PRI Principles for Responsible Investment

RI TRANSPARENCY REPORT

2013/14

British Columbia Municipal Pension Plan

UNEP Finance Initiative Changing finance, financing change | United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

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 2013-14 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. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly 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.

PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

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Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
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	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Public							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	🔒	n/a							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	✓	Public							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

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Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Description of RI considerations	✓	Public	✓					✓	
SAM 02	Role of investment consultants	✓	Public				✓			
SAM 03	RI factors in selection, appointment and monitoring across asset classes	✓	Public							✓
SAM 04	Breakdown of passive, active quant and active fundamental	✓	Public							✓
SAM 05	ESG incorporation strategies	✓	Public	✓	✓					
SAM 06	Selection processes (listed assets)	✓	Public	✓					✓	
SAM 07	Appointment considerations (listed assets)	✓	Public				✓			
SAM 08	Monitoring processes (listed assets)	✓	Public	✓						
SAM 09	Percentage of (proxy) votes cast	✓	Public		✓					
SAM 10	Selection processes (non-listed assets)	✓	Public	✓					✓	
SAM 11	Appointment considerations (non-listed assets)	✓	Public				✓			
SAM 12	Monitoring processes (non-listed assets)	✓	Public	✓					✓	
SAM 13	Description of RI considerations in 'other' asset classes	✓	Public	✓					✓	
SAM 14	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓					✓	
SAM 15	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public		✓					
SAM 16	Disclosure of RI considerations	✓	Public						✓	

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British Columbia Municipal Pension Plan

Reported Information

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Organisational Overview

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PRI Principles for Responsible Investment

Basic Information

OO 01	Mandatory	Gateway/Peering	General

OO 01.1 Select the category which best represents your primary activity.

- (•) 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 or endowment
- ( ) Development bank
- ( ) Reserve - sovereign or government controlled fund
- ( ) Other, specify

OO 01.2 Additional information. [Optional]

The Municipal Pension Plan (MPP) is a jointly trusteed defined benefit pension plan governed by a Joint Trust Agreement. The partners to the Agreement are the Municipal Employees' Pension Committee, as the member partner, and the provincial government of British Columbia and the Union of British Columbia Municipalities, as the employer partners. 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 can be funded by surpluses or 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 (bcIMC) provides investment management services as agents of the Board.

OO 02	Mandatory	Peering	General

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

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PRI Principles for Responsible Investment

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

FTE

0

OO 03 | **Mandatory** | **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** | **Gateway/Peering** | **General**

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

31/12/2013

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

	trillions	billions	millions	thousands	hundreds
Total AUM		35	384	748	479
Currency	CAD				
Assets in USD		33	594	122	654

OO 04.3 Indicate the level of detail you would like to provide about your asset class mix.

- ○ Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- ◉ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 04.4 Additional information. [Optional]

Gross assets are reported as at December 31st 2013, except for illiquid assets (Real Estate, Private Equity and Infrastructure) which are audited figures at the end of December 2012. Audited figures for these asset classes will only be available at the end of March after the close of the PRI reporting period. Unaudited figures as at February 2014 give us confidence that none of the percentage ranges of total asset under management associated with each of the asset classes will be affected.

OO 06 | **Mandatory** | **Descriptive** | **General**

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PRI Principles for Responsible Investment

OO 06.1	To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

◉ Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	0	10-50%
Fixed income – corporate	0	<10%
Fixed income – government	0	10-50%
Fixed income – other	0	<10%
Private debt	0	0
Private equity	0	<10%
Property	0	10-50%
Infrastructure	0	<10%
Commodities	0	0
Hedge funds	0	0
Forestry	0	<10%
Farmland	0	<10%
Inclusive finance	0	0
Cash	0	<10%
Other (1), specify	0	0
Other (2), specify	0	0

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png,.bmp and .gif)

OO 07	Mandatory to Report Voluntary to Disclose	Peering	General

OO 07.1	Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.

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PRI Principles for Responsible Investment

	% of externally managed assets
Segregated mandate(s)	◉ 0% ○ <10% ○ 10-50% ○ >50 %
Pooled fund(s)	○ 0% ○ <10% ○ 10-50% ◉ >50 %
Total externally managed assets	*100%*

OO 07.2 Indicate the proportion of your externally managed assets in fund-of-funds.

	% of externally managed assets
Fund-of-funds	◉ 0% ○ <10% ○ 10-50% ○ >50 %

OO 08	Mandatory to Report Voluntary to Disclose	Peering	General

OO 08.1 Indicate the breakdown of your organisation's AUM by market.

Market breakdown	**% of AUM**
Developed Markets	○ 0% ○ <10% ○ 10-50% ◉ >50 %
Emerging, Frontier and Other Markets	○ 0% ◉ <10% ○ 10-50% ○ >50 %

OO 09	Voluntary	Descriptive	General

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PRI Principles for Responsible Investment

OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.

