2025-2026

Stewardship Report

British Columbia Investment Management Corporation (BCI) is one of Canada's largest institutional investors, managing $313.7 billion in gross assets on behalf of 33 public sector and institutional clients as of March 31, 2026. For over 25 years, BCI has partnered with its clients to help deliver on their commitments and create enduring value for British Columbia and beyond. From securing pensions to supporting communities, it's investing that matters.

Headquartered in Victoria, British Columbia, with teams in Vancouver, New York, London, and Mumbai, BCI puts patient capital to work across public and private markets globally.

Learn more on **BCI.ca** or connect with us on **LinkedIn**.

This report reflects information from Jan 1, 2025 to Dec. 31, 2025, unless otherwise specified.

Table of Contents

Defining Stewardship

BCI leverages common, standardized terminology to describe our responsible investment activities and approaches in the context of the investment management industry. For stewardship, we use the definition agreed upon by the UN Principles for Responsible Investment, CFA Institute, and Global Sustainable Investment Alliance.

Stewardship is the use of investor rights and influence to protect and enhance overall long-term value for clients and beneficiaries, including the common economic, social, and environmental assets on which their interests depend.

Annual environmental, social, and governance (ESG) and climate-related reporting can be found in our 2025-2026 Corporate Annual Report on **BCI.ca**

FROM OUR GLOBAL HEAD OF ESG

Jennifer Coulson

Senior Managing Director & Global Head, ESG

In a year that tested active owners, BCI advanced our stewardship program with the same conviction we have held for more than 20 years — grounded in materiality and the belief that companies with strong governance, robust risk management, and credible ESG practices are better positioned to deliver long-term value for our clients.

We directly engaged 181 public and private portfolio companies on ESG risks and opportunities, reached thousands more through collaborative initiatives, and pursued policy strategies to strengthen global market conditions. From engaging with regulators and firms across the methane supply chain on emissions reduction to convening private companies and general partners on ESG value creation, we leveraged the full spectrum of tools available to us. Many of our more in-depth company engagements showed measurable progress or achieved our objectives outright, demonstrating that constructive dialogue can drive results.

Consistency is our advantage: in the expectations we set, the improvements we advocate for, and the collaboration we bring. It gives our voice as an investor credibility and compounds over time, raising the bar for companies, sectors, and markets alike. Adoption of the ISSB disclosure standards, which BCI has supported since inception, is one example of this. Today, almost 40 jurisdictions, representing 60% of global market capitalization, have incorporated the framework. Energy supply financing ratios are another example. Two major Canadian banks have now disclosed their ratios with another committing to follow, a clear indication of the momentum built since the ratio's introduction in 2023.

As the investment landscape grows more complex and interconnected, we continue to see good governance as the foundation everything else relies on. A clear illustration of this is Responsible Artificial Intelligence (AI), an engagement priority for BCI. AI is the opportunity of a generation with the potential to transform business models, boost efficiency, and enhance competitiveness across our portfolio. However, material risks must be managed. Board-level oversight and clear accountability are essential to responsibly capture this technology's potential, and we are proactively setting governance expectations as the space matures.

Market integrity and transparency are vital for this work and cannot be taken for granted, even in the world's deepest and most liquid capital markets. Key regulators have stepped back on long-standing shareholder rights, companies in high-emitting sectors have withdrawn material public disclosures, and some investors, facing a more nuanced environment, have gone quiet. While challenging today, these headwinds underscore why BCI takes a long-term view, guided by sound principles and steady execution. It also reinforces that many voices are needed, and we cannot do it alone.

BCI's clients have investment horizons that span decades and meeting that mandate demands a focus on the ESG factors most material to long-term performance and resilience. Looking ahead, we will continue to use our ownership rights and global reach to safeguard and grow the assets entrusted to us, as we always have.

JENNIFER COULSON
Senior Managing Director & Global Head, ESG

Approach to Stewardship

Actively using our ownership rights and influence to safeguard and enhance long-term value for clients.

BCI manages $313.7 billion in global assets on behalf of 33 public sector and institutional clients whose beneficiaries depend on long-term, sustainable returns. Stewardship is central to how we deliver on that mandate. As a large, active investor, we use our ownership rights and influence to address risks while seeking opportunities to create value for our clients.

Our dedicated ESG team, embedded across all asset classes, takes a coordinated and strategic approach to stewardship — setting expectations through Proxy Voting Guidelines, informing regulation around the world through policy advocacy, and engaging directly and through collaborative initiatives with public and private companies and other market participants. To direct our efforts, we set corporate priorities and focus on what we identify to be the most material ESG-related risks and opportunities to our portfolio over the long term.

