



March 14, 2016

Ms. Fiona Reynolds, Managing Director
Principles for Responsible Investment

Via email: PRIConsultation@unpri.org

Dear Ms. Reynolds,

Response on the PRI Formal Consultation: Recognizing Diversity, Strengthening Accountability

We welcome the opportunity to provide feedback on the initiatives proposed in the consultation on diversity and accountability. British Columbia Investment Management Corporation (bcIMC) has been an active PRI signatory since 2006 and has a keen interest in the continued success of the PRI.

Recognizing Diversity

bcIMC recognizes that the PRI's signatory base is diverse and varied and the PRI has received feedback from certain signatories expressing concern that those most advanced signatories are not being recognized for their extensive efforts. However, we find it important to note that signatories fall onto a broad spectrum not only in terms of progress and achievement in ESG integration, but also in terms of geographies, mandates, size and resources.

bcIMC would be comfortable with the PRI publicly disclosing the assessment reports of signatories as long as the PRI also provides sufficient contextual information and a clear explanation of the scoring methodology. We would also be comfortable with extending the grace period for new signatories to report publicly. However, we feel that new signatories should be encouraged to report voluntarily on a private basis since the reporting and assessment framework is a tool they can use to frame internal discussion on responsible investing and guide their implementation efforts.

Beyond disclosing the assessment reports, we do not think the PRI should extend its reach any further by publicly categorizing signatories into different tiers; rather, the organization should preserve its role as a support and resource to signatories. We do not believe that asset owners would be inclined to choose their investment managers based on their PRI signatory status, assessment score or Gold/Silver/Bronze status alone, nor should they. Asset owners will assess an asset manager's commitment to responsible investing based on their own criteria and expectations, not the PRI's determination. Currently, asset owners can review any PRI signatory's public transparency report and may also request to see their assessment reports as part of their due diligence process.

Strengthening Accountability

bcIMC does not believe that the PRI should delist signatories for a perceived lack of meaningful progress because we are not certain it is possible to adequately measure meaningful progress with the current reporting tool. Furthermore, the framework lacks the rigour required to back up a delisting, since signatory responses are not independently assured or verified. We believe the PRI's current authority for delisting signatories is sufficient and should not be changed.

Awareness to Impact and the PRI's role

We are aware of the PRI's enthusiasm to move to RI 2.0 and its desire to quickly augment our collective impact. However, it is important to remember that awareness of responsible investing is not uniform among all markets and remains relatively low among mainstream investors. The PRI still has an important educational role to fulfill and focus should not be taken away from that function by the proposed initiatives.

Investors that have chosen to become PRI signatories have committed to an aspirational set of principles and a flexible framework rather than a prescriptive set of rules. This is one of PRI's strengths. However, the proposed initiatives change that dynamic, adding additional complexity to the organization that is unnecessary. We agree that signatories should strive to continually improve, but they ultimately remain accountable to their beneficiaries or to their clients, not the PRI.

Furthermore, we believe that the proposals will change the PRI's relationship with signatories to a degree that risks being counterproductive. If the PRI were to implement some of these changes, specifically adding public tiers or delisting certain signatories, its role will become one that is much like a supervisory body or ratings group; a role that is drastically different from the current one and also different from most industry associations. It is our view that by ranking signatories, the PRI will be promoting a standardized approach to RI and creating a perception that there is a "best" way of being a responsible investor. This will not be palatable in all markets and will likely hurt recruiting efforts. It may also cause existing signatories, including bcIMC, to contemplate their continued involvement with the PRI.

Concluding Remarks

bcIMC realizes there are many significant challenges in building a global organization that is responsive to a growing body of signatories. However, we are troubled by the direction in which these proposals will take the PRI and hope the organization will reflect on this carefully.

We would be happy to participate in a call between bcIMC and PRI staff to discuss these comments in more detail. Please feel free to contact bcIMC's Senior Manager of ESG Integration, Jennifer Coulson, (jennifer.coulson@bcimc.com) to arrange a call or if you require further clarification. We appreciate your time and consideration.

The above comments are made in the spirit of remaining focused and supportive as an organization. We appreciate the PRI's ongoing efforts to consult widely with the signatory base to address the concerns and challenges we face.

Regards,



Bryan Thomson
Senior Vice President, Public Equities