The Board recognizes that strong corporate governance and responsible corporate behavior pertaining to environmental and social factors will generally contribute to better long-term financial performance of a company. This belief and the MPP approach to responsible investment are set out in sections 4.8 and 11 of our Statement of Investment Policies and Procedures ("SIPP"). These sections are set out below: Section 4.8 - Investment Beliefs: The Board believes that, over the long term, the best performing and most profitable companies in the Canadian and world economies maintain sound corporate governance practices and high ethical standards, comply with environmental regulations, have a track record of progressive labour relations, do not have business dealings with countries where human rights are violated, and do not have the production of armaments as their primary activity. Section 11: Responsible Investing& Voting Rights 11.1 At all times, this policy shall be conducted within the framework of fiduciary responsibility. It shall therefore be implemented in a manner which does not interfere with the efficient investment of the Fund's assets to achieve investment return objectives, which are in the best interests of the Plan's current and future beneficiaries. 11.2 Pursuant to section 4.8 and subject to section 11.1, favourable consideration is to be given by bcIMC and its investment managers to investment opportunities in corporations which maintain high ethical standards, comply with environmental regulations, have a track record of progressive labour relations, do not have business dealings with countries where human rights are violated, and do not have the production of armaments as their primary activity. 11.3 In keeping with the Board's fiduciary responsibilities and framework, the Board believes that environmental, social, and corporate governance (ESG) issues can affect investment performance to varying degrees across companies, sectors, regions, asset classes and through time. In this regard, the Board supports the UN-led Principles for Responsible Investment, introduced in April 2006 (http://www.unpri.org/principles/). By doing so, the Board recognizes that applying these Principles may better align investors with the broader objectives of society. 11.4 The Board delegates its voting rights to bcIMC and instructs bcIMC to act in the best financial interests of the Fund. The goal of this proxy voting process is to influence corporate behaviour and encourage change to their practices when they do not meet the expected standards as outlined in 11.2. 11.5 bcIMC shall provide the Board with copies of its corporate governance guidelines and at least once a year the Board shall review bcIMC's voting record.

In addition, the Board supports our investment manager's approach to responsible investment, which has been to pursue a policy and practice of engagement, in order to encourage companies to adopt high standards of corporate governance, environmental and social responsibility. The Board believes that engagement is a more effective strategy than divesture in initiating change. The Board believes that our manager, by using its influence as a large institutional investor, can encourage companies to be better corporate citizens, which will benefit society in the long-term. bcIMC is our dedicated investment manager and they are also a signatory to the PRI as an investment manager.

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General

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PRI Principles for Responsible Investment

OO 10.1	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

☑ We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes

☐ We engage with companies on ESG issues via our staff, collaborations or service providers

☐ We cast our (proxy) votes directly or via service providers

☐ None of the above

OO 11	Mandatory	Gateway	General

OO 11.2	Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

☑ Fixed income – corporate

☑ Fixed income – government

☑ Fixed Income – other

☑ Private equity

☑ Property

☑ Infrastructure

☑ Forestry

☑ Farmland

☐ Cash

☐ None of the above

OO 12	Mandatory	Gateway	General

OO 12.1	The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.

Core modules

☑ Organisational Overview

☑ Overarching Approach (including assets which do not have a separate module)

RI implementation via external managers

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	Indirect - Selection, Appointment and Monitoring of External Managers

☑ Listed Equities

☑ Fixed Income - Corporate

☑ Fixed Income - Government

☐ Fixed Income - Other

☑ Private Equity

☑ Property

☑ Infrastructure

☑ Forestry

☑ Farmland

Closing module

☑ Closing module

Note: Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

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PRI Principles for Responsible Investment

Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General

OA 01.1 Indicate if you have a responsible investment policy.

- (•) Yes
- ( ) No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

- (•) Yes
- ( ) No

OA 01.3 Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

The Board's investment manager, bcIMC, is responsible for implementing our responsible investment policy and approach. Key features include an active share ownership approach, including proxy voting, direct engagement with companies on environmental, social and governance (ESG) issues, policy advocacy with regulators and other policymakers, consultation and collaboration with other shareholders, and filing shareholder proposals. bcIMC encourages improved disclsoure of all factors that can have a material impact on a company's long-term prospects, including ESG factors, by providing specific feedback to companies and by collaborating on disclosure initiatives like the Carbon Disclosure Project. The Board conducts its own policy advocacy with regulators and other policymakers as well.

OA 02	Mandatory	Core Assessed	PRI 6

OA 02.1 Indicate if your responsible investment policy is publicly available.

- (•) Yes

OA 02.2 Provide a URL to your responsible investment policy.

URL

http://www.pensionsbc.ca/portal/page/portal/PEN_CORP_HOME/MPP_HOME_PAGE/MPP_ABOUT_PLAN/MPP_BOARD_GOVERNANCE/BOARD_GOVERNANCE_INVESTMENTS/

- ( ) No

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PRI Principles for Responsible Investment

OA 02.3	Indicate if your other policies or guidance documents related to responsible investment are publicly available.

◉ Yes

◉ Yes, all

○ Yes, some

OA 02.4	List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Statement of Invesment Policy & Procedures	http://www.pensionsbc.ca/portal/page/portal/PEN_CORP_HOME/MPP_HOME_PAGE/MPP_ABOUT_PLAN/MPP_BOARD_GOVERNANCE/BOARD_GOVERNANCE_INVESTMENTS/
Responsible Investing Factsheet	http://www.pensionsbc.ca/portal/page/portal/PEN_CORP_HOME/MPP_HOME_PAGE/MPP_ABOUT_PLAN/MPP_BOARD_GOVERNANCE/BOARD_GOVERNANCE_INVESTMENTS/
CorporateGovernance Principles & Proxy Voting Guidelines	http://www.bcimc.com/ResponsibleInvesting/Standards.asp#CorporateGovernance
Shareholder Engagement Guidelines and Priorities	http://www.bcimc.com/ResponsibleInvesting/Approach.asp#PrinciplesforResponsibleInvestment
Quarterly Responsible Investing Highlights	http://www.bcimc.com/ResponsibleInvesting/Reporting.asp#QuarterlyResponsibleInvestingHighlights
Quarterly Proxy Voting Reports	http://www.bcimc.com/ResponsibleInvesting/Reporting.asp#QuarterlyResponsibleInvestingHighlights

○ No

OA 03	Mandatory	Core Assessed	PRI 1,2

OA 03.1	Indicate the components/types and coverage of your responsible investment policy and guidance documents.

