



ESG Governance Policy

Effective Date: April 10, 2026

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CONTENTS

- 1 SUMMARY 3
- 2 PURPOSE 3
- 3 SCOPE 3
- 4 GUIDING PRINCIPLES 4
- 5 POLICY 5
 - ESG GOVERNANCE FRAMEWORK 5
 - BCI ESG STRATEGY 5
 - ALIGNMENT AND EDUCATION 6
 - RISK MANAGEMENT 6
 - INTEGRATION 6
 - STEWARDSHIP/VALUE CREATION 6
 - REPORTING AND DISCLOSURE 7
 - POLICY REVIEW 7
- 6 RESPONSIBILITIES 7
- 7 DEFINITIONS 8
- 8 APPROVAL 9
- REVIEW HISTORY 10
- AMENDMENT HISTORY 10
- RELATED DOCUMENTS 10

1 SUMMARY

- 1.1 The *Public Sector Pension Plans Act* (British Columbia) (the “Act”) assigns responsibilities to the Board of Directors (the “Board”) and in discharging these responsibilities, the Board’s mandate requires it to adopt a risk management framework for BCI. The Board has approved an Investment Risk Management Policy which includes the consideration of environmental, social and governance (“ESG”) risks. The Act requires the Board select and appoint a chief investment officer (“CIO”) to ensure that risk and returns are managed in a prudent and appropriate fashion. The Act mandates that the CIO is the chief executive officer (“CEO”) (hereafter “CEO/CIO”).
- 1.2 In providing investment management services to British Columbia’s public sector, BCI’s role is to partner with clients to generate investment returns that will help clients provide a financially secure future to their members. With a global outlook, BCI seeks investment opportunities that will meet clients’ risk and return requirements over the long-term. This compels BCI to integrate Material ESG matters into investment decisions and activities.
- 1.3 ESG matters make a difference, especially over the long-term; and this is a belief that is shared by clients. As a fiduciary and Universal Owner, BCI has an obligation to proactively address ESG risks and opportunities as part of BCI’s investment strategy to create long-term sustainable value for clients.

2 PURPOSE

- 2.1 The purpose of this ESG Governance Policy (“Policy”) is to establish the governance framework and related roles and responsibilities for the oversight of the management of ESG at BCI. The Policy assists the Board and the CEO/CIO to fulfill their respective responsibilities for the governance and oversight of ESG investment risk under the Act and the Board of Directors Mandate.
- 2.2 For the purposes of this Policy, BCI considers ESG to be synonymous with ‘responsible investing’ and ‘sustainable investing.’

3 SCOPE

- 3.1 This Policy is applicable to Personnel.

4 GUIDING PRINCIPLES

4.1 BCI's **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. Our Investment Beliefs reflect our approach to ESG and articulate our understanding of the relationship between ESG and financial markets.

