



2019

ESG ANNUAL REPORT



British Columbia Investment Management Corporation

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ESG

ESG refers to any environmental, social, or governance (ESG) factor that could positively or negatively affect the risk or return of an investment, sector, or fund. These factors can be company-specific, like board independence, or systemic, like climate change. For this report, we consider ESG to be synonymous with responsible investing and sustainable investing.

ABOUT BCI

British Columbia Investment Management Corporation (BCI®) provides investment management services to British Columbia's public sector. Our role is to generate investment returns that will help our institutional clients build a financially secure future. With our global outlook, we seek investment opportunities that will meet our clients' risk and return requirements over time. This compels us to integrate long-term environmental, social, and governance (ESG) matters into our investment decisions and activities. We offer investment options across a range of asset classes: fixed income; mortgage; public and private equity; real estate; and infrastructure and renewable resource.

2019 Highlights

We introduced a corporate-wide ESG strategy representing all ESG activities at BCI

For the fourth year in a row BCI achieved an **A+** rating in Strategy & Governance from the PRI¹

Progress made across **12 areas integrating the 4 core activities** set out in BCI's Climate Action Plan

BCI leads, co-leads or serves in a supporting role in **engagement with 10 North American companies in the oil & gas, mining and utility sectors** as part of the Climate Action 100+ initiative

BCI assessed **over 1500** management proposals on compensation and **voted against 46%**.

The public markets ESG team completed comprehensive ESG reviews of **173 companies in 2019, an increase of 170% over 2018**

BCI took part in 11 collaborative engagement initiatives, **covering 1188 companies on ESG-related matters, an increase of 203% over 2018**

Progress made as part of a collaborative effort to promote gender diversity with **9 women appointed to boards** and **9 diversity policies adopted** by TSX Composite Index companies since 2017

QuadReal Property Group's diversified portfolio ranked **1st in Canada and 2nd in North America** by Global Real Estate Sustainability Benchmark (GRESB)

¹The PRI assessment methodology, BCI's full assessment report, and our transparency report are available on our website at <https://www.bci.ca/approach/advocacy/principles-responsible-investing/>

To Our Clients

Integrating long-term ESG matters into our investment decisions is one of the fundamental principles that underlines our duty to deliver sustainable and meaningful financial futures for our clients. We understand the positive relationship between investments that consider ESG factors and long-term returns; the challenges we face today are also the investment opportunities of tomorrow.

We continue to focus on the fundamentals such as strong performance, yet now, more than ever, we look to invest in companies that can create sustainable value and have a clearly defined long-term vision for growth.

In 2019, we finalized and introduced a new corporate-wide ESG strategy, laying out BCI's priorities and our procedures for ESG reviews across all asset classes. This milestone brings a unified approach that clearly and consistently integrates ESG across the corporation and at every stage of the investment process.

This comprehensive and focused approach allows us to access the best possible information on ESG matters, ensuring we are using all material information to make informed investment decisions that are in our clients' best financial interests.

BCI continues to diversify our clients' portfolios to include a greater proportion of private market investments, many of which are held for the long-term

and where BCI has meaningful governance rights through board representation. With this shift also comes the responsibility to make sure our portfolio companies are equipped and ready to provide long-term, sustainable growth.

We are committed to seeing our clients benefit from investment opportunities in the shift to a lower-carbon economy while staying protected from undue physical and transition risks associated with climate change. We continue to make progress on meeting the stated goals of our 2018 *Climate Action Plan*, including incorporating climate change materiality assessments in all ESG reviews.

The events that shaped the beginning of 2020 have only served to reinforce our commitment to driving sustainable growth for the benefit of our clients and beneficiaries for generations to come. The COVID-19 pandemic is unlike any crisis we have experienced in our lifetime, transforming social routines and delivering a shock to global economies.

As an institutional investor with a long-term investment horizon, the crisis further highlights the importance of a disciplined approach, and why factoring ESG matters into all our investment decisions is essential to building financially meaningful futures for our clients. In 2020, we will continue to refine our cross-portfolio ESG strategy and actively partner with clients every step of the way.



Gordon J. Fyfe
Chief Executive Officer /
Chief Investment Officer

BCI's ESG Investment Beliefs

Our investment beliefs provide a clear and transparent structure for how we work to achieve our clients' investment goals. Our investment beliefs influence our views on capital markets, our investment processes, the creation of investment strategies, and our overall approach to managing our clients' funds.

BCI's investment beliefs are:

- > Having a strategic investment discipline is key
- > ESG matters make a difference
- > Skill matters
- > Integrity counts

Our investment beliefs articulate our understanding of the relationship between ESG and financial markets. These beliefs set the basis for why we do what we do, guiding our team and business. Putting these into practice is key to delivering results.

At BCI, we believe ESG matters make a difference because:

- > Taking ESG matters into account enables investors to better understand, manage and mitigate risks, and take advantage of opportunities associated with long-term investments.
- > Companies that employ robust ESG practices are in a better position to generate long-term value for investors than similar companies with less favourable practices.
- > Improving the sustainability and integrity of global capital markets creates favourable economic conditions that benefit investors over the long term.

BCI's ESG Principles

BCI's ESG principles, informed by the Principles for Responsible Investment (PRI)¹, elaborate on what we do to put our beliefs into action. Together, they create consistency across asset classes and act as a cross-portfolio compass that guides all aspects of our ESG strategy.

We have established a set of seven principles to guide our approach.

- 1 The **investment objectives of our clients** are always at the forefront of our ESG activities.
- 2 We apply **consistent principles** across the corporation while **adapting our approaches to what is best** for each asset type.
- 3 We **manage ESG risks** and **seek opportunities** across **all time horizons**, while focusing on those ESG matters that are most **material to our clients' portfolios and individual investments**.
- 4 We use our position as a **universal owner** to **engage with companies, partners, and policymakers** in aligning interests with long-term investors and to advance responsible investing globally.
- 5 We **collaborate** with like-minded investors and organizations on ESG matters where our objectives are aligned.
- 6 We act with the same level of **integrity and transparency** that we expect from our partners and invested companies.
- 7 We **adapt our ESG strategy and approaches** and **continuously improve** based on our experiences and evolving responsible investing standards.

¹BCI is a founding signatory of the Principles for Responsible Investment (PRI). For details about PRI Principles, please refer to page 39.

BCI's ESG Strategy

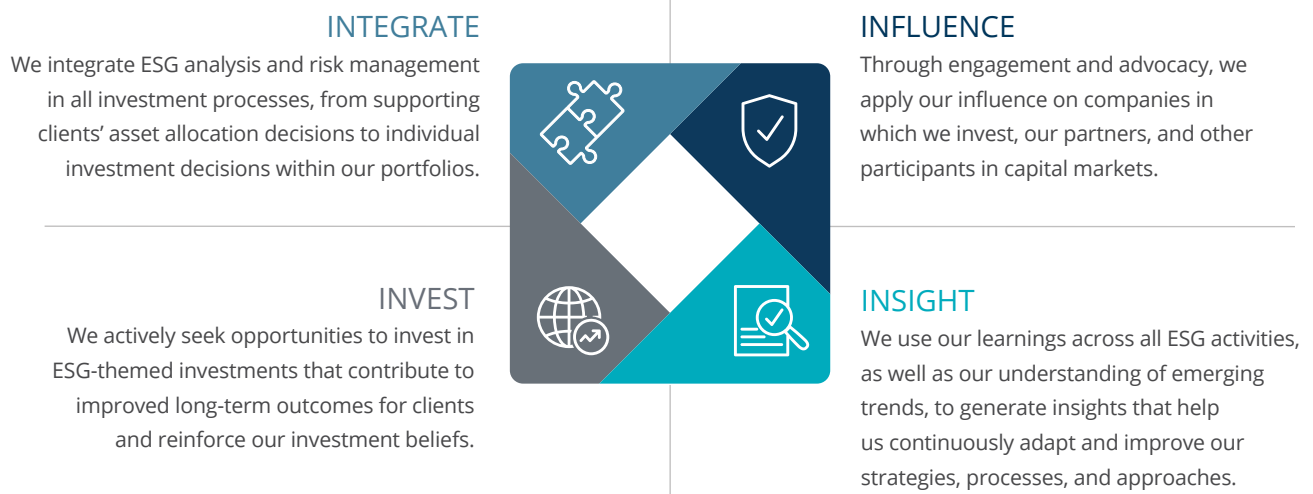
In providing investment management services to British Columbia's public sector, BCI partners with our 31 clients to generate investment returns that will help them provide a financially secure future to their beneficiaries.

We offer investment options across a range of asset classes, and long-term sustainability is the driving force behind our investment approach. We believe that ESG matters make a difference.

In 2018, we communicated our plans to embark on a journey involving extensive engagement with our clients to develop a corporate-wide approach to ESG. Over a two-year period, our investment

professionals collaborated to create an approved strategy that spans all asset classes and provides a consistent approach at every stage of the investment process. It reflects the input and views of our clients.

Built upon BCI's longstanding approach to responsible investing, the ESG strategy comprises four key components that represent our approach.



BCI's PRI Reporting & Assessment

BCI is a founding signatory of the Principles for Responsible Investment (PRI). The PRI provides a set of principles for its global network of institutional investors and acts in the long-term interests of its signatories, the financial markets, and the economies in which they operate.

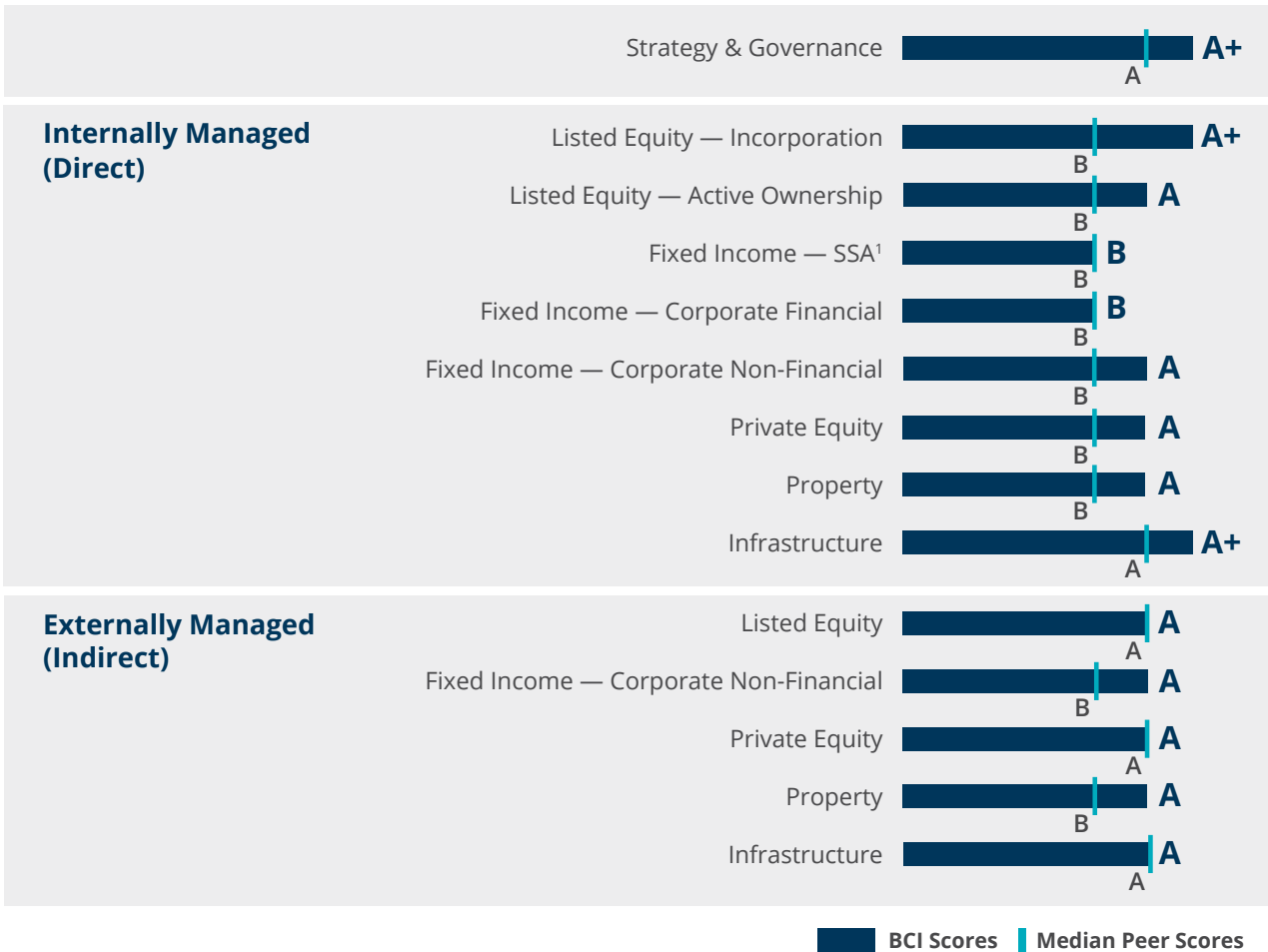
As a signatory, we are committed to reporting our responsible investing activities. Each year, PRI signatories participate in an annual assessment of progress. It is a valuable tool that allows BCI to benchmark our practices. A standardized methodology is applied, and each signatory receives transparency and assessment reports.

