09	ESG issues impact in selection process	✓	Public	✓						
INF 10	ESG issues in selection, appointment and monitoring of third-party operators	🔒	n/a				✓			
INF 11	ESG issues in post-investment activities	✓	Public		✓					
INF 12	Proportion of assets with ESG performance targets	✓	Public		✓					
INF 13	Proportion of portfolio companies with ESG/sustainability policy	✓	Public		✓					
INF 14	Type and frequency of reports received from investees	✓	Public		✓	✓				
INF 15	Proportion of maintenance projects where ESG issues were considered	✓	Public		✓					
INF 16	Proportion of stakeholders that were engaged with on ESG issues	✓	Public		✓					
INF 17	ESG issues affected financial/ESG performance	✓	Public	✓	✓					
INF 18	Examples of ESG issues that affected your infrastructure investments	✓	Public	✓		✓				
INF 19	Approach to disclosing ESG incidents	🔒	n/a							✓
INF End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year's PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year's PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

# British Columbia Municipal Pension Plan

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Basic information

OO 01	Mandatory	Public	Gateway/Peering	General
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**OO 01.1** Select the type that best describes your organisation or the services you provide.

- Non-corporate pension or superannuation or retirement or provident fund or plan
- Corporate pension or superannuation or retirement or provident fund or plan
- Insurance company
- Foundation
- Endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Family office
- Other, specify

**OO 01.3** Additional information. [Optional]

The Municipal Pension Plan (MPP) is a jointly trustee defined benefit pension plan governed by a Joint Trust Agreement (Agreement). The partners to the Agreement are the Municipal Employees' Pension Committee, as the member partner, and the Province of British Columbia and the Union of British Columbia Municipalities, as the employer partner. The Partners and appointing authorities are responsible for nominating and appointing the sixteen trustees and sixteen alternate trustees representing Plan members and Plan employers. The Agreement describes the composition and powers of the Municipal Pension Board of Trustees (Board) and provides the authority for the Board to make MPP rule changes, if changes are cost-neutral to the Plan. Unless required for legal compliance, changes that result in contribution rate changes, or cause or increase an unfunded liability, can only be initiated by the Partners. The Board is fully responsible for the management of the Plan, including investment of the assets and Plan administration. The Chair and Vice Chair of the Board are appointed by the other trustees. British Columbia Pension Corporation provides benefit administration services and British Columbia Investment Management Corporation (BCI) provides investment management services as agents of the Board. BCI has a role that goes beyond that of a typical fund manager, effectively functioning as MPP's internal investment staff.

OO 02	Mandatory	Public	Peering	General
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**OO 02.1** Select the location of your organisation's headquarters.

Canada

**OO 02.2** Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

**OO 02.3** Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

1

**OO 03** Mandatory Public Descriptive General

**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

**OO 04** Mandatory Public Gateway/Peering General

**OO 04.1** Indicate the year end date for your reporting year.

31/12/2019

**OO 04.2** Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		56	648	775	338
Currency	CAD				
Assets in USD		42	602	454	492

Not applicable as we are in the fund-raising process

**OO 04.5** Additional information. [Optional]

Net assets are reported as at December 31, 2019. All assets are unaudited. Audited 2019 values will not be available within this PRI reporting period, however, our investment agent British Columbia Investment Management Corporation (BCI) is confident that the percentage ranges reported for this period will not be significantly affected.

**OO 06** **Mandatory** **Public** **Descriptive** **General**

**OO 06.1** Select how you would like to disclose your asset class mix.

☉ as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	33.6	0
Fixed income	27.38	0
Private equity	10.12	0
Property	15.52	0
Infrastructure	9.21	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	1.17	0
Farmland	0.83	0

Inclusive finance	0	0
Cash	0	0
Money market instruments	2.17	0
Other (1), specify	0	0
Other (2), specify	0	0

as broad ranges

**OO 06.2** Publish asset class mix as per attached image [Optional].

**OO 06.3** Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

**OO 06.5** Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

<b>OO 07</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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**OO 07.1** Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.



<b>Internally managed</b>	SSA	50
	Corporate (financial)	10
	Corporate (non-financial)	40
	Securitised	0
	<b>Total</b>	<b>100%</b>

<b>OO 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Peering</b>	<b>General</b>
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**OO 09.1** Indicate the breakdown of your organisation's AUM by market.

Developed Markets  
84.79

Emerging Markets  
13.88

Frontier Markets  
0.01

Other Markets  
1.32

Total 100%  
100%

**OO 09.2** Additional information. [Optional]

The Board recognizes that strong corporate governance and responsible corporate behaviour pertaining to environmental and social factors will generally contribute to better long-term financial performance of a company.

## Asset class implementation gateway indicators

OO 10	Mandatory	Public	Gateway	General
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**OO 10.1** Select the active ownership activities your organisation implemented in the reporting year.

### Listed equity – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

### Listed equity – voting

- We cast our (proxy) votes directly or via dedicated voting providers
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

### Fixed income SSA – engagement

- We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

### Fixed income Corporate (financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

### Fixed income Corporate (non-financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11	Mandatory	Public	Gateway	General
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**OO 11.1** Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

### Listed equity

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - SSA

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Fixed income - corporate (non-financial)

- We address ESG incorporation.
- We do not do ESG incorporation.

Private equity

- We address ESG incorporation.
- We do not do ESG incorporation.

Property

- We address ESG incorporation.
- We do not do ESG incorporation.

Infrastructure

- We address ESG incorporation.
- We do not do ESG incorporation.

Forestry

- We address ESG incorporation.
- We do not do ESG incorporation.

Farmland

- We address ESG incorporation.
- We do not do ESG incorporation.

Money market instruments

- We address ESG incorporation.
- We do not do ESG incorporation.

OO 12

Mandatory

Public

Gateway

General

OO 12.1

Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

Direct - Other asset classes with dedicated modules

- Private Equity
- Property
- Infrastructure

Closing module

- Closing module

Peering questions

OO LE 01	Mandatory to Report	Voluntary to Disclose	Public	Gateway	General
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OO LE 01.1

Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.

Percentage of internally managed listed equities

	Passive
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56.61

	Active - quantitative (quant)
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12.57

	Active - fundamental and active - other
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30.82

	Total
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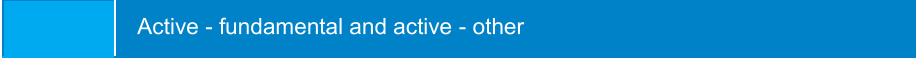



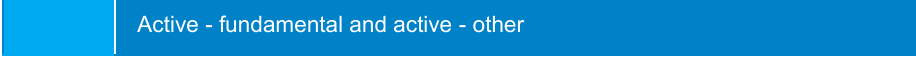



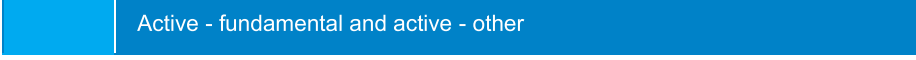

100%

<b>OO LE 01.2</b>	Additional information. [Optional]
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Our investment agent BCI has a role that goes beyond that of a typical fund manager, effectively functioning as the Board's internal investment staff. As an agent of the Board, BCI is responsible for the day-to-day investment management of the fund, and therefore manages contract arrangements with external managers on the Board's behalf. The listed equity breakdown shown above therefore reflects MPP's entire listed equity portfolio (i.e both internally and externally managed equities), as BCI is ultimately responsible for the investment and management of the funds in accordance with the Fund Management Agreement, applicable legislation, the Statement of Investment Policies and Procedures, and the Joint Trust Agreement.

<b>OO FI 01</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
-----------------	--------------------------------------------------	---------------	----------------	----------------

<b>OO FI 01.1</b>	Provide a breakdown of your internally managed fixed income securities by active and passive strategies
-------------------	---------------------------------------------------------------------------------------------------------

<b>SSA</b>	 0
	 0
	 100
	 100%
<b>Corporate (financial)</b>	 0
	 0
	 100
	 100%
<b>Corporate (non-financial)</b>	 0
	 0
	 100
	 100%

OO FI 03	Mandatory	Public	Descriptive	General
----------	-----------	--------	-------------	---------

Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

**OO FI 03.1** Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.

SSA	Developed markets	100
	Emerging markets	0
	Total	100%

**OO FI 03.2** Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.

Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
Corporate (financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<b>100%</b>
Corporate (non-financial)	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>

If you are invested in private debt and reporting on ratings is not relevant for you, please indicate below

OO FI 03.2 is not applicable as our internally managed fixed income assets are invested only in private debt.

OO PE 01	Mandatory	Public	Descriptive	General
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**OO PE 01.1** Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.

Investment strategy	Percentage of your internally managed private equity holdings (in terms of AUM)
Venture capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Growth capital	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
(Leveraged) buy-out	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Distressed/Turnaround/Special Situations	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Secondaries	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Other investment strategy, specify (1)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Other investment strategy, specify (2)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Total 100%	

Other investment strategy, specify (1)

Mezzanine



OO PE 01.2	Additional information. [Optional]
---------------	------------------------------------

Our investment agent BCI has a role that goes beyond that of a typical fund manager, effectively functioning as the Board's internal investment staff. As an agent of the Board, BCI is responsible for the day-to-day investment management of the fund, and therefore manages contract arrangements with external managers on the Board's behalf. The Private Equity ranges shown above therefore reflect MPP's entire Private Equity portfolio (i.e both internally and externally managed), as BCI is ultimately responsible for the investment and management of the funds in accordance with the Fund Management Agreement, applicable legislation, and the Statement of Investment Policies and Procedures.

OO PE 02	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
----------	-------------------------------------------	--------	-------------	---------

OO PE 02.1	Indicate the level of ownership you typically hold in your private equity investments.
---------------	----------------------------------------------------------------------------------------

- a majority stake (>50%)
- 50% stake
- a significant minority stake (between 10-50%)
- a minority stake (<10%)
- a mix of ownership stakes

OO PR 01	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
----------	-------------------------------------------	--------	-------------	---------

OO PR 01.1	Indicate the level of ownership you typically hold in your property investments.
---------------	----------------------------------------------------------------------------------

- a majority stake (50% and above)
- a significant minority stake (10 and above, and under 50%)
- a limited minority stake (<10%)
- a mix of ownership stakes
- N/A, we manage properties, new constructions and/or refurbishments on behalf of our clients, but do not hold equity in property on their behalf

OO PR 01.2	Provide a breakdown of your organisations allocation to Real Estate Investment Trusts (REITs) or similar
---------------	----------------------------------------------------------------------------------------------------------

- >50%
- 10 – 50%
- <10%
- 0%

OO PR 02	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
----------	-------------------------------------------	--------	---------	---------

OO PR 02.1	Provide a breakdown of your organisation's property assets based on who manages the assets.
---------------	---------------------------------------------------------------------------------------------

Property assets managed by	Breakdown of your property assets (by number)
Managed directly by your organisation	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed via third-party property managers appointed by you	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed by other investors or their property managers	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed by tenant(s) with operational control	<input type="radio"/> > 50% <input type="radio"/> 10-50% <input checked="" type="radio"/> < 10% <input type="radio"/> 0%
Total 100%	

OO PR  
02.2

Additional information. [Optional]

QuadReal Property Group is BCI's wholly owned real estate subsidiary. Please see the property module for more information on QuadReal.

OO PR 03	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
----------	-------------------------------------------	--------	-------------	---------

OO PR  
03.1

Indicate up to three of your largest property types by AUM.

Types	Main property types (by AUM)
Largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input checked="" type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Second largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input checked="" type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Third largest property type	<input checked="" type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify

OO INF 01	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
-----------	-------------------------------------------	--------	-------------	---------

OO INF 01.1	Indicate the level of ownership you typically hold in your infrastructure investments.
-------------	----------------------------------------------------------------------------------------

- a majority stake (>50%)
- a 50% stake
- a significant minority stake (between 10-50%)
- a minority stake (<10%)
- a mix of ownership stakes

OO INF 02	Mandatory to Report Voluntary to Disclose	Public	Gateway/Peering	General
-----------	-------------------------------------------	--------	-----------------	---------

OO INF 02.1	Provide a breakdown of your organisation's infrastructure assets based on who manages the assets.
-------------	---------------------------------------------------------------------------------------------------

Infrastructure assets managed by	Breakdown of your infrastructure assets (by number)
Managed directly by your organisation/companies owned by you	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%
Managed via third-party operators appointed by your organisation/companies owned by you	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%
Managed by other investors/their third-party operators	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%
Total	100%

<b>OO INF 02.2</b>	Additional information. [Optional]
--------------------	------------------------------------

Our investment agent BCI does not typically use third-party operators. BCI would typically have a direct equity stake in the company that controls the operations of infrastructure assets, hold board seats and participate in various committees.

<b>OO INF 03</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
------------------	--------------------------------------------------	---------------	--------------------	----------------

<b>OO INF 03.1</b>	Indicate up to three of your largest infrastructure sectors by AUM.
--------------------	---------------------------------------------------------------------

Sector	Main infrastructure sectors (by AUM)
Largest infrastructure sector	<input type="radio"/> Transportation <input checked="" type="radio"/> Energy infrastructure <input type="radio"/> Conventional energy <input type="radio"/> Renewable energy <input type="radio"/> Water management <input type="radio"/> Waste management <input type="radio"/> Communication <input type="radio"/> Social infrastructure <input type="radio"/> Other, specify
Second largest infrastructure sector	<input checked="" type="radio"/> Transportation <input type="radio"/> Energy infrastructure <input type="radio"/> Conventional energy <input type="radio"/> Renewable energy <input type="radio"/> Water management <input type="radio"/> Waste management <input type="radio"/> Communication <input type="radio"/> Social infrastructure <input type="radio"/> Other, specify
Third largest infrastructure sector	<input type="radio"/> Transportation <input type="radio"/> Energy infrastructure <input type="radio"/> Conventional energy <input type="radio"/> Renewable energy <input type="radio"/> Water management <input type="radio"/> Waste management <input type="radio"/> Communication <input type="radio"/> Social infrastructure <input checked="" type="radio"/> Other, specify <b>Multi-utilities</b>

# British Columbia Municipal Pension Plan

## Reported Information

## Public version

## Strategy and Governance

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

**SG 01.3**

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and its relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

The plan's Statement of Investment Policy and Procedures (SIPP) states that the Board's responsible investing approach is implemented in a manner that is "in the best financial interests of the plan's current and future beneficiaries."

It includes the following responsible investment beliefs:

- Companies and other entities in which we invest that take environmental, social and governance matters into account have less risk and generate long-term value for investors compared to those with less robust practices.
- Social, environmental and economic sustainability help the plan fulfill its financial obligations to members and beneficiaries. A cohesive society, healthy environment, sustainable economy and fair financial markets are necessary to generate adequate long-term returns across the portfolio.
- It is consistent with the plan's fiduciary duty to act in the best financial interest of members and beneficiaries that investment decisions consider wider stakeholder views and good corporate citizenship.
- Climate change is an investment opportunity and a long-term material systemic risk to the plan. Although the timing and extent of the effects of climate change are uncertain, actions to reduce greenhouse gas emissions through investor stewardship, the selection of assets and advocating for appropriate public policies directly and indirectly benefit the plan.

**SG 01.5**

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

BCI's approach is based on four key activities; Integrate - Integrating ESG analysis and risk management in all investment processes, from supporting clients' asset allocation decisions to individual investment decisions with our portfolios; Influence-Through engagement and advocacy including proxy voting and engagement with publicly traded companies, as well as serving as a director on boards of our privately-held companies, BCI applies its influence on companies in which it invests, its partners, and other participants in capital markets; Invest - it actively seeks opportunities to invest in those ESG themed investments that contribute to improved long-term outcomes for clients and reinforce its investment beliefs; and Insight - BCI uses its learnings across all ESG activities, as well as its understanding of emerging trends, to generate insights that help them continuously adapt and improve our strategies, processes, and approaches.

Our investment agent BCI is driven by long-term considerations, and invests in quality assets and stable companies with the potential to appreciate in value and provide reliable cash flows in the years to come. Its business and investment model focuses on being an active, in-house asset manager with sophisticated strategies. This model provides greater control over the assets, permitting them to actively manage the assets with the view of increasing its long-term value.

Their ESG Strategy is disclosed in separate document as well as a synopsis provided in BCI's Responsible Investing Annual Report. <https://www.bci.ca/approach/responsible-investing/>



No

SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
----------	-------------------------------------------	--------	-------------	---------

SG 01.6  
CC

Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

Although the timing and extent of the effects of climate change are uncertain, actions to reduce greenhouse gas emissions through investor stewardship, the selection of assets and advocating for appropriate public policies directly and indirectly benefit the plan. While our Board of Trustees delegates the management of investment risks and selection of investments to our investment manager, BCI, our Statement of Investment Policies and Procedures articulates the Board's approach to responsible investing and stewardship generally and climate change specifically. We also engage with BCI on its ESG (including climate considerations) and responsible investing integration across relevant investment analysis and processes.

Rapid changes in policy and regulation to limit greenhouse gas (GHG) emissions is the most prominent risk to the plan's short-term total portfolio's performance. This could lead to additional costs to investments exposed to carbon-intensive energy and supply chains, and impact the business models of several sectors in the broader economy. Opportunities exist as technologies and industries that benefit from low carbon economy alignment increase in scale and value. Over the medium term, BCI expects transition risks and physical risks to materialize. BCI will explore opportunities that are aligned with its investment approach and meet requirements as an investor of its scale. Although physical impacts of climate change are not expected to be widespread over the medium term, certain regions may be affected, and asset valuations will reflect the trajectory of climate change. In the long term, if the world warms past two degrees Celsius, physical impacts of climate change will become more acute, more frequent and more intense. This will disrupt regional and global economies and will negatively impact capital markets. Each climate scenario will pose different implications for companies and sectors. Some will face costs as they adapt and transition to a lower carbon model; while others may seize opportunities to expand and grow their businesses.

BCI currently uses climate change scenario analysis to identify macro-economic climate-related risks and opportunities that could impact the plan's investment returns. BCI integrates climate analysis at the asset, pool and total plan portfolio levels. Each asset class requires distinct considerations and climate analysis is adapted to provide materially relevant information on climate change risk and opportunities to each asset class and on a deal-by-deal basis.

No

SG 01.7  
CC

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

Describe the associated timescales linked to these risks and opportunities.

Our investment agent has identified climate-related risks and opportunities over the short, medium and long term.

No

<b>SG 01.8</b> <b>CC</b>	Indicate whether the organisation publicly supports the TCFD?
-----------------------------	---------------------------------------------------------------

- Yes
- No

<b>SG 01.9</b> <b>CC</b>	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
-----------------------------	-------------------------------------------------------------------------------------------------------------------------------------------

- Yes

Describe
----------

Our board works with our investment agent BCI to develop investment strategies that address both the risks and investment opportunities presented by climate change. Through our partnership, we are gaining insight into the fund's exposure to climate change risks and opportunities.

BCI has publicly released a climate action plan (CAP) and approach to the TCFD recommendations.  
<http://bcimc-ar.uberflip.com/i/1024019-bcis-climate-action-plan-and-approach-to-the-tcf-recommendations>

- No

<b>SG 1.10</b> <b>CC</b>	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
-----------------------------	-------------------------------------------------------------------------------------------------

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

specify
---------

Starting with the 2019 annual report, Municipal Pension Plan is phasing in a three-year plan to implement TCFD recommendations.