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Select all that apply

Policy components/types	Coverage by AUM
☑ Policy setting out your overall approach ☑ (Proxy) voting policy ☑ Engagement/active ownership policy ☑ Specific guidelines on corporate governance ☑ Specific guidelines on environmental issues ☑ Specific guidelines on social issues ☑ Asset class-specific guidelines ☑ Screening/exclusion policy ☐ Other, specify ☐ Other, specify	○ Applicable policies cover all AUM ◉ Applicable policies cover a majority of AUM ○ Applicable policies cover a minority of AUM

OA 04	Mandatory	Core Assessed	General

OA 04.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

◉ Yes

OA 04.2 Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

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 bcIMC in investment decisions. The Board's Statement of Investment Policies and Procedures (SIPP) addresses governance and the role of bcIMC in Section 3 and conflict of interest in Section 12 of the SIPP. In addition, Part V, section B, subsection (e) of the Municipal Pension Plan Trustee Code of Conduct, available below 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. bcIMC has its own more detailed conflict of interest policies in place.

http://www.pensionsbc.ca/portal/page/portal/pencorpcontent/mpppage/publications/boardgovernance/policies/mpp_board_code_conduct.pdf

○ No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General

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OA 05.1	Indicate if your organisation sets objectives for its responsible investment activities.

○ Yes

◉ No

OA 05.4	Additional information. [Optional]

We endorse our investment manager's approach of integrating RI/ESG issues into all investment decision-making processes in all asset classes. We also endorse our investment manager's specific approaches and objectives, e.g. to vote all proxies for Canadian and US equity holdings and approximately 75% of the international equity holdings. There is no formal exercise or timetable for setting goals and objectives. The policy guidelines are broad enough to provide operational flexibility in establishing priorities and bcIMC provides us with quarterly Responsible Investing Reports and Proxy Voting records as well as with a section of their Annual Report dedicated to Responsible Investing. A formal client satisfaction survey is conducted by an independent third party every 3 years for the benefit of bcIMC where the trustees on the Board provide detailed feedback on our investment manager's general performance as well as RI-specific issues. We provide regular informal feedback at the Board and Investment Committee meetings, 3-4 of each every year and we provide comments on quarterly reports.

Governance and human resources

OA 07	Voluntary	Descriptive	General

OA 07.1	Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

The Board is responsible for management of the fund in accordance with legislative requirements and its governing Trust Agreement. The Board is required by section 44(1) of the Pension Benefits Standards Act of British Columbia to make pension plan investments in the best financial interests of plan members, former members and other plan beneficiaries. The Board is responsible for establishing investment policy (the SIPP) which includes responsible investing as described in section OO 09.1. Actual investment is conducted on behalf of the Board by its investment manager, bcIMC. As noted in the extract from Section 3.5 of the Statement of Investment Policies and Procedures below (see link), bcIMC has a role that goes beyond that of a typical fund manager, effectively functioning as the Board's internal investment staff. The Board monitors bcIMC's implementation of RI through detailed quarterly reports (including a quarterly Responsible Investing Report, a quarterly Responsible Investing Highlights Report and quarterly reports of all proxy voting), plus regular Board and Investment Committee meetings with bcIMC (3-4 of each per year). All Board policies and governance documents are available at: http://www.pensionsbc.ca/portal/page/portal/PEN_CORP_HOME/MPP_HOME_PAGE/MPP_ABOUT_PLAN/MPP_BOARD_GOVERNANCE/MPP_BOARD_GOV_POLICIES/

☐ I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08	Mandatory	Gateway/Core Assessed	General

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PRI Principles for Responsible Investment

OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

	Roles present in your organisation

☑ Board members or trustees

- ☑ Oversight/accountability for responsible investment
- ☐ Implementation of responsible investment
- ☐ No oversight/accountability or implementation responsibility for responsible investment

☐ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

☐ Other Chief-level staff or head of department, specify

☐ Portfolio managers

☐ Investment analysts

☐ Dedicated responsible investment staff

☐ External managers or service providers

☐ Other role, specify

☐ Other role, specify

OA 08.2	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

	Number
	0

OA 09	Voluntary	Additional Assessed	General

OA 09.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

Board members/Board of trustees

☑ Responsible investment included in personal development and/or training plan

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OA 09.2	Describe any activities undertaken during the reporting year to develop and maintain Board members' skills and knowledge in relation to responsible investment.

bcIMC provides a one-day trustee orientation on investments every year which includes coverage of bcIMC's RI policies and practices. Trustees receive this training when first appointed and are free to re-take it at any time. Trustees who are members of the Investment Committee receive information on RI at every meeting (3-4 per year). Trustees also receive RI training and information through SHARE, the Responsible Investment Association (RIA) (formerly Social Investment Organization (SIO)) and the International Foundation of Employee Benefit Plans (IFEBP) courses and conferences. In addition, some trustees attended an annual GMI Ratings conference in the US called the Future of Corporate Reform, which does look at RI/ESG issues quite extensively.