For the first time in 2019, we publicly disclosed our complete *PRI Assessment Report* along with our

RI Transparency Report that we release annually. We linked them to the assessment methodology on our website, **BCI.ca**. In doing so, we are strengthening our transparency, one of BCI's corporate values.

The 2019 PRI assessment results, reflecting our 2018 activities, show BCI outperformed our global peers in most assessment areas.

BCI's 2019 PRI Scorecard



¹ SSA = Sovereign, Supranational and Agency



Climate Action

Climate change is one of the most significant social and economic risks the world faces today. BCI recognizes the role institutional investors around the world can play in promoting sustainable, inclusive, and long-term growth.

Assessing and managing investment risk is an integral part of how we meet our fiduciary responsibility to our clients, and climate change is a key focus of both long-term investment risk and opportunity at BCI.



Climate Action Plan

Our climate action plan outlines four activities to appropriately manage climate change risk across all asset classes, as well as integrate climate change-related information into our investment decision-making process. These four activities are manage risk, integrate, seek opportunities, and engage & advocate.



Manage Risk

By quantifying BCI's and clients' specific climate change risks and monitoring changes in expected outcomes, including by:

- > Integrating climate change scenario analysis into risk processes across client portfolios and BCI asset classes.
2019 progress: We now include climate change scenario analysis in our client asset-liability modelling processes. We also integrate that analysis, where material, into new product and investment risk reviews and deal analysis.
- > Measuring and reporting on the carbon footprint of the BCI portfolio.
2019 progress: Our carbon footprinting now includes most of the fixed income and real estate portfolios, as well as all of public equities.
- > Conducting physical climate change risk assessments.
2019 progress: QuadReal Property Group¹ completed a physical climate change risk evaluation across all property types, and evaluates physical risks for all potential investments.



Integrate

By employing climate analysis in investment decision-making at the asset, pool, and total client portfolio levels, including by:

- > Integrating climate change indicators in active equity mandates based on the Sustainability Accounting Standards Board (SASB) framework, and developing climate materiality assessments across all asset classes.
2019 progress: We conduct climate change materiality assessments in all ESG reviews.
- > Trialling carbon pricing model in certain private asset valuations.
2019 progress: Where material, we include carbon pricing and regulatory assessments in risk reviews for due diligence on potential investments.
- > Improving the external manager evaluation process with additional climate-related questions and oversight.
2019 progress: We include climate-related questions in surveys for external managers for BCI's public markets programs.

¹ QuadReal Property Group (QuadReal) was established in 2016 to manage our clients' real estate and mortgage programs.



Seek Opportunities

To invest in beneficiaries of the transition to a low carbon economy, where it makes financial sense, including by:

- > Increasing total portfolio exposure to climate-related investment opportunities.
2019 progress: We increased our exposure to green, sustainable, and social (GSS) bonds. We did so by subscribing to eight GSS bonds, representing about \$330 million equivalent in initial participation.

We expanded the Thematic Portfolio, a concentrated portfolio which has a low carbon component, from \$2.4 billion to \$3.5 billion.
- > Measuring and reporting on the total value of assets invested in climate-related investment opportunities through our annual Taskforce on Climate-Related Financial Disclosures (TCFD) submissions.
2019 progress: Our measured exposure as at March 31, 2019, is approximately \$2.0 billion, a slight increase over 2018.



Engage & Advocate

For climate-related disclosure and strategy, with investment companies, industry peers, policymakers, and other stakeholders, including by:

- > Completing at least 18 climate-related policy submissions with provincial, federal, and international policymakers between 2007 and 2019.
2019 progress: BCI supports the recommendations made by the Expert Panel on Sustainable Finance and we are participating in efforts regarding transition bonds. They include the Government of Canada working with financial sector leaders to accelerate Canada's supply of liquid green and transition-linked fixed income products.
- > Joining the Climate Action Plan 100+ collaborative engagement to target the largest global greenhouse gas (GHG) emitters.
2019 progress: BCI leads or co-leads on engagement with four North American companies in the oil & gas and mining sectors. BCI also serves in a supporting role in engagements with six other North American companies in the oil & gas and utility sectors.

Climate Change Analysis Integration

BCI uses climate change scenario analysis to identify macro-economic climate-related risks and opportunities that have the potential to impact our clients' investment returns.

At the asset class level, the assessment of climate change risk is evaluated, as appropriate, based on the nature of the investment.

During the pre-investment analysis of our clients' assets, BCI:

- > Integrates climate change indicators, based on the SASB framework, into internally managed, active public equity mandates.
- > Includes climate change risks in the evaluation of corporate bond issuances and private credit transactions.
- > Encourages credit rating agencies to incorporate climate analysis into their processes.
- > Commissions and reviews reporting on legal, environmental, regulatory, and other climate factors when assessing and evaluating the investment potential of directly-held private market assets.

BCI's Involvement with the Climate Action 100+ Initiative

Climate Action 100+, launched in 2017, is one of the world's largest investor-led engagement initiatives. It brings together 450 signatories representing more than \$40 trillion U.S. in assets under management. BCI joined in 2017, and actively participates in the efforts to encourage the world's largest corporate GHG emitters to act against climate change.

Signatories are committed to:

- Engaging with 161 companies (representing over 80 per cent of global industrial GHG emissions).
- Working collaboratively with portfolio companies on initiatives that align with the goals of the 2015 Paris Agreement.
- Asking companies to strengthen their corporate disclosure and business plans against a range of climate scenarios.

BCI's Role

As part of Climate Action 100+, BCI leads or co-leads on engagement with four North American companies in the oil & gas and mining sectors, and supports engagements with six other oil & gas and utility companies.

- BCI held 16 meetings with Climate Action 100+ companies in 2019 where we were either leading or supporting the engagement, including with senior-level management representatives and board members. We also took part in preparatory discussions and individual direct engagements.

Climate Action 100+ First Progress Report

In September 2019, Climate Action 100+ released the Climate Action 100+ Progress Report showing 65 per cent growth in investor participation. And more recently, many of the companies identified within the extractive and utility sectors have publicly committed to new emission reduction targets and practices to meet their stated targets.

Noteworthy extractive and utility companies with net-zero emission targets include:



Oil & Gas

- BP plc (LSE: BP)
- Canadian Natural Resources (TSE: CNQ)
- Cenovus¹ (TSE: CVE)
- Equinor (NYSE: EQNR)
- ENI (NYSE: E)
- MEG Energy¹ (TSE: MEG)
- Occidental Petroleum (NYSE: OXY)
- Repsol (BME: REP)

Mining

- BHP Billiton (LSE: BHP)
- Teck Resources (TSE: TECK)
- Vale (NYSE: VALE)

Utilities

- American Electric Power Company (NYSE: AEP)
- Duke Energy (NYSE: DUK)
- Xcel Energy (NASDAQ: XEL)

These public commitments reinforce BCI's belief that engagement is a more effective strategy for managing climate risk than divesting.

¹ These companies (Cenovus and MEG Energy) are not part of the CA100+ list of target companies.



Climate Action 100+ has engaged with 161 focus companies. Of this group:

- 70%** have set long-term emissions reduction targets
- 40%** undertake and disclose climate scenario analysis
- 30%** formally support recommendations of the Task Force on Climate-related Financial Disclosures
- 77%** have defined board-level responsibility for climate change

Assessing ESG policies and practices

BCI assesses the strength of a company's policies and practices and public disclosure by benchmarking them against best practices. We also use these best practices to inform companies of our expectations which include:

Governance

- > Formal support for the TCFD
- > Reporting to the CDP (formerly Carbon Disclosure Project) and in line with the TCFD framework
- > Board-level responsibility for climate risk oversight
- > Chief sustainability officer, or senior management role, overseeing climate risk
- > Incentivize achievement of climate targets in executive and employee compensation

Strategy

- > Disclosure of capital expenditure plan and innovation strategies
- > Review of memberships in trade associations aligned with investor expectations on corporate lobbying on climate change

Risk Management

- > Disclosure of the range of internal carbon prices used to test capital investments
- > Undertake climate scenario planning and report on the resiliency of business strategies

Metrics & Targets

- > Disclosure of Scope 1, 2 and 3¹ GHG emissions data
- > External verification of emissions data
- > Adoption of short and long-term emission reduction targets
- > Methane-specific reduction targets (when applicable)
- > Commitment to net-zero emissions by 2050 (covering Scope 1 and 2 at a minimum)
- > Consideration of full-lifecycle reduction commitment (including Scope 3 from product use)

Investor Expectations on Corporate Lobbying on Climate Change

BCI joined more than 200 signatories representing over \$6.5 trillion U.S. in assets under management (AUM), in signing letters to American companies on corporate and trade association lobbying on climate change. This is a parallel initiative to Climate Action 100+ to reinforce expectations on policy alignment.

¹ Scope 1: All direct emissions from the activities of an organization or under their control. Including on-site fuel combustion such as gas boilers, fleet vehicles, and air-conditioning leaks.
Scope 2: indirect emissions from electricity purchased and used by the organization. Emissions are created during the production of the energy and eventually used by the organization.
Scope 3: All other indirect emissions from activities of the organization, occurring from sources that they do not own or control. These are usually the greatest share of the carbon footprint, covering emissions associated with the use of sold products, business travel, procurement, waste, and water.

BCI's Approach to the Task Force on Climate-Related Financial Disclosures

BCI believes that meaningful disclosure of ESG risks, strategies, practices, and performance helps institutional investors make the best decisions for their clients. We collaborate with like-minded investors and organizations to raise awareness of the need for reliable and consistent disclosure, and we are committed to incorporating the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations into our reporting and disclosure practices. As was publicly disclosed in our *Climate Action Plan*, each year, we will provide updates to the quantitative metrics included in our disclosure.

2019 TCFD Updates — Metrics & Targets

TCFD Recommendation: Describe the metrics used to assess climate-related risks and opportunities in line with strategy and risk management processes.

BCI's Alignment: Based on MSCI's sustainable impact research and considering the United Nations Sustainable Development Goals, the value of all BCI assets invested in climate-related opportunities was about \$1.8 billion as at March 31, 2017.