- We currently do not publish TCFD disclosures

<b>SG 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 6</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 02.1</b>	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
----------------	--------------------------------------------------------------------------------------------------------------------------------------

- Policy setting out your overall approach

URL/Attachment
----------------

- URL

URL

<https://mpp.pensionsbc.ca/governance-documents>

- Attachment (will be made public)
- Formalised guidelines on environmental factors

URL/Attachment

- URL

URL

<https://www.bci.ca/approach/responsible-investing/>

- Attachment (will be made public)
- Formalised guidelines on social factors

URL/Attachment

- URL

URL

<https://www.bci.ca/approach/responsible-investing/>

- Attachment (will be made public)
- Formalised guidelines on corporate governance factors

URL/Attachment

- URL

URL

<https://www.bci.ca/approach/responsible-investing/>

- Attachment (will be made public)
- Asset class-specific RI guidelines
- Screening / exclusions policy

URL/Attachment

- URL

URL

<http://read.uberflip.com/i/605664-responsible-investing-overview>

- Attachment (will be made public)
- Engagement policy

URL/Attachment

- URL

URL

<http://bcimc-ar.uberflip.com/i/653745-bci-esg-engagement-public-equities-priorities-and-process>

- Attachment (will be made public)
- (Proxy) voting policy

URL/Attachment

- URL

URL

<http://read.uberflip.com/i/1078605-bcis-proxy-voting-guidelines>

- Attachment (will be made public)
- We do not publicly disclose our investment policy documents

**SG 02.2**

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

- URL

URL

<https://mpp.pensionsbc.ca/documents/391208/1204262/%28PDF%29+Statement+of+investment+policies+and+procedures/0c4d9adf-8bb4-4516-8a6f-4070e0d5e1a0>

- Attachment
- Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

<https://mpp.pensionsbc.ca/documents/391208/1204262/%28PDF%29+Statement+of+investment+policies+and+procedures/0c4d9adf-8bb4-4516-8a6f-4070e0d5e1a0>

Attachment

Time horizon of your investment

URL/Attachment

URL

URL

<https://mpp.pensionsbc.ca/documents/391208/1204262/%28PDF%29+Statement+of+investment+policies+and+procedures/0c4d9adf-8bb4-4516-8a6f-4070e0d5e1a0>

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

<http://read.uberflip.com/i/605664-responsible-investing-overview>

Attachment

Active ownership approaches

URL/Attachment

URL

URL

<http://read.uberflip.com/i/605664-responsible-investing-overview>

Attachment

Reporting

URL/Attachment
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URL

URL
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<https://mpp.pensionsbc.ca/documents/391208/1204262/%28PDF%29+Statement+of+investment+policies+and+procedures/0c4d9adf-8bb4-4516-8a6f-4070e0d5e1a0>

Attachment

Climate change

URL/Attachment
----------------

URL

URL
-----

<https://www.bci.ca/approach/responsible-investing/climate-action-plan/>

Attachment

Understanding and incorporating client / beneficiary sustainability preferences

We do not publicly disclose any investment policy components

<b>SG 02.3</b>	Additional information [Optional].
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The Municipal Pension Board's Strategic Decision framework includes responsible investing as part of its guiding principles. The principle states: The Board acts in the best financial interests of plan beneficiaries ensuring the investment of the Fund's assets to achieve the plan's investment return objectives. The Board recognizes that effective research, analysis and evaluation of ESG issues are fundamental to assessing the value and performance of an investment over the long-term.

In 2017, our investment agent BCI updated its investment beliefs to align with its new business strategy. They are publicly available on its website at <https://bci.ca/approach/investment-beliefs>. In 2019, Municipal Pension Board of Trustees updated our investment beliefs. They are listed in Section 4 of the SIPP located at: (<https://mpp.pensionsbc.ca/documents/391208/1204262/%28PDF%29+Statement+of+investment+policies+and+procedures/0c4d9adf-8bb4-4516-8a6f-4070e0d5e1a0>).

<b>SG 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>General</b>
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<b>SG 03.1</b>	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
----------------	-------------------------------------------------------------------------------------------------------------------

Yes

**SG 03.2**

Describe your policy on managing potential conflicts of interest in the investment process.

Conflicts of interest in the investment process are not likely to occur because the Board does not decide on individual investments and individual members of the Board (the trustees) do not have any authority to direct BCI in investment decisions. The Board's Statement of Investment Policies and Procedures (SIPP) addresses governance and the role of BCI in Section 3 and conflict of interest in Section 14. In addition, Part V, section B, subsection (e) of the Municipal Pension Plan Trustee Code of Conduct (<https://mpp.pensionsbc.ca/documents/391208/1204252/%28PDF%29+MPBT+Code+of+conduct+policy/ba5fc ef2-18ce-48d9-9a7d-6b39c1c7d94c?version=1.4>), includes a requirement that trustees not use confidential information obtained in the course of their trustee duties for personal benefit, which includes using investment information for personal investing.

The Board requires that BCI have a policy that meets or exceeds the standards established for the investment industry by the CFA Institute and the Board requires disclosure for any material breach. BCI has its own *Code of Ethics and Professional Conduct* policy which includes a commitment to responsible investment. Employees must certify compliance annually. BCI's board also has a code of conduct, and directors do not direct investment decisions.

No

<b>SG 04</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
--------------	------------------	---------------	--------------------	----------------

**SG 04.1**

Indicate if your organisation has a process for identifying and managing incidents that occur within investee entities.

Yes

No

**SG 04.2**

Describe your process on managing incidents

Portfolio companies where our investment agent BCI sits on the board and/or has a significant equity interest will notify BCI of potential and/or evolving issues within their operations. The portfolio managers will interact with management to understand and monitor their activities, and where appropriate provide strategic oversight and input. BCI's investment professionals also sit on the board of directors, advisory committees, and other sub-committees to fulfil its asset management role. These reporting structures also enable oversight of incidents and long-term risks.

**Objectives and strategies**

<b>SG 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
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**SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

**SG 05.2**

## Additional information. [Optional]

The Board reviews objectives for its responsible investment activities triennially as part of its strategic planning cycle.

The Board also has two short-term priorities on the topic of responsible investing and climate change. The first is to review and update the Board's approach to responsible investing (e.g., clarify/confirm the board's beliefs, identified risks, investment strategies and monitoring process) to ensure ESG factors are effectively integrated in investment management practices. Secondly, is to understand the issues, risk and opportunities posed by climate change - and update the SIPP as appropriate - to support informed decision-making regarding investment policy and procedures.

To this end, In 2019, the Investment Committee adopted and commenced work on a 17-item responsible investing action plan in pursuit of the board's two RI-related short-term priorities:

1. Understand the issues, risk and opportunities posed by climate change - and update the SIPP as appropriate - to support informed decision-making regarding investment policy and procedures; and
2. Review and update the board's approach to responsible investing (e.g., clarify/confirm the boards' beliefs, identified risks, investment strategies and monitoring process) to ensure ESG factors are effectively integrated in investment management practices

Flowing from the RI action plan, during the year the board approved:

- New investment beliefs related to sustainability and responsible investment, including climate change.
- Recognizing the Global Compact, the ILO Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises as standards of responsible business conduct.

The board also:

- Engaged with the plan actuary to ensure climate change factors are considered in the actuarial valuation of funded status.
- Received a briefing from BCI (investment agent) regarding BCI's new corporate-wide ESG Strategy - BCI's rationale for why, how and where it applies ESG in all investment decision-making processes.

BCI's corporate ESG Strategy identifies five influence priorities that are re-evaluated on a regular basis by repeating the materiality review process.

Each year, their Executive Management Team and Board of Directors are briefed on the results of the PRI Assessment Survey. BCI conducts a detailed gap analysis of the results, and if significant gaps exist, decisions are then contemplated to address said gaps.

SG 06	Voluntary	Public	Descriptive	General
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**SG 06.1**

List the main responsible investment objectives that your organisation set for the reporting year.

Responsible investment processes

- Provide training on ESG incorporation

Key performance indicator

Improve board understanding and practice related to responsible investment, including climate risks and opportunities.



Progress achieved

Progress achieved: The Investment Committee held two climate change educational sessions in 2019 to improve our understanding and practice related to climate risks and opportunities. We also reviewed opportunities to guide implementation of RI policies and objectives, for example through reference to relevant external agreements, frameworks and standards.

Board members also participated in a PRI Western North America Network Symposium and took PRI online courses: 1) RI for Trustees; and 2) Getting Started in RI. These courses are required for new MPP trustees.

- Provide training on ESG engagement

Key performance indicator

Increase trustee understanding of ESG engagement.

Progress achieved

Progress achieved: The Board's investment agent BCI annually hosts a two-day educational workshop for trustees, that includes sessions on ESG integration and on responsible investing engagement. The plan continues to encourage and support these types of educational opportunities for trustees and continues to advocate for opportunities to learn more about ESG integration and engagement.

- Improved communication of ESG activities within the organisation

Key performance indicator

BCI's aim is to enhance corporate-wide awareness of the investment agent's principles and activities. This is tracked through the views of articles and pages.

Progress achieved

BCI's employee intranet also includes a dedicated section that provides an overview of BCI's approach, principles, and access to available documents. The section is regularly updated with relevant information and articles communicating BCI's responsible investing activities.

BCI airs a video communicating BCI's beliefs, expectations, and approach to responsible investing. This video is integrated into a staff training module; incorporated into BCI's employee intranet; published on BCI's public website, and, where appropriate, used for conference presentations, seminars, and client meetings.

In 2019, BCI developed a dedicated webpage on its public website that focuses on BCI's Climate Action Plan and our alignment with the TCFD.

- Improved engagement to encourage change with regards to management of ESG issues

Key performance indicator

Public Equities: track/monitor number of companies engaged and develop engagement KPIs.

#### Progress achieved

Section 13.6 of the plan's Statement of Investment Policies and Procedures, states:

"The Board delegates its voting rights to BCI and instructs BCI to act in the best financial interests of the Fund. BCI shall provide the Board with copies of its voting guidelines and at least once a year the Board shall review BCI's voting record."

BCI leads our engagement work. As a responsible steward of the plan's assets, the investment agent takes share ownership rights and responsibilities seriously. It believes it is its responsibility to interact with and, where appropriate, challenge companies and market participants on their policies and activities. BCI has been actively engaging companies on ESG topics for many years.

As an example, BCI's Public Equities department issued a media release disclosing their opposition to the increased retirement allowance to the chair of Goldcorp Inc. The release garnered media attention, encouraging other investors to voice their concerns. In 2019, BCI also directly engaged with 83 companies, in addition to its collaborative engagements with companies; sourced data and collected results to communicate KPIs with clients.

- Improved ESG incorporation into investment decision making processes
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

#### Financial performance of investments

- Increase portfolio performance by consideration of ESG factors
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

#### ESG characteristics of investments

- Over or underweight companies based on ESG characteristics
- Improve ESG ratings of portfolio
- Setting carbon reduction targets for portfolio
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

#### Other activities

- Joining and/or participation in RI initiatives

#### Key performance indicator

Contributing to promoting responsible investing within the industry.

Progress achieved

The Plan plays an active role in the PRI Western North America Network and participated in its Symposium in 2019. In addition, trustees and staff were speakers or moderators at the following events:

- BC Public Sector Pension Conference (Topic: Transitioning to Low Carbon Energy - An Asset Owner Perspective); and
- Association of Canadian Pension Management webinar (Topic: The Social Implications of Pensions).

In addition, the plan's investment agent BCI addressed and moderated 19 events on responsible investing. Topics included change management for next generation ESG; diversity & inclusion in investment management, climate-smart finance: financial sector levers for advancing a low-carbon economy; the impact of stewardship activities on long-term corporate value, and the evolution of ESG and climate-related disclosure in Canada. The events took place in Canada, the U.S., the U.K., and Japan.

- Encouraging others to join a RI initiative
- Documentation of best practice case studies
- Using case studies to demonstrate engagement and ESG incorporation to clients

Key performance indicator

The inclusion of case studies in BCI's public and client facing materials.

Progress achieved

BCI's Responsible Investing Annual Report includes case studies to demonstrate BCI's activities and responsible investing in action. For example, in the 2019 report, BCI highlighted case studies related to climate change strategy; human rights in the supply chain; gender diversity on boards; and business ethics.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

SG 06.2

Additional information.

The Board also has two short-term priorities on the topic of responsible investing and climate change. The first is to review and update the Board's approach to responsible investing (e.g., clarify/confirm the board's beliefs, identified risks, investment strategies and monitoring process) to ensure ESG factors are effectively integrated in investment management practices. Secondly, is to understand the issues, risk and opportunities posed by climate change - and update the SIPP as appropriate - to support informed decision-making regarding investment policy and procedures.

To this end, in 2019, the Investment Committee adopted a 17-item responsible investing action plan. The action plan covers the period to May 2020 and includes three themes: i) beliefs, policies, objectives and priorities, ii) climate change, and iii) relationships with service providers.

Flowing from the RI action plan, during the year the board approved new investment beliefs related to sustainability and responsible investment, including beliefs on climate change. The SIPP also added recognition of the Global Compact, the ILO Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises as standards of responsible business conduct.

The board also:

- Engaged with the plan actuary to determine if, and if so then how, climate change factors are considered in the actuarial valuation of funded status; and

- Received a briefing from the investment agent regarding its new corporate-wide ESG Strategy, which provides a rationale for why, how and where it applies ESG in all investment decision-making processes.

Our investment agent's corporate-wide ESG Strategy identifies five influence priorities that are re-evaluated on a regular basis by repeating the materiality review process. Each year, our investment agent conducts a detailed RI gap analysis and if significant gaps exist, decisions are then contemplated to address said gaps.

## Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
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SG 07.1	Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.
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### Roles

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

### Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
- Other Chief-level staff or head of department, specify
- Portfolio managers
- Investment analysts
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)

### Other description (1)

Executive Director, Board Officer

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (2)
- External managers or service providers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment

**SG 07.2**

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

The **Municipal Pension Board of Trustees** is actively engaged with RI initiatives, and oversees and has accountability over its total fund. The Board has delegated day to day investment decisions to its investment agent BCI. Pursuant to section 13.2 of the plan's Statement of Investment Policies and Procedures, the board requires BCI to give favourable consideration to investment in opportunities in corporations that meet or exceed all environmental regulations and aspire to reduce the impact of their operations on the environment, apply best practices for corporate governance, adopt good standards of safety and employee welfare, and are responsible in their operations by effectively managing relationships with suppliers, customers and communities. BCI's CIO is ultimately responsible to the Board on all investment decisions.

The **Investment Committee** is actively engaged with RI initiatives as it reviews and make recommendations to the Board about the plan's Statement of Investment Policies and Procedures, which sets the overall direction for the plan. This includes reviewing and monitoring performance and overseeing the activities of the plan's investment agent, BCI, with respect to responsible investment matters covering environmental, social and governance issues.

The **Executive Director** is responsible for implementing governance elements approved by the Board including those that impact ESG. The Executive Director leads the plan's Secretariat Staff which act as the Board's key liaison to the plan's service providers. The Executive Director takes a key role in spearheading RI initiatives and education for the Municipal Pension Plan Board of Trustees.

A **Responsible Investment Consultant** has been hired by MPP to support MPP in their RI specific initiatives and governance practices, including an RI action plan. The action plan covers the period December 2018 to May 2020 and includes seventeen action items organized in three themes: i) beliefs, policies, objectives and priorities; ii) climate change; and iii) relationships with service providers.

**Portfolio Managers and Analysts** are responsible for integrating responsible investing into their practices, procedures, and responsibilities during due diligence and in their ongoing asset management practices. In the Public Markets department, analysts are responsible for monitoring and assigning ESG scores to companies they follow. The investment professionals are required to develop and measure KPIs, and identify and evaluate ESG investment opportunities.

**Dedicated RI staff in the Public Markets department** are responsible for assessing and voting all proxies, engaging with companies, leading and/or participating in collaborative engagements, as well as preparing submissions to regulators and public policy bodies. RI staff are responsible for conducting ESG evaluations of portfolio companies, and sharing the results with portfolio managers and analysts with whom ESG scores are assigned.

**Dedicated ESG Manager in the Investment Strategy and Risk department** is responsible for the assessment and management of ESG risks and opportunities at the total fund level. This includes the ongoing monitoring and management of material climate change related risks and opportunities across all investments.

**External Managers:** Prior to committing clients' funds to a new fund manager, BCI analyzes and assesses how they incorporate ESG factors into their processes. During the due diligence phase, BCI will review and question the internal policies and steps taken to address, manage and mitigate material ESG risks. The assessment includes the manager's track record with managing environmental risks, governance practices, compliance with applicable laws and regulations, as well as its overall approach to responsible investing. ILPA's Private Equity Principles informed the development of a checklist for fund investments, which is incorporated into BCI's standard operating procedures and each fund's investment memorandum. Once invested, BCI will regularly promote its responsible investing principles and expects each fund manager to acknowledge their understanding of BCI's approach and beliefs. It also monitors the agreements, treaties and international standards that fund managers may or may not endorse.

**BCI's Corporate Communication group** is accountable for the communication to clients and the public in accordance with the approved responsible investing communication strategy. The group is also accountable for

informing staff of responsible investing initiatives and activities. They liaise with organizations and parties on RI initiatives that are publicly announced.

**SG 07.3** | Indicate the number of dedicated responsible investment staff your organisation has.

Number

7

**SG 07.4** | Additional information. [Optional]

Our investment agent BCI has five full-time employees dedicated to ESG in the Public Markets department (vice-president, manager, associate manager, and two analysts) and one co-op.

There are two full-time employees dedicated to ESG strategy and risk management in the Investment Strategy & Risk department (manager and senior analyst) and one co-op. The responsibility for ESG is integrated into the roles of all senior portfolio managers, portfolio managers, and analysts for all asset classes.

In addition, QuadReal Property Group (QuadReal), the 100 per cent owned real estate and mortgage program manager for BCI, has dedicated staff that are responsible for sustainability, community engagement, environment, health and safety and smart buildings. Note: These QuadReal staff are not included in the total provided in SG 7.3

<b>SG 07 CC</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**SG 07.5 CC** | Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (1)

Executive Director, Board Officer

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

<b>SG 07.6</b> <b>CC</b>	For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
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The board is responsible for the administration of the Municipal Pension Plan (plan) and investment of the plan's assets, in accordance with the Joint Trustee Agreement (JTA), the plan rules and applicable legislation. BCI, our investment agent, is responsible for the day-to-day investment of the pension fund.

Our SIPP outlines the board's investment strategy and overall framework for managing plan assets. The board approves the long-term asset mix policy, recognizing diversification of investments as a key principle in managing risk. The board monitors and manages short-term volatility in part through longer-term investment objectives. Risk management is a fiduciary responsibility of the board and of BCI.<sup>5</sup> BCI's CIO is ultimately responsible to the board for all investment decisions, including the consideration of climate-related risks and opportunities as part of all investment decisions and strategies.

The board is committed to balancing risks and returns in developing its investment policy in the best financial interests of plan beneficiaries and recognizes that consideration of ESG issues, including climate change, is fundamental to maximizing the Fund's risk-adjusted returns. The board is actively engaged with RI initiatives, understanding the issues, risk and opportunities posed by climate change to support informed decision-making is a board priority.

The board has delegated to the Investment Committee the responsibility for recommending investment policy and monitoring performance.<sup>6</sup>

The board updated its investment beliefs in 2019 which will better support the board in making investment decisions and provide clear guidance to BCI on how to manage the plan's assets. Investment beliefs help define how an asset owner will seek to create investment value, in the context of future uncertainty, risk and opportunity. They also help asset owners make practical decisions about their investment style, asset allocation, investment decisions, performance objectives, and approach to active ownership.

<b>SG 08</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>General</b>
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<b>SG 08.1</b>	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
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<b>Board members/Board of trustees</b>
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<b>SG 08.1b</b>	RI in personal development and/or training plan
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- Responsible investment included in personal development and/or training plan

<b>SG 08.2</b>	Describe any activities undertaken during the reporting year to develop and maintain Board members' skills and knowledge in relation to responsible investment.
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The Investment Committee held two climate change educational sessions in 2019 to improve their understanding and practice related to climate risks and opportunities. It also reviewed opportunities to guide implementation of RI policies and objectives, for example through reference to relevant external agreements, frameworks and standards.

Unless trustees have applicable exemptions/equivalents, the board's education policy requires trustees to complete the following two courses:

- Within the first year of appointment, a two-day education event provided by BCI annually that includes coverage of BCI's RI approach, processes and practices. A representative from each asset

class provides detail on how RI is integrated into the investment decision making process. Trustees may re-take it any time; and

- Within two years of appointment, the PRI Academy's Responsible Investment for Trustees and Getting Started in Responsible Investing courses.

In addition, trustees are encouraged and supported financially to receive RI training and information through other courses and conferences.

None of the above

**Dedicated responsible investment staff**

**SG 08.1a** RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

**SG 08.1b** RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

**Other role (1) [from SG 07]**

Executive Director, Board Officer

**SG 08.1a** RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

**SG 08.1b** RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

**SG 08.3** Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.

The Executive Director's objectives include building a relationship with PRI and taking a leadership role with the Western North American PRI network.

At our investment agent BCI, responsible investing accountabilities and objectives are outlined in the scorecards of staff who are directly involved with implementing and communicating BCI's RI initiatives. Training and development plans also include courses, seminars, and conferences on responsible investing matters.



SG 08.4

Describe the level of experience board members/trustees/chief-level staff have with incorporating ESG factors into investment decision-making processes.

Experience with incorporating ESG factors into investment decision-making processes is varied at the plan board level due to varying tenures. Our board is leveraging the relationship with BCI to increase the board's understanding and practice related to ESG.

The board is committed to balancing risks and returns in developing its investment policy in the best financial interests of plan beneficiaries and recognizes that consideration of ESG issues is fundamental to maximizing the Fund's risk-adjusted returns. The board is actively engaged with RI initiatives with the goal of understanding the issues, risk and opportunities to support informed decision-making.

### Promoting responsible investment

SG 09

Mandatory

Public

Core Assessed

PRI 4,5

SG 09.1

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

#### Select all that apply

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

The Board has been an asset owner signatory of PRI since 2007. BCI staff attended the PRI in Person Conference and both board and BCI representatives attended the Western North American PRI Network Program meetings in 2019.

The Board's investment agent, BCI, has been a founding signatory since 2006 and is an active member of steering committees and working groups.