☐ None of the above

Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5

OA 10.1	Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

◉ Yes

OA 10.2	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

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PRI Principles for Responsible Investment

☐ Asian Corporate Governance Association

☐ Association for Sustainable & Responsible Investment in Asia

☐ Australian Council of Superannuation Investors

☐ CDP Climate Change

☐ CDP Forests

☐ CDP Water

☐ CFA Institute Centre for Financial Market Integrity

☐ Council of Institutional Investors (CII)

☐ Eumedion

☐ Extractive Industries Transparency Initiative (EITI)

☐ Global Investors Governance Network (GIGN)

☐ Global Real Estate Sustainability Benchmark (GRESB)

☐ Institutional Investors Group on Climate Change (IIGCC)

☐ Interfaith Center on Corporate Responsibility (ICCR)

☐ International Corporate Governance Network (ICGN)

☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)

☐ Investor Network on Climate Risk (INCR)/CERES

☐ Local Authority Pension Fund Forum

☑ 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]

MPP has been an asset owner signatory of PRI since 2007. In 2013, we signed-up as a lead sponsor on the PRI steering committee called Collaborative engagement on Fracking (which is carried out on our behalf by bcIMC), we have submitted comments as part of the organization Strategic barriers consultation, we participated in the PRI reporting pilot exercise, we attended a PRI sponsored event as part of a SHARE forum in Vancouver and attended a dinner with the PRI Chair along with Canadian PRI signatories.

☐ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

☑ Shareholder Association for Research and Education (Share)

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PRI 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 trustees presented at SHARE conferences.

☐ United Nations Environmental Program Finance Initiative (UNEP FI)

☐ United Nations Global Compact

☑ Other collaborative organisation/initiative, specify

International Foundation of Employee Benefit Plans (IFEBP)

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]

One trustee and the Board's Senior Administrative Officer (Board's SAO) were members of the IFEBP Canadian Public Sector and Legal& Legislative Update Committee that plans the Canadian Public Sector Pension & Benefits Conference delivered by the IFEBP which occasionally includes RI/ESG topics. As a member of the conference organizing committee, the Board's SAO influenced the agenda for next year's conference by adding a session on RI and Corporate Governance issues and provided guidance on the session's outline.

☐ Other collaborative organisation/initiative, specify

☑ Other collaborative organisation/initiative, specify

The Board's participation in RI/ESG organizations and collaborations is also conducted through our investment manager, bcIMC.

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

☐ Basic

☐ Moderate

☑ Advanced

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

As bcIMC is also a PRI member, more information on the many more RI/ESG-related organizations their support as well as the collaborative initiatives their participate in is provided under their reporting submission.

☐ Other collaborative organisation/initiative, specify

○ No

OA 11	Mandatory	Core Assessed	PRI 4

OA 11.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

◉ Yes

OA 11.2	Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

☑ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations

☐ Provided financial support for academic or industry research on responsible investment

☑ Encouraged better transparency and disclosure of responsible investment practices across the investment industry

☐ Spoke publicly at events and conferences to promote responsible investment

☐ Wrote and published in-house research papers on responsible investment

☐ Encouraged the adoption of the PRI

☐ Other, specify

○ No

OA 11.3	Additional information. [Optional]

On behalf of the Board, our investment manager dedicates time and resources to promoting responsible investment within their organization, across the investment community as well as to policymakers. For example, recognizing that researching and valuing ESG factors is not a usual part of traditional financial analysis, the investment professionals at bcIMC are required to consider these factors across the portfolio and their compensation include an RI component. bcIMC also engages with other investment management firms (peers and external managers they have hired) to highlight how ESG issues can affect companies' prospects and investment returns and to share ESG strategies that, over time, will build greater industry capacity. This is done through public speeches on ESG issues/integration at industry events and conferences and also on a private, direct discussion basis. In addition, bcIMC engages with policymakers to encourage legal and regulatory progress on ESG topics within the financial industry. bcIMC works independently on policy submissions and also in coordination with other investors to lever influence.

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OA 12	Voluntary	Additional Assessed	PRI 4,5,6

OA 12.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

○ Yes

◉ No

OA 12.4	Additional information.

We submitted comments as part of the PRI Strategic Barriers consultation.

ESG issues in asset allocation

OA 13	Voluntary	Descriptive	PRI 1

OA 13.1	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

○ Yes

◉ No

OA 14	Voluntary	Descriptive	PRI 1

OA 14.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

◉ Yes

OA 14.3	Please specify which thematic area(s) you invest in and provide a brief description.

	Area

☐ Clean technology

☑ Green buildings

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Asset class invested

- ☐ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Fixed income - other
- ☐ Private equity
- ☑ Property
- ☐ Infrastructure
- ☐ Forestry
- ☐ Farmland

Brief description of investment

About 75% of bcIMC's real estate portfolio is certified to LEED and/or BOMA Best or Hotel Association of Canada Green Key Program.

- ☐ Sustainable forestry
- ☑ Sustainable agriculture

Asset class invested

- ☐ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Fixed income - other
- ☐ Private equity
- ☐ Property
- ☐ Infrastructure
- ☐ Forestry
- ☑ Farmland

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	Brief description of investment

Thematic fund launched in 2013 with initial themes of global food and agricultural supply chain. Also contributed to TIAA-CREF portfolio of farmland investments.

☐ Microfinance

☐ SME financing

☐ Social enterprise / community investing

☐ Affordable housing

☐ Education

☐ Global health

☐ Other area, specify

○ No

Asset class implementation not reported in other modules

OA 16	Voluntary	Descriptive	General

OA 16.1	Describe how you address ESG issues for externally managed assets 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
Fixed income - other	This category is not applicable, and we are reporting on Fixed Income - Government and Fixed Income - Corporate separately.

Assurance of responses

OA 19	Voluntary	Additional Assessed	General

OA 19.1	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.