Update: As at March 31, 2019, using the same methodology, our exposure is about \$2 billion.

TCFD Recommendation: Disclose the level of greenhouse gas (GHG) emissions and the related risks.

BCI's Alignment: BCI measured our operational GHG emissions for the calendar year ended December 31, 2017 (reviewed by Zerofootprint) as per the below table. Note that this does not represent or include the carbon intensity of BCI's investments.

Update: GHG emissions as at December 31, 2019 are included in the table below.

BCI OPERATIONAL GREENHOUSE GAS (GHG) EMISSIONS	2017 (tCO ₂ e) ¹	2018 (tCO ₂ e)	2019 (tCO ₂ e)
Scope 1: Direct carbon dioxide (CO ₂) emissions	56.5	37.4	0.0
Scope 2: Indirect emissions	18.2	21.1	20.7
Scope 3: All other indirect emissions	1944.0	2114.6	3339.6
Total Emissions Generated	2018.7	2173.2	3360.3
Offsets Purchased	2018.7	2173.2	3360.3
Net Emissions	0.0	0.0	0.0

BCI's direct CO₂ emissions We reported 0 direct CO₂ emissions for the first time in 2019 due to the energy efficiency measures in place at the class AA LEED² Platinum building that houses our Victoria headquarters.

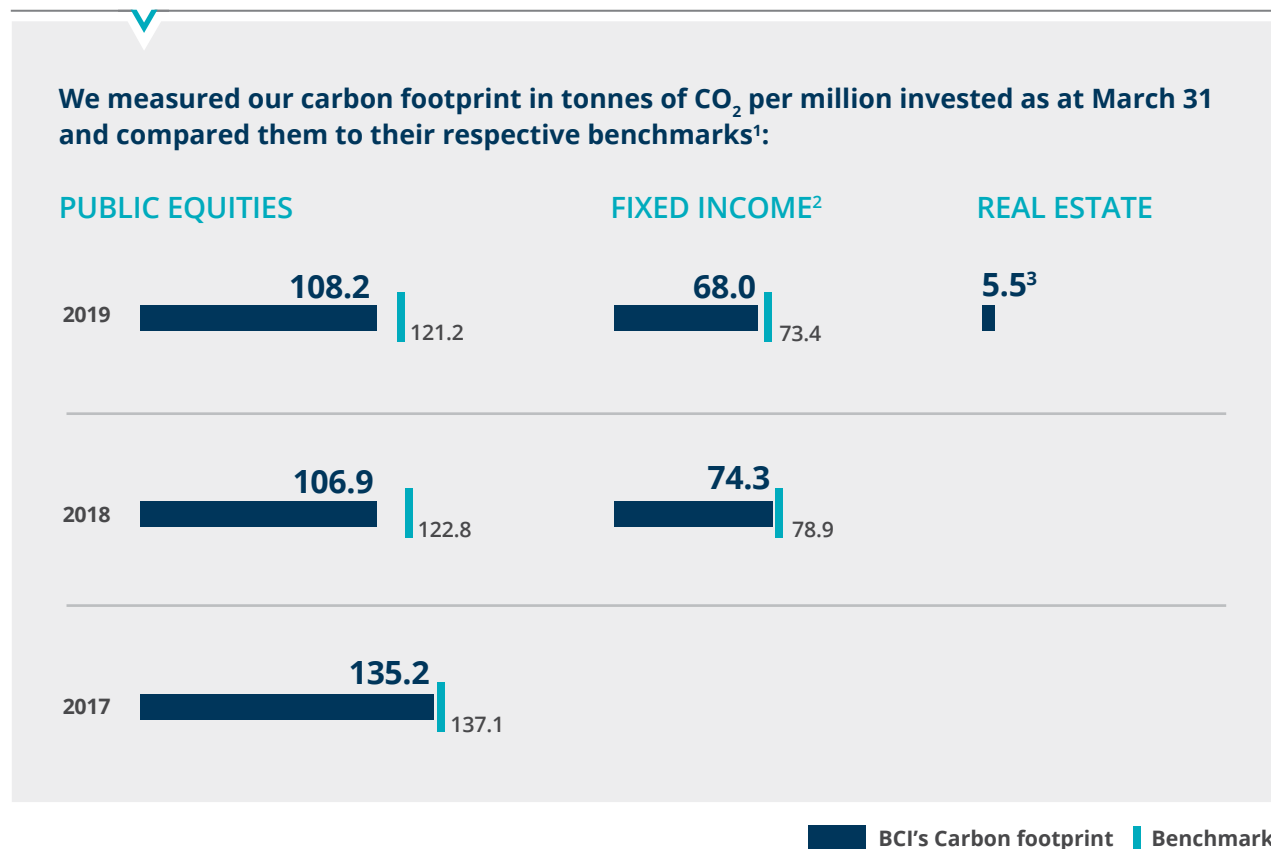
BCI's carbon offset purchases We purchase carbon offsets to compensate for CO₂ emissions BCI makes elsewhere. The offsets help fund projects such as a landfill gas utilization facility on Vancouver Island that is reducing GHG emissions and air pollution in the community.

¹ 2017 operational emissions were recalculated using updated emission factors.

² Leadership in Energy and Environmental Design (LEED) Green Building Rating System.

BCI Portfolio Carbon Footprint

We calculate our portfolio carbon footprint as an intensity measure of GHG emissions relative to the percentage of our holdings.



¹ The benchmark is a weighted combination of multiple indices as specified in our clients' Statement of Investment Policies & Procedure.

² The fixed income carbon footprint includes public corporate bond exposures but excludes private debt, money market, and some sovereign debt exposure.

³ The real estate footprint reflects the net domestic real estate portfolio emissions after accounting for the voluntary emission reductions and renewable energy credits acquired in the portfolio.



Public Markets

The public markets program manages a portfolio of fixed income and equity investments. We invest in Canada, the U.S., and internationally in developed and emerging markets, utilizing index and active management strategies. Responsible investing is an essential part of the investment beliefs shared by BCI and many of our clients. It compels us to integrate ESG factors into our investment analysis, decision-making, and processes.



Public Equities

BCI is a large-scale global investor and an active participant in the capital markets. We encourage the companies that we invest in to identify practical and realistic solutions to ESG risks and opportunities.

We aim to address systemic risks with the expectation of improved disclosure and performance, better risk-adjusted financial returns for our clients, and a strengthened financial system.

BCI seeks to influence companies through proxy voting, as well as direct and collaborative company engagements. We also meet with regulators and others that set or influence capital markets regulations so that our perspective on best practices drives positive changes. We track these efforts through over 40 ESG-related key performance indicators (KPIs).

In addition to placing a priority on engagement, BCI also integrates ESG factors into the investment process and completes ESG reviews for the fundamental equity, fixed income, and private debt programs. In 2019, we carried out 173 comprehensive ESG reviews, including 114 for fundamental equity teams.

Public Markets ESG Integration

Public markets made significant progress in 2019 on bringing assets in-house. This is one of BCI's key investment strategies to strengthen client returns through active management. ESG reviews play an important role in this effort.

BCI launched two new active fundamental pooled funds in 2019: Active Global Fundamental Equity; and Active U.S. Small Cap Equity. ESG reviews formed part of the decision-making process.

Existing mandates also require ESG reviews of current and potential holdings. We continue to expand our capabilities by exploring and adopting new data sources, including automated data collection.

Comprehensive ESG Review Process for Equity Investments



We base our ESG reports primarily on the Sustainability Accounting Standards Board (SASB) approach to industry level materiality for environmental and social factors. Governance factors generally transcend industries, so the team compares each company to global best practices.

An ongoing challenge in capital markets is the lack of quality ESG data that is comparable across companies. However, our efforts to engage companies, regulators, and research providers for improved disclosures and data collection are gaining traction, enabling us to assess companies and compare them to their peers efficiently.

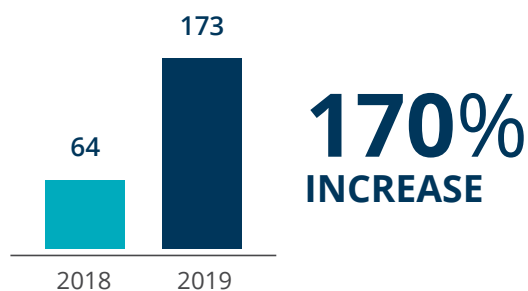
Applying Influence

Applying influence to affect corporate behaviour is one of the pillars of our ESG strategy. BCI manages investment risks and pursues activities intended to have the greatest material impact on our clients' portfolios. BCI chooses to be selective, specific, and pragmatic in allocating resources to our various areas of activity. Therefore, we establish and focus our efforts on our stated priorities for public markets: climate change and water; human rights; and board composition and executive compensation.

Measuring Outcomes

Tracking key performance indicators helps us understand the long-term outcomes from our ESG engagement activities and allows us to communicate the results to our clients. We use multiple sources to create reliable data sets that, where possible, date back as far as 2011. The results illustrate the impact of our efforts and determine where we should focus our engagement activities going forward.

Increase in the number of companies reviewed by the public markets ESG team



Source: BCI

Environmental

Engagement Priorities: Climate Change and Water

As one of the predominant social and economic risks the world faces today, climate change is a key engagement priority. We consider diverse types of climate change risks to fully understand our clients' exposure and take advantage of related opportunities.

Water risk is also significant in certain sectors. BCI engages with relevant companies to understand how they are preparing for a world with increasing constraints to water access, which metrics they use to track water usage, and to encourage disclosure to CDP Water.¹



Engagement Activities — Climate Change

Proxy Voting — Shareholder Proposals on Climate Change at BP plc (LSE:BP) and FirstRand (JSE:FSR)

OBJECTIVE

BP (LSE: BP) was asked for additional disclosures to help investors better understand and assess how the company's strategy aligns with the Paris Agreement to limit global warming to two degrees Celsius or below. BP was also asked to develop metrics and targets consistent with the Paris Agreement goals, and report annually on progress.

For FirstRand (JSE: FSR), one of the largest financial institutions in Africa by market value, we voted on two proposals: one asking the bank to assess its exposure to climate-related risks, and another to disclose a policy on its fossil fuel-related lending activities.

ACTION

BCI voted in favour of the proposals given the critical need to align with Paris Agreement targets in the case of BP, and the need for financial sector companies such as FSR to be transparent on lending to high-emitting industries.

OUTCOME

The BP proposal and one proposal at FSR passed. For BP, the company recommended shareholders support the proposal, which received 99.1 per cent support. While BP already has good disclosures, BCI expects companies to be transparent about efforts to achieve Paris Agreement climate targets, and to demonstrate progress towards transitioning to a low carbon economy. BP subsequently committed to disclosing how its strategy and investments align with the Paris Agreement. BP announced in 2020 that it would achieve net-zero carbon emissions by 2050, including customer emissions.

For FSR, the proposal on disclosing a policy on lending activities to fossil fuel companies, which the company recommended shareholders support, received 99.9 per cent support. After the meeting, the bank committed to producing a road map on its climate change exposure and increase disclosure in 2020.



Engagement Activities — GHG Emissions and Water Disclosure

Promoting Disclosure Aligned with the CDP

OBJECTIVE

The CDP provides a framework and platform for companies to disclose environmental data to investors and other stakeholders. We encourage publicly traded companies to respond to CDP's annual questionnaire on climate change, as well as CDP's water questionnaire, when water risk is relevant. Consistent data allows investors to make more informed decisions.

¹ CDP's work with water security motivates companies to disclose and reduce their environmental impacts. The data CDP collects helps influential decision makers to reduce risk, capitalize on opportunities, and drive action towards a more sustainable world.