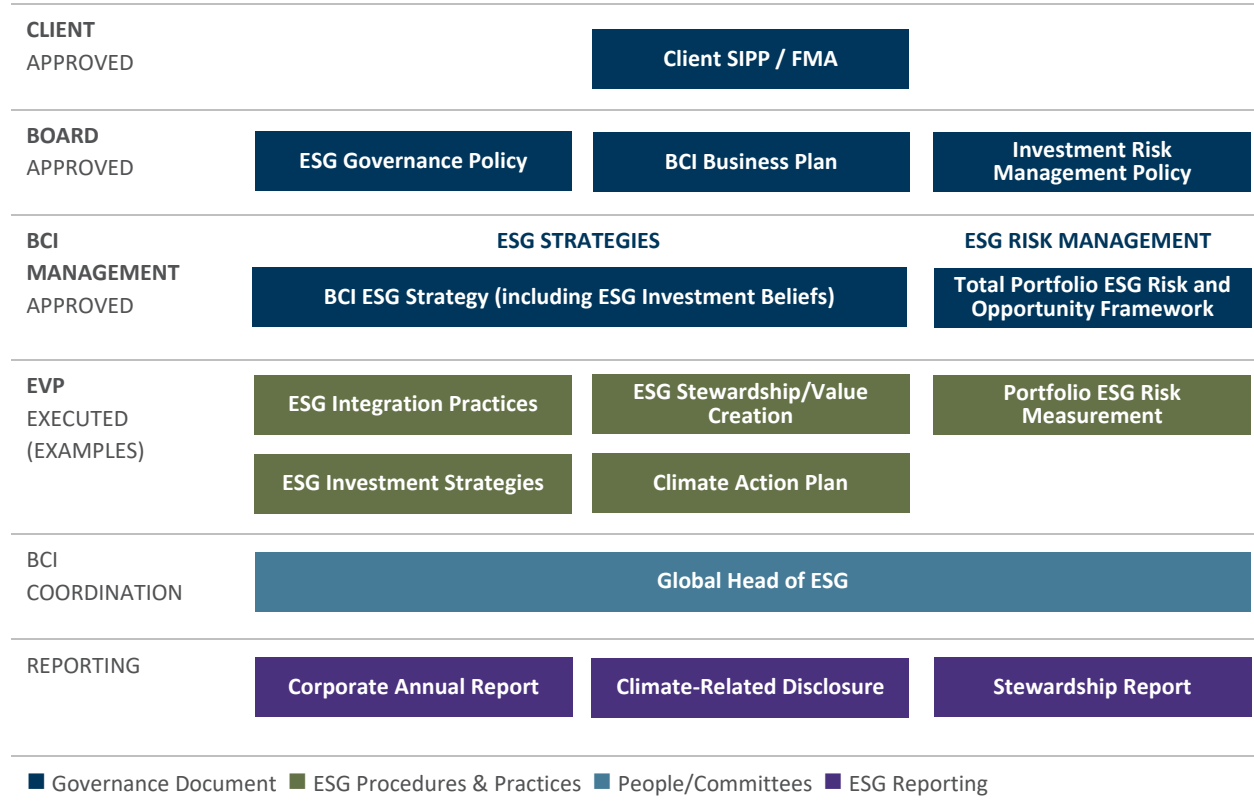
While our ESG beliefs outline the why of our ESG activities at BCI, we have seven guiding principles ("**ESG Guiding Principles**") listed below that elaborate on what BCI does to put its beliefs into action. Together, the Investment Beliefs and ESG Guiding Principles are intended to guide all aspects of BCI's strategy regarding ESG, fostering corporate-wide awareness and consistency.

1. Client investment objectives are always at the forefront of BCI's ESG activities.
2. Apply consistent principles across the corporation, while adapting ESG approaches to what is best for each asset type.
3. Manage ESG risks and seek opportunities across all time horizons, while focusing on those ESG matters that are most Material to client portfolios and individual investments.
4. Use BCI's 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. Collaborate with like-minded investors and organizations on ESG matters where objectives are aligned.
6. Act with the same level of integrity and transparency that is expected from partners and invested companies.
7. Adapt BCI's strategy regarding ESG approaches and continuously improve based on experiences and evolving responsible investing standards.

5 POLICY

ESG GOVERNANCE FRAMEWORK

5.1 The ESG Governance Framework enhances the Board’s ability to execute its oversight of ESG activities at BCI. This framework is designed to be consistent with the Integrated Risk Governance Framework and ensures the alignment of responsibilities for ESG with established governance documentation of BCI and its clients.



BCI ESG STRATEGY

- 5.2 BCI has a CEO/CIO-approved strategy regarding BCI’s approach to ESG matters (“**BCI ESG Strategy**”) and the approved strategy reflects BCI’s Investment Beliefs and ESG Guiding Principles.
- 5.3 The BCI ESG Strategy articulates how ESG is consistently implemented across investment activities and applies to all types of investments. It elaborates on the ESG activities at BCI and the associated processes and approaches that investment professionals undertake in the day-to-day management of BCI investments.