#### Collaborative Initiatives:

- Climate Action 100+: Member
- Corporate Reporting Reference Group: Member
- Cyber Security Collaborative Engagement: Member
- Infrastructure Advisory Committee: Member
- Methane Engagement Working Group: Member
- PRI-coordinated Investor Response to Vale dam failure: Member
- Sustainable Stock Exchanges Working Group: Member
- WNA Network: The plan's Executive Director co-chairs the PRI WNA Network Advisory Committee.

**Publications:** Contributed to the discussion paper on Embedding ESG Issues into Strategic Asset Allocation Frameworks

**PRI Event:** Addressed Western North American PRI Symposium in Los Angeles, U.S. (topic - Implementing the SASB Standards: Investor and Company Case Studies)

- Asian Corporate Governance Association

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Our investment agent BCI has been a member since 2005 and participates in regular conference calls with staff and other investor members to stay informed on governance developments in the region and to share its experience and issues of concerns; and it supports the association's regulatory efforts by providing comments on public policy submissions and by endorsing submissions to regulators as part of its own submissions.

- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

As a signatory since 2006 and an investor member since 2016, our investment agent BCI contributes financially to the organization, and encourages companies to align their disclosure with the CDP framework.

- CDP Forests
- CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

As a supporting financial member since inception, our investment agent BCI uses the information provided by CDP water to better understand how our investee companies address risks and opportunities.

- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

The board and our investment agent are Climate Action 100+ signatories. Our investment agent BCI leads/co-leads on North American companies in the O&G and mining sectors and BCI supports dialogue as a collaborating investor with North American companies in the O&G and utility sectors

- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Our investment agent BCI became a CII member in 2017. BCI attends conferences, and participates in conference calls and webinars with staff and other investor members to stay informed on governance developments in the United States. They support the association's regulatory efforts by providing comments on public policy submissions and by endorsing submissions to regulators as part of BCI's own submissions.

- Eumedion
- Extractive Industries Transparency Initiative (EITI)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Our investment agent BCI has been an investor signatory since 2011.

- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Our investment agent BCI signed onto the Green Bond Principles, in 2015, as well as the Social Bond Principles. They currently are one of only 2 listed Canadian investor members. In 2019, they took part in members' calls and provided responses to member surveys.

- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Our investment agent BCI has been a member since 2005.

- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify  
Responsible Investment Association - Canada

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Our fiduciary agent BCI has been a member since 2007.

- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

The Municipal Pension Board of Trustees is an affiliate member.  
A trustee from the Board is a director for SHARE.

- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Our investment agent BCI encourages portfolio companies and its external managers to consider and integrate the principle-based framework into their operations and activities.

- Other collaborative organisation/initiative, specify

Pension Investment Association of Canada (PIAC)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Our investment agent BCI serves on the investor stewardship committee, risk management committee and the board.

- Other collaborative organisation/initiative, specify

Prince of Wales' Accounting for Sustainability Project

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Our investment agent BCI joined the Canadian Chapter of this initiative in 2017. It is also an active participant in A4S and has attended summits and participated in speaking engagements.

- Other collaborative organisation/initiative, specify

30% Club Canada

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Our investment agent BCI has been a member since 2006 - one of over 280 Canadian chapter members. BCI is also a member of the steering committee and chair investor committee

- Other collaborative organisation/initiative, specify

Canadian Bond Investors' Association/Association Canadienne des Investisseurs Obligataires

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Our investment agent BCI is a founding member since 2011. BCI attended the annual conference and to strengthen BCI's involvement, have volunteered to be on the member services committee to raise awareness while helping with retention and recruitment.

SG 10	Mandatory	Public	Core Assessed	PRI 4
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**SG 10.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes

**SG 10.2** Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

The Executive Director, on behalf of the Board, continued to spearhead the Western North America Network for PRI signatories, which met once in 2019. Our investment agent BCI regularly hosts educational events related to responsible investing in which Board representatives may participate. The board's investment committee invited trustees from the other three large BC public sector pension plans to its two education sessions on climate change risks and opportunities. To support education of BCI employees, BCI invites guest speakers to discuss RI topics.

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work

#### Description

Several employees from our investment agent BCI, are actively involved in the University of Victoria Applied Portfolio Management Program, including being a member on the Investment Advisory Committee. Responsible investment is an important part of the guiding principles of APMP. [https://www.uvic.ca/gustavson/assets/docs/publications/pgus\\_apmp\\_ar2019v5out\\_web.pdf](https://www.uvic.ca/gustavson/assets/docs/publications/pgus_apmp_ar2019v5out_web.pdf)

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry

#### Description

Our investment agent BCI posts its policy submissions to its website. Additionally, BCI's Responsible Investing Annual Report contains a list of their policy submissions, including those that pertain to reporting and disclosure. The Board continues to encourage BCI to continue to drive ESG integration efforts.

#### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Spoke publicly at events and conferences to promote responsible investment



Description
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The plan's executive director moderated an Association of Canadian Pension Management (ACPM) webinar on the topic of The Social Implications of Pensions. The noted advantages include better labour force management, lower job stress, improved worker health, and lower use of government-funded retirement assistance programs.

Frequency of contribution
---------------------------

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI

Description
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The Board and BCI actively encourage other asset owners/external managers/partners to join PRI.

Frequency of contribution
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- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media
- A member of PRI advisory committees/ working groups, specify

Description
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1. Executive director co-chairs WNA PRI Network
2. Our investment agent, BCI is a member on 8 PRI committees/working groups:
  - Advisory Committee on Credit Ratings: member
  - Climate Action 100+: member
  - Cyber Security Collaborative Engagement: member
  - Human Rights in Extractive Sector: steering committee member
  - Infrastructure Advisory Committee: committee member
  - Methane Engagement Working Group: member
  - Private Equity Monitoring and Reporting Guidance Working Group: member
  - Sustainable Stock Exchanges: member of working group

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

Description

Our investment agent BCI is a member of the SASB Investor Advisory Group

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Other, specify

specify description

Our investment agent BCI publicly posted BCI's Climate Action Plan (CAP) and Approach to the TCFD Recommendations and an annual responsible investing report.

Description

BCI's CAP builds on over a decade of climate-related work and includes new tools and metrics, and maps BCI's strategy. The document also outlines BCI's alignment with the TCFD recommendations.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

No

**SG 10.3**

Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]

The Municipal Pension Board of Trustees provides or supports training programs such as the annual BC Public Sector Pension Conference (PSPC) at which trustees of non-signatory funds are present, and Investment Literacy programs run by BCI. In 2019, the BC PSPC included a session on climate change as well as one on transitioning to low carbon energy (as asset owner perspective).

**SG 11**

Voluntary

Public

Additional Assessed

PRI 4,5,6

**SG 11.1**

Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.

Yes

If yes

- Yes, individually
- Yes, in collaboration with others

**SG 11.2**

Select the methods you have used.

- Endorsed written submissions to governments, regulators or public policy-makers developed by others
- Drafted your own written submissions to governments, regulators or public-policy markers
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

**SG 11.3**

Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

Yes, publicly available

provide URL

<https://mpp.pensionsbc.ca/documents/391208/861519/+Submission+to+IOPS>

provide URL

<https://www.bci.ca/approach/responsible-investing/>

No

No

**SG 11.4**

Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.

The board wrote a letter to the International Organization of Pension Supervisors (IOPS), responding to public consultation on Supervisory Guidelines on the Integration of ESG Factors in the Investment and Risk Management of Pension Funds. The response supported the proposed guidelines and commented on each. The response noted, "In summary, we support the following legislative reform or pension supervisory authority guidance:

- The consideration of ESG factors in the investment process is consistent with pension plan fiduciary duties
- Pension plans should consider ESG factors in the investment process and disclose how ESG is integrated."

The board sent copies of its response to the IOPS consultation to the provincial pension regulator in British Columbia, the provincial Finance Ministry, and the Canadian Association of Pension Supervisory Authorities (CAPSA).

The plan's investment agent advocates for legal and regulatory changes that make responsible investing principles part of the regulatory framework and improve the investment environment for all investors. By engaging with Canadian and international regulators and standard-setting bodies, BCI's activities are aimed at addressing systemic risks, with the expectation that their efforts will lead to greater stability and integrity within the markets. As a long-term investor, we recognize that meaningful, large-scale change takes time.

In 2019, BCI submitted 16 policy submissions to Canadian and international regulators, and standard-setting bodies. Topics focused on advancing responsible investing within the investment industry, corporate governance, and reporting & disclosure. For a comprehensive list of its submissions for 2019 and a closer look at some of the more noteworthy submissions, please refer to the Public Equities section in its 2019 Responsible Investing Annual Report published on its website at <https://www.bci.ca/approach/responsible-investing/>.

## Outsourcing to fiduciary managers and investment consultants

**SG 12****Mandatory****Public****Core Assessed****PRI 4**

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 12.1**

Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants

**SG 12.4**

Indicate whether you use investment consultants for any the following services. Describe the responsible investment components of these services.

- Custodial services
- Investment policy development

Describe how responsible investment is incorporated

The Board engaged a general independent investment consultant to support Board decision-making on strategic asset allocation and participation in proposed individual investment strategies, all of which have ESG integration as a component (including speciality active ESG equity funds), and to assist with oversight of its investment agent, BCI.

The Board engages a responsible investing consultant to assist with determining its RI approach, objectives and strategy. This includes implications for investment policy (i.e. responsible investment beliefs, etc.).

- Strategic asset allocation
  - Investment research
  - Other, specify (1)
  - Other, specify (2)
  - Other, specify (3)
  - None of the above
- No, we do not use investment consultants.

**SG 12.5** Indicate whether your organisation considers any of the following responsible investment factors in the monitoring of fiduciary managers

- Including responsible investment as a standard agenda item at performance review meetings
- Discussing whether the fiduciary manager has acted in accordance with your organisation's overall investment beliefs/ strategy/ policy on responsible investment and ESG factors
- Reviewing the fiduciary manager's PRI Transparency or Assessment reports
- Reviewing the fiduciary manager's responsible investment reporting (excluding PRI generated reports)
- Reviewing ESG characteristics/factors used by the fiduciary manager in portfolio construction
- Reviewing the fiduciary manager's incorporation approaches of ESG through-out asset classes
- Reviewing the impact of ESG factors on financial performance
- Encouraging your fiduciary managers to consider joining responsible investment initiatives/organisations or participate in educational or collaborative projects with other investors
- Including responsible investment criteria as a formal component of overall manager performance evaluation
- Reviewing the fiduciary manager's ESG incorporation in external managers' selection, appointment, monitoring
- Reviewing how ESG materiality is defined by the fiduciary manager
- Other general aspects of your monitoring; specify
- We do not consider responsible investment in the monitoring processes for fiduciary managers.

**ESG issues in asset allocation**

<b>SG 13</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**SG 13.1** Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities

Describe

The board's investment agent, BCI analyzed three climate change scenarios and the resulting impact on the long-term expected returns at a total fund level and by asset class. BCI also uses climate change scenarios as an input into asset liability modelling.

- No, our organisation does not currently carry out scenario analysis and/or modelling

<b>SG 13.2</b>	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
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We do the following
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- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

<b>SG 13.3</b>	Additional information. [OPTIONAL]
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Our investment agent BCI works within the framework of applicable legislation as well as the legal contracts negotiated with its clients. BCI is required to act in the best financial interests of its clients at all times.

<b>SG 13 CC</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>SG 13.4 CC</b>	Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.
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- Initial assessment

Describe
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The current long-term policy asset mix decision came after the board undertook an asset-liability review in 2017/2018. This review included assessment of potential impact on long-term investment performance under multiple climate scenarios using a model based on Mercer's Climate Change Risk Assessment Research Package. This climate change work was developed based on collaboration with the board.

In addition to a three-degree global warming scenario, where impacts were not expected to be material on an aggregate total fund level, BCI evaluated our potential long-term return impacts under both a:

Two-degree global warming scenario, where the transition to a lower carbon economy occurs faster than expected and creates elevated levels of transition risk for certain assets, while resulting in less risk of the physical impacts brought on by climate change. This scenario leads to reduced returns from assets tied to traditional energy and gains in assets that are tied to renewables.

Four-degree global warming scenario, where climate action policies, technological advancements, and sentiment are largely insufficient, resulting in less transition risk but experiencing significant increases in physical impacts on certain assets. Under this scenario, emissions grow another 33% over 2010 levels, peaking after 2040. Fossil fuels represent 85% of the energy mix by 2050.

Using our long-term policy asset mix targets and the projected expected returns for each asset class, BCI found that both the two- and four-degree climate scenarios would create an expected reduced return for our portfolio over the 15-year forecast horizon, relative to the base case scenario.

Beneath the total fund aggregate impacts, asset class performance is expected to vary significantly depending on which scenario unfolds. In the four-degree scenario, real assets are more likely to suffer from the rising risk of physical impacts. In contrast, in a two-degree scenario, the performance of developed market public equities is expected to be impacted as companies exposed to traditional energy assets, such as oil, would likely experience valuation adjustment.

- Incorporation into investment analysis

Describe

Our investment agent BCI is currently using climate change scenario analysis to identify macro-economic climate-related risks and opportunities that could impact their clients' investment returns. The scenarios provide a directional indication of areas in the portfolios that require more detailed assessment.

Each asset class currently identifies material climate change risks on a deal-by-deal basis. BCI is developing processes to assess climate change materiality and performance in a consistent way across the firm.

- Inform active ownership

Describe

Climate change has been a top engagement priority for our investment agent BCI for over ten years. BCI engages with company management, regulators, and standard-setting bodies via four main activities:

1. Proxy Voting, in which BCI has supported about 50 per cent of all 2019 climate-related shareholder proposals, out of which BCI supported 71% of proposals specific to GHG emissions disclosure and/or reduction targets. BCI also has a policy to vote against appropriate board directors at companies that fail to disclose adequate climate-related data.
2. Direct Engagement, in which BCI focuses on achieving better climate change disclosure and risk management practices from invested companies.
3. Collaborative Engagement, in which BCI works with their peers globally asking companies to take action to reduce greenhouse gas emissions. Examples are their involvement with the PRI Methane Engagement Working Group and the Climate Action 100+ (CA100+) investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. Main CA100+ engagement objectives are to curb emissions, improve governance of climate risk management and strengthen climate-related financial disclosures.
4. Policy Advocacy, in which BCI advocates for policy changes that will improve the investing environment for long-term investors, including at least 20 climate-related submissions with provincial, federal, and international policymakers, regulators and standard-setters between 2007-2020.

- Other

SG 13.5  
CC

Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

SG 13.6  
CC

Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

- Yes

Describe

Climate change scenarios were evaluated beyond the investment time horizon out to the modelling horizon of 2050. Longer term impacts related to climate change risk are a focus of additional physical climate change risk assessments that are currently underway.

No

**SG 13.7  
CC**

Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

**SG 13.8  
CC**

Indicate the climate scenarios your organisation uses.



Provider	Scenario used	
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input type="checkbox"/> BNEF reference scenario	
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input type="checkbox"/> RPC 4.5	
IPCC	<input type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (1) please specify:</div> Mercer Climate Change Scenario Tool
Other	<input type="checkbox"/> Other (2)	
Other	<input type="checkbox"/> Other (3)	

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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**SG 14.1**

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

**SG 14.2**

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

**SG 14.3**

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

**SG 14 CC****Voluntary****Public****General**

**SG 14.6  
CC** Provide further details on the key metric(s) used to assess climate-related risks and opportunities.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
<b>Portfolio carbon footprint</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Portfolio monitoring	Portfolio Carbon Footprint	Financed emissions

**SG 14.8  
CC** Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.

- Processes for climate-related risks are integrated into overall risk management

Please describe

Our investment agent BCI is currently using climate change scenario analysis to identify macro-economic climate-related risks and opportunities that could impact clients' investment returns. The scenarios provide a directional indication of areas in the portfolios that require more detailed assessment.

Each asset class currently identifies material climate change risks. BCI is developing processes to assess climate change materiality and performance in a consistent way across the firm.

Additionally, BCI is developing processes to effectively measure and determine material climate change risks and opportunities across the total portfolio. These tools will build on insights generated by carbon footprint metrics by introducing further fundamental research and analysis; as well as developing evaluations of the resiliency of specific assets to climate-related risks in the long term. The tools are intended to help us understand specific investments in our portfolio that may be at risk or will benefit in the context of climate change.

- Processes for climate-related risks are not integrated into overall risk management

**SG 14.9  
CC** Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.

- Yes

Please describe

Through direct engagement in 2019, BCI references the TCFD recommendations which puts focus on achieving better climate change disclosure from invested companies.

- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.

<b>SG 15</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**SG 15.1**

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

Yes

**SG 15.2**

Indicate the percentage of your total AUM invested in environmental and social themed areas.

%

10.4

**SG 15.3**

Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

Energy efficiency / Clean technology

Asset class invested

Listed equity

Percentage of AUM (+/-5%) per asset class invested in the area

1

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure
- Forestry
- Farmland

Brief description and measures of investment

BCI's Thematic Public Equity Fund launched in 2013, includes investments in companies involved in alternative energy and providing energy efficiency solutions.

- Renewable energy
- Green buildings

#### Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property

#### Percentage of AUM (+/-5%) per asset class invested in the area

59

- Infrastructure
- Forestry
- Farmland

#### Brief description and measures of investment

Approximately 90 per cent of our Canadian real estate portfolio is BOMA BEST and / or LEED certified (65 per cent including international investments).

- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health

#### Asset class invested

- Listed equity

#### Percentage of AUM (+/-5%) per asset class invested in the area

1

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure
- Forestry
- Farmland

**Brief description and measures of investment**

BCI's Thematic Public Equity Fund, includes investment in health care facilities and services.

- Water

**Asset class invested**

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure

**Percentage of AUM (+/-5%) per asset class invested in the area**

8.4

- Forestry
- Farmland

**Brief description and measures of investment**

Investments in regulated water and wastewater utilities that operate in the U.S., U.K., and Canada.

- Other area, specify

No

**Asset class implementation not reported in other modules**

SG 16	Mandatory	Public	Descriptive	General
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**SG 16.1**

Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Forestry	Our investment agent, BCI, applies similar processes for this specific asset class as it does for our Infrastructure and Private Equity asset classes.  BCI's direct investments represent approximately 98% of its Forestry AUM. Their US investment is certified to the Sustainable Forestry Initiative (SFI) while Canadian investments are all certified to the Sustainable Forestry Initiative (SFI), ISO 14001 and PEFC Chain of Custody standards. Their Latin American investment is certified by the PEFC and a national forest certification system called Uruguayan Forest Certification Regime, a program endorsed by PEFC.
Farmland	Our investment agent BCI applies similar processes for this specific asset class as it does for Infrastructure and Private Equity asset classes.
Money market instruments	Our investment agent BCI applies similar processes as they do for Fixed Income asset class.

**Innovation**

<b>SG 18</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**SG 18.1**

Indicate whether any specific features of your approach to responsible investment are particularly innovative.

Yes

**SG 18.2**

Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

Our investment agent BCI has identified seven key engagement categories that are directly linked to its engagement priorities. These categories are:

- Climate Change Disclosure
- Gender Diversity on Canadian Boards
- Human Rights in the Extractive Sectors
- Executive Compensation in Canada
- Sustainable Stock Exchanges
- Board Independence in Japan

BCI has developed 43 key performance indicators across the seven categories to track and monitor engagement outcomes. □

Results are shared with the Board.

No

**Communication**

SG 19	Mandatory	Public	Core Assessed	PRI 2, 6
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**SG 19.1** Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Listed equity - Incorporation

Do you disclose?