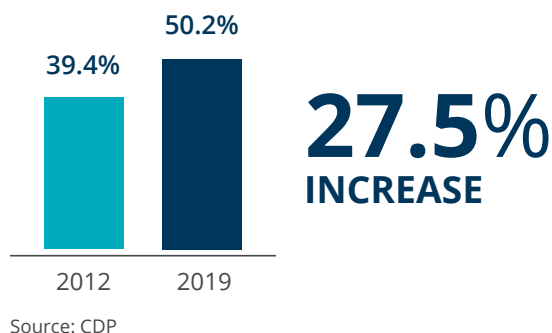
ACTION

- > We voted against board chairs or chairs of relevant committees at 22 companies in high-emitting sectors for not disclosing GHG emissions. We then reached out to 14 of those companies to encourage disclosure through the CDP.
- > BCI provided the investor perspective during a CDP Water webinar to help companies understand the importance of disclosing water usage data through the CDP platform, and BCI shared how it uses CDP Water data to inform investment decisions.
- > We were a member of the organizing committee of the CDP Energy Roundtable in Calgary.
- > BCI supported 10 out of 14 shareholder proposals related to GHG emissions reporting and adoption of emissions reduction targets. We voted against the other four proposals because the companies had already adopted reduction targets.
- > We voted in support of two out of three shareholder proposals addressing water risk management.

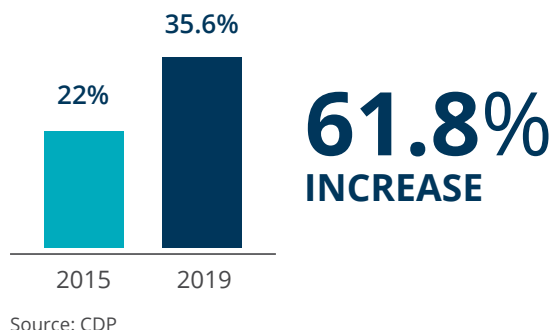
OUTCOME

Four of the 14 companies we contacted directly have since responded to the CDP questionnaire on climate change. Overall, respondents to the CDP water questionnaire rose from 305 in 2013 to 825 in 2019 — an increase of 170 per cent. The global response rate to the CDP climate change disclosure questionnaire increased from 34.2 per cent in 2012 to 39.6 per cent in 2019, an increase of 16 per cent.

Increase in the Canadian response rate to CDP on climate change disclosure



Increase in the proportion of Canadian companies adopting an internal price on carbon



Social

Engagement Priority: Human Rights

Businesses exist within a complex network of stakeholders that include shareholders, suppliers, customers, communities, governments, and employees — in some cases spanning multiple countries and diverse operating environments. As an active investor, it is our responsibility to interact with, encourage and, where appropriate, challenge companies about their policies and activities.

Engaging on human rights can focus on a variety of stakeholders and issues, ranging from employee health and safety, consumer rights and product safety, labour standards, consultation with Indigenous communities, social and environmental impacts on local communities, stakeholder engagement, and others.



Engagement Activities — Human Rights in Extractive Sectors

Engaging with Extractive Companies on Tailings Dam Management

OBJECTIVE

BCI is part of The Investor Mining & Tailings Safety Initiative. The engagement convenes institutional investors active in extractive industries, including major asset owners and asset managers.

A tailings dam is an embankment dam used to store liquid or solid by-products of mining operations. A breach or collapse can have a significant impact on the human rights of employees and local communities, as well as on the environment.

The coalition of more than 110 investors representing over \$14 trillion U.S. in assets under management (AUM) is advocating for a global safety standard for tailings dam management and an independent global database following high profile disasters, including at Vale's (NYSE: VALE) Brumadinho mine in Brazil in 2019.

ACTION

- > The coalition sent letters to 726 companies calling for responses to specific questions on each of their tailings dam facilities.
- > The coalition has developed the first public database on tailings disclosures to support communities, investors, and other stakeholders in understanding the risks associated with the facilities, as well as calling for a new global standard on tailings dam safety.
- > BCI submitted comments during the public consultation on draft standards to the Global Tailings Review, calling for the strengthening of some requirements. The review was convened by the International Council on Mining and Metals (ICMM), the PRI, and the United Nations Environment Programme (UNEP).

OUTCOME

- > 332 companies responded to the initial letter, representing 46 per cent of those contacted, and 74 per cent of the mining industry by capitalization.
- > 222 companies disclosed details on 1,805 tailings facilities.
- > 40 of the top 50 largest mining companies in the world responded.
- > All 23 publicly listed members of the International Council of Mining & Metals responded.

Direct Engagement with Significant Canadian Portfolio Companies

BCI took part in direct outreach and engagement with some Canadian mining companies on the collaborative initiative's target list to encourage participation.

OUTCOME

- > 85 per cent response rate.
- > Reviewed disclosure of all internal active Canadian large-cap portfolio companies, assessed risks, and shared results with our investment professionals.

PRI Collaborative Engagement with Vale

BCI is part of a PRI-led collaborative engagement with Brazilian mining company Vale. Three meetings took place in 2019.

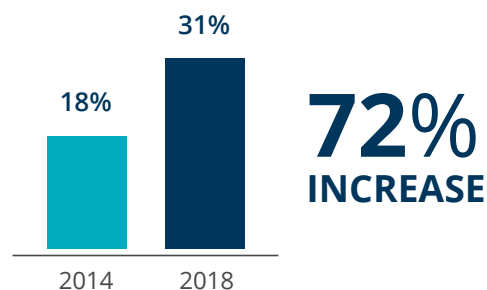
BCI recommended that Vale, as a member of the Mining Association of Canada (MAC), consider applying the MAC Towards Sustainable Mining (TSM) framework to its non-Canadian operations.

OUTCOME

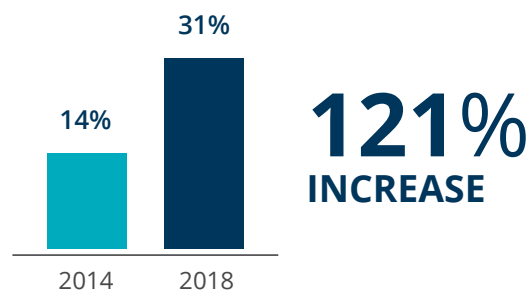
- > Vale established an independent board committee for dam safety.
- > Vale committed to developing a new risk management tool and to setting new safety KPIs.

We've seen an increase in the proportion of companies' mining facilities earning AAA performance level for reporting on three TSM¹ tailings indicators.

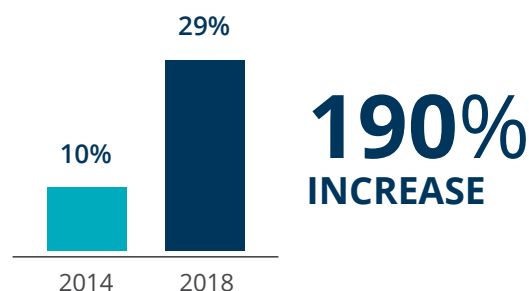
Assigned Accountability and Responsibility



Annual Tailings Management Review



Operation, maintenance and surveillance (OMS) manual



Source: MAC

¹ Towards Sustainable Mining (TSM) is the Mining Association of Canada's (MAC) commitment to responsible mining.

Proxy Voting — Shareholder Proposal on Prison Labour in the Supply Chain at the Home Depot Inc (NYSE:HD)

OBJECTIVE

BCI advocates for best practice in human rights due diligence in company operations and supply chains.

ACTION

- > BCI supported a shareholder proposal calling for The Home Depot (NYSE: HD) to report on prison labour in the company's supply chain.

OUTCOME

- > The proposal received a significant level of shareholder support (30 per cent), and BCI followed up with the company to discuss the vote. Management explained that media coverage on the use of prison labour was related to one of its suppliers, which participated in a back-to-work program for prisoners. Allegations surfaced that the halfway house was withholding wages from the workers, the supplier then halted involvement in the program, and Home Depot subsequently terminated the supplier for business reasons. Home Depot did not commit to reporting on prison labour in its supply chain. It believes the incident was rare and reiterated that it is firmly against any forced labour in its supply chain, having conducted over 1,300 supply chain audits in 2019.

BCI supported 16 of 20 human rights and supply chain-related shareholder proposals with nine proposals receiving more than 30 per cent support.

Thirty per cent support is the level at which many boards take significant note of a proposal topic, and at 50 per cent the board needs to take action, or many investors will consider voting against incumbent directors at the next meeting.

31.1% Northrop Grumman Corp (NYSE: NOC):
Human rights risk assessment

32.2% Chevron (NYSE: CVX):
Report on the human right to water

32.7% Amazon.com (NASDAQ: AMZN):
Report on sexual harassment

34.0% CBRE Group (NYSE: CBRE):
Report on impact of the mandatory arbitration process

35.3% Macy's Group (NYSE: M):
Report on human rights risks in operations and supply chain

37.6% The TJX Companies, Inc (NYSE: TJX) (Winners):
Report on prison labour in the supply chain

38.8% The TJX Companies, Inc (NYSE: TJX) (Winners):
Report on human rights risks in operations and supply chain

43.9% Amphenol Corp (NYSE: APH):
Report on human rights risks in operations and supply chain

50.6% Microchip Technology Inc (NASDAQ: MCHP):
Report on human rights risks in operations and supply chain



Governance

Engagement Priorities: Board Composition and Executive Compensation

Good governance and a high-performing and diverse board of directors are the foundation of effective company management and long-term success. We raise awareness about best practices in corporate governance and the role of boards as a way of managing investment risk. We advocate for executive compensation programs that align with the strategic priorities of the company and ensure that there is a link between pay and performance. We also encourage the adoption of performance metrics linked to the efficient use of capital.



Engagement Activities — Gender Diversity

Engaging with Badger Daylighting Ltd (TSE:BAD) on Diversity

OBJECTIVE

Encourage Badger Daylighting to increase gender diversity on the board.

ACTION

BCI was the lead investor in a collaborative engagement with members of the 30% Club Canada, seeking improvements in gender representation on Badger Daylighting's (TSE: BAD) board. BCI wrote a letter outlining the business case for increased board diversity. BCI and other peers met with the company to discuss investor expectations surrounding gender representation on boards. BCI advocated for the adoption of a gender diversity policy with a target and timeline that would help the company formalize processes.

OUTCOME

The company improved its board evaluation process, including an in-depth analysis to determine key director skills needed on the board, and use of a professional recruitment firm. We believe these efforts will improve governance and drive systematic board refreshment, increasing the chances that a broader set of qualified candidates will be assessed. Badger's board established an aspirational goal of

30 per cent female representation by 2023, and appointed another female director in 2019, bringing representation to two (25 per cent).

Proxy Voting — Shareholder Proposal on Board Composition at Waste Connections (TSE:WCN)

OBJECTIVE

BCI advocated for an increase in gender diversity at both the board and senior management level at Waste Connections (TSE: WSE).

ACTION

At their 2019 annual general meeting, Waste Connections received a shareholder proposal calling on the company to publish a formal, written diversity policy, as well as plans and timelines for increasing the number of female board members and executives. Consistent with our commitment as members of the 30% Club and signatories to the 30% Club Canada Investor Statement of Intent, BCI supported this shareholder proposal.

OUTCOME

The proposal passed with majority support from Waste Connections shareholders, and the company responded by publishing a formal diversity policy and targets to reach a minimum female representation of 30 per cent of total board members by 2024. The board also appointed one female director during 2019.



30% Club Canada

BCI has been a member of the 30% Club Canada since 2016, including as chair of the Investor Group. The initiative aims to achieve better gender balance at the board and senior management levels by building a strong foundation of business leaders committed to meaningful, sustainable gender balance in business leadership. The goal is to achieve a minimum of 30 per cent female representation on the boards and at the executive management level of S&P/TSX Composite Index companies by 2022.