◉ Yes

OA 19.2	Indicate who has reviewed, validated and/or assured your reported information.

☑ Reviewed by Board, CEO, CIO or Investment Committee

☐ Validated by internal audit or compliance function

☐ Assured by an external independent provider, specify name

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OA 19.3	Describe the steps you have taken to review, validate and/or assure the content of your reported information.

The reported information has been reviewed and approved at our quarterly Investment Committee meeting and a bcIMC Shareholder Engagement Manager responsible for RI was present at the committee session and answered remaining questions we had regarding our reporting.

○ No

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PRI Principles for Responsible Investment

British Columbia Municipal Pension Plan

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

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PRI Principles for Responsible Investment

Overview

SAM 01	Voluntary	Descriptive	PRI 1-6

SAM 01.1	Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

The main features of the RI mandate we assess and monitor are the manager's shareholder engagement programme with companies, its proxy voting policy and records, its collaborative work with peers and RI-dedicated organization, its policy advocacy activity and its integration of ESG considerations in its investment management processes.

SAM 02	Mandatory	Core Assessed	PRI 4

SAM 02.1	Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers.

- ○ Yes
- ◉ No

SAM 03	Mandatory	Gateway	General

SAM 03.1	Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring

Select all that apply

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PRI Principles for Responsible Investment

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Listed equity	☑	☑	☑
Fixed income - corporate	☑	☑	☑
Fixed income - government	☑	☑	☑
Private equity	☑	☑	☑
Property	☑	☑	☑
Infrastructure	☑	☑	☑
Forestry	☑	☑	☑
Farmland	☑	☑	☑

Listed equity (LE), fixed income corporate (FIC) and fixed income government (FIG)

Overview

SAM 04	Mandatory to Report Voluntary to Disclose	Gateway/Peering	General

SAM 04.1	Provide a breakdown of your externally managed listed equities, corporate fixed income and government fixed income by passive, active quant, active fundamental and other active strategies.

	Listed equity (LE)

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Type of strategy	As % of externally managed listed equity
Passive	○ 0% ○ <10% ◉ 10-50% ○ >50%
Active - quantitative (quant)	○ 0% ○ <10% ◉ 10-50% ○ >50%
Active - fundamental and other active	○ 0% ○ <10% ◉ 10-50% ○ >50%

Fixed income - corporate (FIC)

Type of strategy	As % of externally managed corporatefixed income
Passive	◉ 0% ○ <10% ○ 10-50% ○ >50%
Active - quantitative (quant)	◉ 0% ○ <10% ○ 10-50% ○ >50%
Active - fundamental and other active	○ 0% ○ <10% ○ 10-50% ◉ >50%

Fixed income - government (FIG)

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Type of strategy	As % of externally managed government fixed income
Passive	◉ 0% ○ <10% ○ 10-50% ○ >50%
Active - quantitative (quant)	◉ 0% ○ <10% ○ 10-50% ○ >50%
Active - fundamental and other active	○ 0% ○ <10% ○ 10-50% ◉ >50%

SAM 05 | **Mandatory** | **Gateway** | **PRI 1,2**

SAM 05.1 Indicate which of the following ESG incorporation strategies you encourage or require your external manager(s) to implement on your behalf:

Active investment strategies

Active investment strategies	LE	FIC	FIG
Screening	☑	☐	☐
Thematic	☑	☐	☐
Integration	☑	☑	☐
None of the above	☐	☐	☑

Passive investment strategies

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Passive investment strategies	LE		
Screening	☑		
Thematic	☐		
Integration	☑		
None of the above	☐		

SAM 05.2 Indicate if - on your externally managed assets - you engage directly, via service providers, or via your external manager.

	LE	FIC
We engage directly or via service providers on our externally managed assets	☐	☐
We require our external managers to engage on our behalf	☑	☐
None of the above	☐	☑

SAM 05.3 Indicate if - on your externally managed listed equities - you cast your (proxy) votes directly, via service providers, or via your external manager.

	LE
We cast our (proxy) votes directly or via service providers on our externally managed assets	☐
We require our external managers to cast our (proxy) votes on our behalf	☑
None of the above	☐

SAM 05.4 Additional information. [Optional]

Our external manager is responsible for voting our proxies. We view proxy voting as the foundation of our shareholder engagement program because it is our one opportunity each year to provide input on ESG issues with almost all of our portfolio companies. We vote all Canadian and US equities and the top 75% by market value of the rest of our equity holdings.

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Selection

SAM 06	Mandatory	Core Assessed	PRI 1-6

SAM 06.1 Indicate whether your organisation, and/or your investment consultant, in the manager selection process for listed assets, typically do any of the following:

General

	LE	FIC	FIG
Review the manager's responsible investment policies	☑	☑	☑
Discuss managers' governance and management of responsible investment activities	☑	☐	☐
Meet staff with responsible investment responsibilities to assess their skills and competence	☑	☐	☐
Discuss minimum responsible investment expectations that managers must meet	☑	☐	☐
Discuss the role managers have played in collaborative initiatives	☑	☐	☐
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	☑	☑	☑
Review the manager's responsible investment reporting to clients and/or the public, including PRI reporting	☑	☑	☑
Discuss the type of ESG reporting you expect	☑	☐	☐
Assign specific weighting to ESG factors in your manager evaluation	☐	☐	☐
Other general aspects in your selection process, specify	☐	☐	☐
None of the above	☐	☐	☐