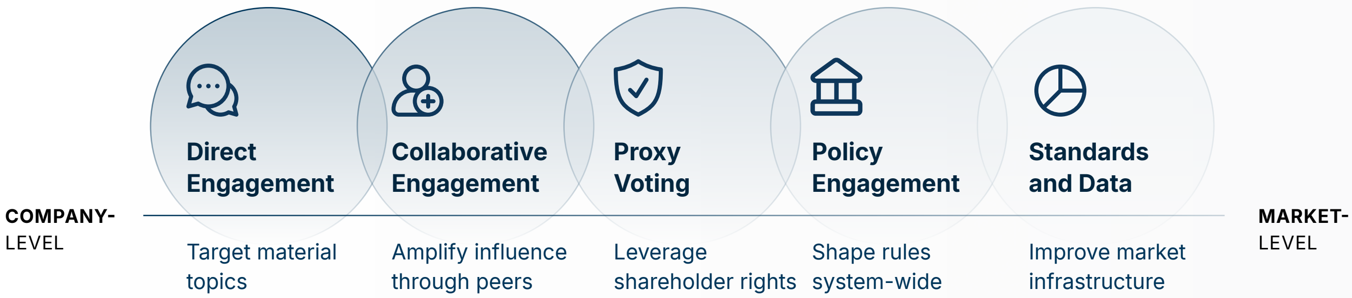
Stewardship is a core part of our ESG Strategy, which ensures corporate-wide consistency in our approach, and a shared accountability guided by our ESG Governance Policy. The policy outlines the roles and responsibilities of BCI's Board of Directors, management, and employees in upholding our ESG principles and investment beliefs. This matters because handling of material ESG factors can positively or negatively affect our investments, including asset valuations, operational costs, and access to capital.

BCI is committed to transparency, and we publicly disclose our progress through our Corporate Annual Report, Annual Climate-related Disclosures, Stewardship Report, and proxy voting record. We are proud to be one of the few Canadian investors to publish our voting intentions and a rationale for every shareholder proposal and vote against management ahead of shareholder meetings for public companies.

Learn more at **BCI.ca/ESG**

Tools and Levers

BCI has a wide sphere of influence and the tools and levers we use for stewardship are far-reaching. We draw on multiple tactics, often simultaneously. For example, the same risk or opportunity can be raised through direct dialogue with portfolio companies, amplified through peer collaboration, reinforced through voting, and addressed at its root through market-level engagement with policymakers and standard-setters. Taking a multifaceted approach provides credibility and extends our reach beyond any single activity.

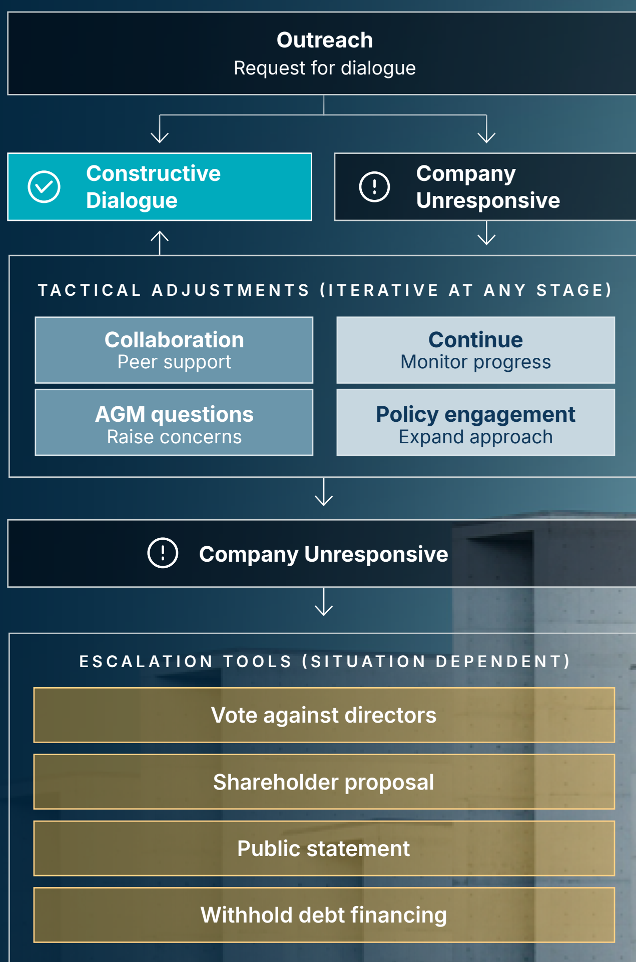


Escalation Pathways

Relationships with companies deepen as management demonstrates a commitment to address material risks and opportunities. Most engagement centres around dialogue. We raise a concern, the company responds, and there is two-way interaction with the goal of a specific outcome. BCI’s approach carries weight because it is backed by a willingness to escalate when progress stalls or a company fails to meaningfully engage.