Advocating for Changes to the Canada Business Corporations Act

OBJECTIVE

BCI advocated for the modernization of the *Canada Business Corporations Act (CBCA)*. It included a mandatory advisory vote on executive compensation, adoption of diversity policies and targets, strengthening shareholder rights by improving the proxy voting system, as well as other governance-related issues.

ACTION

Beginning in 2014, BCI actively participated in the consultations by the Government of Canada on modernizing the *CBCA*. These consultations culminated in changes to the *CBCA* in 2019, and diversity requirements became effective in 2020, with other changes expected to follow in 2021.

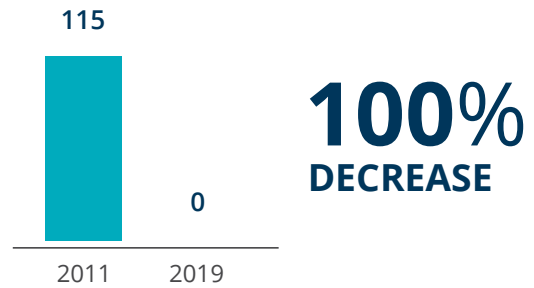
OUTCOME

Companies formed under the *CBCA*, including about half of Canada's largest publicly traded companies, will now align with and go beyond Canadian securities laws. It requires issuers to disclose details on policies, targets, and statistics for diversity in the boardroom and senior management, and publish them in the annual shareholder meeting notice or proxy circular.

Diversity is defined as including women, aboriginal peoples, persons with disabilities, and members of visible minorities. If companies do not have such policies, targets, and statistics, they will need to explain why not, and there are no quotas in the regulations.

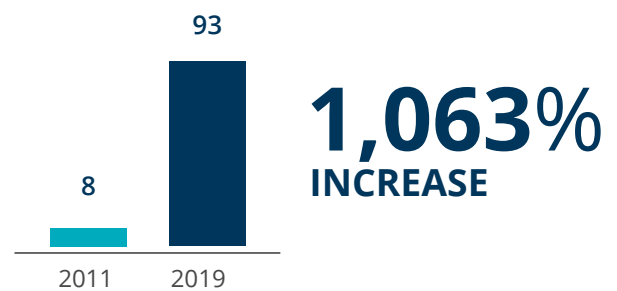
The disclosure requirements now go beyond the TSX Composite Index of large companies to encompass smaller issuers under the *CBCA* that are on the TSX Venture and Canadian Securities Exchange.

Decrease in TSX Composite Index companies with all-male boards of directors



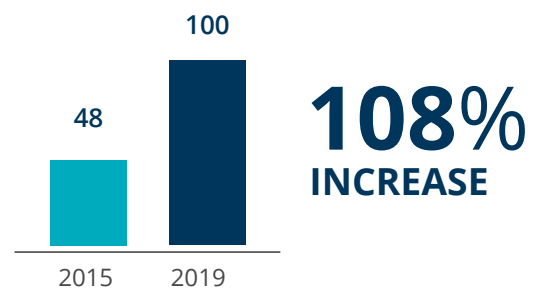
Source: Institutional Shareholder Services Inc.

Increase in TSX Composite Index company boards with at least 30 per cent female representation



Source: Institutional Shareholder Services Inc.

Increase in TSX Composite Index company boards with a gender diversity target



Source: Institutional Shareholder Services Inc.

Advocating for Pay-For-Performance Alignment

OBJECTIVE

We vote against compensation plans that fail to incentivize executives to focus on the long-term performance of the business and do not meet BCI's proxy voting guidelines.

ACTION

BCI assessed over 1,500 management proposals on compensation (say-on-pay) and voted against 46 per cent in 2019. We followed up with letters to 19 companies, where BCI had significant financial exposure, explaining our concerns and requesting improved disclosure or changes to their pay plans.

OUTCOME

As You Sow, an American non-profit leader in shareholder advocacy, publishes an annual report on proxy voting entitled *100 Most Overpaid CEOs*. It noted that 15 of the top 100 CEOs of S&P 500 companies had compensation at least \$20 million U.S. higher than if their pay was aligned correctly with performance. One CEO received \$200 million U.S. more than what the performance of the company would justify. The report recognized BCI as one of the pension fund managers among global pension peers most likely to oppose CEO pay packages in 2019. As You Sow noted that BCI voted against 63 of the CEOs on its top 100 list.

Proxy Voting — Advisory Vote on Executive Compensation at the Walt Disney Company (NYSE:DIS)

OBJECTIVE

Our goal with all votes on executive compensation is to support those that meet BCI guidelines and therefore show an alignment between pay and long-term performance. We vote against those that fail to achieve that alignment or compensation plans that have other serious structural problems.

ACTION

In 2018, in connection with Disney's merger with 21st Century Fox, the Disney board proposed to increase the CEO's target compensation by 56 per cent, taking him to \$49 million U.S. It followed a special \$100 million U.S. grant the previous year, awarded in connection with the extension of the CEO's employment agreement. BCI did not support the

say-on-pay proposal in part due to the magnitude of the award and because a significant portion of the grant was not subject to any performance conditions.

The say-on-pay vote failed in 2018 — meaning that a majority of Disney shareholders did not support this proposal — and the company disclosed that the special award was at the centre of investor concern.

OUTCOME

In response to the failed vote, the company disclosed that the board had increased the rigour of the performance goals attached to the CEO's special grant. However, as a result of the more challenging performance criteria, the award grant was increased by approximately 36 per cent. Furthermore, in the lead up to the 2019 annual general meeting, the company decided to roll back a significant portion of the proposed increases to the CEO's target compensation.

Despite improvements, BCI continued to have concerns about the magnitude of the CEO's compensation and the structure, leading us to once again vote against the plan in 2019. While the changes the company made to the compensation plan were sufficient for the say-on-pay proposal to pass, it only received 57 per cent support from shareholders. It is significantly below the average support levels of say-on-pay proposals in the U.S., which have been around 92 per cent over the last three years. The high CEO compensation also drew public scorn from a relative of Walt Disney, creating significant reputational risk for the company. In early 2020, the CEO stepped down and assumed the role of Executive Chairman for two years.

Policy Submission — The Stock Exchange of Hong Kong Consultation on ESG Reporting

OBJECTIVE

BCI provided feedback to the Stock Exchange of Hong Kong (HKEX) on proposed changes to its ESG Reporting Guide. It provides listed companies with guidance and expectations on ESG disclosures, as well as related amendments to the rules governing the listing of securities on the HKEX.

ACTION

BCI supported the proposal to require companies to publish their ESG reports to align with the publication time frame of their annual report. We also backed

the HKEX's plan to introduce a mandatory disclosure requirement on the board's involvement in the governance of ESG issues.

We encouraged a disclosure requirement around board education on ESG issues and emerging trends, and a description of the working relationship between the board and management in developing a sustainability strategy and setting goals and targets.

BCI also suggested the consultation could go further on climate change. We recommended that the ESG reporting guide encourage companies to align reporting with the TCFD framework. We supported referencing the goals of the Paris Agreement and the efforts of issuers to align emissions with those goals.

We advocated for increased disclosure obligations around environmental and social KPIs, and additional guidance on how issuers can follow international standards in ESG reporting to disclose material and decision-useful information to investors, such as SASB.

BCI supported the proposal to introduce a new KPI requiring disclosure of anti-corruption training provided to directors and staff. However, we

highlighted that this requirement does not align with Hong Kong's Corporate Governance Code, where a whistleblowing policy is only a recommended best practice. We emphasized our belief that this is a key area to amend within the Corporate Governance Code. BCI noted the need for reliable and credible ESG information and urged the HKEX to assess the appropriateness of requiring audited ESG reporting in the future.

OUTCOME

In 2019, HKEX published its consultation conclusions, and many of BCI's recommendations were incorporated. Notably, the governance section of the ESG reporting guide now requires an evaluation of specific risks to the issuer's businesses.

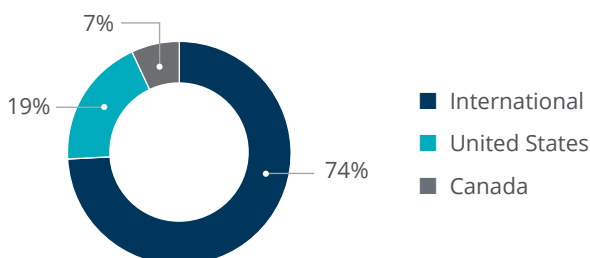
HKEX committed to amending the Reporting Guide to address respondents' calls for aligning disclosure with international standards such as TCFD and SASB. The HKEX also committed to reviewing the Reporting Guide and the Corporate Governance Code periodically going forward.

Proxy Voting

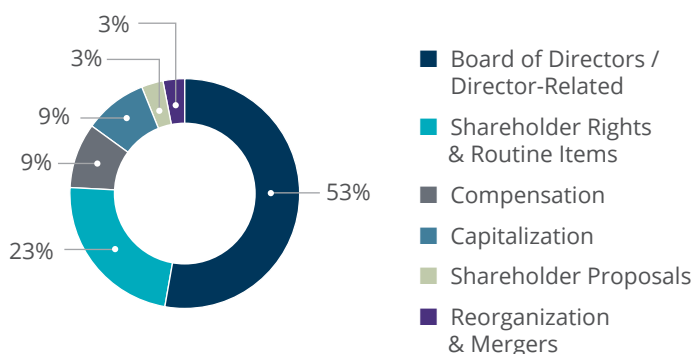
As an active owner, we consider informed voting an essential component of our commitment to engagement. It fosters good corporate governance and accountability. We conduct all proxy voting activities in-house, and have developed voting guidelines to help direct our decisions.

Our voting guidelines are published on our website and serve to advise our investee companies of our expectations related to ESG matters. We also disclose our proxy votes ahead of a publicly-traded company's annual general meeting. A searchable database on our website provides an account of voting, including our rationale for when we voted against a management proposal and all shareholder proposals.

Proposals voted by geography



Proposals voted by category



3,975 MEETINGS VOTED

COUNTRIES VOTED IN: **59**

44,451 AGENDA ITEMS ASSESSED

1.0% INCREASE FROM LAST YEAR

OF WHICH WE VOTED

MANAGEMENT PROPOSALS

28% AGAINST
Total proposals 43,135

DIRECTOR NOMINEE PROPOSALS

35% AGAINST / WITHHELD
Assessed 19,207

SAY-ON-PAY / REMUNERATION REPORT PROPOSALS

46% AGAINST
Assessed 1,571

SHAREHOLDER PROPOSALS

61% SUPPORTED
Total proposals 1,316



40%
total 94



80%
total 129



61%
total 1,093



Fixed Income

Governance and broader environmental and social factors play a role in credit assessment and research, all of which influence how we invest in our fixed income program.

Fixed income is a secure and diverse asset class. It is a foundational part of our clients' portfolios that includes a mix of sovereign and corporate bonds. BCI integrates ESG factors into the investment process, providing us with more in-depth insight into the creditworthiness of issuers.

ESG Integration in Bond Investing

ESG is a component of our risk analysis and credit research for our fixed income bond holdings. We integrate opportunities into our investment decision-making processes by combining information from external providers and sell-side research with in-house information and analysis from our fixed income, and ESG teams.

Credit rating agencies (CRAs) have also increased the transparency around the relevance and materiality of ESG factors in their rating decisions. It is due in part to the PRI Advisory Committee on Credit Ratings, of which BCI was a member from 2016 to 2018, working collaboratively with other investors and CRAs.

We also identify bonds that show positive environmental and social performance. One means to assess ESG opportunity factors is to invest in labelled bonds that meet our investment criteria. Labelled bonds are instruments with dedicated use-of-proceeds towards projects with positive environmental and social benefits. There are currently three formalized and recognized bond labels: Green, Social, and Sustainable (GSS).