- We do not proactively disclose it to the public and/or clients/beneficiaries
- We disclose to clients/beneficiaries only.
- We disclose it publicly

The information disclosed to clients/beneficiaries is the same

- Yes
- No

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	
<input type="radio"/> Broad approach to ESG incorporation <input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used	
Frequency	
<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested	
URL	
<a href="https://bci.ca/publications">https://bci.ca/publications</a>	

Listed equity - Engagement



Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p data-bbox="310 285 850 344"><b>Disclosure to public and URL</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Details on the overall engagement strategy</li> <li><input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals</li> <li><input checked="" type="checkbox"/> Number of engagements undertaken</li> <li><input checked="" type="checkbox"/> Breakdown of engagements by type/topic</li> <li><input checked="" type="checkbox"/> Breakdown of engagements by region</li> <li><input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives</li> <li><input checked="" type="checkbox"/> Examples of engagement cases</li> <li><input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.)</li> <li><input type="checkbox"/> Details on whether the provided information has been externally assured</li> <li><input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement</li> <li><input type="checkbox"/> Other information</li> </ul>	<p data-bbox="876 285 1417 344"><b>Disclosure to clients/beneficiaries</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Details on the overall engagement strategy</li> <li><input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals</li> <li><input checked="" type="checkbox"/> Number of engagements undertaken</li> <li><input checked="" type="checkbox"/> Breakdown of engagements by type/topic</li> <li><input checked="" type="checkbox"/> Breakdown of engagements by region</li> <li><input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives</li> <li><input checked="" type="checkbox"/> Examples of engagement cases</li> <li><input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.)</li> <li><input type="checkbox"/> Details on whether the provided information has been externally assured</li> <li><input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement</li> <li><input checked="" type="checkbox"/> Other information</li> </ul> <p data-bbox="876 1037 1417 1115">In ad hoc requests from the Board, BCI provides a greater level of detail regarding its integration process since this is a proprietary methodology.</p>
<p data-bbox="310 1150 850 1209"><b>Frequency</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Quarterly or more frequently</li> <li><input type="checkbox"/> Biannually</li> <li><input checked="" type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input type="checkbox"/> Ad-hoc/when requested</li> </ul>	<p data-bbox="876 1150 1417 1209"><b>Frequency</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Quarterly or more frequently</li> <li><input type="checkbox"/> Biannually</li> <li><input type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input type="checkbox"/> Ad-hoc/when requested</li> </ul>
<p data-bbox="310 1451 850 1509"><b>URL</b></p> <p data-bbox="310 1524 561 1549"><a href="https://bci.ca/publications">https://bci.ca/publications</a></p>	

Listed equity – (Proxy) Voting

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	
<input checked="" type="radio"/> Disclose all voting decisions <input type="radio"/> Disclose some voting decisions <input type="radio"/> Only disclose abstentions and votes against management	
Frequency	
<input checked="" type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested	
URL	
<a href="https://bci.ca/publications">https://bci.ca/publications</a>	
URL	
<a href="https://www.bci.ca/approach/responsible-investing/proxy-voting-record/#proxy-voting-record">https://www.bci.ca/approach/responsible-investing/proxy-voting-record/#proxy-voting-record</a>	

Fixed income

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

<b>Disclosure to public and URL</b>	
Disclosure to public and URL	
<input checked="" type="radio"/> Broad approach to RI incorporation <input type="radio"/> Detailed explanation of RI incorporation strategy used	
Frequency	
<input type="checkbox"/> Quarterly <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested	
URL	
<a href="https://bci.ca/publications">https://bci.ca/publications</a>	

Private equity

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p data-bbox="310 285 849 344">Disclosure to public and URL</p> <p data-bbox="310 359 781 579"> <input checked="" type="checkbox"/> ESG information in relationship to our pre-investment activities  <input checked="" type="checkbox"/> ESG information in relationship to our post-investment monitoring and ownership activities  <input type="checkbox"/> Information on our portfolio companies' ESG performance  <input type="checkbox"/> Other </p>	<p data-bbox="875 285 1414 344">Disclosure to clients/beneficiaries</p> <p data-bbox="875 359 1346 579"> <input checked="" type="checkbox"/> ESG information in relationship to our pre-investment activities  <input checked="" type="checkbox"/> ESG information in relationship to our post-investment monitoring and ownership activities  <input checked="" type="checkbox"/> Information on our portfolio companies' ESG performance  <input type="checkbox"/> Other </p>
<p data-bbox="310 621 849 680">Frequency</p> <p data-bbox="310 695 631 884"> <input type="checkbox"/> Quarterly or more frequently  <input type="checkbox"/> Biannually  <input checked="" type="checkbox"/> Annually  <input type="checkbox"/> Less frequently than annually  <input type="checkbox"/> Ad-hoc/when requested </p>	<p data-bbox="875 621 1414 680">Frequency</p> <p data-bbox="875 695 1196 884"> <input type="checkbox"/> Quarterly or more frequently  <input type="checkbox"/> Biannually  <input checked="" type="checkbox"/> Annually  <input type="checkbox"/> Less frequently than annually  <input type="checkbox"/> Ad-hoc/when requested </p>
<p data-bbox="310 924 849 982">URL</p> <p data-bbox="310 997 563 1022"><a href="https://bci.ca/publications">https://bci.ca/publications</a></p>	

Property

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

<b>Disclosure to public and URL</b>	
	<p>Disclosure to public and URL</p> <p><input checked="" type="checkbox"/> ESG information on how you select property investments</p> <p><input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments</p> <p><input type="checkbox"/> Information on your property investments' ESG performance</p> <p><input type="checkbox"/> Other</p>
	<p>Frequency</p> <p><input type="checkbox"/> Quarterly or more frequently</p> <p><input type="checkbox"/> Biannually</p> <p><input checked="" type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input type="checkbox"/> Ad-hoc/when requested</p>
	<p>URL</p> <p><a href="https://bci.ca/publications">https://bci.ca/publications</a></p>

Infrastructure

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p data-bbox="310 285 850 344">Disclosure to public and URL</p> <p data-bbox="310 352 837 537"> <input checked="" type="checkbox"/> ESG information on how you select infrastructure investments  <input checked="" type="checkbox"/> ESG information on how you monitor and manage infrastructure investments  <input type="checkbox"/> Information on your infrastructure investments' ESG performance </p>	<p data-bbox="876 285 1417 344">Disclosure to clients/beneficiaries</p> <p data-bbox="876 352 1406 537"> <input checked="" type="checkbox"/> ESG information on how you select infrastructure investments  <input checked="" type="checkbox"/> ESG information on how you monitor and manage infrastructure investments  <input checked="" type="checkbox"/> Information on your infrastructure investments' ESG performance </p>
<p data-bbox="310 579 850 638">Frequency</p> <p data-bbox="310 646 630 837"> <input type="checkbox"/> Quarterly or more frequently  <input type="checkbox"/> Biannually  <input checked="" type="checkbox"/> Annually  <input type="checkbox"/> Less frequently than annually  <input type="checkbox"/> Ad-hoc/when requested </p>	<p data-bbox="876 579 1417 638">Frequency</p> <p data-bbox="876 646 1196 837"> <input checked="" type="checkbox"/> Quarterly or more frequently  <input type="checkbox"/> Biannually  <input type="checkbox"/> Annually  <input type="checkbox"/> Less frequently than annually  <input type="checkbox"/> Ad-hoc/when requested </p>
<p data-bbox="310 879 850 938">URL</p> <p data-bbox="310 947 563 976"><a href="https://bci.ca/publications">https://bci.ca/publications</a></p>	

**SG 19.2**

Additional information [Optional]

Our investment agent BCI provides trustee orientation sessions or ad-hoc requests from clients, where they would provide a greater level of detail regarding their integration process since this is a proprietary methodology.

BCI publishes an annual report on responsible investing that describes our direct and collaborative engagement activities including the number of companies we engaged with, the topic area discussed (E,S, or G) and the geographical breakdown.

BCI also publishes thematic newsletters. These typically contain information about engagements that fit the newsletter theme and will include outcomes of that engagement.

Reports are shared with clients and are also made publicly available.

Additionally, BCI posts proxy voting records in real-time on their website.

# British Columbia Municipal Pension Plan

## Reported Information

### Public version

### Direct - Listed Equity Incorporation

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.



## ESG incorporation in actively managed listed equities

### Implementation processes


LEI 01	Mandatory	Public	Gateway	PRI 1
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#### LEI 01.1


Indicate which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities; and the breakdown of your actively managed listed equities by strategy or combination of strategies.

#### ESG incorporation strategy (select all that apply)


- Screening alone (i.e., not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied — you may estimate +/- 5%	 10
-----------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------

- Thematic alone (i.e., not combined with any other strategies)
- Integration alone (i.e., not combined with any other strategies)
- Screening and integration strategies

Percentage of active listed equity to which the strategy is applied — you may estimate +/- 5%	 70
-----------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------

- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined

Percentage of active listed equity to which the strategy is applied — you may estimate +/- 5%	 20
-----------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------

- We do not apply incorporation strategies

	Total actively managed listed equities
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100%

**LEI 01.2**

Describe your organisation's approach to ESG incorporation and the reasons for choosing the particular strategy/strategies.

Our investment agent BCI's approach to incorporation is guided by the particular mandate. For active fundamental mandates, BCI's ESG team in the Public Markets department employs an integration strategy as it provides a comprehensive understanding of ESG risks facing a given company. The ESG team employs a screening approach for all quantitative active equity mandates, each of which can contain several hundred constituents. In addition, ESG factors with a demonstrated ability to generate alpha based on historical back-testing are integrated into the stock selection models for our global quantitative active and global quantitative ESG equity funds.

**LEI 01.3**

If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

In terms of screening, our entire portfolio is screened for cluster munitions and landmines. As a result, the active fundamental mandates have a combination of company specific ESG analysis coupled with the portfolio wide screens, and the Thematic Public Equity Fund also utilizes a thematic approach in addition to screening and integration.

<b>LEI 02</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**LEI 02.1**

Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

**Type of ESG information**

- Raw ESG company data

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Company-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Sector-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Country-related analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Screened stock list

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- ESG issue-specific analysis or ratings

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Other, specify

<b>LEI 02.2</b>	Indicate whether you incentivise brokers to provide ESG research.
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Yes

<b>LEI 02.3</b>	Describe how you incentivise brokers.
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Our investment agent BCI provides feedback to brokers on its ESG research to demonstrate our interest in and demand for quality ESG research. BCI currently provides this feedback on an ad-hoc basis.

No

<b>LEI 03</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>LEI 03.1</b>	Indicate whether your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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- Engagement
  - We have a systematic process to ensure the information is made available.
  - We occasionally make this information available.
  - We do not make this information available.
- (Proxy) voting
  - We have a systematic process to ensure the information is made available.
  - We occasionally make this information available.
  - We do not make this information available.

<b>LEI 03.2</b>	Additional information. [Optional]
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The Board has delegated its voting rights to our investment agent, BCI, and instructs BCI to use shareholder engagement to encourage companies to focus on long-term value creation by effectively managing ESG risks that may emerge over time and materially affect the valuation of the company.

BCI professionals with a mandate to engage with public companies are situated in the Public Markets department along with portfolio managers. This allows for the exchange of information on engagement and voting in an informal manner and sometimes PMs will join an engagement as well.

ESG information, including engagement and proxy voting history, is also systematically provided to portfolio managers in every ESG review.

BCI also publicly discloses all of our proxy voting decisions. It also provides vote rationales for all shareholder proposals and when it votes against management. This information is disclosed soon after it is voted, and ahead of a company's annual general meeting. The searchable database, available on BCI's website, provides an account of our voting history going back at least five years.

## (A) Implementation: Screening

<b>LEI 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>LEI 04.1</b>	Indicate and describe the type of screening you apply to your internally managed active listed equities.
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### **Type of screening**

- Negative/exclusionary screening

#### **Screened by**

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description
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Our investment agent BCI has negative screens in place for cluster munitions and landmines across all asset classes.

- Positive/best-in-class screening
- Norms-based screening

<b>LEI 04.2</b>	Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.
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If the board changed its screening criteria, the board would communicate this to the plan's beneficiaries through the annual report, other official communications products, and the annual general meeting. Our investment agent BCI would communicate changes to us at our board or committee meetings.

<b>LEI 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>LEI 05.1</b>	Indicate which processes your organisation uses to ensure ESG screening is based on robust analysis.
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- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies.
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar.
- Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- Trading platforms blocking / restricting flagged securities on the black list.
- A committee, body or similar with representatives independent of the individuals who conduct company research reviews some or all screening decisions.
- A periodic review of internal research is carried out.
- Review and evaluation of external research providers.
- Other; specify
- None of the above

<b>LEI 05.2</b>	Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.
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- <10%
- 10-50%
- 51-90%
- >90%

**LEI 05.3** Indicate how frequently third party ESG ratings are updated for screening purposes.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

**LEI 05.4** Indicate how frequently you review internal research that builds your ESG screens.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

<b>LEI 06</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**LEI 06.1** Indicate which processes your organisation uses to ensure fund criteria are not breached.

- Systematic checks are performed to ensure that stocks meet the fund's screening criteria
- Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria
- Audits of fund holdings are undertaken regularly by internal audit function
- Periodic auditing/checking of the organisations RI funds by external party
- Other; specify
- None of the above

**LEI 06.2** If breaches of fund screening criteria are identified, describe the process followed to correct those breaches.

Our investment agent's compliance department monitors and alerts the Public Markets department of any identified breaches. Additionally, it determines the source of the error to prevent recurrence. If there is a breach, BCI undertakes action to correct.

## (B) Implementation: Thematic

<b>LEI 07</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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**LEI 07.1** Indicate the type of sustainability thematic funds or mandates your organisation manages.

- Environmentally themed funds
- Socially themed funds
- Combination of themes

<b>LEI 07.2</b>	Describe your organisation's processes relating to sustainability themed funds. [Optional]
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The board considers and approves participation in pooled funds of our investment agent, BCI. BCI offers products such as the actively-managed Thematic Public Equity Fund, which invests in long-term, strategic themes such as Energy Efficiency. As noted in the investment policy, the plan invests in this fund.

**(C) Implementation: Integration of ESG factors**

<b>LEI 08</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>LEI 08.1</b>	Indicate the proportion of actively managed listed equity portfolios where E, S and G factors are systematically researched as part of your investment analysis.
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ESG issues	Proportion impacted by analysis
Environmental	<div style="background-color: #0070C0; color: white; padding: 5px; display: flex; align-items: center;"> <span style="width: 20px; height: 20px; background-color: white; border: 1px solid white; margin-right: 5px;"></span> <span>Environmental</span> </div> <p> <input type="radio"/> &lt;10%  <input type="radio"/> 10-50%  <input type="radio"/> 51-90%  <input checked="" type="radio"/> &gt;90%         </p>
Social	<div style="background-color: #0070C0; color: white; padding: 5px; display: flex; align-items: center;"> <span style="width: 20px; height: 20px; background-color: white; border: 1px solid white; margin-right: 5px;"></span> <span>Social</span> </div> <p> <input type="radio"/> &lt;10%  <input type="radio"/> 10-50%  <input type="radio"/> 51-90%  <input checked="" type="radio"/> &gt;90%         </p>
Corporate Governance	<div style="background-color: #0070C0; color: white; padding: 5px; display: flex; align-items: center;"> <span style="width: 20px; height: 20px; background-color: white; border: 1px solid white; margin-right: 5px;"></span> <span>Corporate Governance</span> </div> <p> <input type="radio"/> &lt;10%  <input type="radio"/> 10-50%  <input type="radio"/> 51-90%  <input checked="" type="radio"/> &gt;90%         </p>

<b>LEI 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**LEI 09.1**

Indicate which processes your organisation uses to ensure ESG integration is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Third-party ESG ratings are updated regularly
- A periodic review of the internal research is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Analysis of the impact of ESG factors on investment risk and return performance
- Other; specify
- None of the above

**LEI 09.2**

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- <10%
- 10-50%
- 51-90%
- >90%

**LEI 09.3**

Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

**LEI 09.4**

Indicate how frequently you review internal research that builds your ESG integration strategy.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

**LEI 09.5**

Describe how ESG information is held and used by your portfolio managers.

- ESG information is held within centralised databases or tools, and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research were incorporated into investment decisions
- Other; specify
- None of the above



LEI 10	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 1
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEI 10.1** | Indicate which aspects of investment analysis you integrate material ESG information into.

- Economic analysis
- Industry analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

- Quality of management

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

- Analysis of company strategy

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

- Portfolio weighting
- Security sensitivity and/or scenario analysis
- Fair value/fundamental analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

- Other; specify

**LEI 10.2**

Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis.

- Adjustments to forecasted company financials (sales, operating costs, earnings, cash flows)
- Adjustments to valuation-model variables (discount rates, terminal value, perpetuity growth rates)
- Valuation multiples
- Other adjustments; specify

Our investment agent BCI assigns an investment score which is integrated into the fundamental analysis and generally includes a weighting based on an ESG score.

**LEI 10.4**

Describe the methods you have used to adjust the income forecast/valuation tool.

The ESG score impacts the fundamental analysis and not the income forecast/valuation tool.

### ESG incorporation in passively managed listed equities

**LEI 11**

**Mandatory to Report Voluntary to Disclose**

**Public**

**Descriptive**

**PRI 1**

**LEI 11.1**

Indicate if you manage passive listed equity funds that incorporate ESG factors in the index construction methodology.

- Yes
- No

**LEI 11.2**

Indicate the percentage of your total passive listed equity funds for which ESG factors are incorporated in the index construction methodology.

ESG incorporation in index construction methodology (% of total passive listed equity funds)

- <10%
- 10-50%
- 51-90%
- >90%

**LEI 11.3**

Specify index/fund name, provide a brief description of ESG methodology and indicate which of the following ESG incorporation strategies you apply.

- Index/fund 1

Index/fund name and brief description of ESG methodology	ESG incorporation strategy
Our investment agent BCI's Indexed Global ESG Fund is based on MSCI research/ratings which identify best in class companies for each sector, and MSCI has also factored in some exclusionary screens.	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration of ESG factors <input type="checkbox"/> Other

- Index/fund 2
- Index/fund 3
- Index/fund 4
- Index/fund 5

## Outputs and outcomes

LEI 12	Voluntary	Public	Descriptive	PRI 1
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LEI 12.1	Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.
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Screening

Describe any reduction in your starting investment universe or other effects.

The Indexed Global ESG Equity Fund reduces the universe by more than 50%, compared to the MSCI World Index. The Indexed Global ESG Equity Fund only represents approximately less than 1% of MPP's total public equity AUM as at December 31, 2019.

Specify the percentage reduction (+/- 5%)

%

50

- Thematic
- Integration of ESG factors

Select which of these effects followed your ESG integration.

- Reduce or prioritise the investment universe
  - Overweight/underweight at sector level
  - Overweight/underweight at stock level
  - Buy/sell decisions
  - Engagement / Voting
  - Other; specify
  - None of the above
- Index incorporating ESG factors (for passively managed funds)

# British Columbia Municipal Pension Plan

## Reported Information

### Public version

### Direct - Listed Equity Active Ownership

## PRI disclaimer

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## Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 01.1

Indicate whether your organisation has an active ownership policy (includes engagement and/or voting).

Yes

LEA 01.2

Attach or provide a URL to your active ownership policy.

Attachment provided:

URL provided:

URL

<https://www.bci.ca/approach/responsible-investing/>

LEA 01.3

Indicate what your active engagement policy covers:

General approach to Active Ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach

Engagement

- ESG issues
- Prioritisation of engagement
- Methods of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other; (specify)
- (Proxy) voting approach

Voting

- ESG issues
- Prioritisation and scope of voting activities
- Methods of voting
- Transparency of voting activities
- Regional voting practice approaches
- Filing or co-filing resolutions
- Company dialogue pre/post-vote
- Decision-making processes
- Securities lending processes
- Other; (specify)
- Other
- None of the above
- No

**LEA 01.4** Do you outsource any of your active ownership activities to service providers?

- Yes
- No

**LEA 01.6** Additional information [optional]

In 2019, our investment agent, BCI had five dedicated professionals focused on engagement, which includes proxy voting, direct dialogue with companies, collaborative engagements, and engagement with public policy makers and/or standard setters like industry associations. BCI's overall approach to engagement is fully described in the 2019 document, ESG Engagement in Public Markets: Our Priorities, Objectives and Processes, which identifies climate change and water, human rights, and governance as BCI's engagement priority areas.

Engagement

LEA 02	Mandatory	Public	Core Assessed	PRI 1,2,3
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**LEA 02.1** Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via service providers

**LEA 02.4** Additional information. [Optional]

Our investment agent views it as its responsibility to talk to and at times challenge companies and market participants about their policies and activities. BCI aims to provide positive influence, without placing unreasonable burdens on companies, while adhering to guidelines that reflect clients' input. BCI also believes that interacting with companies on ESG risks brings more insight to our investment decisions and that by encouraging companies to manage ESG risks we are minimizing our own investment risk in the long term.

<b>LEA 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 03.1** Indicate whether your organisation has a formal process for identifying and prioritising engagements.

Yes

**LEA 03.2** Indicate the criteria used to identify and prioritise engagements for each type of engagement.



Type of engagement	Criteria used to identify/prioritise engagements
Individual / Internal staff engagements	<div style="background-color: #0070C0; color: white; padding: 2px;"><b>Individual / Internal staff engagements</b></div> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Geography/market of the companies</li> <li><input checked="" type="checkbox"/> Materiality of the ESG factors</li> <li><input checked="" type="checkbox"/> Exposure (size of holdings)</li> <li><input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred</li> <li><input type="checkbox"/> Responses to divestment pressure</li> <li><input checked="" type="checkbox"/> Consultation with clients/beneficiaries</li> <li><input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)</li> <li><input checked="" type="checkbox"/> Follow-up from a voting decision</li> <li><input type="checkbox"/> Client request</li> <li><input checked="" type="checkbox"/> Breaches of international norms</li> <li><input type="checkbox"/> Other; (specify)</li> <li><input type="checkbox"/> We do not outline engagement criteria for our individual engagements</li> </ul>
Collaborative engagements	<div style="background-color: #0070C0; color: white; padding: 2px;"><b>Collaborative engagements</b></div> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Potential to enhance knowledge of ESG issues through other investors</li> <li><input checked="" type="checkbox"/> Ability to have greater impact on ESG issues</li> <li><input checked="" type="checkbox"/> Ability to add value to the collaboration</li> <li><input checked="" type="checkbox"/> Geography/market of the companies targeted by the collaboration</li> <li><input checked="" type="checkbox"/> Materiality of the ESG factors addressed by the collaboration</li> <li><input checked="" type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration</li> <li><input type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred</li> <li><input type="checkbox"/> Responses to divestment pressure</li> <li><input type="checkbox"/> Follow-up from a voting decision</li> <li><input type="checkbox"/> Alleviate the resource burden of engagement</li> <li><input checked="" type="checkbox"/> Consultation with clients/beneficiaries</li> <li><input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.)</li> <li><input type="checkbox"/> Other; (specify)</li> <li><input type="checkbox"/> We do not outline engagement criteria for our collaborative engagement providers</li> </ul>

No

**LEA 03.3** Additional information. [Optional]

Our investment agent BCI focuses on three areas that it views as being long-term, widespread business challenges and, therefore, a natural fit for an investor with an investment horizon that stretches forward many decades, including: climate change and water, human rights, and governance (i.e., board composition, voting rights and executive compensation). Each asset class also has focus areas that are unique to the sectors and companies in which it invests.