A company that has addressed our concerns or achieved objectives in one area may become the subject of escalation in another, while an engagement that stalls may restart years later under different conditions.

BCI's stewardship program is designed to be flexible and responsive, and we do not view escalation as a fixed sequence. We weigh the materiality of the issue, the company’s response, and the actions most likely to produce a durable outcome. Some situations require adjusting our approach, such as bringing in other investors or reframing our request. Others require applying direct pressure using our shareholder rights such as voting against directors, filing or co-filing shareholder proposals, raising concerns on the record at an annual general meeting (AGM), or making our position public.



ESG Engagement Priorities

We focus our engagement activities on the risks and opportunities expected to have the greatest financial impact on our portfolio over the long term. With investments across public and private markets globally, we take a selective, specific, and pragmatic approach to maximize our resources and potential outcomes. This includes establishing corporate-wide priorities through comprehensive materiality assessments based on portfolio exposure.

PRIORITY	DESCRIPTION	WHY IT MATTERS
1 **Climate Change** Physical and Transition Risk	Climate change is widely expected to have large-scale economic impacts, both directly (physical risk) through flooding, drought, and other extreme weather events, and indirectly (transition risk) as regulations target emissions and promote low-carbon technologies. These risks are inextricably linked: as physical risk increases, so too does transition risk.	**Climate risks can significantly affect valuations, raise costs, disrupt supply chains, and strand assets.** *Edison International lost over a quarter of its market value in the days after the 2025 Eaton Fire in California was traced to its equipment.*
2 **Responsible Artificial Intelligence**	Artificial intelligence (AI) can transform business models, boost efficiency, and enhance decision-making. However, it also brings risks and challenges that require strong understanding and management. Companies must capture the benefits of this emerging technology responsibly.	**Weak AI governance can create regulatory, cyber security, reputational, legal, and operational risks that weigh on valuations and access to capital.** *Some Microsoft shareholders allege materially misleading AI disclosures, after a 2026 earnings miss and sharp stock decline.*
3 **Human Capital Management**	Effective human capital management, including workforce development, engagement, and safety, underpins long-term sustainability and value creation. Our engagement urges companies to address human rights, health and safety, and labour practices across operations and supply chains.	**Poor practices can cause operational disruptions, fines, reputational damage, and talent loss that directly impact productivity and profitability.** *Boeing's 737 MAX safety failures cost shareholders an estimated US$20 billion in lost value.*

Foundational Stewardship Activities

Beyond our corporate engagement priorities, we maintain foundational stewardship focus areas across the portfolio and at the company, sector, and regional levels. Examples include:

Governance Practices

Considered fundamental to BCI's approach, with good corporate governance continuing to underpin all of our core priorities and stewardship activities.

Transparency and Disclosure

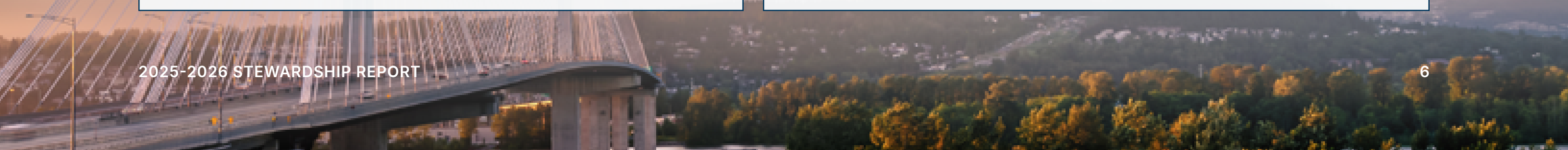
Encouraged through alignment with global best practices, including the International Sustainability Standards Board (ISSB) and the ESG Data Convergence Initiative (EDCI) for private markets.

Data Security and Privacy

Treated as a foundational component of ESG integration and monitoring across asset classes, we engage on cyber risk where exposures are material.

Indigenous Relations

Informed by the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) and Canada's Truth and Reconciliation Commission Call to Action 92, our approach includes encouraging companies to pursue the Partnership Accreditation in Indigenous Relations (PAIR).



Policy

Shaping the market frameworks that affect every investment.