Green, Social, and Sustainable Bond Labels (GSS)

Green Bonds

Enable capital-raising and investment for new and existing projects with environmental benefits. The Green Bond Principles (GBP) are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the market by clarifying the approach for issuance of a Green Bond.

Social Bonds

Use-of-proceeds bonds that raise funds for new and existing projects with positive social outcomes. The Social Bond Principles (SBP) promote integrity in the Social Bond market through guidelines that recommend transparency, disclosure, and reporting.

Sustainability Bonds

Proceeds will be exclusively applied to finance or re-finance a combination of both green and social projects.

Investing in Green, Social, and Sustainable (GSS) Bonds

While GSS issuances represent less than two per cent of the overall global bond market, they are showing significant growth, going from a standing start in 2007 to about \$284 billion U.S. in 2019. Started mainly by European Sovereign, Supranational, and Agency (SSA) issuers, North American SSAs, corporates, and corporate financials are now more likely to issue such debt instruments.

While GSS issuances are a small part of our clients' portfolios, we track the investable universe more closely. We have developed a review framework to help determine a bond's expected sustainability footprint, as well as the benefits and alignment with the issuers' sustainability commitments.

In 2019 and early 2020, BCI subscribed to eight GSS bonds, representing about \$330 million in initial participation.

Engagement with Standard Setters & Collaborations

Green Bond Principles and Social Bond Principles

BCI has been a member of the GBP and the SBP since 2015, one of only two Canadian investor members. The GBP and SBP represent leading investors, issuers and underwriters involved with green and social bonds.

Our collaboration with like-minded organizations helps us better understand this relatively new space and adhere to internationally recognized best practices and standards. It is also an effective way to deploy our resources and strengthen our voice.

In 2019, BCI responded to GBP/SBP's Survey of Existing GSS Bond Investors to capture members' current practices. We also responded to a member consultation looking to identify and confirm the priorities of various working groups to help to refine standards and guidance material. Taking part in these consultations allows BCI to benchmark our approaches against best practices and identify potential strategies and methods to implement.

Canadian Standards Association's Transition and Sustainable Finance

BCI joined other Canadian financial institutions and institutional investors to fund a new initiative to help develop a Canadian standard for transition finance. It aims to support the development of transition-labelled bonds, among other financial instruments, that promote emission reductions and energy transition for heavy industries and other sectors.

The Canadian Transition Finance Principles and Taxonomy, led by the Canadian Standards Association, is a direct response to the final recommendations of the Expert Panel on Sustainable Finance in Canada. Recommendations include:

- Addressing the need to expand Canada's green fixed income market.
- Set a global standard for transition-oriented financing.
- Support Canada's oil and natural gas industry in building a low-emissions, globally competitive future.

As a technical committee member, BCI contributed extensively to the initiative. Transition bonds could greatly expand the current GSS credit field. They could help Canadian issuers finance efforts and projects to lower their emissions, and support a transition to a low-carbon economy.



Private Markets

As BCI has transformed into an active-in house asset manager, there is an increased focus on private markets.

Direct ownership allows BCI to use our position as a shareholder and board director to influence a company's strategic direction, appoint executive management, and align operations and practices with our expectations and interests.

We continue to develop our approach to ESG analysis and risk management in all investment processes using BCI's corporate-wide ESG strategy.



Infrastructure & Renewable Resource

Direct investments account for approximately 83 per cent of our portfolio. We make them with a very long-term outlook — sometimes up to 20 years. Our direct investments bring governance rights that allow us to actively manage assets through board representation.

Discussions at the board level include understanding ESG matters that present a material and non-traditional risk to individual portfolio companies.

In 2019, the infrastructure & renewable resource team continued to incorporate ESG issues into all our decision making in line with BCI's corporate-wide ESG strategy, with a specific focus on labour issues.

Infrastructure & Renewable Resource ESG Framework

Our direct investing ESG framework focuses on material ESG matters in our portfolio including the following priority focus areas:

Environment

- > Climate Change
- > Pollution and Contamination
- > Water Security
- > Energy and Water Efficiency
- > Biodiversity

Social

- > Health and Safety
- > Stakeholder Management
- > Labour Relations and Best Practices
- > Affordability

Governance

- > Executive Compensation
- > Transparency, Accountability, and Corporate Culture
- > Board Skills, Independence, and Composition
- > Ethics, Integrity, and Anti-Bribery and Anti-Corruption
- > Stakeholder Rights



Worker Health and Safety at Pacific National

OBJECTIVE

BCI invested in Pacific National (PN) in 2016, the largest interstate rail freight operator in Australia, and occupies board and observer seats. Through engagement at the board, BCI aims to play an important role in helping shape the strategic direction of the business and providing the management team with the support required to carry out ESG-related initiatives.

ACTION

PN has pursued initiatives aimed at improving worker health and safety, including Driver Drowsiness Detection Technology, installed in over 200 light vehicles used for transporting crew members to and from crewing depots. It consists of in-vehicle hardware, support software, and a risk management system with tools for managing the hazards of drowsy driving and distraction events.

OUTCOME

The system monitors the driver for the physiological signs of drowsiness and, on detection of an event, provides an audible alarm and rigorous vibration to the driver's seat to alert the driver before an incident occurs on the road. The technology is monitored in real-time, providing the opportunity for implementation of immediate risk controls.



Private Equity

In the private equity portfolio, we continue to increase our direct investments in companies with a sustainable competitive advantage, offering value-added products and services, and led by talented management teams. Our significant equity investments secure meaningful governance positions, allowing us to fulfill our role as an active asset manager in overseeing the strategic direction of each company.

In 2019, we further integrated ESG considerations into our management of investments as part of BCI's corporate-wide ESG strategy, including a primary focus on ESG integration for principal investments.

Identifying and Reviewing ESG Risks — Potential Investments

For new investments, ESG issues are identified through a process that leverages the SASB materiality mapping tool to help identify and prioritize issues that are relevant for each potential investment.

BCI also has a dedicated ESG team that supports the private equity team in evaluating and analyzing the material ESG risks for all new potential investments. Many of the prospective investments are unique and do not follow specific industry classifications, and therefore require the expertise of the dedicated ESG team as well as external advisors to evaluate them individually during due diligence.

Identifying and Reviewing ESG Risks — Principal Investments

Although identifying and reviewing ESG risks was always a part of the investment and monitoring process, we strive to improve our processes. As such, in 2019, a collaborative project to implement a more extensive ESG monitoring approach was completed. The monitoring process is as follows:

- > Identification
- > Assessment
- > Engagement
- > Monitoring
- > Measurement

The ESG project focused on five of private equity's principal positions, where it has a more significant governance role. We discovered most of the companies are addressing the majority of the ESG issues uniquely identified for each of them, such as GHG emissions, employee diversity and inclusion, and occupational health and safety. We continue to monitor their progress on addressing ESG issues.



ESG Initiatives in Pilot Freight Services' Strategic Plan

OBJECTIVE

To further integrate ESG considerations into the management of principal positions where we have more significant governance role. For example, Pilot Freight Services (Pilot), a third-party logistics provider and freight forwarding business that provides services globally. In 2016, BCI acquired an equity stake in the privately held company and holds board representation.

ACTION

As an active owner, we ask our portfolio companies to assess their business practices on an ongoing basis, including ESG-related matters.

OUTCOME

Pilot has several ESG-related initiatives discussed at the board level. These include:

Air and Water Pollution

- > Exploring a carbon credit offset program
- > Working on converting forklifts from propane to electricity

Business Ethics

- > Mandatory training on harassment and develop enhanced anti-bribery and corruption training

Community Engagement

- > Expanding corporate social responsibility efforts to give back locally

Management continues to work on these initiatives, and we remain in dialogue with them both at the board table and in various other settings to support them.

Identifying and Reviewing ESG Risks — Funds

Reviewing ESG risks is already part of the screening process. However, when it comes to evaluating an external manager for ESG risks and opportunities, as part of the ESG strategy, we are developing a more consistent approach across all asset classes and aligning with existing public market evaluations. We are working on developing a comprehensive and consistent ESG process for screening and monitoring our funds.



QuadReal

QuadReal Property Group (QuadReal) manages BCI's clients' real estate and mortgage programs with the mandate to deliver strong returns and prudent growth for global investments. The team's active approach to management helps to build and maintain a resilient program.

QuadReal manages a portfolio spanning 23 global cities across 17 countries. The company seeks to deliver strong investment returns, and strives to be recognized for making meaningful contributions to our communities.



Mortgage

QuadReal is a lender in the Canadian and U.S. commercial real estate industry. It focuses on loans with attractive risk-return profiles.

QuadReal's dedication to ESG is vested in its mortgage due diligence and investing, and it maintains a disciplined and systemic approach to understanding the social, environmental, and economic impacts of its investments. The company believes properties that incorporate green initiatives enjoy higher tenant satisfaction, fewer vacancies, and

increased cash flows. It favours development projects with environmentally sound principles that match BCI's clients' risk-return parameters.

QuadReal actively assesses the green features of properties and gives preference to those that are certified to LEED.

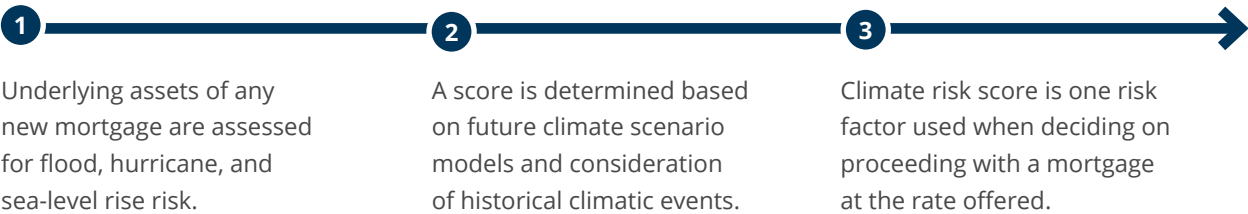
BCI believes properties that contain "green" features have:



In 2019, QuadReal expanded its pilot program for its climate risk pre-screening process to include mortgage acquisitions. The process helps it protect

BCI's clients' interests and enables cross-functional teams to work together to manage risk carefully.

Climate Risk Pre-Screening Process





Real Estate

Climate change is one of the most significant threats challenging the real estate sector and, therefore, seen by QuadReal as the greatest opportunity to make a difference. QuadReal aligns its domestic carbon reduction targets with Canada's commitment to science-based goals, namely an 80 per cent carbon reduction by 2050 from our 2007 baseline.

QuadReal's management team focuses on:

- > Low-carbon operations for new developments
- > Continuing efforts to improve the energy efficiency of existing buildings
- > Using renewable energy and less carbon-intensive fuels
- > Assisting tenants and peers to meet their own carbon goals



Sustainability — Park Place, Vancouver

Driven by long-term financial and environmental considerations, an important goal for QuadReal is to improve and invest in existing buildings so that they remain competitive with new commercial properties.

OBJECTIVE

At more than 700,000 square feet, Park Place in downtown Vancouver is the largest leasable office space in B.C. In 2018, it was one of the first buildings in Canada to earn ENERGY STAR¹ certification. Still, studies indicated that the property's energy usage and costs could be further reduced with the installation of a heat recovery system.

ACTION

QuadReal worked with a manufacturer of heating, ventilation, and air conditioning systems to install a new heat recovery system. Two newly installed heat

recovery chillers allow waste heat from the cooling systems to be captured and reused to heat other parts of the building. The chillers act as heat pumps to deliver heating in a process that significantly reduces water usage and steam consumption.