With these broad priorities established, BCI can identify targets for engagement through an annual portfolio assessment, which includes a review of the ESG performance of our top holdings. In addition, while conducting proxy voting activities, BCI actively tracks companies with which it plans to follow up based on their research and voting decisions. Outside of proactive engagements, BCI also meets with companies' management to raise ESG issues.

<b>LEA 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**LEA 04.1** Indicate whether you define specific objectives for your organisation's engagement activities.

Individual / Internal staff engagements	<input type="radio"/> All engagement activities <input checked="" type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by internal staff
Collaborative engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out through collaboration

**LEA 04.2** Additional information. [Optional]

Our investment agent has instituted an internal database to track engagement activity including all contacts and correspondence with a company. Using this database, BCI is able to track company progress.

<b>LEA 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**LEA 05.1** Indicate whether you monitor and/or review engagement outcomes.

Individual / Internal staff engagements	<input type="radio"/> Yes, in all cases <input checked="" type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our internal staff.
Collaborative engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out through collaboration.

**LEA 05.2** Indicate whether you do any of the following to monitor and/or review the progress of engagement activities.

Individual / Internal staff engagements	<input type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify
Collaborative engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify

**LEA 05.3** Additional information. [Optional]

Our investment agent BCI looks for policy changes and/or improvements in performance, and they utilize an internal database to track updates and/or the evaluation framework established by the PRI if it is a PRI collaboration.

<b>LEA 06</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2,4</b>
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**LEA 06.1** Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.

Yes

**LEA 06.2**

Indicate the escalation strategies used at your organisation following unsuccessful engagements.

- Collaborating with other investors
- Issuing a public statement
- Filing/submitting a shareholder resolution
- Voting against the re-election of the relevant directors
- Voting against the board of directors or the annual financial report
- Submitting nominations for election to the board
- Seeking legal remedy / litigation
- Reducing exposure (size of holdings)
- Divestment
- Other; specify

No

<b>LEA 07</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
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**LEA 07.1**

Indicate whether insights gained from your organisation’s engagements are shared with investment decision-makers.

Type of engagement	Insights shared
<b>Individual / Internal staff engagements</b>	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Collaborative engagements</b>	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No

**LEA 07.2**

Indicate the practices used to ensure that information and insights gained through engagements are shared with investment decision-makers.

- Involving investment decision-makers when developing an engagement programme
  - Holding investment team meetings and/or presentations
  - Using IT platforms/systems that enable data sharing
  - Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels
  - Other; specify
- Our investment agent BCI uses engagement specialists within the Public Markets team to systematically share engagement insights with investment teams in each company ESG review.
- None

**LEA 07.3**

Indicate whether insights gained from your organisation’s engagements are shared with your clients/beneficiaries.

Type of engagement	Insights shared
<b>Individual/Internal staff engagements</b>	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No
<b>Collaborative engagements</b>	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No

<b>LEA 07.4</b>	Additional information. [Optional]
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ESG engagement outcomes and KPIs are reported by the investment agent BCI to the Investment Committee regularly.

<b>LEA 08</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 2</b>
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<b>LEA 08.1</b>	Indicate whether you track the number of your engagement activities.
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Type of engagement	Tracking engagements
<b>Individual/Internal staff engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, we track the number of collaborative engagements in full <input type="radio"/> Yes, we partially track the number of our collaborative engagements <input type="radio"/> We do not track

### Outputs and outcomes

<b>LEA 09</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 09.1</b>	Indicate the proportion of companies in your listed equities portfolio with which your organisation engaged during the reporting year.
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	We did not complete any engagements in the reporting year.	Number of companies engaged (avoid double counting, see explanatory notes)	Proportion of companies engaged with, out of total listed equities portfolio
Individual / Internal staff engagements	<input type="checkbox"/>	83	3
Collaborative engagements	<input type="checkbox"/>	1188	35

**LEA 09.2**

Indicate the breakdown of engagements conducted within the reporting year by the number of interactions (including interactions made on your behalf).

No. of interactions with a company	% of engagements
<b>One interaction</b>	<input checked="" type="radio"/> >76% <input type="radio"/> 51-75% <input type="radio"/> 11-50% <input type="radio"/> 1-10% <input type="radio"/> None
<b>2 to 3 interactions</b>	<input type="radio"/> >76% <input type="radio"/> 51-75% <input checked="" type="radio"/> 11-50% <input type="radio"/> 1-10% <input type="radio"/> None
<b>More than 3 interactions</b>	<input type="radio"/> >76% <input type="radio"/> 51-75% <input type="radio"/> 11-50% <input checked="" type="radio"/> 1-10% <input type="radio"/> None
Total	<b>100%</b>

**LEA 09.3**

Indicate the percentage of your collaborative engagements in which you were the leading organisation during the reporting year.

Type of engagement	% leading role
Collaborative engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> None

<b>LEA 10</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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<b>LEA 10.1</b>	Indicate which of the following your engagement involved.
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- Letters and emails to companies
  - In a minority of cases
  - In a majority of cases
  - In all cases
- Meetings and/or calls with board/senior management
  - In a minority of cases
  - In a majority of cases
  - In all cases
- Meetings and/or calls with the CSR, IR or other management
  - In a minority of cases
  - In a majority of cases
  - In all cases
- Visits to operations
  - In a minority of cases
  - In a majority of cases
  - In all cases
- Visits to supplier(s) in supplier(s) from the company's supply chain
- Participation in roadshows
  - In a minority of cases
  - In a majority of cases
  - In all cases
- Other

<b>LEA 11</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<b>LEA 11.1</b>	Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.
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- Add Example 1

ESG Topic	<p><b>Diversity</b></p> <p><input type="checkbox"/> Executive Remuneration</p> <p><input type="checkbox"/> Climate Change</p> <p><input type="checkbox"/> Human rights</p> <p><input type="checkbox"/> Company leadership issues</p> <p><input type="checkbox"/> Pollution</p> <p><input type="checkbox"/> General ESG</p> <p><input checked="" type="checkbox"/> Diversity</p> <p><input type="checkbox"/> Shareholder rights</p> <p><input type="checkbox"/> Health and Safety</p> <p><input type="checkbox"/> Sustainability reporting</p> <p><input type="checkbox"/> Water risks</p> <p><input type="checkbox"/> Labour practices and supply chain management</p> <p><input type="checkbox"/> Anti-bribery and corruption</p> <p><input type="checkbox"/> Deforestation</p> <p><input type="checkbox"/> Aggressive tax planning</p> <p><input type="checkbox"/> Cyber security</p> <p><input type="checkbox"/> Other governance</p> <p><input type="checkbox"/> Plastics</p> <p><input type="checkbox"/> Other</p>
Conducted by	<p><input type="checkbox"/> Individual / Internal</p> <p><input checked="" type="checkbox"/> Collaborative</p>
Objectives	<p>Because Canadian regulators have not yet mandated the adoption of gender diversity policies and targets to improve female representation on corporate boards and in senior management, our investment agent BCI joined the 30% Club Canada and, as Chair of an investor group, lead a collaborative engagement with several asset owners and asset managers to engage with companies that lacked adequate gender diversity on their boards.</p>
Scope and Process	<p>Through direct engagement, our investment agent BCI reached out to 18 Canadian companies to discuss diversity at the board level. Engagement included face-to-face meetings and conference calls.</p> <p>As of 2019, the results are impressive and include the following improvements:</p> <ul style="list-style-type: none"> <li>• Nine distinct female board appointments have been made;</li> <li>• Nine diversity policies have been adopted;and</li> <li>• Six of these policies contain aspirational targets that boards have adopted.</li> </ul>
Outcomes	<p><input checked="" type="checkbox"/> Company changed practice</p> <p><input type="checkbox"/> Company committed to change</p> <p><input type="checkbox"/> Disclosure / report published</p> <p><input type="checkbox"/> Divestment</p> <p><input type="checkbox"/> Failed/no outcome</p>



	<input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other
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- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

<b>LEA 11.2</b>	Additional information. [Optional]
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BCI's engagement activities are disclosed in various publications, found here:  
<https://www.bci.ca/approach/responsible-investing/>

## (Proxy) voting and shareholder resolutions

<b>LEA 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
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<b>LEA 12.1</b>	Indicate how you typically make your (proxy) voting decisions.
-----------------	----------------------------------------------------------------

	Approach
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- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions.

	Based on
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- The service-provider voting policy we sign off on
- Our own voting policy
- Our clients' requests or policies
- Other (explain)
- We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions.
- We hire service providers who make voting decisions on our behalf.

**LEA 12.2**

Provide an overview of how you ensure that your agreed-upon voting policy is adhered to, giving details of your approach when exceptions to the policy are made.

All voting by our investment agent BCI is based on its custom voting policy and its staff is trained on how to implement the voting policy. Regular discussions within ESG team are held to ensure ongoing consistency with the voting policy. Exceptions are sometimes adopted for specific market practices (e.g. lower threshold for independence for Japanese companies) and are part of the training protocol. Exceptions are internally documented to ensure consistency across the voting team.

**LEA 14**

Voluntary

Public

Additional Assessed

PRI 2

**LEA 14.1**

Does your organisation have a securities lending programme?

Yes

**LEA 14.3**

Indicate how the issue of voting is addressed in your securities lending programme.

- We recall all securities for voting on all ballot items
  - We maintain some holdings, so that we can vote at any time
  - We systematically recall some securities so that we can vote on their ballot items (e.g., in line with specific criteria)
  - We recall some securities so that we can vote on their ballot items on an ad-hoc basis
  - We empower our securities-lending agent to decide when to recall securities for voting purposes
  - We do not recall our securities for voting purposes
  - Other (specify)
- No

**LEA 14.4**

Additional information. [Optional]

Our investment agent's default position is to recall all securities for the Canadian and U.S. markets for proxy voting purposes. For international markets, BCI maintains some shares so that it can vote all meetings. BCI's securities lending agent occasionally flags lending opportunities that would occur during voting events. The decision to not recall the securities is made by the Vice President, ESG, Public Markets after weighing the benefits of revenue maximization against longer term stewardship responsibilities.

**LEA 15**

Mandatory

Public

Descriptive

PRI 2

**LEA 15.1**

Indicate the proportion of votes participated in within the reporting year in which where you or the service providers acting on your behalf raised concerns with companies ahead of voting.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- Neither we nor our service provider(s) raise concerns with companies ahead of voting

**LEA 15.2**

Indicate the reasons for raising your concerns with these companies ahead of voting.

- Vote(s) concerned selected markets
- Vote(s) concerned selected sectors
- Vote(s) concerned certain ESG issues
- Vote(s) concerned companies exposed to controversy on specific ESG issues
- Vote(s) concerned significant shareholdings
- Client request
- Other

Explain
---------

Our investment agent BCI will sometimes communicate with companies when there are proxy contests or M+A activity, when the companies request it, or when BCI is engaging with them.

**LEA 16****Mandatory****Public****Core Assessed****PRI 2****LEA 16.1**

Indicate the proportion of votes where you, and/or the service provider(s) acting on your behalf, communicated the rationale to companies for abstaining or voting against management recommendations. Indicate this as a percentage out of all eligible votes.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers did not abstain or vote against management recommendations

**LEA 16.2**

Indicate the reasons why your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.

- Vote(s) concern selected markets
- Vote(s) concern selected sectors
- Vote(s) concern certain ESG issues
- Vote(s) concern companies exposed to controversy on specific ESG issues
- Vote(s) concern significant shareholdings
- Client request
- Other

**LEA 16.3**

In cases where your organisation does communicate the rationale for abstaining or voting against management recommendations, indicate whether this rationale is made public.

- Yes
- No

<b>LEA 16.4</b>	Additional information. [Optional]
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Our investment agent BCI will often convey its voting record directly to Canadian companies during meetings and in some cases (e.g. say-on-pay) via letters to the chair of the relevant board committee. In addition, BCI's public disclosure on proxy voting includes voting rationale for each vote against management and every shareholder proposal.

<b>LEA 17</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 17.1</b>	For listed equities in which you or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
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We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

97

	Specify the basis on which this percentage is calculated
--	----------------------------------------------------------

- Of the total number of ballot items on which you could have issued instructions
- Of the total number of company meetings at which you could have voted
- Of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

<b>LEA 17.2</b>	Explain your reason(s) for not voting on certain holdings
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- Shares were blocked
- Notice, ballots or materials not received on time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- Client request
- Other (explain)

<b>LEA 18</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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<b>LEA 18.1</b>	Indicate whether you track the voting instructions that you or your service provider on your behalf have issued.
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Yes, we track this information

**LEA 18.2**

Of the voting instructions that you and/or third parties on your behalf have issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	<div style="display: flex; align-items: center;"> <div style="width: 72%; height: 20px; background-color: #ccc; border: 1px solid #000;"></div> <div style="margin-left: 10px;">%</div> </div> <p>72</p>
Against (opposing) management recommendations	<div style="display: flex; align-items: center;"> <div style="width: 28%; height: 20px; background-color: #ccc; border: 1px solid #000;"></div> <div style="margin-left: 10px;">%</div> </div> <p>28</p>
Abstentions	<div style="display: flex; align-items: center;"> <div style="width: 0%; height: 20px; background-color: #ccc; border: 1px solid #000;"></div> <div style="margin-left: 10px;">%</div> </div> <p>0</p>

100%

No, we do not track this information

**LEA 18.3**

In cases where your organisation voted against management recommendations, indicate the percentage of companies which you have engaged.

5

<b>LEA 19</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**LEA 19.1**

Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.

- Yes
- No

**LEA 19.2**

Indicate the escalation strategies used at your organisation following abstentions and/or votes against management.

- Contacting the company's board
- Contacting the company's senior management
- Issuing a public statement explaining the rationale
- Initiating individual/collaborative engagement
- Directing service providers to engage
- Reducing exposure (holdings) / divestment
- Other

<b>LEA 20</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
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**LEA 20.1** Indicate whether your organisation, directly or through a service provider, filed or co-filed any ESG shareholder resolutions during the reporting year.

Yes

**LEA 20.2** Indicate the number of ESG shareholder resolutions you filed or co-filed.

Total number

3

No

**LEA 20.3** Indicate what percentage of these ESG shareholder resolutions resulted in the following:

Went to vote	% 67
Were withdrawn due to changes at the company and/or negotiations with the company	% 0
Were withdrawn for other reasons	% 33
Were rejected/not acknowledged by the company	% 0

Total

100%

**LEA 20.4** Of the ESG shareholder resolutions that you filed or co-filed and that were put to a vote (i.e., not withdrawn), indicate the percentage that received approval:

<20%

2

**LEA 20.5**

Describe the ESG shareholder resolutions that you filed or co-filed, and the outcomes achieved.

Along with several Canadian institutional investors, our investment agent BCI filed two shareholder proposals for 2019 annual meetings at Canadian companies, calling on them to adopt an advisory vote on executive compensation. Both proposals went to a vote in spring 2019.

BCI also co-filed a shareholder proposal at an American company, requesting adoption of a policy, and amendments to bylaws as needed, that requires the Chair of the Board of Directors be an independent member of the Board.

**LEA 20.6**

Describe whether your organisation reviews ESG shareholder resolutions filed by other investors.

Our investment agent BCI analyses shareholder proposals on a case-by-case basis to determine whether the proposal protects shareholders, increases their rights, or increases companies' management of ESG risks in a way that is not overly prescriptive or burdensome. In 2019, BCI supported 61% of all shareholder proposals. Broken down by ESG category, we supported 40% of environmental proposals, 80% of social-related proposals, and 61% of governance-related proposals.

<b>LEA 21</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
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**LEA 21.1**

Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.

 Add Example 1

ESG Topic	<p>Climate Change</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Executive Remuneration</li> <li><input checked="" type="checkbox"/> Climate Change</li> <li><input type="checkbox"/> Human rights</li> <li><input type="checkbox"/> Company leadership issues</li> <li><input type="checkbox"/> Pollution</li> <li><input type="checkbox"/> General ESG</li> <li><input type="checkbox"/> Diversity</li> <li><input type="checkbox"/> Shareholder rights</li> <li><input type="checkbox"/> Health and Safety</li> <li><input type="checkbox"/> Sustainability reporting</li> <li><input type="checkbox"/> Water risks</li> <li><input type="checkbox"/> Labour practices and supply chain management</li> <li><input type="checkbox"/> Anti-bribery and corruption</li> <li><input type="checkbox"/> Deforestation</li> <li><input type="checkbox"/> Aggressive tax planning</li> <li><input type="checkbox"/> Cyber security</li> <li><input type="checkbox"/> Political spending / lobbying</li> <li><input type="checkbox"/> Other governance</li> <li><input type="checkbox"/> Plastics</li> <li><input type="checkbox"/> Other</li> </ul>
Conducted by	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Individual/Internal</li> <li><input type="checkbox"/> Service provider</li> </ul>
Objectives	<p>Our investment agent BCI voted in favour of proposals at BP plc and FirstRand Ltd. At BP, the proposal requested additional disclosures to help investors better understand and assess how the company's strategy is aligned with the Paris climate agreement to limit global warming to two degrees Celsius or below, develop metrics and targets consistent with the Paris goals, and report out annually on progress on these two asks. At FirstRand, BCI voted on two climate related proposals: one asking the bank to assess its exposure to climate-related risks and another to disclose a policy on the bank's fossil fuel related lending activities. In both cases, it believed that the additional disclosures would help investors better understand and assess the effects of environmental risks on the companies' activities and longer-term financial results. The proposal at BP passed with 99.1% support, while the FirstRand proposal asking for an assessment received 33.4% support and the one asking for a policy passed with 99.9% support.</p>
Scope and Process	<p>Our investment agent BCI typically supports proposals that seek additional reporting when there is increasing regulatory pressure and when the proposed actions are likely to enhance a company's reputation as a market leader and its long-term ability to operate.</p>
Outcomes	<ul style="list-style-type: none"> <li><input type="checkbox"/> Company changed practice</li> <li><input type="checkbox"/> Company committed to change</li> <li><input checked="" type="checkbox"/> Disclosure / report published</li> <li><input type="checkbox"/> Divestment</li> </ul>



<input type="checkbox"/> Failed/no outcome <input type="checkbox"/> Increased understanding / information <input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Add Example 2

ESG Topic	<p><b>Human rights</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Executive Remuneration</li> <li><input type="checkbox"/> Climate Change</li> <li><input checked="" type="checkbox"/> Human rights</li> <li><input type="checkbox"/> Company leadership issues</li> <li><input type="checkbox"/> Pollution</li> <li><input type="checkbox"/> General ESG</li> <li><input type="checkbox"/> Diversity</li> <li><input type="checkbox"/> Shareholder rights</li> <li><input type="checkbox"/> Health and Safety</li> <li><input type="checkbox"/> Sustainability reporting</li> <li><input type="checkbox"/> Water risks</li> <li><input type="checkbox"/> Labour practices and supply chain management</li> <li><input type="checkbox"/> Anti-bribery and corruption</li> <li><input type="checkbox"/> Deforestation</li> <li><input type="checkbox"/> Aggressive tax planning</li> <li><input type="checkbox"/> Cyber security</li> <li><input type="checkbox"/> Political spending / lobbying</li> <li><input type="checkbox"/> Other governance</li> <li><input type="checkbox"/> Plastics</li> <li><input type="checkbox"/> Other</li> </ul>
Conducted by	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Individual/Internal</li> <li><input type="checkbox"/> Service provider</li> </ul>
Objectives	<p>Our investment agent BCI voted in favour of similar proposals at Macy's Inc. and Microchip Technology Inc. asking for a report from the board of directors on the company process for identifying and analyzing potential and actual human rights risks in its operations and supply chain. The Macy's proposal received 35.3% support and the Microchip Technology proposal passed with 50.6% support. The significant level of support signals that shareholders want to see increased transparency from companies around its efforts to enhance human rights due diligence in their operations and supply chains.</p>
Scope and Process	<p>BCI typically supports proposals that seek additional company reporting when it believes such disclosure will enhance its ability to assess the related risks.</p>
Outcomes	<ul style="list-style-type: none"> <li><input type="checkbox"/> Company changed practice</li> <li><input type="checkbox"/> Company committed to change</li> <li><input checked="" type="checkbox"/> Disclosure / report published</li> <li><input type="checkbox"/> Divestment</li> <li><input type="checkbox"/> Failed/no outcome</li> <li><input type="checkbox"/> Increased understanding / information</li> <li><input type="checkbox"/> Invested in company</li> </ul>