BCI identifies opportunities for strategic engagement at the policy and market levels. We use our influence to support changes that incorporate ESG principles into regulatory frameworks.

Unlike direct dialogue with companies, policy engagement targets the conditions governing entire markets. A well-placed submission or technical briefing can inform a standard, affecting thousands of companies simultaneously. We believe policy engagement can contribute to market stability and integrity in global capital markets, ultimately improving the investment landscape for our clients.

Our approach is based on the following principles:

Technical, not political

We provide substantive input on disclosure standards, governance frameworks, and market infrastructure where institutional investors have specialized expertise and material financial interests.

Evidence-based and consistent

We ground our positions in BCI's investment experience and maintain a consistent view across jurisdictions.

Strategic and outcomes-focused

We engage selectively on the highest-impact opportunities and leverage collaborative networks to efficiently amplify our reach.

Geographic Considerations

BCI adapts our approach to the regulatory environment in each jurisdiction. We are proactive where frameworks are still developing, defensive where existing protections face erosion, and opportunistic where reforms create value. Our policy focus across key markets includes:

Canada	U.S.	U.K./Europe	Asia-Pacific
Advancing Disclosure	**Protecting Shareholder Rights**	**Maintaining Standards**	**Supporting Reforms**
Canadian Sustainability Standards Board (CSSB) adoption; sustainability disclosure	Shareholder rights and governance protections facing erosion	Reporting standards interoperability; prevent reporting fragmentation	Governance reforms; narrow valuation discounts

***POLICY** IN CONVERSATION*

Why Investor Voices Matter in Policymaking

Susan Golyak
Director, ESG, Capital Markets & Credit Investments

Policy engagement often receives less attention than other stewardship activities. At BCI, in many ways it is the foundation our program depends on. Susan Golyak, Director, ESG, Capital Markets & Credit Investments, shares our approach and the importance of these conversations for global investors.

Many investors focus stewardship at the company level. Why is policy central to BCI's approach?

Policy work shifts the baseline for every company in a given market. With our global reach and long-term view, supporting strong standards and frameworks is foundational to our broader stewardship efforts and to creating the investment conditions our clients depend on. For example, if the rules governing shareholder rights are weak, the tools we use to hold companies accountable have less impact.

As an institutional investor, we bring experience and insight from a global portfolio. This gives us a view into how a proposed rule will play out in practice that a single company or industry group may not have. That perspective is important and ensures our clients' best interests are well represented.

BCI has held consistent policy positions for over two decades. What keeps you at the table?

2025 was a difficult year with regulatory reversals, decreased disclosure, and political headwinds on frameworks that took years to build. Within that context, it is natural to wonder whether the effort is worth it.

For BCI, it is, because our positions were never contingent on the conditions being favourable. We engage on disclosure because we need comparable data, on corporate governance because it sets the rules that make accountability possible, and on climate policy like methane regulations because unreliable emissions data creates portfolio risk.

These are investment-driven reasons that do not weaken when the environment gets harder. If anything, sound policy and regulatory frameworks are most valuable when they are under pressure. It is also when principled, evidence-based voices are critical.

Relationships are strengthened over the years by connecting with the same regulators, standard setters, and peer networks. BCI has built credibility and the ability to contribute substantively. Increased adoption of the ISSB sustainability standards, which BCI continues to advocate for, is a strong example of what sustained investor policy engagement has helped accomplish.

With a diverse and global portfolio, how do you maximize your influence?

Our team covers a broad scope, so we must be pragmatic. That means taking a deliberate and selective approach to where and with whom we engage.

Beyond direct outreach, the networks we belong to provide working groups, convening power, and access to regulatory processes, which can carry more weight than an individual investor. We also prioritize, focusing on issues where the outcome is material to our portfolio and where a Canadian investor perspective might be missing.

Influence comes from consistency and commitment. You need clear positions, good partnerships, and the willingness to show up year after year.

Policy Networks

Collaborative networks are where the collective voice takes shape. BCI maintains an active role contributing to working groups, providing feedback on submissions, signing joint statements, and participating in delegations to ensure our perspective is represented while amplifying our reach. Examples of our policy collaboration include:

Ceres Investor Network

North America

Advances responsible investment practices and policies through a network of institutional investors, improving long-term portfolio value and building a more resilient economy. BCI participates in the Ceres Policy, Climate Asset Risk, and Infrastructure Working Groups.

Council of Institutional Investors

U.S.

Advocates for strong governance and shareholder rights in the U.S. market. BCI sits on the Governance Advisory Committee, contributing to positions on proxy access, board accountability, and shareholder rights — all issues of direct relevance as the U.S. regulatory environment shifts.