ESG incorporation

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	LE	FIC	
Evaluate the quality and coverage of ESG research used by managers	☐	☐	
Assess how the manager incentivises brokers to provide ESG research	☐	n/a	
Assess managers' ESG incorporation strategies and ability to identify and manage ESG issues	☑	☐	
Discuss with managers how ESG issues have impacted specific investment decisions and, where relevant, stock or portfolio performance	☑	☐	
Evaluate index providers' ESG incorporation when designing the index	☐	☐	
Other ESG incorporation issues in your selection process, specify	☐	☐	
None of the above	☐	☑	

Engagements

	LE	
Discuss the managers' engagement processes	☑	
Discuss the role managers have played in influencing companies' ESG practices and performance	☑	
Discuss how information gained though engagement is incorporated into investment decision-making	☑	
Other engagement issues in your selection process, specify	☐	
None of the above	☐	

(Proxy) voting

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	LE
Discuss the managers' voting processes	☑
Discuss how information gained through research for (proxy) voting is used in investment-decision making	☑
Other (proxy) voting issues in your selection process, specify	☐
None of the above	☐

SAM 06.2	Provide additional information relevant to your organisation's selection approach for listed assets. [Optional]

MPP has not conducted a formal independent manager selection process since we became a joint trusteeship plan in 2001, but we do monitor bcIMC's financial and RI performance on an on-going basis.

Appointment

SAM 07	Voluntary	Additional Assessed	PRI 4

SAM 07.1	When appointing managers, indicate which of the following responsible investment considerations your organisation typically includes in investment management agreements/contracts for your listed assets:

General

	LE	FIC	FIG
Acting in accordance with your organisation's overall investment beliefs or policy on responsible investment and ESG issues	☑	☑	☑
Other general RI considerations in investment management agreements, specify	☐	☐	☐
None of the above	☐	☐	☐

ESG incorporation

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	LE	FIC	
Specific requirements relating to the incorporation of ESG issues into investment decision-making	☐	☐	
Other RI considerations relating to ESG incorporation in investment management agreements, specify	☐	☐	
None of the above	☑	☑	

Engagement

	LE	
Specific requirements relating to engagement	☐	
Other RI considerations relating to engagement in investment management agreements, specify	☐	
None of the above	☑	

(Proxy) voting

	LE
Specific requirements relating to (proxy) voting	☑
Other RI considerations relating to (proxy) voting in investment management agreements, specify	☐
None of the above	☐

Reporting

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	LE	FIC	FIG
Reporting on the agreed responsible investment activities	☑	☑	☑
Reporting on the ESG characteristics of the portfolio	☐	☐	☐
Reporting on the impact of ESG issues on financial performance	☐	☐	☐
Other RI considerations relating to reporting in investment management agreements, specify	☐	☐	☐
None of the above	☐	☐	☐

SAM 07.2 Provide additional information relevant to your organisation's manager appointment process and considerations included in contractual agreements for listed assets.

As per our investment beliefs included under our Statement of Investment Policies and Procedures, we call for broad ESG incorporation and engagement activites but we do not mandate the incorporation of specific ESG considerations or of specific engagement activities.

Monitoring

SAM 08 | **Mandatory** | **Core Assessed** | **PRI 1**

SAM 08.1 Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following:

General

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	LE	FIC	FIG
Include responsible investment as a standard agenda item at performance review meetings	☑	☐	☐
Highlight examples of good responsible investment practice by other managers	☐	☐	☐
Review the manager's responsible investment reporting, for example PRI-generated responsible investment reports	☑	☑	☑
Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors	☑	☐	☐
Include responsible investment criteria as a formal component of overall manager performance evaluation	☐	☐	☐
Other general aspects of your monitoring, specify	☑	☐	☐
None of the above	☐	☐	☐

ESG incorporation

	LE	FIC	
Request information on ESG incorporation in specific investment decisions	☐	☐	
Other ways you monitor ESG incorporation, specify	☐	☐	
None of the above	☑	☑	

Engagements

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	LE	
Review the ESG information relevant to the engagements	☑	
Discuss the number of engagements and their comprehensiveness	☑	
Discuss the type of role played (i.e. leading or supporting)	☑	
Review the progress of ongoing engagements and/or outcomes of completed engagements	☑	
Other ways you monitor engagement activities, specify	☐	
None of the above	☐	

(Proxy) voting

	LE
Review the number or percentage of votes cast	☑
Request an explanation of reasons for votes cast	☑
Discuss whether companies were informed of the reasons for votes against management recommendations or abstentions/withheld votes	☐
Review the number of resolutions on ESG issues filed or co-filed	☑
Discuss the changes in company practice (outcomes) that have been achieved from voting activities	☑
Other ways you monitor (proxy) voting activities, specify	☐
None of the above	☐

If you select any 'Other' option(s), specify

For listed equity, we monitor on a quarterly basis our external manager's high-level proxy voting records as well as company-specific vote rationale.

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SAM 08.2	Provide additional information relevant to your organisation's dialogue and monitoring of external managers. [Optional]

For listed equity, we monitor on a quarterly basis our external manager's engagement records via a quarterly RI report submitted by bcIMC. And, in addition to engagement on RI issues in the context of our quarterly Investment Committee meetings, we monitor bcIMC on specific issues that rise over the course of the year.

SAM 09	Mandatory	Core Assessed	PRI 2

SAM 09.1	For the listed equities where you have given your external managers a (proxy) voting mandate, indicate the approximate percentage (+/- 5%) of votes that were cast during the reporting year.

