



BÂTIRENTE

Bâtirente's Responsible Investment Strategy

PRI Montréal event November 4, 2009

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Plan

1. Bâtirente's Responsible Investment Strategy
2. ESG Integration
3. Shareholder Engagement
4. Meeting Small Funds Challenges

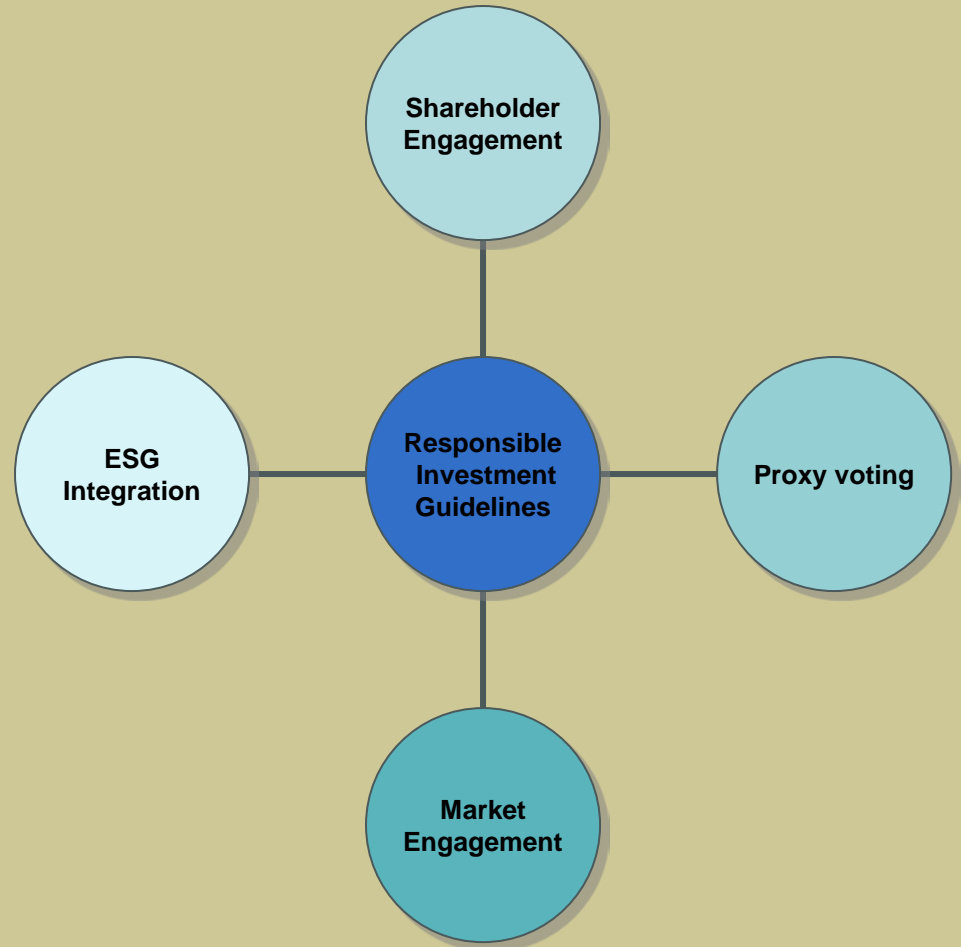


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- Labour-sponsored retirement system (CSN)
- DC & Income Stream Plans
- 775 million \$CAD AUM
- 350 local unions
- 25,000 members
- 7 employees
 - 1 Extradimensional Risks Manager

Responsible Investment Strategy



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ESG Integration

- AM outsourced to 10 external firms
 - RFPs require ESG integration & encourage PRI commitment
- Portfolio managers are asked to:
 - Integrate ESG factors to portfolio construction process
 - Report on companies discarded based on ESG factors
 - Report on ESG risks identified in investee companies
 - Collaborate with us on shareholder engagement



Shareholder Engagement

- Engagement with over 100 companies
- Priorities
 - ESG Disclosure (GRI, CDP, EITI)
 - Global Compact
 - Community Relations/Indigenous Rights
 - Human/Workers Rights
 - Climate Change
 - Ecosystems/Biodiversity
 - Governance (Compensation, Board Diversity)



A risk management tool

- **Talisman Energy (TLM)** faces operational and reputational risks in areas where indigenous communities rights are an issue
- Gain community social licence to operate is key to the success of extractive projects and long-term profitability
- Talisman agreed to do an FPIC feasibility report.



FPIC discussion meeting between Talisman, Batirente, RRSE and WRI



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A risk management tool



- Improvement of transparency in resources-rich emerging countries
- Asking companies to commit to EITI
- Addresses diversion of national wealth risks through corruption (country risk) thus relieving pressure on the cost of capital
- Enhances host countries governance and ability to provide sustainable development
- In the long term, better infrastructure, health, education and social services will benefit companies
- Improves stakeholder relations and reduces reputational risks



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Meeting Small Funds Challenges

- Pooling votes and engagement activities with an outside pension plan
- Collaborative shareholder engagement
- Outsourcing voting
- Leveraging the PRI Clearinghouse



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Pooling votes and engagement

- Votes
 - Lowers costs for both
 - Less ballots in total
 - Savings of 34% from cost of voting separately
- Engagement
 - Additional resources for engaging
 - Greater number and diversity of companies to engage with, thus broader impact

Number of ballots to vote	
Bâtirente	156
Pension Plan	191
Total	347
Held in common	(106)
Total to vote	241

Universe of companies available to engage	
Before collaboration	156
After collaboration	241



Leveraging the

- The PRI Clearinghouse provides
 - Access to first-hand research made by other signatories or experts through webinars or other
 - A mean to invite other signatories to support our campaigns thus increasing our capacity to effect change
 - A platform to chose from several collaborative activities making engagement accessible to all sizes of investors
 - Support with networking between signatories allowing us to concentrate our resources on actual engagement



Merci de votre attention!

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