International Corporate Governance Network

Global

Sets global standards for stewardship and governance, giving investors a platform to engage regulators and standard setters internationally. BCI sits on the North American Policy Working Group and the Future Leaders Committee.

Asian Corporate Governance Association

Asia Pacific

Works to improve governance across Asian markets. BCI sits on the India and South Korea Working Groups and joined an ACGA delegation to South Korea as the country advanced its Commercial Act amendments.

"BCI brings an engaged, evidence-based perspective that strengthens investor representation in global policy conversations. As a consistent contributor to our North American Policy Working Group, BCI has helped ensure that Canadian institutional investor interests are reflected in the governance standards and disclosure frameworks that shape markets worldwide."

Jen Sisson
CEO, ICGN

Policy Highlights

BCI engaged on policy directly where market rules are set, contributing to 16 ESG-related consultations, roundtables, and joint statements across Europe, Asia, and North America. Our work spanned three core themes: sustainability disclosure standards, climate change and emissions data integrity, and corporate governance reforms.

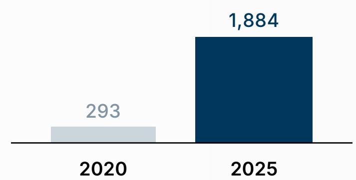
View our policy submissions at **BCI.ca/policy**

Building Momentum for Global Standards

BCI has been a steady voice for strong, globally consistent sustainability disclosure standards, most recently in support of the ISSB's International Financial Reporting Standards (IFRS) S1 and S2. Following our previous submissions to standard setters in Canada, South Korea, and Japan, we provided comments in 2025 to the European Financial Reporting Advisory Group (EFRAG) on European Sustainability Reporting Standards (ESRS) interoperability, arguing that divergent frameworks compromise investors' ability to assess risks uniformly across portfolios. We built on this position in June 2026 with a follow-up submission to the European Commission on the revised ESRS 2.0 draft, recommending the removal of relief provisions with no ISSB counterpart.

This sustained engagement has contributed to growing momentum, with the number of jurisdictions incorporating ISSB standards now reaching almost 40, covering 60% of global market capitalization and 60% of global GDP.

GLOBAL SASB ADOPTION (#) [1,2]



543%
companies providing full disclosure against the SASB Standards

1 Source: IFRS Foundation.
2 The Sustainability Accounting Standards Board (SASB) Standards are administered by the ISSB and are referenced in IFRS S1.

Addressing Canadian Disclosure Gaps

Protecting investor access to sustainability data in Canada continued to define BCI's domestic policy work, reflecting ongoing challenges related to the Bill C-59 anti-greenwashing provisions. Building on two submissions to the Competition Bureau urging clearer differentiation between investor disclosures and consumer marketing claims, BCI maintained our direct engagement with Canadian energy companies after several withdrew climate and emissions disclosures, citing the provisions. Our approach continued to leverage multiple tactics, including outreach to regulators on the impact of the rules, engagement with companies on their disclosure practices, and integration of gaps into our voting decisions.

Beyond the regulator, BCI held meetings with Cenovus and Imperial Oil specifically addressing the implications of Bill C-59 on disclosure. After the 2025 proxy season annual meetings, we sent follow-up letters to 13 Canadian energy companies whose lack of greenhouse gas (GHG) emissions reporting had affected our voting decisions. This reflects BCI's consistent approach to disclosure expectations over time.

In late 2025, the federal government introduced amendments to Bill C-59 that directly address concerns in our submissions. Despite this change, during the 2026 proxy voting season, a Canadian energy company still cited Bill C-59 concerns in rebutting a shareholder proposal. Many companies have still not changed their practices, demonstrating a continued need for engagement despite partial regulatory relief.

Strengthening Methane Regulation

Reducing methane emissions remains one of the fastest, most cost-effective means of limiting near-term global warming, and is an underreported risk in investor portfolios. As illustrated by the chart below, scientific research suggests that rapid reductions in methane emissions across the economy could avoid up to a quarter of a degree of warming by 2050. In 2025, BCI continued to take an integrated approach to methane stewardship, underpinned by our focus on more effective regulation and standards.

Regulatory

BCI met with Environment and Climate Change Canada (ECCC) in Ottawa, sharing our experience engaging Canadian energy companies on methane disclosure and advocating for alignment with global frameworks as a concrete policy outcome. We also wrote to the U.S. Environmental Protection Agency (EPA) urging the preservation of its Greenhouse Gas Reporting Program, which is the only source of standardized, government-verified, facility-level emissions data for U.S. industrial emitters.