	<input type="checkbox"/> Ongoing <input type="checkbox"/> Voting <input type="checkbox"/> Other
--	-------------------------------------------------------------------------------------------------------

Add Example 3

ESG Topic	<p><b>Executive Remuneration</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Executive Remuneration</li> <li><input type="checkbox"/> Climate Change</li> <li><input type="checkbox"/> Human rights</li> <li><input type="checkbox"/> Company leadership issues</li> <li><input type="checkbox"/> Pollution</li> <li><input type="checkbox"/> General ESG</li> <li><input type="checkbox"/> Diversity</li> <li><input type="checkbox"/> Shareholder rights</li> <li><input type="checkbox"/> Health and Safety</li> <li><input type="checkbox"/> Sustainability reporting</li> <li><input type="checkbox"/> Water risks</li> <li><input type="checkbox"/> Labour practices and supply chain management</li> <li><input type="checkbox"/> Anti-bribery and corruption</li> <li><input type="checkbox"/> Deforestation</li> <li><input type="checkbox"/> Aggressive tax planning</li> <li><input type="checkbox"/> Cyber security</li> <li><input type="checkbox"/> Political spending / lobbying</li> <li><input type="checkbox"/> Other governance</li> <li><input type="checkbox"/> Plastics</li> <li><input type="checkbox"/> Other</li> </ul>
Conducted by	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Individual/Internal</li> <li><input type="checkbox"/> Service provider</li> </ul>
Objectives	<p>Our investment agent BCI has a history of compensation concerns at The Walt Disney Company, having voted against the advisory vote on executive compensation, or the election of Compensation Committee members, for a number of years. In 2019, BCI continued to hold concerns over the magnitude of the CEO's compensation arrangements, as well as the structure, and while the changes that the company made to Mr. Iger's compensation arrangements were sufficient for the say-on-pay proposal to pass, after failing in 2018, only 57% of shareholders supported the proposal. This is significantly below the average support levels of say-on-pay proposals in the US, which have been around 92% over the last 3 years.</p>
Scope and Process	<p>Our investment agent BCI's primary focus is on pay for performance - basing an executive's overall compensation on specific measurable incentives that motivate and reward improved long-term performance while discouraging undue risk taking.</p>
Outcomes	<ul style="list-style-type: none"> <li><input type="checkbox"/> Company changed practice</li> <li><input type="checkbox"/> Company committed to change</li> <li><input type="checkbox"/> Disclosure / report published</li> <li><input type="checkbox"/> Divestment</li> <li><input type="checkbox"/> Failed/no outcome</li> <li><input type="checkbox"/> Increased understanding / information</li> </ul>

<input type="checkbox"/> Invested in company <input type="checkbox"/> Ongoing <input checked="" type="checkbox"/> Voting <input type="checkbox"/> Other
------------------------------------------------------------------------------------------------------------------------------------------------------------------

- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

# British Columbia Municipal Pension Plan

## Reported Information

### Public version

### Direct - Fixed Income

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

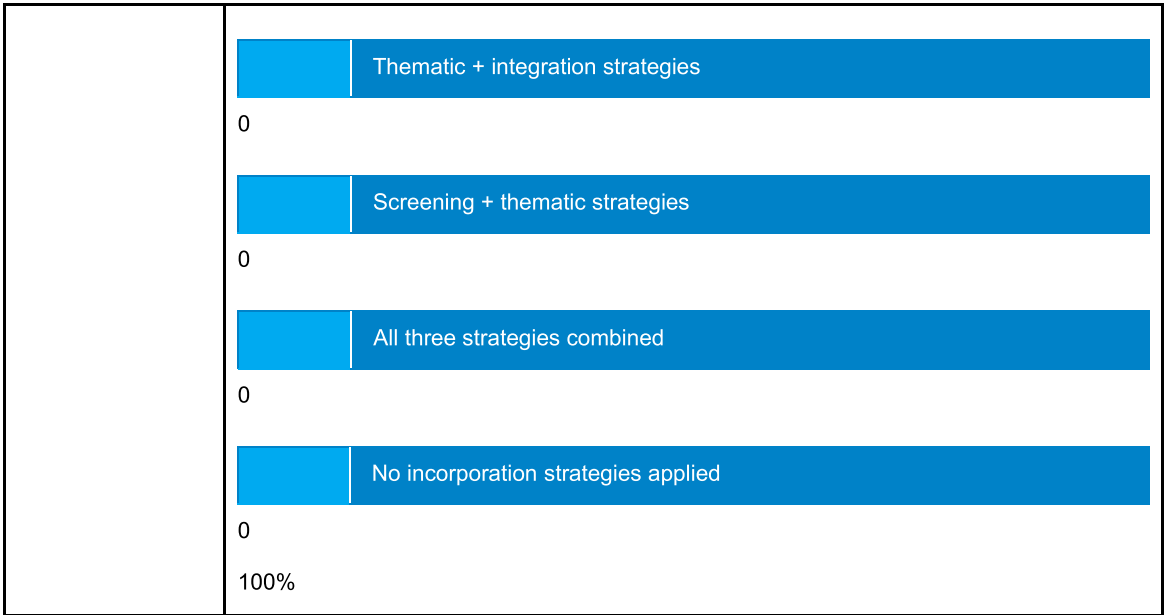
## ESG incorporation in actively managed fixed income

### Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

SSA	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0 100%
Corporate (financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100





Corporate (non-financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
		100%

**FI 01.2** Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

The combination of screening and integration of ESG factors is a critical component to identifying and managing the credit risk associated with the fixed income holdings. Screening from vendors provides an initial high-level overview of ESG issues with specific issuers. As BCI delves deeper into potential investment opportunities integration becomes a more critical component of the process and allows it to identify further issues and provide insights into the company's performance.

For mortgage holdings, BCI has developed a risk rating process that incorporates ESG factors as a contributor to the evaluation and pricing methodologies when identifying and managing credit risk. This process continues to evolve as new information becomes available. Integration of new strategies are tested and reviewed before implementation.

<b>FI 02</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**FI 02.1**

Indicate which ESG factors you systematically research as part of your analysis on issuers.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	
Environmental data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Social data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Governance data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

**FI 02.2**

Indicate what format your ESG information comes in and where you typically source it

- Raw ESG company data

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify

specify description

For BCI's Mortgage investments, BCI requires ESG data directly from its borrowers.

- ESG factor specific analysis

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- Issuer-level ESG analysis

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- Sector-level ESG analysis

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify
- Country-level ESG analysis

**Indicate who provides this information**

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – FI analyst, PM or risk team
- Other, specify

<b>FI 02.3</b>	Provide a brief description of the ESG information used, highlighting any differences in sources of information across your ESG incorporation strategies.
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For bonds and private credit, information from external ESG research providers and sell-side research is combined with in-house information and analysis from BCI's fixed income team and dedicated ESG team. As ESG information from sell-side credit analysis is sometimes limited while improving, BCI utilizes information from equity reports. A recent amalgamation of Fixed income and Public equities under a single Public Markets group has further enhanced the collaboration and sharing of information and analysis.

To conduct a carbon footprinting exercise for our fixed income corporate bonds (financial and non-financial) portfolio, BCI has entered into a contract in 2018 with a data provider, and arrangement has been ongoing in calendar year 2019.

<b>FI 02.4</b>	Additional information. [Optional]
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SSA-related: The materiality threshold of ESG considerations for BCI's current investable universe and for actual exposure to SSA credits does not trigger a high ESG risk profile. While our integration process for E, S and G could benefit from further formalization, PMs take ESG into consideration. Furthermore, credit rating agencies are now providing investors with enhanced transparency on their integration of ESG issues into the credit rating of SSA issuers.

<b>FI 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**FI 03.1** Indicate how you ensure that your ESG research process is robust:

- Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- Other, specify

specify description

ESG research by external providers is regularly benchmarked for quality against other providers.

- None of the above

**FI 03.2** Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is displayed on front office research platforms
- ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

**FI 03.3** Additional information. [Optional]

Our investment agent BCI integrates ESG, which is a component of its risk assessment and credit research, into its investment decision making process. For Private Credit, the ESG analysis is a required component of all investment recommendations and is integrated into its investment decision making process.

**(A) Implementation: Screening**

<b>FI 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 1</b>
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**FI 04.1** Indicate the type of screening you conduct.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Positive/best-in-class screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Norms-based screening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**FI 04.2** Describe your approach to screening for internally managed active fixed income

Across our investment agent BCI's assets including Fixed Income, BCI excludes from its investment universe companies whose activities would violate the Anti-Personnel Landmines Convention or the Convention on Cluster Munitions.

For positive/best-in-class screening, BCI tracks the investable universe of green/social/sustainable bonds and when an issuance meets the investment criteria from a credit and valuation perspective, BCI assess the bond framework, second/third party opinion or certification and overall sustainability disclosure of the issuer to opine on positive E&S impacts. In addition, in the corporate (non-financial) investment grade space, BCI will identify companies that obtain high scores to the CDP disclosure frameworks.

<b>FI 05</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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**FI 05.1** Provide examples of how ESG factors are included in your screening criteria.

- Example 1

Type of fixed income
<input checked="" type="checkbox"/> SSA <input checked="" type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)
ESG factors
<input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input type="checkbox"/> Governance
Screening
<input checked="" type="checkbox"/> Negative/ exclusionary <input type="checkbox"/> Positive/ best-in-class
Description of how ESG factors are used as the screening criteria
<p>Our investment agent BCI screens investments to exclude companies or state-owned companies/agencies whose activities would violate the Anti-Personnel Landmines Convention or the Convention on Cluster Munitions. This is applicable to all asset classes.</p>

- Example 2  
 Example 3

Type of fixed income
<input checked="" type="checkbox"/> SSA <input checked="" type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)
ESG factors
<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input type="checkbox"/> Governance
Screening
<input type="checkbox"/> Negative/ exclusionary <input checked="" type="checkbox"/> Positive/ best-in-class
Description of how ESG factors are used as the screening criteria
<p>BCI tracks the investable universe of green/social/sustainable bonds and we assess the positive environmental and/or social impacts of such instruments. Positive impacts are factored into our buy, hold and/or overweight investment decisions.</p>

Example 4



Type of fixed income
<input type="checkbox"/> SSA <input type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)
ESG factors
<input checked="" type="checkbox"/> Environmental <input type="checkbox"/> Social <input type="checkbox"/> Governance
Screening
<input type="checkbox"/> Negative/ exclusionary <input checked="" type="checkbox"/> Positive/ best-in-class
Description of how ESG factors are used as the screening criteria
<p>BCI screens best practices for investment grade corporate issuers in the energy sector on their scores to the CDP reporting frameworks. Above average and best-in-class scores are factored into our buy, hold and/or overweight investment decisions.</p>

Example 5

Type of fixed income
<input checked="" type="checkbox"/> SSA <input checked="" type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)
ESG factors
<input type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
Screening
<input checked="" type="checkbox"/> Negative/ exclusionary <input type="checkbox"/> Positive/ best-in-class
Description of how ESG factors are used as the screening criteria
<p>BCI screens bond issuers based on level of governance related controversies and/or poor performance and this is reflected into our exclude, sell and/or underweight investment decisions.</p>

FI 06	Mandatory	Public	Core Assessed	PRI 1
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FI 06.1	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.
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Type of screening	Checks
<b>Negative/exclusionary screening</b>	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div style="background-color: #0070C0; color: white; padding: 2px; margin-top: 5px;">other description</div> <p>Our investment agent BCI's exclusion list for Landmines and Cluster Munitions is communicated and shared with all investment staff.</p> <input type="checkbox"/> None of the above
<b>Positive/best-in-class screening</b>	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

### (C) Implementation: Integration

FI 10	Mandatory	Public	Descriptive	PRI 1
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**FI 10.1** Describe your approach to integrating ESG into traditional financial analysis.

ESG is a component of our investment agent BCI's risk analysis and credit research and is integrated into its investment decision making process. BCI's fixed income teams (including bond and private credit but excluding mortgages) have recently increased engagement with the team of dedicated ESG professionals to improve its understanding and integration of evolving ESG issues. Even when ESG factors are not sufficient to warrant an exclusion of issuers and companies, BCI assess as part of the research process the potential for ESG factors to produce negative credit outcomes. In credit research, BCI is much more focused on potential negative outcomes as part of the process irrespective of if potential outcomes are ESG related or not due to the asymmetric nature of the asset class. BCI also tracks and assess controversies related to ESG issues. In 2019, BCI had implemented a portfolio monitoring process that tracks daily negative news coverage for issuers in the portfolios.

**FI 10.2** Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.

## SSA

Our investment agent BCI's SSA investments are predominantly limited to bonds issued by the Canadian federal government, provinces, municipalities and agencies or denominated in Canadian dollars. Credit rating agencies (CRAs) have increased the transparency of ESG integration into their ratings. BCI feels that governance and social factors that are material to credit worthiness are mostly captured by the CRAs, as well as priced in. While PMs consider environmental factors, in their own opinion, BCI's processes could benefit from further formalization, especially should they consider new SSA issuers beyond their current exposure.

## Corporate (financial)

Our investment agent BCI leverages some third party ESG providers as a general approach, and leverage sell-side research provider that we consider to have a strong ESG framework. Furthermore, for higher materiality issues in the bond space, BCI's Public Markets ESG team is engaged for in-house views and reviews.

## Corporate (non-financial)

Our investment agent BCI, leverages some third party ESG providers as a general approach, and leverage sell-side research that BCI considers to have a strong ESG framework. Furthermore, for higher materiality issues in the bond space, BCI's Public Markets ESG team is engaged for in-house views and reviews.

For Private Credit, all new potential investments seek an ESG review from BCI's in-house team no matter the materiality threshold. When opportunities arise, BCI performs an initial assessment of the creditworthiness of a borrower. If the opportunity passes this initial test, it is then subjected to more intensive due diligence, including ESG considerations, and ultimately presented to a formal credit committee that approves the investment. Each investment recommendation includes an ESG section. BCI has passed on certain investments due to ESG concerns

FI 11

Mandatory

Public

Core Assessed

PRI 1

FI 11.1

Indicate how ESG information is typically used as part of your investment process.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is used to adjust the internal credit assessments of issuers.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is used to adjust forecasted financials and future cash flow estimates.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis impacts the ranking of an issuer relative to a chosen peer group.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis is integrated into portfolio weighting decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, specify in Additional Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

FI 11.2

Additional information [OPTIONAL]

To facilitate our investment agent's reporting in line with TCFD recommendations, BCI calculates a carbon footprint of our corporate bond portfolio (financial and non-financial). The overall carbon footprint is compared to that of the performance benchmark.

FI 12

Mandatory

Public

Additional Assessed

PRI 1

FI 12.1

Indicate the extent to which ESG issues are reviewed in your integration process.

	Environment	Social	Governance
SSA	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

**FI 12.2** Please provide more detail on how you review E, S and/or G factors in your integration process.

**SSA**

ESG forms a key part in the risk assessment section of our investment agent's credit research reports that evaluate the credit worthiness of issuers.

**Corporate (financial)**

ESG forms a key part in the risk assessment section of our investment agent's credit research reports that evaluate the credit worthiness of issuers. Even when ESG factors are not sufficient to warrant an exclusion of a corporate issuer, BCI assess as part of their research process the potential for ESG factors to produce negative credit outcomes. Generally, in credit research BCI is much more focused on potential negative outcomes as part of their process irrespective of if potential outcomes are ESG related or not due to the asymmetric nature of the asset class generally.

**Corporate (non-financial)**

The board has recently made an allocation to the private debt asset class. When opportunities arise, BCI performs an initial assessment of the creditworthiness of a borrower. If the opportunity passes this initial test, it is then subjected to more intensive due diligence, including ESG considerations, and ultimately presented to a formal credit committee that authorizes the investment. An ESG section is a required component of all investment recommendations that come to BCI's internal credit committee.

## Fixed income - Engagement

FI 14	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
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FI 14.1

Indicate the proportion of your fixed income assets on which you engage. Please exclude any engagements carried out solely in your capacity as a shareholder.

Category	Proportion of assets
<b>SSA</b>	<p> <input type="radio"/> &gt;50%  <input type="radio"/> 26-50%  <input checked="" type="radio"/> 5-25%  <input type="radio"/> More than 0%, less than 5%                 </p> <div style="background-color: #0072bc; color: white; padding: 5px;"> <p><b>FI 14.2</b> Indicate your motivations for conducting engagement (SSA fixed income assets).</p> </div> <p> <input type="checkbox"/> To gain an understanding of ESG strategy and/or management  <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure  <input type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue                 </p>
<b>Corporate (financial)</b>	<p> <input type="radio"/> &gt;50%  <input type="radio"/> 26-50%  <input checked="" type="radio"/> 5-25%  <input type="radio"/> More than 0%, less than 5%                 </p> <div style="background-color: #0072bc; color: white; padding: 5px;"> <p><b>FI 14.2</b> Indicate your motivations for conducting engagement (Corporate, Financial fixed income assets)</p> </div> <p> <input type="checkbox"/> To gain an understanding of ESG strategy and/or management  <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure  <input type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue                 </p>
<b>Corporate (non-financial)</b>	<p> <input type="radio"/> &gt;50%  <input type="radio"/> 26-50%  <input checked="" type="radio"/> 5-25%  <input type="radio"/> More than 0%, less than 5%                 </p> <div style="background-color: #0072bc; color: white; padding: 5px;"> <p><b>FI 14.2</b> Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets)</p> </div> <p> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management  <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure  <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue                 </p>

FI 14.3

Additional information.[OPTIONAL]

Our investment agent BCI mostly only engages with bond issuers, and its responses here are specific to such issuers. BCI's influence as a fixed income bond investor varies pre- or post-issuance, and depending on the type of issuer. Engaging as a bondholder requires BCI to consider which ESG factors have the greatest potential to translate into credit risks, the timing of engagements, and the consistency of the messages across the two asset classes.

BCI would like to qualify its response to our engagement approach with SSAs. While it does not engage with SSA issuers post issuance, it has a history of many interactions with governmental organisations at the federal and provincial levels in Canada through policy engagement. BCI has have proactively and reactively engaged on many E, S and G topics, mostly related to the need for improved/increased ESG disclosure on the topics of human rights, climate risk and gender diversity to only name a few. BCI's engagements have reached federal and provincial ministries as well as various agencies in Canada.

Two related examples of proactive direct and collaborative engagements with SSA issuers, or potential issuers, is BCI's active participation in the development of a Canadian Transition Finance Taxonomy, under the umbrella of the Canadian Standards Association Group. A key objective of this initiative is to develop a framework for the issuance of transition related fixed income instruments. Some members of the initiative's Technical Committee are representatives of Canadian SSA issuers. This initiative is a direct response to the final recommendations of the Expert Panel on Sustainable Finance in Canada. The Panel was jointly appointed by Canada's Minister of Environment and Climate Change and Minister of Finance. Recommendation 9 addresses the need to "Expand Canada's green fixed income market, and set a global standard for transition-oriented financing". In January 2019, BCI provided a submission to the Expert Panel interim report and they took part in two roundtables to better inform the panel on the submission.

FI 15	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1,2
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

FI 15.1

Indicate how you typically engage with issuers as a fixed income investor, or as both a fixed income and listed equity investor. (Please do not include engagements where you are both a bondholder and shareholder but engage as a listed equity investor only.)

Select all that apply

Type of engagement	SSA	Corporate (financial)	Corporate (non-financial)
Individual/Internal staff engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Collaborative engagements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Service provider engagements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.2

Indicate how your organisation prioritises engagements with issuers.