OUTCOME

It is estimated the new system will reduce annual steam consumption by 80 per cent, with only a six per cent increase in electricity usage, providing an annual energy cost saving of \$104,000. The system, together with all other energy conservation projects since 2017, is expected to reduce GHG emissions by 80 per cent and water consumption by 64 per cent when compared to 2007 baseline numbers.

Energy Disclosure Challenge

QuadReal is committed to improving the communities in which it operates through efficiency, engagement, health, and innovation. In 2019, QuadReal formed the Energy Disclosure Challenge in collaboration with the Canadian Green Building Council (CaGBC) and two other industry leaders to encourage all building managers in Canada to disclose their energy and GHG data.

MORE THAN

95% of QuadReal's Canadian portfolio is certified green

¹ The ENERGY STAR program originally launched in the United States in 1999. In 2019, it helped more than 260,000 commercial properties to track and measure their energy use. More than 36,000 buildings have earned ENERGY STAR certification.

Top Ranking in GRESB's 2019 Real Estate Assessment

QuadReal proactively benchmarks its performance to understand relative performance and identify opportunities for improvement. The dominant industry benchmark is GRESB (Global Real Estate Sustainability Benchmark).

GRESB's ESG data and benchmarks cover \$4.5 trillion U.S. in real estate and infrastructure value. The 2019 real estate benchmark covered 1,000 property companies, real estate investment trusts (REITs), funds, and developers.

QuadReal's diversified portfolio of office, industrial, retail, and residential assets garnered the top spot in Canada in its inaugural year of participation.

On the global front, QuadReal ranked in the top 5 of 230 peers in the diversified portfolio category, and in the top 5 per cent of all companies that participated.

One of the properties in which QuadReal has invested internationally — 22 Bishopsgate in London, UK — ranked 1st for a UK developer and 2nd globally for an office developer.



In 2019, QuadReal's diversified portfolio was ranked 1st in Canada, 2nd in North America, and 4th in the world by GRESB.

The results demonstrate the company's commitment to responsible investing and sustainability within the industry. QuadReal knows that this commitment reflects that of BCI and its clients too.



Health & Wellness

QuadReal considers the impact building operations can have on occupant health and wellness. Partnering with the Centre for Active Design (CfAD), it developed the *Office Guide to Building Health* to provide direction on creating healthy and welcoming spaces for tenants and property managers. It is available on the Fitwel website.

CfAD also operates Fitwel, which supports healthier workplace environments by encouraging improved health, productivity, and wellness in buildings. QuadReal certified six properties to Fitwel in 2019, the most certified space in Canada by any one company. Here are two examples.



Fitwel is the world's leading certification system committed to building health for all™. It was created in 2016 by the U.S. Centers for Disease Control and Prevention and U.S. General Services Administration.

745 THURLOW — VANCOUVER, CANADA

Developed by BCI and completed in 2015, 745 Thurlow is a 430,000 square foot office building with high-end retail in the heart of Downtown Vancouver.

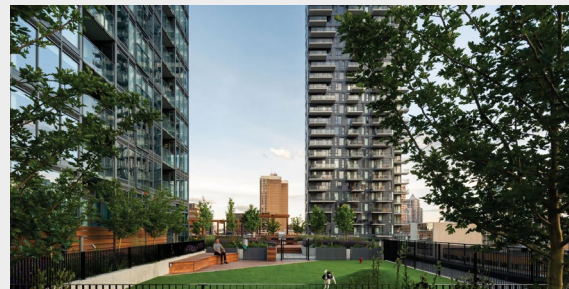
- > Rooftop patio for the enjoyment of every tenant
- > On-site fitness facility and free weekly lunch-hour yoga sessions
- > Walkable location and proximity to amenities such as parks and grocery shopping



SODO — CALGARY, CANADA

Developed by QuadReal and completed in 2019, SODO is a two-tower building including SODO Residences — a 36 storey, 305-unit rental apartment tower located south of downtown Calgary.

- > A chef's kitchen available to residents
- > Outdoor patio
- > Shared indoor common areas





Collaboration

Principles for Responsible Investment (PRI)

As a founding signatory of the Principles for Responsible Investment (PRI), we promote acceptance and implementation of responsible investing within the industry.

PRI provides a set of principles for institutional investors to consider, and through our endorsement, BCI is committed to:

- 1 Integrating ESG issues** into investment analysis and decision-making processes.
- 2 Being an active owner** and incorporating ESG issues into our ownership policies and practices.
- 3 Seeking appropriate disclosure** on ESG issues by the entities in which we invest.
- 4 Promoting acceptance and implementation** of the principles within the investment industry.
- 5 Collaborating with like-minded investors and organizations** to enhance effectiveness in implementing the principles.
- 6 Reporting** on our responsible investing activities.

BCI's PRI Involvement



Since the PRI's founding, BCI has actively participated in committees and working groups, covering topics ranging from corporate reporting and cybersecurity to mining safety and sustainable stock exchanges. Our involvement allows us to collaborate with other PRI signatories to influence positive change and fulfill our fiduciary duty to act in the best long-term interests of our clients.

✓ CORPORATE REPORTING REFERENCE GROUP

Mandate

The group seeks to improve the quality of corporate ESG reporting, and stimulate convergence in (corporate) reporting standards, contribute to the development of a standard for Sustainable Development Goals (SDG)/Impact measurement and reporting. As well as support innovations in the incorporation of ESG-issues in financial accounting and engage with policymakers and regulators related to the beforementioned issues.

Our Role Member

Term 2019–2021

Activities The Group had two calls in 2019.

✓ CYBERSECURITY COLLABORATIVE ENGAGEMENT

Mandate

To facilitate a better understanding of underlying cybersecurity risks and vulnerabilities and encourage corporate disclosure on cyber risk governance amongst multinational companies.

Our Role Member

Term 2017–2019

Activities

The engagement included 53 institutional investors engaging with global companies in the healthcare, financial, consumer goods, information technology, and telecommunication sectors to improve their approach to cybersecurity governance and processes. The group had lead investors for 62 companies — BCI took the lead on one. A final report on this engagement is due to be published in 2020.

✓ INCORPORATING SUSTAINABLE DEVELOPMENT GOALS IN ASSET ALLOCATION WORKING GROUP

Mandate

The Working Group was formed to act in an advisory role to the PRI Executive to provide input, advice and feedback to help guide the PRI SDG Advisory Committee on how SDGs can affect asset allocation decisions.

Our Role Member

Term 2017–2019

Activities

In 2019, the Working Group published a discussion paper *Embedding ESG Issues into Strategic Asset Allocation Frameworks*. It found current industry-wide practices do not sufficiently recognize the importance of ESG factors, including climate change or the SDGs as part of the core strategic asset allocation decision-making frameworks.

✓ INFRASTRUCTURE ADVISORY COMMITTEE

Mandate

To advise PRI on how to encourage private infrastructure equity and debt investors to consider ESG factors and how to integrate responsible investing throughout the investment process for infrastructure assets.

Our Role Member

Term 2017–2019

Activities

Participated in various roundtable and panel discussions and helped set priorities for what was a new workstream at PRI.

✓ METHANE ENGAGEMENT WORKING GROUP

Mandate

To strengthen investor understanding of methane risk exposure in global portfolios, transfer best practice learnings to companies and encourage energy and utility companies to improve their management, reduce methane emissions and enhance disclosure on their progress.

Our Role Member

Term 2017–2019

Activities

The Working Group has engaged with more than 40 companies regarding methane emissions since 2017. A final report on its activities is expected to be released in 2020.

✓ SUSTAINABLE STOCK EXCHANGES WORKING GROUP

Mandate

To encourage stock exchanges around the world to improve listing rules, advance regulatory initiatives, and disclose their sustainability strategies.

Our Role Member

Term 2011–present

Activities

As of 2019, 90 stock exchanges had committed to promoting sustainable and transparent markets by joining the Sustainable Stock Exchange initiative. Forty-two exchanges provided written guidance on ESG reporting for corporate issuers. In 2019, the TMX Group announced that the Toronto Stock Exchange and the TSX Venture Exchange had joined the initiative following an engagement effort led by BCI.

✓ WESTERN NORTH AMERICAN (WNA) PRI NETWORK ADVISORY COMMITTEE

Mandate

The WNA PRI Network is a regional group of PRI signatories from across the western US and Canada. The Advisory Committee guides the PRI on issues and topics of interest to network members and assists in bringing together local signatories for education, collaboration and implementation support on ESG issues.

Our Role Member

Term 2019–present

Activities

The Committee organized the 2019 Western North American PRI Symposium, which took place in Los Angeles, California, in October 2019, bringing together asset owners, investment managers, and service providers in an exchange of knowledge and ideas on regionally and globally relevant ESG themes.

Collaboration

BCI works with like-minded investors and organizations to help deploy resources that strengthen our collective influence. BCI employees also voluntarily take on leadership roles at some of the following:

Signatory of:



- > Founding signatory in 2006
- > Active member of steering committees and working groups



- > Founding member in 2011
- > Member of the Member Services Committee



- > Member since 2016: one of over 280 Canadian chapter members
- > Member of the steering committee and Chair Investor Committee
- > Advocate for companies to enhance gender diversity



- > Member since 2015



- > Member since May 2017



- > Former member of the CDP Canada advisory council
- > Signatory to climate change program since 2006
- > Signatory to water program since 2009
- > Investor member since 2016



- > Member since 2005
- > Contribute to and support regulatory efforts



- > BCI, with over 300 other investors, signed the Climate Action 100+ Sign-on Statement in 2017
- > Actively participate in efforts to encourage the world's largest corporate GHG emitters to act against climate change



> Associate member since 2017



> Member since 2017



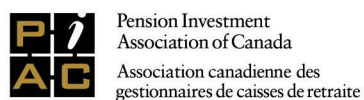
> Member since 2017



> Member since 2016



> Member since 2015



- > Chair of Investor Stewardship committee
- > Chair of Risk Management committee
- > Board of Directors member



> Member since 2005



> Member since 2007



> Member since 2002



- > Founding member of investor advisory group since 2016; joined SASB Alliance in 2018
- > One of 28 asset owners



Appendices

BCI's Policy Submissions

Capital Markets Stability

- > Requested the U.S. Securities and Exchange Commission extend the comment period on proposed changes to proxy rules for proxy voting firms and shareholder proposal resubmission thresholds.
- > Participated in a Cooperative Capital Markets Regulatory System meeting on lack of Environmental & Social (E&S) related data disclosures, neglected proxy voting system and corporate governance issues such as compensation and diversity.

Corporate Governance

- > Responded to the Stock Exchange of Hong Kong (HKEx) Consultation on the Review of the ESG Reporting Guide and Related Listing Rules.
- > Supported Petition by the Council of Institutional Investors for Nasdaq Listing Standards.
- > Supported Petition by the Council of Institutional Investors for New York Stock Exchange (NYSE) Listing Standards.
- > Responded to the Institutional Shareholder Services' Global Survey on proposed policy revisions.
- > Participated in an Institutional Shareholder Services' Policy Roundtable discussion on proposed changes to its Canadian benchmark voting policy.
- > Responded to the Council of Institutional Investors' Consultation on Potential Update to its Executive Compensation policies.
- > Responded to the UK Financial Reporting Council's consultation on Proposed Revision to the UK Stewardship Code.
- > Provided comments on revisions to the International Corporate Governance Network's Global Stewardship Principles.

Reporting & Disclosure

- > Follow-up Response to U.S. Securities and Exchange Commission on Business and Financial Disclosure Required by Regulation S-K.
- > Responded to the Government of Canada's consultation on Best Practices to Prevent Labour Exploitation in the Global Supply Chain.
- > Responded to the Corporate Reporting Dialogue's Better Alignment Project consultation, encouraging the use of corporate reporting mechanisms such as the CDP, the Global Reporting Initiative (GRI) framework, and the Sustainability Accounting Standards Board (SASB).
- > Responded to the consultation on a draft Global Tailings Standard.