Effective regulation, including improved methane measurement, is particularly important because measured emissions can differ widely from reported estimates, obscuring which operators genuinely outperform and creating the risk that capital is misallocated as a result.

In December, the Government of Canada finalized its Enhanced Methane Regulations for the oil and gas sector and new Landfill Methane Regulations. In March 2026, the federal government reached an agreement in principle with the province of Alberta to develop an equivalency agreement for the Enhanced Methane Regulations. These steps towards more effective regulations are consistent with the direction BCI and other investors have supported through our policy engagement.

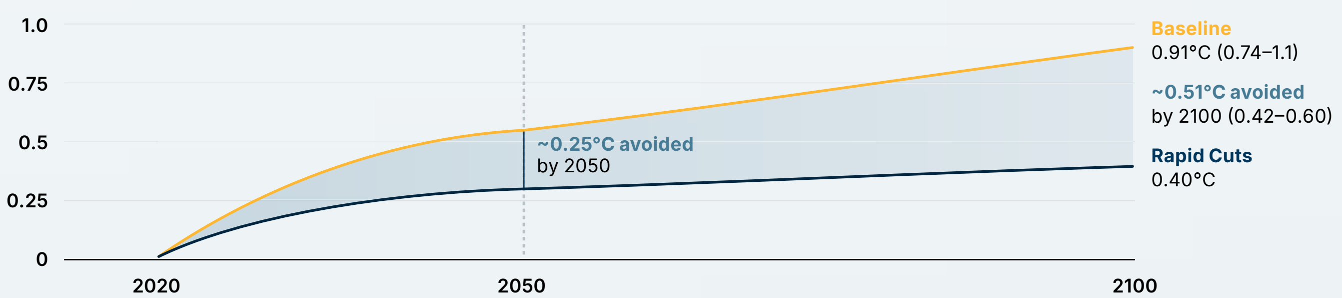
Standards

BCI submitted feedback to the ISSB supporting the introduction of methane-specific disclosure metrics for the oil, gas, and coal industries within the Sustainability Accounting Standards Board (SASB) standards. These metrics are aligned with the Oil & Gas Methane Partnership 2.0 (OGMP 2.0) and require companies to disclose methane emissions separate from general Scope 1 GHG emissions. Standardized, comparable methane data at the sector level is what our company and regulatory engagement is ultimately working toward.

In addition to regulators and standard setters, BCI directly engaged oil and gas producers and utilities across North America on methane disclosure and alignment with internationally recognized frameworks.

Learn more in the **Engagement Highlights**.

WARMING FROM FUTURE METHANE EMISSIONS ACROSS ALL HUMAN SOURCES (°C)[1]



1 Source: Ocko et al. (2021), Environ. Res. Lett., Fig. 3b (technically feasible, fast mitigation vs baseline). Scope: all human sources of methane (energy, agriculture, waste); modelled from full deployment by 2030.

Proxy Voting

Driving board and management accountability.

In public markets, BCI uses proxy voting as a tool to drive ESG improvements through board and management accountability. We aim to vote at the meetings of every public company in our portfolio in accordance with our Proxy Voting Guidelines. In 2025, BCI released the 12th edition of these guidelines, affirming our commitment to using our voting rights to uphold our expectations for robust corporate governance, protection of shareholder rights, and effective oversight of ESG risks and opportunities.

BCI is transparent about our proxy voting activity and is one of the few Canadian investors to publish our voting intentions ahead of each shareholder meeting. This includes our rationales for every shareholder proposal and vote against management for public companies. Our complete voting record is available online.

Learn more at **BCI.ca/proxy-voting**

2026 Proxy Season Summary

Voted on
27,255 agenda items

Voted against management in
26% of cases

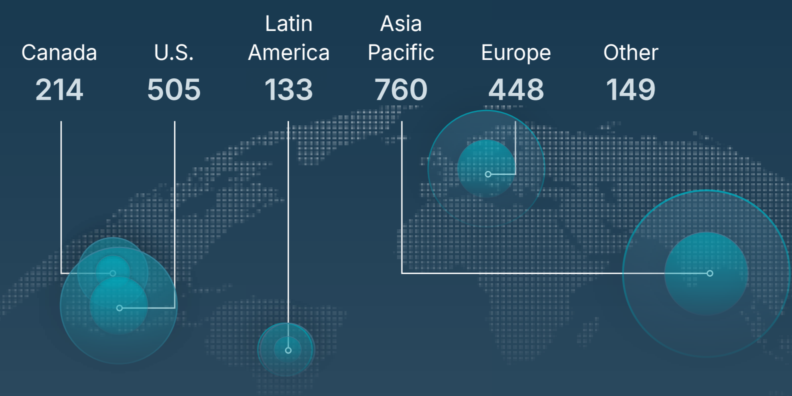
Voted against or withheld votes from
33% of director nominees

Voted on
805 shareholder proposals

Supported
51% of shareholder proposals

Voted in
55 countries

Voted at
2,209 global meetings



Unless otherwise stated, proxy voting data and activities are from January 1 to June 30, 2026.