◉ We track or collect this information

Votes cast (to the nearest 5%)

%

90

Specify the basis on which this percentage is calculated

○ Of the total number of ballot items on which they could have issued instructions

○ Of the total number of company meetings at which they could have voted

◉ Of the total value of your listed equity holdings on which they could have voted

○ We do not track or collect this information

SAM 09.2	Additional information. [Optional]

In 2013, bcIMC voted all its Canadian and US holdings in addition to 351 international companies in 37 countries representing over 75% of its total international holdings' market value.

Private equity (PE), property (PR) and infrastructure (INF) - non-listed assets

Selection

SAM 10	Mandatory	Core Assessed	PRI 1-6

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SAM 10.1	Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following:

General

	PE	PR	INF
Review the manager's/general partner's responsible investment policy	☐	☑	☐
Discuss the manager's governance and management of responsible investment	☑	☑	☑
Meet staff with responsible investment responsibilities to assess their skills and competence	☑	☑	☑
Discuss minimum responsible investment expectations that managers must meet	☐	☑	☐
Discuss the role managers have played in collaborative initiatives	☐	☑	☐
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	☑	☑	☑
Assess the external manager's reporting and how it will help you to monitor that it is acting consistent with the agreed-upon ESG-related policies and practices during the life of the fund	☑	☑	☑
Review the manager's responsible investment disclosure, including PRI reporting	☑	☑	☑
Assign specific weighting to ESG factors in your manager evaluation	☐	☐	☐
Other general aspects in your selection process, specify	☐	☐	☐
None of the above	☐	☐	☐

Investment selection (pre-investment) of underlying holding

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	PE	PR	INF
Assess the manager's policies, processes and systems for identifying ESG-related value drivers and managing material ESG-related risks pre-investment	☐	☐	☐
Other pre-investment aspects reviewed in your selection process, specify	☐	☐	☐
None of the above	☑	☑	☑

Investment monitoring (post-investment) of underlying holding

	PE	PR	INF
Understand if and how the manager influences and supports its portfolio companies'/assets' management of ESG-related risks and pursuit of ESG-related opportunities	☑	☑	☑
Discuss examples of how managers have previously identified and addressed ESG issues in their portfolios on an ongoing basis	☐	☐	☐
Assess the manager's/general partner's approach to managing and disclosing material incidents at the manager / General Partner and underlying holdings	☑	☑	☑
Other post-investment aspects reviewed in your selection process, specify	☐	☐	☐
None of the above	☐	☐	☐

Appointment

SAM 11	Voluntary	Additional Assessed	PRI 4

SAM 11.1	When appointing managers, indicate which of the following responsible investment considerations your organisation typically includes in agreements/fund formation contracts for your non-listed assets:

General

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	PE	PR	INF
Acting in accordance with your organisation's overall investment beliefs or policy on responsible investment and ESG issues	☑	☑	☑
Other general RI considerations in your agreements, specify	☐	☐	☐
None of the above	☐	☐	☐

Investment selection (pre-investment) of underlying holding

	PE	PR	INF
Specific requirements relating to how ESG issues are identified and managed in investment decision-making	☐	☐	☐
Other RI considerations relating to investment selection in your agreements, specify	☐	☐	☐
None of the above	☑	☑	☑

Investment monitoring (post-investment) of underlying holding

	PE	PR	INF
Specific requirements relating to the manager supporting or influencing the underlying holdings' management of ESG factors	☐	☐	☐
Other RI considerations relating to investment monitoring in your agreements, specify	☐	☐	☐
None of the above	☑	☑	☑

Reporting

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	PE	PR	INF
Reporting on the agreed ESG implementation activities	☑	☑	☑
Reporting on the ESG characteristics of the portfolio	☐	☐	☐
Reporting on company incidents relating to ESG issues	☐	☐	☐
Reporting on the impact of ESG issues on financial performance	☐	☐	☐
Other RI considerations relating to reporting in your agreements, specify	☐	☐	☐
None of the above	☐	☐	☐

SAM 11.2 Provide additional information relevant to your organisation's manager appointment process and considerations included in contractual agreements for non-listed assets.

As per our investment beliefs included under our Statement of Investment Policies and Procedures, we call for broad ESG incorporation and engagement activites but we do not mandate the incorporation of specific ESG considerations or of specific engagement activities.

Monitoring

SAM 12 | **Mandatory** | **Core Assessed** | **PRI 1-6**

SAM 12.1 Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager, typically do any of the following:

General

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	PE	PR	INF
Include responsible investment as a standard agenda item at performance review meetings	☐	☐	☐
Highlight examples of good responsible investment practice by other managers	☐	☐	☐
Review manager's responsible investment reporting, for example PRI-generated responsible investment reports	☑	☑	☑
Encourage your managers to consider joining responsible investment initiatives or organisations or participate in collaborative projects with other investors	☐	☐	☐
Include responsible investment criteria as a formal component of overall manager performance evaluation	☐	☐	☐
Other general aspects of your monitoring, specify	☐	☐	☐
None of the above	☐	☐	☐

Investment selection (pre-investment) of underlying holding

	PE	PR	INF
Discuss how the analysis of ESG issues affected investment decisions during the reporting period	☐	☐	☐
Other ways ESG issues are incorporated in the pre-investment process, specify	☐	☐	☐
None of the above	☑	☑	☑

Investment monitoring (post-investment) of underlying holding

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	PE	PR	INF
Request reports on the ESG characteristics of the manager's underlying holdings and discuss related developments that may impact holdings in the fund	☐	☐	☐
Request examples of ESG issues identified within the portfolio and action taken in response	☐	☐	☐
Request details of how ESG factors were considered when preparing to exit from investments	☐	☐	☐
Other ways ESG issues are monitored in the post-investment process, specify	☐	☐	☐
None of the above	☑	☑	☑

