

## Shareholder Profiles



### **The PSAC Staff Pension Plan**

The PSAC Staff Pension Plan was created in 1986 to provide retirement benefits to the employees and fulltime officers of the Public Service Alliance of Canada (PSAC) a national union of 160,000 federal workers. The Plan covers approximately 500 current employees and 230 retirees. As of January 2008, the Plan had assets of about \$260,000,000.

The PSAC Staff Pension Plan is administered by the union executive body which is advised by a Joint Pension Advisory Committee comprising five senior union staff officers, five representatives of the internal staff unions, and one retiree representative. The day to day administration is performed by a full-time pension officer.

As an integral part of its approach to pension investment, the Plan has designated a portion of its funds to be directed to socially responsible investment opportunities and, in a broader approach, to pursue environmental, social and governance principles wherever possible in all our investments. To this end, the Plan has contracted with external organizations to provide proxy voting and corporate engagement services. As well, the Plan is a signatory to the UN Principles of Responsible Investment.

Two initiatives by the Plan illustrate our commitment to responsible investment. First, we entered into a partnership with a bank to make available funds for investment in affordable housing in Canada, and, second, we directly engaged a company in a continuing dialogue regarding its policies and practices in a developing country. As a pension plan with a membership of men and women within an organization ascribing to the ideals of social justice and social transformation, we feel it is more than fitting that our pension plan should undertake such challenges.



### **The Ethical Funds Company**

The Ethical Funds Company® is Canada's leader in socially responsible investing. Founded by Canada's credit unions in 1992, Ethical Funds® delivers a successful track record of combining financial performance with making good companies better. Ethical Funds offers a full family of funds across a variety of asset categories, including the Ethical® Advantage Series of lifecycle (target date) funds.

The Ethical Funds Company has multiple award-winning funds, Canada's largest team of sustainability analysts and Canada's most comprehensive Shareholder Action Program. The Ethical Funds Company is a division of Northwest & Ethical Investments LP.

#### *Investment Philosophy*

The Ethical Funds Company has developed a rigorous, leading-edge response that supports this philosophy: our Sustainable Investing Program. This program combines traditional financial analysis with a company's

environmental, social, and governance (ESG) performance.

The Sustainable Investing Program incorporates two main tools: the *Corporate Sustainability Scorecard* and the *Shareholder Action Program*. The *Scorecard* assesses a company's performance on its ESG practices. It also points out which companies trail the ESG performance of their peers. These companies may be candidates for shareholder action. We continue to exclude companies whose primary activities involve tobacco, military production, or nuclear energy.

Our *Shareholder Action Program* uses the combined power of unit holders to raise the bar for the social and environmental performance of the corporations in which we hold shares. Active engagement strategies include dialogue with company management, proxy voting, and filing shareholder resolutions.

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**The Ethical Council (Sweden):**

The Ethical Council consists of 4 Swedish pension funds – First AP-fund (AP1), Second AP-fund (AP2), Third AP-fund (AP3) and Fourth AP-fund (AP4). Included in their assignment from the Swedish parliament was to take environmental and social consideration in their investments. In 2006 these four buffer funds in the Swedish National Pension System decided to team up in the Ethical Council. International agreements and conventions ratified by Sweden serve as a basis in the working model of the Ethical Council. The pension funds believed that by pooling their resources they would have more impact in their engagement process with companies globally. Together they manage assets to a value of more than US\$ 120 billion. The four funds are all signatories to the United Nations Principles for Responsible Investment (PRI).



**The Shareholder Association for Research & Education (SHARE):**

A national non-profit organization based in Vancouver. SHARE supports pension funds and other institutional investors in implementing responsible investment practices, including shareholder engagement, proxy voting, and responsible investment education and advisory services.

SHARE's work is informed by three responsible investment principles: 1) environmental, social and governance (ESG) factors have an impact on corporate performance and are relevant to investor decision-making, 2) investors have an obligation to act in a manner consistent with international standards and norms, and 3) active share ownership is an essential part of investment activity. SHARE is a signatory to the United Nations Principles for Responsible Investment.



**GES Investment Services:**

GES Investment Services is a Stockholm-based analysis firm that advise the Ethical Council on investments with regard to environmental, social and governance (ESG) issues, and supports the council in its active engagement with companies on these issues. Currently GES advises about 60 clients mainly in Scandinavia and Europe: pension funds, banks and institutional investors, together managing assets to a value of US\$ 350 billion. GES is a signatory to the United Nations Principles for Responsible Investment (PRI). The philosophy behind GES is essentially that all international norms agreed upon between countries and their multilateral organizations are of importance to companies operating in those countries and that they eventually will be judged in accordance with these norms by the authorities, the public and their representatives, NGO's, media etc. Therefore these agreements serve as a reasonable foundation for evaluating companies.