A Closer Look: Our Voting Record and Share Price

During the 2026 proxy voting season, BCI voted against management proposals 26% of the time. Each vote reflects a considered judgment of that company's governance practices and how well it manages environmental and social risks.

This year, to better understand the relationship between our proxy voting record and market activity over time, we examined how share prices behaved following our votes. This is a descriptive pattern, not a predictive one. We found that companies receiving the lowest overall support from BCI for management proposals were more likely to see sharp share price declines.

Analysis

We drew on our global voting record across more than 13,000 AGMs from July 2020 to December 2025 for companies in the MSCI All Country World Index (ACWI), which covers large and mid-sized companies in developed and emerging markets, and followed monthly stock returns. We ranked each company by the share of management proposals we supported at its most recent annual meeting, and grouped the companies into quintiles.

Over the five-year period, share price declines of more than 20% within a single month occurred 1.6x as often among companies that received the lowest support from BCI, compared with companies that received the highest support, and the pattern held across all five groups.[1]

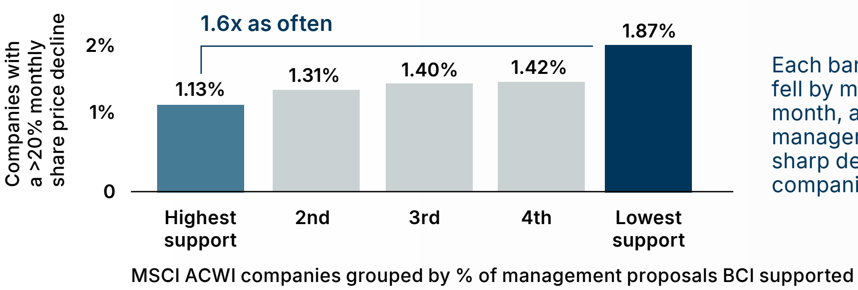
Annual meetings differ across markets, both in investor voting patterns and how many proposals are on the ballot. After adjusting for those characteristics and market effects, the pattern held. The companies with our lowest support were also more volatile than those with the highest support, which accounts for part, but not all, of the difference. The pattern appeared in every year we examined and was not confined to the market decline of 2022.

Insights

BCI's Proxy Voting Guidelines are designed to drive improvements in corporate governance, accountability of the board and management teams, protection of shareholder rights, and effective oversight of ESG risks and opportunities. By understanding the potential relationship between voting practices and financial impacts, we can continue to use our rights as investors with greater conviction to protect and enhance overall long-term value for our clients and beneficiaries.

This exercise supports how we already use our vote: to hold boards and management to account, and to escalate where our concerns are greatest.

COMPANIES WITH WEAKER GOVERNANCE DREW BOTH OUR LOWEST SUPPORT AND SHARPER DECLINES



Each bar shows the probability that a company's share price fell by more than 20% in a single month, adjusted for market, month, and ballot length. Companies where BCI supported management the least were more likely to experience sharp declines in share prices, about 1.6x as often as the companies where management received most support.

1 Methodology: Based on more than 13,000 annual meetings of MSCI ACWI constituents (point-in-time membership) in BCI's voting record from July 2020 to December 2025, covering management proposals only. Companies were ranked by the share of management proposals BCI voted against at their most recent annual meeting, then grouped into quintiles, equal-weighted and rebalanced monthly, with each classification holding until the next meeting or 18 months, whichever came first. Returns are in USD, including dividends, and have not been adjusted for company size, industry, or financial condition. This remains a descriptive association, not evidence that a voting record predicts returns. The 1.6x figure is calculated on unrounded numbers and may differ slightly from the result that might be obtained using the rounded values shown. Past performance is not a guarantee of future results.

Source: BCI proxy voting records, Bloomberg.

Proxy Voting Highlights

During the 2026 proxy voting season, executive compensation, shareholder rights, AI governance, and climate transition risk stood out as the issues drawing the most investor attention. Across these themes, BCI pressed for greater transparency and stronger alignment between company practices and long-term shareholder interests. More broadly, shareholders responded cautiously to shifting regulatory environments and pressures in certain markets, filing fewer overall proposals compared to previous years.