ALIGNMENT AND EDUCATION

- 5.4 BCI embeds the ESG Guiding Principles into the culture and operations of the organization.
- 5.5 BCI seeks opportunities to share knowledge and understanding about ESG topics widely throughout the organization and among clients.

RISK MANAGEMENT

- 5.6 BCI evaluates and monitors ESG risks at all stages of the investment process.
- 5.7 BCI's Investment Risk Policy includes ESG. ESG matters are evaluated and prioritized based on how large an impact those matters have on:
 - a) Financial performance, via a direct or indirect impact on a company's revenue streams, operating costs, asset value, liabilities and/or financing costs; and/or
 - b) Reputation, of the specific company, BCI, or its clients.
- 5.8 The Board provides oversight of ESG investment risk management, ensuring strong governance and ESG risk management frameworks are in place.

INTEGRATION

- 5.9 BCI integrates ESG analysis and monitoring in all stages of the investment process, where Material and relevant.
- 5.10 Where assets are managed internally, BCI integrates the consideration of Material ESG factors.
- 5.11 Where assets are managed externally, BCI seeks partners that have robust ESG practices, demonstrate a solid understanding of ESG issues and can illustrate where the consideration of ESG matters fit in their investment processes.

STEWARDSHIP/VALUE CREATION

- 5.12 BCI is a responsible steward of BCI clients' assets.
- 5.13 As a shareholder in public companies, BCI has the right to vote on various issues at companies' annual general meetings or special meetings. All BCI proxy voting is implemented in accordance with BCI's Proxy Voting Guidelines. BCI publishes these voting guidelines on BCI's website to advise our investee companies of our expectations related to ESG matters.
- 5.14 BCI seeks to engage investee companies in constructive dialogue to encourage improvements depending on BCI's level of control and influence. BCI may do this independently or in collaboration with other investors.
- 5.15 BCI selectively seeks opportunities to advocate for public policy and regulatory changes that make responsible investing principles part of the regulatory framework and improve the investment environment for clients.

- 5.16 BCI’s stewardship activities are guided by the principles embodied in the **Organization for Economic Cooperation and Development Guidelines for Multinational Enterprises** and the **Standards and Conventions of the International Labour Organization**.
- 5.17 BCI excludes securities of a company when its products are prohibited by legislation applicable to Canada or through international agreements, such as those relating to anti-personnel mines and cluster munitions. BCI or clients may consider excluding the securities of certain companies, industries, or sectors from its portfolio on an exceptional basis provided both BCI and clients take into account their respective fiduciary duties. In BCI’s case, its fiduciary duty does not permit the selection or exclusion of investments predominately on values-based considerations.

REPORTING AND DISCLOSURE

- 5.18 BCI consults, takes feedback from, and reports to clients on BCI’s ESG initiatives.
- 5.19 BCI publicly discloses information about its ESG initiatives on our corporate website. This includes reporting through BCI’s **Corporate Annual Report** including our climate-related disclosure, and **proxy voting database**.
- 5.20 In addition to public disclosure and regular updates on ESG activities, BCI tracks and provides the Board with ESG key performance indicators (KPIs) to understand the implementation and effectiveness of ESG across BCI. Where relevant, KPIs will be reported to measure BCI’s operational footprint.
- 5.21 This Policy is available on BCI’s website.

POLICY REVIEW

- 5.22 This Policy must be reviewed at least triennially except upon approval of the Board Chair to delay the review.

6 RESPONSIBILITIES

- 6.1 To the extent appropriate for the role or position, all Personnel are expected to contribute to BCI’s responsible investing activities to protect and grow the long-term value of client funds. Specifically:

BCI Board	<ul style="list-style-type: none">• Approves the ESG Governance Policy, Business plan, and Investment Risk Management Policy to ensure the effective Integration of ESG into operational and risk management activities at BCI.• Provides oversight of ESG activities, ensuring strong governance, responsibilities and ESG practices are in place at BCI.
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	<ul style="list-style-type: none">• Receives and reviews reporting, and communication related to ESG performance objectives and stewardship activities, such as BCI’s annual Stewardship Report, Corporate Annual Report and approach to climate-related disclosure.• Approves CEO/CIO scorecard including ESG priorities as applicable.• Reviews this Policy annually and approves this Policy at least every three years.
CEO/CIO	<ul style="list-style-type: none">• Sets the tone and influences a culture of ESG awareness and recognition within BCI; approves BCI’s Investment Beliefs.• Ensures client ESG beliefs are appropriately reflected in BCI’s ESG Strategy and activities.• Considers ESG within the context of BCI’s overarching vision and business plan; ultimate approval for BCI’s ESG Strategy.• Ensures adequate resources for ESG commitments.
BCI Executive Management	<ul style="list-style-type: none">• Sets the tone and influences a culture of ESG within BCI.• Contributes to and recommends adoption of BCI’s ESG Strategy.• Ensures the ESG Strategy is aligned with the Policy, ESG Investment Beliefs and ESG Guiding Principles and is effective in achieving clients’ objectives.• Ensures the ESG Strategy is aligned with BCI’s overarching vision and business plan.• Approves and evaluates performance of department-specific activities and initiatives for the implementation of the ESG Strategy.• Approves and oversees external communication plans related to ESG activity.

7 DEFINITIONS

7.1 In this Policy:

- **Contractor:** Means an individual who is (a) providing services to BCI under contract through a consultancy firm, staffing agency or other third-party services provider with a defined start and end date, and (b) not paid through BCI’s payroll system. Often, but not always, a Contractor will

have (x) unaccompanied access to BCI’s physical premises, networks (LAN or SharePoint access, for example), and/or computer systems and software applications, and/or (y) an @bci.ca email address.

- **ESG:** Includes any environmental, social or governance 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.
- **Integration:** Integrating ESG factors into investment decision-making means incorporating analysis and research on those ESG matters that are most Material to the decision at hand. Integration into existing investment processes has historically been the principal focus of BCI’s responsible investing program and it continues to form the basis of our ESG Strategy, as the first of four focus areas.
- **Material:** ESG matters are prioritized based on their materiality – for example, how large the potential impact of the trend or factor could be on the financial performance and/or reputation of the investment, BCI, or clients.
- **Personnel:** Means a Staff, Contractors, or individuals seconded to BCI.
- **Staff:** Means a BCI employee, co-op student, or intern.
- **Total Portfolio:** The aggregate of all investments BCI manages (or contracts to manage) on behalf of our clients across all asset classes and pooled funds. Examining BCI’s investments from a total fund level allows for a broader identification of ESG risks and trends that may otherwise be overlooked when examining a specific asset, portfolio, or industry.
- **Universal Owner:** Refers to a large institution that, because of its size, owns a slice of the global economy through its diversified portfolio.

8 APPROVAL

This Policy is hereby updated and authorized effective as of the Effective Date.

April 10, 2026

Date

[s] Peter Milburn

Chair of the BCI Board

REVIEW HISTORY

Approval Authority	BCI Board
Last Review Date	April 10, 2026
Next Review Date	April 10, 2029

AMENDMENT HISTORY

DATE	VERSION NO.	SUMMARY OF AMENDMENTS
June 6, 2020	1	Original
April 4, 2023	2	Added ESG governance framework; updated Board accountabilities; removed detailed department accountabilities; revised the reporting and disclosure requirements.
April 11, 2024	3	Updated ESG reporting and disclosure to reflect integration of ESG report into Corporate Annual Report; removed reference to TCFD which is replaced by climate-related disclosure; revised ESG Governance Framework to reflect updated ESG organizational structure.
April 4, 2025	4	Removed reference to alignment to PRI.
April 10, 2026	5	Changed from required annual review to triennial review.

RELATED DOCUMENTS

The following documents relate to this Policy:

ACTS/REGULATIONS	PSPPA
POLICIES	Investment Risk Management Policy Enterprise Risk Management Policy
OTHER	BCI Investment Beliefs BCI ESG Strategy BCI Climate Action Plan Proxy Voting Guidelines ESG Engagement Priorities & Process