Other asset classes

SAM 13	Voluntary	Descriptive	PRI 1-6

SAM 13.1	Describe how your organisation, and/or your investment consultants, address responsible investment factors in manager selection, appointment and/or monitoring process for the following asset classes:

Asset Class	Description
Farmland	We apply the same RI criteria for the selection, appointment and/or monitoring process for the Farmland asset class which we categorize under the Infrastructure category as we do for all other asset classes.
Forestry	We apply the same RI criteria for the selection, appointment and/or monitoring process for the Forestry asset class which we categorize under the Infrastructure category as we do for all other asset classes. But depending on the structure of our private investments, we sometimes have a director seat on the company's Board hence increasing our influence on and oversight of management and operations. All of bcIMC Forestry holding companies have been granted one of the main sustainable forestry certifications.

Outputs and outcomes

SAM 14	Mandatory to Report Voluntary to Disclose	Descriptive	PRI 1-6

SAM 14.1	Indicate approximately what percentage (+/- 10%) of your externally managed assets are managed by PRI signatories.

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	%
	100

SAM 15	Voluntary	Descriptive	PRI 2

SAM 15.1	Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.

☑ Add Example 1

Topic or issue	Proxy Voting (conducted by our external manager)
Conducted by	☐ Internal staff
Asset class	☐ All asset classes ☑ Listed Equity ☐ Fixed income – corporate bonds ☐ Fixed income – government bonds ☐ Private equity ☐ Infrastructure ☐ Property ☐ Farmland ☐ Forestry
Scope and process	As a policy, bcIMC votes all its Canadian and US holdings, even those held by some of their external managers, in addition to 75% of its total international holdings' value. The voting activity is undertaken internally and based on its publicly available proxy voting guidelines without relying on its advisor's recommendation but only using it as one input.
Outcomes	In 2013, bcIMC voted all its Canadian and US holdings in addition to 351 companies in 37 countries representing over 75% of its total international holdings' market value.

☑ Add Example 2

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PRI Principles for Responsible Investment

Topic or issue	Responsible Property Investment (RPI) (conducted by our external manager)
Conducted by	☐ Internal staff
Asset class	☐ All asset classes ☐ Listed Equity ☐ Fixed income – corporate bonds ☐ Fixed income – government bonds ☐ Private equity ☐ Infrastructure ☑ Property ☐ Farmland ☐ Forestry
Scope and process	Environmental risks and green initiatives are considered by bcIMC prior to the purchase or development of properties. Once within the portfolio, they ensure that property management strategies integrate environmental and social factors. And they recognize that operating efficiencies are important for controlling costs.
Outcomes	About 75% of bcIMC's real estate portfolio is certified to LEED, BOMA Best or Hotel Association of Canada Green Key Program. They have measured and tracked energy consumption and greenhouse gas emissions since 2007 and despite their growing portfolio, they have reduced its emissions on a per- square-foot basis. Waste audits and the tracking of water consumption were introduced in 2008. More details are available under bcIMC's report.

☑ Add Example 3

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PRI Principles for Responsible Investment

Topic or issue	Company Engagement & Collaboration (conducted by our external manager)
Conducted by	☐ Internal staff
Asset class	☐ All asset classes ☑ Listed Equity ☐ Fixed income – corporate bonds ☐ Fixed income – government bonds ☐ Private equity ☐ Infrastructure ☐ Property ☐ Farmland ☐ Forestry
Scope and process	bcIMC's Public Equity Shareholder Engagement Group focus their activities on shareholder rights, climate change, and human rights. They continued to urge companies to adopt the key practice of linking executive compensation to performance and offer shareholders an advisory vote on remuneration, as well as increased disclosure of social and environmental risks. When appropriate, bcIMC partners with peers directly or through associations in Canada and/or internationally in order to increase its influence on companies' ESG practices.
Outcomes	As an example out of many engagements, bcIMC along with its Canadian peers took a public stand against the compensation practices of a high-profile Canadian company and continued engaging with its board of directors and providing feedback on corporate governance practices with the aim to influence change. The company announced several changes to take place in 2014. In addition, we value bcIMC being a member of many associations as well as a signatory to internationally recognized standards on ESG best practices as effective ways to leverage limited resources while maximizing engagement and public and regulatory advocacy and to actively promote responsible investment practices.

☐ Add Example 4

☐ Add Example 5

Communication

SAM 16	Mandatory	Core Assessed	PRI 6

SAM 16.1 Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.

◉ Yes, we disclose information publicly

provide URL

http://www.pensionsbc.ca/portal/page/portal/PEN_CORP_HOME/MPP_HOME_PAGE/MPP_ABOUT_PLAN/MPP_BOARD_GOVERNANCE/BOARD_GOVERNANCE_INVESTMENTS/

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PRI Principles for Responsible Investment

SAM 16.2	Indicate if the level of information you disclose to the public is the same as that disclosed to clients and/or beneficiaries.

◉ Yes

SAM 16.3	Indicate what type of information your organisation proactively discloses to the public and clients and/or beneficiaries about your indirect investments.

☐ How responsible investment considerations are included in manager selection, appointment and monitoring processes

☑ Details of the responsible investment activities carried out by managers on your behalf

☐ E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership

☐ Other, specify

○ No

○ Yes, we disclose information to clients/beneficiaries only

○ We do not proactively disclose information to the public and/or clients/beneficiaries

SAM 16.4	Additional information. [Optional]

The information we publicly disclose are reports generated by bcIMC.

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PRI Principles for Responsible Investment