Select all that apply



	SSA	Corporate (financial)	Corporate (non-financial)	
Size of holdings	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Credit quality of the issuer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Duration of holdings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Quality of transparency on ESG	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Specific markets and/or sectors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Specific ESG themes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Issuers in the lowest ranks of ESG benchmarks	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Issuers in the highest ranks of ESG benchmarks	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Specific issues considered priorities for the investor based on input from clients and beneficiaries	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**FI 15.3**

Indicate when your organisation conducts engagements with issuers.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)
We engage pre-investment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We engage post-investment.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage proactively in anticipation of specific ESG risks and/or opportunities.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage in reaction to ESG issues that have already affected the issuer.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage prior to ESG-related divestments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**FI 15.4**

Indicate what your organisation conducts engagements with issuers on.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)
We engage on ESG risks and opportunities affecting a specific bond issuer or its issuer.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage on ESG risks and opportunities affecting the entire industry or region that the issuer belongs to.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
We engage on specific ESG themes across issuers and industries (e.g., human rights).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**FI 15.5**

Indicate how your organisation ensures that information and insights collected through engagement can feed into the investment decision-making process.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)
Ensuring regular cross-team meetings and presentations.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sharing engagement data across platforms that is accessible to ESG and investment teams.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Encouraging ESG and investment teams to join engagement meetings and roadshows.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Delegating some engagement dialogue to portfolio managers/credit analysts.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Involving portfolio managers when defining an engagement programme and developing engagement decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Establishing mechanisms to rebalance portfolio holdings based on levels of interaction and outcomes of engagements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Considering active ownership as a mechanism to assess potential future investments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We do not ensure that information and insights collected through engagement can feed into the investment decision-making process.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 16	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1,2
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**FI 16.1** Indicate if your publicly available policy documents explicitly refer to fixed income engagement separately from engagements in relation to other asset classes.

Yes

**FI 16.2** Please attach or provide a URL to your fixed income engagement policy document. [Optional]

URL

<https://www.bci.ca/wp-content/uploads/2018/02/bci-esgengagement.pdf>

No

FI 16.3

Additional information [OPTIONAL]

Our investment agent BCI has a publicly available document on ESG Engagement in Public Markets covers both the Listed Equities and Fixed Income asset classes. Extract from document: "BCI's engagement program for equity holdings is very well developed; we are now engaging as a bondholder as well. Engaging as a bondholder requires us to consider which ESG factors have the greatest potential to translate into credit risk, the timing of our engagements, and the consistency of our expectations across the two asset classes."

**Outputs and outcomes**

FI 17	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	General
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FI 17.1

Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or performance.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	
We measure whether incorporating ESG impacts portfolio risk.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
We measure whether incorporating ESG impacts portfolio returns.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
We measure the ESG performance/profile of portfolios (relative to the benchmark).	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
None of the above	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FI 17.2

Describe how your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance. [OPTIONAL]

Impact on returns: Our investment agent BCI, believes incorporating ESG considerations will add to long-term value, but it is difficult to quantify performance and outcomes. ESG performance: During the reporting year, BCI calculated the carbon footprint of its fixed income corporate bond portfolio (not including SSA bond exposure), and compared the results to that of the performance benchmark.

# British Columbia Municipal Pension Plan

## Reported Information

Public version

Direct – Private Equity

## PRI disclaimer

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## Overview

PE 02	Mandatory	Public	Core Assessed	PRI 2
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### PE 02.1

Indicate whether your organisation's investment activities are guided by a responsible investment policy / follow responsible investment guidelines.

- Our investment activities are guided by a responsible investment policy

### PE 02.2

Describe how your organisation outlines expectations on staff and portfolio companies' approach towards ESG issues in investment activities.

Consistent with our investment policy, our investment agent BCI has a corporate responsible investing approach and there is a requirement to incorporate ESG into investment decision making that resides within the asset class. The private equity team includes ESG considerations in all principal and fund investments made. Investment Strategy and Risk also completes an independent ESG risk review for all large, direct deals. Additionally, ESG risks are monitored on an on-going basis in positions with which BCI has board representatives.

- Our investment activities are not guided by a responsible investment policy
- We do not have a responsible investment policy

## Pre-investment (selection)

PE 05	Mandatory	Public	Gateway	PRI 1
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### PE 05.1

During due-diligence indicate if your organisation typically incorporates ESG issues when selecting private equity investments.

- Yes

### PE 05.2

Describe your organisation's approach to incorporating ESG issues in private equity investment selection.

Our investment agent BCI's Investments in private equity are often made with a long-term outlook. As ESG issues can develop over time and affect companies, sectors and regions, assessing these factors is integral to its due diligence process for examining opportunities. In addition to financial performance, it assess the governance model of the prospective acquisition and commission detailed reports on legal, environmental, regulatory, and social factors. Potential risks are incorporated into its investment strategy. Depending on our ownership position, it may also play a more active role in addressing these risks with the companies. The ESG performance of the investment agent's private equity portfolio is reviewed with the investment committee as part of an annual asset class review.

- No

PE 06	Mandatory	Public	Core Assessed	PRI 1,3
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**PE 06.1**

Indicate what type of ESG information your organisation typically considers during your private equity investment selection process.

- Raw data from target company
- Benchmarks against other companies
- Sector level data/benchmarks
- Country level data/benchmarks
- Reporting standards, industry codes and certifications
- International initiatives, declarations or standards
- Engagements with stakeholders (e.g. customers and suppliers)
- Advice from external resources
- Other, specify
- We do not track this information

**PE 06.2**

Describe how this information is reported to, considered and documented by the Investment Committee or similar.

All of our investment agent BCI's internal investment memos include a section on ESG considerations. The content will be situation specific, depending on the nature of items uncovered during the due diligence process and what material ESG issues are identified. In some cases ESG factors will be considered to have a limited impact and in others there may be specific areas flagged with additional work performed. The due diligence can be completed by BCI, our partner or have external expert advisors commissioned.

<b>PE 07</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
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**PE 07.1**

During deal structuring, what is the process for integrating ESG-related considerations into the deal documentation and/or the post-investment action plan?.

Yes

If yes

- Formally/through a post-investment action plan or value enhancement plan
- Verbally/through dialogue
- Other, specify

**PE 07.2**

Describe the nature of these improvements and provide examples (if any) from the reporting year

This is situation specific and will address items uncovered during the due diligence phase and that will be addressed to meet industry best practices.

Through their board presence, our investment agent BCI continuously works with partners and the executive team to establish strategic direction and improve reporting. In a recent board strategic planning session (for a company in BCI's portfolio) several ESG initiatives were discussed for consideration, including: exploring a carbon offset program, converting equipment from propane to electric, mandatory anti-bribery/corruption & harassment training.

We do not set expectations for portfolio companies on ESG-related considerations

PE 08	Voluntary	Public	Additional Assessed	PRI 1
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**PE 08.1** Indicate how ESG issues impacted your private equity investment selection processes during the reporting year.

- ESG issues helped identify risks
- ESG issues helped identify opportunities for value creation.
- ESG issues led to the abandonment of potential investments.
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- We do not track this potential impact

**PE 08.2** Indicate how ESG issues impacted your private equity investment deals during the reporting year.

- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues were included in the post-investment action plan/100-day plan
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- We do not track this potential impact

**Post-investment (monitoring)**

PE 09	Mandatory	Public	Gateway/Core Assessed	PRI 2
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**PE 09.1** Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.

- Yes

**PE 09.2** Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies

(in terms of total number of portfolio companies)

**PE 09.3** Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.

**ESG issues**



- Environmental
- Social
- Governance
- We do not set and/or monitor against targets

No

**PE 09.4** Additional information. [Optional]

Our investment agent BCI's private equity team is rolling out ESG KPI collection on principal investments in 2020.

<b>PE 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**PE 10.1** Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).

- Yes
- No

**PE 10.3** Additional information. [Optional]

According to our investment agent BCI, this is identified and addressed during the due diligence phase. The majority of portfolio companies will have such policies, but no central tracking is done to determine the proportion of portfolio companies. This is under consideration for the roll out of ESG KPI's in 2020.

<b>PE 11</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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**PE 11.1** Indicate the types of actions taken by your portfolio companies to incorporate ESG issues into operations and what proportion of your portfolio companies have implemented these actions.

**Types of actions taken by portfolio companies**

- Allocate responsibility for ESG issues to board/senior management

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

(in terms of total number of portfolio companies)

- Composition of board ensure ESG expertise
- Consider ESG issues in risk management processes

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

(in terms of total number of portfolio companies)

- Define performance targets for applicable ESG issues in operations

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

(in terms of total number of portfolio companies)

- Identify and engage external parties or stakeholders that could add value or decrease risk through ESG issues

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

- Developing/implementing an environmental/social management system (ESMS) or similar

- Other actions, specify

**Implemented by percentage of portfolio companies**

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- We do not track this information

(in terms of total number of portfolio companies)

- None of the above

PE 11.2

Describe how your organisation contributes to the portfolio companies' resourcing and management of ESG issues.

When our investment agent BCI holds a board seat, it is able to address ESG issues, when required. In the current year a gap analysis was completed on five portfolio companies to ensure that key ESG risks were identified and being reported on. In this case no significant deficiencies were identified, but if they were they would be communicated to management to ensure the correct actions and reporting are put in place.

On co-investments with observer rights, BCI reviews board and management information for ESG issues. Otherwise, BCI ensures that appropriate checks and balances are put in place at the onset of the investment. BCI does this by co-investing with pre-established in-direct Investment Managers the organisation has already diligenced and therefore reviewed that manager's ESG policies and procedures.

PE 12

Voluntary

Public

Descriptive

PRI 2,3

PE 12.1

Indicate the type and frequency of reports you request and/or receive from portfolio companies covering ESG issues.

**Type of reporting**

- Overarching portfolio company reports (or similar) where management disclosure, financial and ESG data are integrated

**Typical reporting frequency**

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify
- Standalone reports highlighting targets and/or KPIs covering ESG issues
- Other, specify  
Company specific. Combination of standalone reports and overarching reports

**Typical reporting frequency**

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify  
Depends on the nature of the issue/factor being followed up on.
- No reporting on ESG issues requested and/or provided by portfolio companies

<b>PE 12.2</b>	Describe what level of reporting you require from portfolio companies, and indicate what percentage of your assets are covered by ESG reporting.[OPTIONAL]
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When our investment agent BCI holds a board seat, it is able to address ESG issues, when required. Board reports include sections on ESG where the risk is deemed relevant.

Otherwise, BCI ensures that appropriate checks and balances are put in place at the onset of the investment. BCI does this by co-investing with pre-established indirect Investment Managers the organisation has already diligenced and has therefore reviewed that manager's ESG policies and procedures.

<b>PE 13</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 2</b>
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<b>PE 13.1</b>	Indicate whether during the reporting year your organisation disclosed information on ESG issues to potential buyers prior to exit for private equity investments.
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- We included ESG issues in pre-exit information
- We did not include ESG issues in pre-exit information
- N/A, we did not have any exits in the reporting year

<b>PE 13.2</b>	Apart from disclosure, describe how your organisation considers ESG issues at exit.
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The only principal investment exits in 2019 were in a passive co-investment.

## Outputs and outcomes

<b>PE 14</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1,2</b>
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<b>PE 14.1</b>	Indicate whether your organisation measures how your approach to responsible investment in Private Equity investments has affected financial and/or ESG performance.
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- We measure whether our approach to ESG issues impacts the financial performance of investments
- We measure whether our approach to ESG issues impacts the ESG performance of investments
- None of the above

<b>PE 14.2</b>	Describe how you are able to determine these outcomes.
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As ESG KPIs are deal specific, it is difficult to adopt a standardized tool to measure ESG impact. Further, our investment agent BCI typically invests in portfolio companies with strong ESG practices.

<b>PE 15</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1,2</b>
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<b>PE 15.1</b>	Provide examples of ESG issues that you identified in your potential and/or existing private equity investments during the reporting year.
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- Add Example 1

Investment Stage	<input type="checkbox"/> Initial screening <input type="checkbox"/> Due diligence <input type="checkbox"/> Investment decision <input checked="" type="checkbox"/> Investment monitoring <input type="checkbox"/> Prior to exit
ESG issues	<div style="background-color: #0070C0; color: white; padding: 2px; display: inline-block;">ESG issues</div> <input checked="" type="checkbox"/> Environmental <p>The Board of a direct co-investment is considering a carbon offset program as well as converting small duty equipment to electric from propane.</p> <input type="checkbox"/> Social <input type="checkbox"/> Governance
Sector(s)	Industrial
Impact (or potential impact) on the investment	The carbon offset program will be considered to be a core offering for customers. Further analysis on potential impact on the business is currently being conducted. Additionally, some capital expenditure required to convert small equipment from propane to electricity but overall a positive environmental impact and long term savings.
Activities undertaken to influence the investment and its response	The considerations, risks and costs were evaluated as part of the long-term profitability.

Add Example 2

Investment Stage	<input checked="" type="checkbox"/> Initial screening <input type="checkbox"/> Due diligence <input type="checkbox"/> Investment decision <input type="checkbox"/> Investment monitoring <input type="checkbox"/> Prior to exit
ESG issues	<div style="background-color: #0070C0; color: white; padding: 2px;">ESG issues</div> <input type="checkbox"/> Environmental <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance A potential minority acquisition where BCI would have a different entry point than the partner and management
Sector(s)	Consumer
Impact (or potential impact) on investment	A significant minority investment opportunity where BCI would have board representation and minority right which included minimum return thresholds.
Activities undertaken to influence the investment and its response	The opportunity was ultimately not pursued.

Add Example 3

Investment Stage	<input type="checkbox"/> Initial screening <input checked="" type="checkbox"/> Due diligence <input type="checkbox"/> Investment decision <input type="checkbox"/> Investment monitoring <input type="checkbox"/> Prior to exit
ESG issues	<div style="background-color: #0070C0; color: white; padding: 5px;">ESG issues</div> <input checked="" type="checkbox"/> Environmental While delicensing a sizable co-investment it was determined there were environmental concerns around chemicals and potential contamination. <input type="checkbox"/> Social <input type="checkbox"/> Governance
Sector(s)	Industrials
Impact (or potential impact) on investment	An environmental advisor was appointed to complete an assessment during due diligence. Overall, it was determined that the company complies, and often exceeds, government regulations and operates in line with industry participants. No material liabilities that would have potentially impacted the purchase price were identified. It was also noted that the company has a strategy going forward to mitigate any future environmental issues.
Activities undertaken to influence the investment and its response	As mentioned above an advisor was appointed during diligence by BCI and its partner. No material issues were identified during the diligence period.

Add Example 4

Add Example 5

**PE 15.2**

Describe how you define and evaluate the materiality of ESG factors.

On direct company investments ESG factors are documented and discussed during pre-investment diligence, monitored post acquisition at the company board level and any material factors are escalated internally within BCI. In addition, BCI incorporates an ESG risk update during quarterly tearsheets and within its Co-Investment Annual Investment Review process.

BCI uses SASB and other industry specific standards and guidelines to initially assess and determine materially relevant ESG issues to new deals.

# British Columbia Municipal Pension Plan

## Reported Information

Public version

Direct - Property

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## Overview

PR 01	Mandatory	Public	Core Assessed	PRI 1-6
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**PR 01.1** Indicate if your organisation has a Responsible Property Investment (RPI) policy.

Yes

**PR 01.2** Provide a URL or attach the document

URL

<http://read.uberflip.com/i/605664-an-overview-of-bcis-approach-to-responsible-investing>

Attach Document

No

**PR 01.3** Provide a brief overview of your organisation's approach to responsible investment in property, and how you link responsible investment in property to your business strategy. [Optional]

Our investment agent BCI's approach to responsible property investment enhances the desirability, marketability, longevity and competitiveness of property investments (and the communities in which its located), contributing to and enhancing stable cash flows and investment returns.

Where possible the goal is to have all properties be environmentally friendly, energy efficient, barrier free, tenant friendly, and to have both design and function that are compatible with community standards. The ESG performance of the investment agent's real estate portfolio is reviewed as part of an annual asset class review.

QuadReal, a company created and 100 per cent owned by BCI, is required to adopt policies and implement procedures in all material aspects to generally comply with best practices, to carry on ethical business conduct and to promote fair dealing, including, without limitation, with respect to governance, social and environmental activities.

**QuadReal's commitment to sustainability and responsible property investment:**

- QuadReal aims to deliver prudent growth and strong investment returns, and to create and sustain environments that bring value to the people and communities it serves. Now and for generations to come.
- QuadReal's sustainability strategy follows four key pathways: being efficient with respect to energy, water and waste; promoting the health and wellness of the people living and working in our buildings; proudly supporting the communities in which we operate; and actively building a culture of innovation.
- QuadReal strives to have all buildings that it directly manages green certified, typically to LEED or BOMA BEST. It also publicly reports its key impacts, in line with its commitment to being open and transparent. QuadReal aims to be a global sustainability leader, and challenges itself to improve every day. QuadReal is focused on excellence, and is committed to exceeding the sustainability expectations of its tenants, employees, and communities.

## Pre-investment (selection)

PR 04	Mandatory	Public	Gateway/Core Assessed	PRI 1
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PR 04.1

Indicate if your organisation typically incorporates ESG issues when selecting property investments.

Yes

PR 04.2

Provide a description of your organisation's approach to incorporating ESG issues in property investment selection.

QuadReal Property Group, on behalf of our investment agent BCI, uses a due diligence checklist that incorporates ESG metrics to be evaluated for each new investment.

PR 04.3

Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process, and list up to three examples per issue.

Environmental

Environmental example 1, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 1, description

Flood/sea level rise risk is evaluated

Environmental example 2, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 2, description

Energy efficiency of new projects is assessed and/or designed to meet the LEED or BOMA BEST.

Environmental example 3, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 3, description

Proximity to public transit is evaluated

- Social

Social example 1, select one

- Building safety and materials
- Health, safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 1, description [OPTIONAL]

QuadReal has an Occupational Health and Safety Policy that outlines specific integration of safety consideration into all actions and practices. Quadreal also focuses on developing and investing in real estate that creates places that promote well being and productivity.

Social example 2, select one

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 2, description [OPTIONAL]

QuadReal supports development practices that engage and empower local communities and manage buildings in ways that support the local economy and biodiversity.

Social example 3, select one

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 3, description [OPTIONAL]

QuadReal engages and evaluates tenant and occupant goals to create a welcoming community for occupants.

- Governance

Governance example 1, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Governance example 1, description

QuadReal actively partners with leading vendors to adopt sustainable behavior and practices.

Governance example 2, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Governance example 2, description

QuadReal sets out the principles and expectations for all partners in the Responsible Contractor Code of Conduct and Ethics which establishes all expectations and requirements for anti-bribery and corruption expectations.

Governance example 3, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Governance example 3, description

All regulations and jurisdictional requirements are reviewed and met or exceeded for new projects and existing investments.

No

PR 05	Voluntary	Public	Additional Assessed	PRI 1,3
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**PR 05.1**

Indicate what type of ESG information your organisation typically considers during your property investment selection process.

- Raw data from the target property asset/company
- Appraisals/audits
- Benchmarks/ratings against similar property asset
- Country level data/benchmarks
- Data aligned with established property reporting standards, industry codes and certifications
- International initiatives, declarations or standards
- Data from engagements with stakeholders (e.g. tenants and local community surveys)
- Information from external advisers
- Other, specify
- We do not track this information

**PR 05.2**

Provide a brief description of how this ESG information was incorporated into your investment selection process.

As our investment agent BCI's real estate subsidiary, QuadReal's sustainability strategy considers any health, safety and environmental factors that may negatively impact tenants, employees, or communities that they operate in. The sustainability strategy aims to create places that promote wellbeing and productivity, through prudently upgrading buildings such that they are conducive to wellbeing and/or high productivity with features such as excellent air quality. QuadReal incorporates internationally recognised green certifications such as LEED and BOMA BEST across all new and existing properties. For new developments QuadReal also considers higher standards of Total Energy Use Intensity and Thermal Energy Demand Intensity that are currently voluntary in some jurisdictions. Building resiliency is also reviewed for investments that will be long term.

**PR 06****Mandatory****Public****Core Assessed****PRI 1****PR 06.1**

Indicate if ESG issues impacted your property investment selection process during the reporting year.

- ESG issues helped identify risks and/or opportunities for value creation
- ESG issues led to the abandonment of potential investments
- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

**PR 06.2**

Indicate how ESG issues impacted your property investment deal structuring processes during the reporting year.

- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

**PR 06.3**

Additional information.

Our investment agent BCI's subsidiary QuadReal conducts an extensive due diligence process which includes environmental assessment. Phase 1 reports are conducted for all potential new investments with a more detailed Phase 2 for sites with identified liabilities. QuadReal also assesses properties based on walkscore, transit score, current green building certifications and building condition assessments (which includes age of mechanical & HVAC systems).

### Selection, appointment and monitoring third-party property managers

**PR 07**

**Mandatory**

**Public**

**Core Assessed**

**PRI 4**

**PR 07.1**

Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.

- Yes

**PR 07.2**

Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third party property managers.