Responsible Investing within the Industry

- > Responded to the Green Bond Principles/Social Bond Principles survey of existing GSS bond investors.
- > Provided comments on the Interim Report of the Expert Panel on Sustainable Finance (Canada).

APPENDIX 2

Events

We promote responsible investing within the industry by organizing, speaking, or moderating at conferences. Our activities for 2019 included:

CDP WATER WEBINAR

March
Victoria, Canada

TOPIC:
Investor need for companies to disclose water usage to CDP

BC PUBLIC SERVICE PENSION CONFERENCE

April
Victoria, Canada

TOPIC:
Climate Change

CFA SOCIETY VICTORIA

June
Victoria, Canada

TOPIC:
Diversity & Inclusion in Investment Management

CASGRAIN ECONOMIC CONFERENCE

July
Victoria, Canada

TOPIC:
ESG with a Fixed Income Focus

CFA SOCIETY NEW YORK: ANNUAL CLIMATE AND ESG ASSET OWNER SUMMIT

September
New York City, U.S.

TOPIC:
Canadian Asset Owners

RESPONSIBLE INVESTING ASSOCIATION ANNUAL CONFERENCE

April
Montreal, Canada

TOPIC:
Change management for next generation ESG

SCOTIABANK ESG CONFERENCE

May
Toronto, Canada

TOPIC:
Theory and Practice of ESG — Investing for Alpha

2019 CIRI CONFERENCE

June
Halifax, Canada

TOPIC:
ESG Integration: Views from the Street

INTERNATIONAL WORKSHOP ON FINANCIAL SYSTEM ARCHITECTURE & STABILITY

August
Victoria, Canada

TOPIC: Climate-Smart Finance: Financial sector levers for advancing a low-carbon economy

**INSTITUTE OF
CORPORATE
DIRECTORS**

October
Victoria, Canada

TOPIC:
Ethical Oversight
and the Board's Role

**TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURE
SUMMIT**

October
Tokyo, Japan

TOPIC:
From Divestment
to Engagement

**INSTITUTE OF
CORPORATE
DIRECTORS**

November
Vancouver, Canada

TOPIC:
How to get on a
Public, Corporate &
Not-for-Profit Board

**ISS ESG & CERES
SEMINAR**

November
Vancouver, Canada

TOPIC:
How to Measure
and Act on Climate
Risks

**PWC BOARD
DINNER SERIES**

November
Vancouver, Canada

TOPIC:
ESG Trends

10

11

12

13

14

15

16

17

18

19

**2019 PIAC
CONFERENCE**

October
Vancouver, Canada

TOPIC:
ESG Integration in
Fixed Income

**WESTERN NORTH
AMERICAN PRI
SYMPOSIUM**

October
Los Angeles, U.S.

TOPIC:
Implementing the
SASB Standards:
Investor and
Company Case
Studies

**ICGN ANNUAL
GLOBAL
STEWARDSHIP
FORUM**

November
London, UK

TOPIC:
The Impact of
Stewardship Activities
on Long-Term
Corporate Value

**19TH CANADIAN
ALTERNATIVE
INVESTMENT
FOR PENSIONS
CONFERENCE —
WEST**

November
Vancouver, Canada

TOPIC:
Key Trends in
ESG Investing

**CDP ENERGY
SECTOR
ROUNDTABLE**

November
Calgary, Canada

TOPIC:
Evolution of ESG
and Climate-Related
Disclosure in
Canada

Publicly-Listed Company Engagements

January 1 to December 31, 2019

C = COMPREHENSIVE (DIRECT)

L = LEADING ROLE (COLLABORATIVE)

B = BASIC (DIRECT)

S = SUPPORTIVE ROLE (COLLABORATIVE)

GICS SECTOR / COMPANY	COUNTRY	E	S	G
COMMUNICATION SERVICES				
Alphabet Inc.	United States		S	
Corus Entertainment, Inc.	Canada		B	
Facebook, Inc.	United States			B
SoftBank Group Corporation	Japan			B
CONSUMER DISCRETIONARY				
Amazon.com, Inc.	United States	C	C	
Aritzia	Canada			B
BRP Inc.	Canada			S
Dollarama, Inc.	Canada	L	L	
EssilorLuxottica SA	France			B
Ford Motor Co.	United States	S		
General Motors Co	United States	S		
Linamar Corp.	Canada			S
Martinrea International, Inc.	Canada			S
MTY Food Group Inc	Canada			B
Newell Rubbermaid, Inc.	United States			B
Restaurant Brands International Inc	Canada			S
Sleep Country Canada Holdings Inc.	Canada			C
Spin Master Corp.	Canada	B		C
The Home Depot, Inc.	United States		B	B
CONSUMER STAPLES				
Alimentation Couche Tard, Inc.	Canada	B	B	L
Altria Group, Inc.	United States			B
Bunge Limited	United States	S		
Colgate-Palmolive Co.	United States	S		
Cott Corp. (Canada)	Canada			S
Jamieson Wellness	Canada			B

GICS SECTOR / COMPANY	COUNTRY	E	S	G
PepsiCo, Inc.	United States	S		
Procter & Gamble Co.	United States	S		
Saputo, Inc.	Canada	L	L	S
The Coca-Cola Co.	United States	S		
Wal-Mart Stores, Inc.	United States	S		
ENERGY				
Baytex Energy Corp.	Canada	C	C	C
Birchcliff Energy Ltd.	Canada	B		B
BP plc	United Kingdom	B	B	
Cabot Oil & Gas Corp.	United States	B		B
Canadian Natural Resources Ltd.	Canada	L+C		L
Chevron Corp.	United States	S+C		C
Cimarex Energy Co.	United States	B		B
Computer Modelling Group	Canada			L
Concho Resources Inc.	United States	C		C
ConocoPhillips	United States	S		
Continental Resources Inc.	United States	B		B
Devon Energy Corp.	United States	S		
Enbridge, Inc.	Canada	C	C	
Enerflex Ltd.	Canada			B
Enerplus Corp.	Canada	C	C	C
Exxon Mobil Corp.	United States	S		S
Freehold Royalties Ltd.	Canada			L
Helmerich & Payne, Inc.	United States	B		B
Imperial Oil Ltd.	Canada	S		L
Kinder Morgan, Inc.	United States	S		
Marathon Petroleum Corp.	United States	L		
Occidental Petroleum Corp.	United States	S		
Parkland Fuel Corp.	Canada	B		B
Peyto Exploration & Development Corp	Canada			S
Phillips 66	United States	S		
Seven Generations Energy Ltd.	Canada	B	B	B
Suncor Energy, Inc.	Canada	L+B	B	L+B
Targa Resources	United States			B
Valero Energy Corp.	United States	S+B		
Whitecap Resources, Inc.	Canada	B	B	L+B

GICS SECTOR / COMPANY	COUNTRY	E	S	G
FINANCIALS				
AGNC Investment Corp.	United States			C
Berkshire Hathaway Inc.	United States	S		
ECN Capital Corp.	Canada			C
Element Fleet Management Corp.	Canada			B
Genworth MI Canada Inc.	Canada		B	B
HSBC Holdings plc	United Kingdom		C	C
JPMorgan Chase & Co.	United States		C	C
The Charles Schwab Corporation	United States			B
Toronto-Dominion Bank	Canada		C	C
Travelers Companies, Inc.	United States	C	C	C
Wells Fargo & Company	United States		C	C
HEALTH CARE				
Align Technology Inc	United States			B
Bausch Health Companies Inc.	Canada			B
HOYA Corporation	Japan	B	B	B
Stryker Corporation	United States			B
INDUSTRIALS				
Alaska Air Group, Inc.	United States	S	S	
American Airlines Group Inc.	United States	S		
ATS Automation Tooling Systems Inc.	Canada			B
Badger Daylighting Ltd.	Canada			L
Cargojet Inc.	Canada			B
Caterpillar Inc.	United States	S		
Cervus Equipment Corp	Canada			C
Cummins Inc.	United States	S		
Delta Air Lines, Inc.	United States	S		
easyJet plc	United Kingdom			B
Exco Technologies Limited	Canada			C
Fastenal Company	United States			B
General Electric Company	United States	S		B
IBI Group Inc.	Canada			C
Ingersoll-Rand Inc.	United States	S		
K-Bro Linen Inc	Canada			B
Lockheed Martin Corporation	United States	S		
PACCAR Inc	United States	S		

GICS SECTOR / COMPANY	COUNTRY	E	S	G
People Corp	Canada			B
Schneider Electric SE	France			C
The Boeing Company	United States	S		
Thomson Reuters Corp	Canada	S	S	
United Airlines Holdings Inc.	United States	S		
United Technologies Corporation	United States	S		
Waste Connections, Inc.	Canada			S
XPO Logistics, Inc.	United States		C	
INFORMATION TECHNOLOGY				
Analog Devices, Inc.	United States			B
Broadcom Inc.	United States			B
Enghouse Systems Limited	Canada			L
Intel Corporation	United States			C
Kinaxis Inc.	Canada	B	B	B
Qualcomm Incorporated	United States			B
Salesforce.com, Inc.	United States			B
MATERIALS				
Agnico Eagle Mines Ltd	Canada	S	S	B
Alamos Gold Inc.	Canada	B		
B2Gold Corp.	Canada			L
Barrick Gold Corp	Canada	S	S	C
Canfor Corporation	Canada			L
Dupont De Nemours, Inc.	United States	S		
Eldorado Gold Corp	Canada	B	B	
First Quantum Minerals Ltd	Canada	S	S	S
Hudbay Minerals Inc	Canada	S	S	
International Paper Company	United States	S		
Intertape Polymer Group Inc.	Canada			S
Kinross Gold Corporation	Canada	S	S	
Kirkland Lake Gold Ltd	Canada	S+B	S	B
Lundin Mining Corporation	Canada	S	S	
Major Drilling Group International Inc.	Canada	B		B
Martin Marietta Materials, Inc.	United States	S		
Newmont Corporation (formerly Goldcorp)	United States	B	B	
NovaGold Resources Inc.	Canada	B		B
Nucor Corporation	United States	B		B

GICS SECTOR / COMPANY	COUNTRY	E	S	G
Pretium Resources Inc.	Canada	B		B
Southern Copper Corporation	United States	S		
SSR Mining Inc.	Canada	S	S+B	
Stella-Jones Inc	Canada	C	C	C
Teck Resources Ltd	Canada	L+S	S	L
Vale S.A.	Brazil	S	S	S
Winpak Ltd.	Canada			S
Yamana Gold Inc.	Canada	S	S	
REAL ESTATE				
Allied Properties Real Estate Investment Trust	Canada			B
H&R Real Estate Investment Trust	Canada			S
Prologis, Inc.	United States			B
Public Storage	United States			B
SmartCentres Real Estate Investment Trust	Canada			S
Weyerhaeuser Company	United States	S		
UTILITIES				
American Electric Power Company, Inc.	United States	S		S
Capital Power Corporation	Canada	C		C
Dominion Energy, Inc.	United States	S		
Duke Energy Corporation	United States	S		
Exelon Corporation	United States	S		
FirstEnergy Corp.	United States	S		
Fortis Inc.	Canada	C	B	B
NextEra Energy, Inc.	United States	S		
NRG Energy, Inc.	United States	S		
PPL Corporation	United States	S		
The AES Corporation	United States	S		
The Southern Company	United States	S		S+B
Vistra Energy Corp	United States	S		
WEC Energy Group, Inc.	United States	S		
Xcel Energy Inc.	United States	S		



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