- Selection process of property managers incorporated ESG issues

#### Types of actions

- Request explanation of how ESG is effectively integrated, including inquiries about governance and processes
- Request track records and examples of how the manager implements ESG in their asset and property management
- Discuss property level out-performance opportunities through greater integration of ESG criteria
- Request explanation of engaging stakeholders on ESG issues
- Other, explain



Coverage

- >75% to 100%
- >50% to 75%
- <50%

Contractual requirements when appointing property managers includes ESG issues

Types of actions

- Include clear and detailed expectations for incorporating ESG
- Require dedicated ESG procedures in all relevant asset and property management phases
- Clear ESG reporting requirements
- Clear ESG performance targets
- Other, explain

Coverage

- >75% to 100%
- >50% to 75%
- <50%

Monitoring of property managers covers ESG responsibilities and implementation

Types of actions

- Performance against quantitative and material environmental / resource targets over specified timeframe.
- Performance against quantitative and material environmental / resource targets against relevant benchmarks
- Performance against quantitative and qualitative targets to address social impacts of the portfolio/investment,
- Other, explain

Coverage

- >75% to 100%
- >50% to 75%
- <50%

No

**PR 07.3** Provide a brief description of your organisations selection, appointment and monitoring of third party property managers and how they contribute to the management of ESG issues for your property investments.

QuadReal, on behalf of BCI, recognizes the importance of including ESG within its real estate portfolio and its third party property managers are like-minded in their approach to operating and managing the portfolio.

## Post-investment (monitoring and active ownership)

### Overview

PR 08	Mandatory	Public	Gateway	PRI 2
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#### PR 08.1

Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.

Yes

#### PR 08.2

Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.

- We consider ESG issues in property monitoring and management
- We consider ESG issues in property developments and major renovations.
- We consider ESG issues in property occupier engagements
- We consider ESG issues in community engagements related to our properties
- We consider ESG issues in other post-investment activities, specify

#### PR 08.3

Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets.

QuadReal's post-investment activities at its properties are aimed at lessening the impact on the environment, providing for the improvement of community and tenant experiences and enhancing the value of the underlying real estate investments. Each year, responsible investing opportunities are assessed at existing and newly acquired properties with the goal of ensuring that all buildings are energy-efficient and tenant-responsive.

No

## Property monitoring and management

PR 09	Mandatory	Public	Core Assessed	PRI 2,3
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#### PR 09.1

Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.

- >90% of property assets
- 51-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number of property assets)

**PR 09.2**

Indicate which ESG targets your organisation and/or property managers typically set and monitor

 Environmental

Target/KPI	Progress Achieved
Green Certification	Over 90% of portfolio certified under LEED or BOMA or both.
Energy, Water, Waste data	Currently tracked across majority of portfolio and continuously monitored for completeness.
Target-setting for energy	Implemented across majority of office assets where BCI has direct operational control.

 Social

Target/KPI	Progress Achieved
Tenant Engagement	Program implemented in 2018 and further refined in 2019.

 Governance We do not set and/or monitor against targets

<b>PR 10</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 2</b>
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**PR 10.1**

Indicate whether your property assets are assessed against certification schemes, ratings and/or benchmarks

 Yes**PR 10.2**

List the certification schemes, ratings and/or benchmarks your property assets are assessed against and what proportion of your property assets they apply to.

 Add certification scheme, rating and benchmark 1

Specify	LEED
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input checked="" type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets  (in terms of number of property assets)

 Add certification scheme, rating and benchmark 2

Specify	BOMA BEST
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input checked="" type="radio"/> 51-90% of property assets <input type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets  (in terms of number of property assets)

Add certification scheme, rating and benchmark 3

Specify	Energy Star Benchmark
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input checked="" type="radio"/> 51-90% of property assets <input type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets  (in terms of number of property assets)

No

**PR 10.3** Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.

- Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)
- Other property reporting standards, specify  
Energy Star Portfolio Manager standard
- No property specific reporting standards are used

**PR 10.4** Additional information.

QuadReal has published normalized energy use intensity values, water intensity and GHG intensities for each of its office properties across Canada.

**Property developments and major renovations**

<b>PR 11</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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**PR 11.1**

Indicate the proportion of active property developments and major renovations where ESG issues have been considered.

- >90% of active developments and major renovations
- 51-90% of active developments and major renovations
- 10-50% of active developments and major renovations
- <10% of active developments and major renovations
- N/A, no developments and major renovations of property assets are active

(by number of active property developments and refurbishments)

**PR 11.2**

Indicate if the following ESG considerations are typically implemented and monitored in your property developments and major renovations.

- Environmental site selection requirements
- Environmental site development requirements
- Sustainable construction materials
- Water efficiency requirements
- Energy efficiency requirements
- Energy generation from on-site renewable sources
- Waste management plans at sites
- Health and safety management systems at sites
- Health and wellbeing of residents
- Construction contractors comply with sustainability guidelines
- Resilient building design and orientation
- Other, specify

## Occupier engagement

**PR 12**

**Mandatory**

**Public**

**Core Assessed**

**PRI 2**

**PR 12.1**

Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.

- >90% of occupiers
- 50-90% of occupiers
- 10-50% of occupiers
- <10% of occupiers

(in terms of number of occupiers)

<b>PR 12.2</b>	Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.
----------------	---------------------------------------------------------------------------------------------------------------------------------

- Distribute a sustainability guide to occupiers
- Organise occupier events focused on increasing sustainability awareness
- Deliver training on energy and water efficiency
- Deliver training on waste minimisation
- Provide feedback on energy and water consumption and/or waste generation
- Provide feedback on waste generation
- Carry out occupier satisfaction surveys
- Health and wellbeing of residents
- Offer green leases
- Other, specify

<b>PR 12.3</b>	Additional information. [Optional]
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QuadReal's standard leases included several clauses that align with specific "green" lease clauses. Tenant level sub-metering in office buildings is increasing, along with web-based access for the tenant to their data. A tenant knowing they are being billed on the basis of their sub-metered usage, and them having access to that data is generating about an 8% reduction in their energy use.

Through QuadReal's tenant engagement program, sharing of monthly newsletters and posters promotes various ESG topics like energy efficiency, value of "walking meetings", volunteering, green plants and healthy eating. Many properties also host on-site activities like yoga classes and lunch and learns.

<b>PR 13</b>	Voluntary	Public	Additional Assessed	<b>PRI 2</b>
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<b>PR 13.1</b>	Indicate the proportion of all leases signed during the reporting year that used green leases or the proportion of Memoranda of Understandings (MoUs) with reference to ESG issues.
----------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- >90% of leases or MoUs
- 50-90% of leases or MoUs
- 10-50% of leases or MoUs
- <10% of leases or MoUs
- 0% of leases or MoUs
- N/A, no leases or MoUs were signed during the reporting year

(in terms of number of leases or MoUs)

<b>Community engagement</b>				
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<b>PR 14</b>	Voluntary	Public	Additional Assessed	<b>PRI 2</b>
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**PR 14.1** | Indicate what proportion of property assets your organisation, and/or your property managers, engaged with the community on ESG issues during the reporting year.

- >90% of property assets
- 50-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number of property assets)

**PR 14.2** | Indicate if the following areas and activities are typically part of your, and/or your property managers', community engagement.

- ESG education programmes for the community
- ESG enhancement programmes for public spaces
- Research and networking activities focusing on ESG issues
- Employment creation in communities
- Supporting charities and community groups
- Other, specify

**Outputs and outcomes**

**PR 15** | **Voluntary** | **Public** | **Additional Assessed** | **PRI 1,2**

**PR 15.1** | Indicate whether your organisation measures how your approach to responsible investment in property investments has affected financial and/or ESG performance.

- We measure whether our approach to ESG issues impacts funds' financial performance
- We measure whether our approach to ESG issues impacts funds' ESG performance

**PR 15.2b** | Describe the impact on the following.

Describe the impact on:	Impact
Funds' ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

- None of the above

**PR 15.3**

Describe how you are able to determine these outcomes.

Through QuadReal's on-line sustainability management tool it tracks energy, water and waste performance for each property where it has operational control. They require property teams to complete an annual target-setting process to help them reduce energy and water use and improve waste diversion. With this data, they set its GHG reduction target and ensure they are staying on track to achieve it.

**PR 16**

**Voluntary**

**Public**

**Descriptive**

**PRI 1,3**

**PR 16.1**

Provide examples of ESG issues that affected your property investments during the reporting year.

Add Example 1

ESG issue	Energy efficiency and GHG disclosure
Types of properties affected	All properties
Impact (or potential impact) on investment	Tenant retention and engagement.
Activities undertaken to influence the investment and the outcomes	Efficient use of resources is a priority across all properties. QuadReal published water efficiency, GHG emissions, Energy Star score and normalized energy use intensity on its leasing pages.

Add Example 2

ESG issue	Waste management
Types of properties affected	All properties
Impact (or potential impact) on investment	Tenant engagement and retention, reduced footprint.
Activities undertaken to influence the investment and the outcomes	Comprehensive waste management program, including recycling programs for paper, metal, plastic, glass, light bulbs, electrical components and tenant composting.  Through their green certification program, QuadReal also incorporated target-setting for waste to improve diversion rates and raise awareness at properties.

Add Example 3



ESG issue	Occupant experience through healthier buildings
Types of properties affected	Applicable to office and multi-residential buildings
Impact (or potential impact) on investment	Tenant retention, reduced footprint.
Activities undertaken to influence the investment and the outcomes	QuadReal is benchmarking these assets from a health and wellness perspective by considering nearby amenities, on site amenities and programming.

Add Example 4

ESG issue	Improving energy efficiency
Types of properties affected	All properties
Impact (or potential impact) on investment	Tenant retention, reduced emissions, and operating expenses.
Activities undertaken to influence the investment and the outcomes	Operational optimization programs and control upgrades to reduce overall energy consumption.  This program was expanded to include the residential portfolio. QuadReal also delivered some cost savings through a portfolio-wide energy audit process.

Add Example 5

# British Columbia Municipal Pension Plan

## Reported Information

Public version

Direct - Infrastructure

## PRI disclaimer

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## Overview

INF 01	Voluntary	Public	Descriptive	PRI 1-6
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INF 01.1

Provide a brief overview of your organisation's approach to responsible investment in infrastructure where you have equity stakes.

Our investment agent BCI's direct infrastructure program considers each investment's ESG factors as part of both the initial investment due diligence process and ongoing ESG monitoring. It uses external consultants for select aspects of the initial ESG due diligence process, with the majority of the analysis being done in house. BCI views ESG issues as having a impact on long-term investment returns, and thus they take a prominent role in our investment analysis and monitoring. The ESG performance of the investment agent's infrastructure portfolio is reviewed as part of an annual asset class review.

INF 02	Mandatory	Public	Core Assessed	PRI 1-6
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INF 02.1

Indicate if your organisation has a responsible investment policy for infrastructure.

Yes

INF 02.2

Provide a URL if your policy is publicly available.

<https://www.bci.ca/approach/responsible-investing/>

No

INF 02.3

Additional information. [Optional]

Our investment agent BCI's responsible investing policy (link above) is corporation wide. This is not a link to its Infrastructure policy specifically, as that is not a public document.

BCI excludes companies involved in the manufacturing of landmines and/or cluster munitions from its investment universe. This exclusion is based on international treaties signed and ratified by the Canadian federal government. Our investment managers are required to comply with this exclusion.

## Pre-Investment (Selection)

INF 05	Mandatory	Public	Gateway	PRI 1
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INF 05.1

Indicate if your organisation typically incorporates ESG issues when selecting infrastructure investments.

Yes

**INF 05.2**

Describe your organisation's approach to incorporating ESG issues in infrastructure investment selection.

With respect to large direct investments, our investment agent BCI incorporates the following into its pre-investment due diligence procedures:

- Review the particular investment opportunity against an ESG red flag checklist for specific concerns and work to 1) fully assess such investment opportunities through due diligence (sometimes with the help of external consultants); 2) assess the ESG risks these opportunities pose over both a short and long term basis; and 3) work to address the concerns through changes to the business, governance, price adjustments, etc.
- Commission detailed environmental reviews prior to investing using a respected 3rd party advisor
- Negotiate detailed shareholder arrangements that define 1) the responsibilities of the new company board; and 2) shareholder rights;
- Review employment policies and practices, stakeholder engagement, and assess level of interaction with the communities in which they operate;
- Conduct legal review of historic and current litigation;
- Review relationship with regulatory bodies including negative rulings or fines levied;
- Independent ESG risk review is conducted by the ESG Strategy and Risk team in the Investment Strategy and Risk department. This risk review is provided to investment committee alongside investment memo.
- Incorporate the results of the analysis above into our pro-forma asset management plan including addressing areas identified as deficient.

No

<b>INF 06</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1,4</b>
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**INF 06.1**

Indicate whether your organisation typically uses ESG advice and research sourced internally and/or externally when incorporating ESG issues into the infrastructure investment selection process.

- Internal staff
  - Specify role
    - Investment transaction team
  - Specify role
    - Asset management team
  - Specify role
    - ESG Strategy and Risk team
- External resources
  - Environmental advisors
  - Social advisors
  - Corporate governance advisors
  - Regulatory and/or legal advisors
  - Other, specify type of advisors/roles
- No use of internal or external advice on ESG issues

<b>INF 07</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1,3</b>
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**INF 07.1**

Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.

## ESG issues

Environmental

List up to three typical examples of environmental issues

Compliance with environmental laws and regulations (e.g. leakage)

Physical risks related to climate change

Sustainability concerns for the business

Social

List up to three typical examples of social issues

Safety track record and future safety concerns

Social license to operate and stakeholder perception of the business

Labour management issues

Governance

List up to three typical examples of governance issues

Obtaining board representation and board observer status

Composition of board committees and mandates (audit, HR, etc.)

Board composition and turnover

**INF 07.2**

Additional information. [Optional]

Conduct anti-bribery and anti-corruption assessment pre- and post-transaction.

**INF 08**

Voluntary

Public

Additional Assessed

PRI 1,3

**INF 08.1**

Indicate what type of ESG information your organisation typically considers during your infrastructure investment selection process.

- Raw data from the target infrastructure asset/company
- Benchmarks/ratings against similar infrastructure asset
- Sector level data/benchmarks
- Country level data/benchmarks
- Reporting standards, infrastructure sector codes and certifications
- International initiatives, declarations or standards
- Engagements with stakeholders (e.g. contractors and suppliers)
- Advice from external sources
- Other, specify
- We do not track this information

**INF 09**

Voluntary

Public

Additional Assessed

PRI 1

**INF 09.1**

Indicate if ESG issues impacted your infrastructure investment selection processes during the reporting year.

- ESG issues helped identify risks and/or opportunities for value creation.
- ESG issues led to the abandonment of potential investments.
- ESG issues impacted the investment in terms of price offered and/or paid.
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants.
- ESG issues were considered but did not have an impact on the investment selection process.
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year.
- We do not track this potential impact

**INF 09.2**

Indicate how ESG issues impacted your infrastructure investment deal structuring processes during the reporting year.

- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year.
- We do not track this potential impact

## Post-investment (monitoring and active ownership)

### Overview

**INF 11****Mandatory****Public****Gateway****PRI 2****INF 11.1**

Indicate whether your organisation and/or operators consider ESG issues in post-investment activities relating to your infrastructure assets.

- Yes

**INF 11.2**

Indicate how your organisation, and/or operators, considers ESG issues in the following post-investment activities relating to your infrastructure assets.

- We consider ESG issues in the monitoring and operation of infrastructure
- We consider ESG issues in infrastructure maintenance
- We consider ESG issues in stakeholder engagements related to our infrastructure
- We consider ESG issues in other post-investment activities, specify

See INF 11.3 BCI's team monitors certain ESG KPIs on a quarterly basis and interacts with investee companies on ESG issues.

INF 11.3

Describe how your organisation, and/or operators, considers ESG issues in post-investment activities related to your infrastructure investments. [Optional]

Our investment agent BCI invests in stand-alone companies with internalised operations teams. ESG policies are therefore established and enforced at the board level. BCI generally seeks to make investments material enough to obtain board representation. It expects and governs management of our companies to exhibit good corporate social responsibility, and expects management teams to foster a culture of engaging with the communities they operate in. Management teams provide status reports detailing ESG issues to the board and directly to shareholders as part of standard reporting requirements. Sub-committees are established to address ESG issues as required.

No

### Infrastructure Monitoring and Operations

INF 12

Mandatory

Public

Core Assessed

PRI 2

INF 12.1

Indicate the proportion of infrastructure assets for which your organisation and/or operators included ESG performance in investment monitoring during the reporting year.

- >90% of infrastructure assets
- 51-90% of infrastructure assets
- 10-50% of infrastructure assets
- <10% of infrastructure assets

(in terms of number of infrastructure assets)

INF 12.2

Indicate ESG issues for which your organisation, and/or operators, typically sets and monitors targets (KPIs or similar) and provide examples per issue.

Environmental

List up to three example targets per issue

BCI monitors environmental regulatory compliance and serious and pending reputational incidents against targets established by management, its respective boards and where applicable, regulatory authorities.

Social

List up to three example targets per issue

BCI monitors safety KPIs such as lost time incidents, total recordable injury rates and serious incidents and fatalities against management/board targets.

Governance

List up to three example targets per issue

BCI periodically reviews the governance arrangements in its investment policies and investee boards to ensure compliance with best practices such as board composition.

We do not set and/or monitor against targets

INF 13	Mandatory	Public	Additional Assessed	PRI 2
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**INF 13.1** Indicate whether you track the proportion of your infrastructure investees that have an ESG/sustainability-related policy (or similar guidelines).

- Yes
- No

INF 14	Voluntary	Public	Descriptive	PRI 2,3
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**INF 14.1** Indicate the type and frequency of reports you request and/or receive from infrastructure investees covering ESG issues.

**Type of Reporting**

- Overarching portfolio asset/company reports or similar where management disclosure, financial and ESG data are integrated

**Typical reporting frequency**

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify
- Standalone reports highlighting targets and/or KPIs covering ESG issues
- Other, specify
- No reporting on ESG issues requested and/or provided by infrastructure investees

**Infrastructure Maintenance**

INF 15	Mandatory	Public	Core Assessed	PRI 2
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**INF 15.1** Indicate the proportion of active infrastructure maintenance projects where ESG issues have been considered.

- >90% of active maintenance projects
- 51-90% of active maintenance projects
- 10-50% of active maintenance projects
- <10% of active maintenance projects
- N/A, no maintenance projects of infrastructure assets are active

(in terms of number of active maintenance projects)

**Stakeholder engagement**



INF 16	Voluntary	Public	Additional Assessed	PRI 2
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**INF 16.1** Indicate which stakeholders your organisation, and/or operators, engaged with on ESG issues in relation to your infrastructure assets during the reporting year and what proportion of your investments they apply to.

Stakeholders engaged

Regulators

Percentage of infrastructure assets these apply to

- >90% of infrastructure assets
- 51-90% of infrastructure assets
- 10-50% of infrastructure assets
- <10% of infrastructure assets

(in terms of number of infrastructure assets)

Communities

Percentage of infrastructure assets these apply to

- >90% of infrastructure assets
- 51-90% of infrastructure assets
- 10-50% of infrastructure assets
- <10% of infrastructure assets

(in terms of number of infrastructure assets)

Other stakeholder, specify

Other shareholders and employees

Percentage of infrastructure assets these apply to

- >90% of infrastructure assets
- 51-90% of infrastructure assets
- 10-50% of infrastructure assets
- <10% of infrastructure assets

(in terms of number of infrastructure assets)

Other stakeholder, specify

**INF 16.2**

Describe your approach to stakeholder engagements in relation to your infrastructure assets.

During the year, our investment agent BCI have developed a stakeholder engagement screening tool at the deal stage to identify stakeholder issues that are directly or indirectly related to BCI stakeholders. Depending on the analysis, BCI will engage third party advisors as necessary. During asset management stage, they will consider stakeholders on issues as they arise and encourage management teams to be proactive by developing their own frameworks and approach to stakeholder engagement.

**Outputs and outcomes****INF 17**

Voluntary

Public

Additional Assessed

PRI 1,2

**INF 17.1**

Indicate whether your organisation measures how your approach to responsible investment in Infrastructure investments has affected financial and/or ESG performance.

- We measure whether our approach to ESG issues impacts funds' financial performance
- We measure whether our approach to ESG issues impacts funds' ESG performance
- None of the above

**INF 18**

Voluntary

Public

Descriptive

PRI 1-3

**INF 18.1**

Provide examples of ESG issues that affected your infrastructure investments during the reporting year.

- Add Example 1

ESG issue	Labour Relations
Types of infrastructure affected	Transportation
Impact (or potential impact) on investment	Potential disruption to the operations of the business and impact on the labour cost.
Activities undertaken to influence the investment and the outcomes	Engaged with management and the industry association to ensure a mutually beneficial outcome with minimal disruption to a recent negotiation.

- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5

# British Columbia Municipal Pension Plan

## Reported Information

## Public version

## Confidence building measures

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## Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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**CM1 01.1** Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
  - Whole PRI Transparency Report has been internally verified
  - Selected data has been internally verified
- Other, specify
- None of the above

CM1 02	Mandatory	Public	Descriptive	General
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**CM1 02.1** We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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**CM1 03.1** We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

CM1 04	Mandatory	Public	Descriptive	General
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CM1 04.1

Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

CM1 07

Mandatory

Public

Descriptive

General

CM1 07.1

Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

**Who has conducted the verification**

- CEO or other Chief-Level staff
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)

specify

Third-party consultant, Board Officer, Executive Director of Plan