Challenging Compensation Mega-Grants

Since 2022, BCI has voted against compensation plans at major U.S. banks, withholding votes from Compensation Committee members at JPMorgan, Goldman Sachs, Citigroup, Bank of America, Wells Fargo, and Morgan Stanley over concerns about multi-year large front-loaded equity awards and the alignment of award structures with performance and long-term shareholder interests. In 2026, BCI went further, withholding our votes from lead directors at Goldman Sachs, Citigroup, and Wells Fargo, following compensation increases that we did not consider adequately justified.

U.S. Shareholder Proposal Exclusions

The SEC's decision to stop reviewing no-action requests gave companies more discretion to exclude shareholder proposals from the ballot without regulatory oversight. BCI responded by reviewing exclusions at 76 companies and took voting action at 24, including Broadcom, Teledyne, Eli Lilly, and Amazon, where the exclusion reduced shareholders' ability to address financially material matters. Absent SEC oversight, some proponents turned to the courts, with lawsuits against PepsiCo, AT&T, and Axon Enterprise restoring the proposals to the ballot.

Pressing for Responsible AI

During the 2025 proxy season, proposals at major Canadian banks asked for adoption of the federal Voluntary Code of Conduct on Responsible Generative AI. Support ranged from just 2 to 17%, and only one bank ultimately signed onto the code. In 2026, the ask shifted to disclosure of AI use in senior decision-making, risk assessment, and credit underwriting. BCI voted in favour of this proposal, and the range for support increased to 21 to 25%, a sign that AI governance is emerging as an investor priority.

Transparency on Energy Transition Plans

Transition risk is a growing concern for companies reliant on oil and gas production, particularly as demand scenarios shift. At Equinor, a Norwegian energy company, BCI supported a shareholder proposal requesting disclosure of its strategy for creating shareholder value under scenarios of declining oil and gas demand, including the International Energy Agency's (IEA) Stated Policies and Announced Pledges Scenarios. This disclosure is essential to assess the resilience of a company's capital allocation across a range of transition pathway scenarios.

Advancing Hybrid AGMs and Shareholder Access in Asia

Annual shareholder meetings are a critical forum for investors to exercise ownership rights and engage with company leadership. BCI published Best Practices for Hybrid AGMs, providing guidance to ensure virtual attendees have the same opportunities for participation as in-person attendees. Hybrid formats now account for roughly 40% of AGMs worldwide and, starting in 2027, will be mandated for large South Korean companies. BCI continues to support this transition and advocate for high-quality implementation.

In 2026, we engaged 13 South Korean companies to share best practices for hybrid AGM formats in the context of the country's evolving regulatory requirements. Where companies were unresponsive or failed to meet our minimum expectations, BCI escalated our actions by voting against the chair or members of the ESG committee. We also attended several hybrid AGMs in South Korea, raising virtual questions at Samsung Electronics, SK Hynix, and POSCO Holdings on topics including energy procurement, decarbonization, capital management, and corporate governance. We observed incremental progress among South Korean issuers, and will continue to engage companies and regulators on expanding shareholder access and participation.

In China, BCI participated in annual meeting investor submissions to BYD Company Ltd and China Construction Bank in collaboration with Asia Research & Engagement (ARE), addressing issues such as green procurement, raw material sourcing, labour rights, green loan targets, and Scope 3 emission disclosure. While companies did not address all topics raised at these meetings, there is clear momentum toward more constructive and ongoing investor dialogue.

Voting on Governance

Strong governance is fundamental to a well-functioning company and crucial for adequate representation of shareholder interests. These votes continue to receive strong investor support, including from BCI.

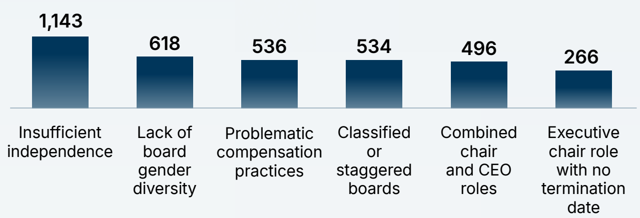
DIRECTOR ELECTIONS

We cast ballots for 12,694 director elections, voting against or withholding our vote for 33%, primarily based on not meeting BCI's governance expectations. Insufficient independence was the top reason, representing just over a quarter of these votes. An independent board is better able to hold management accountable. Independence on key committees like the nominating, compensation, and audit committees, is most critical as these are decisions directors are least able to judge fairly when they have a personal or business stake in the outcome.

Total voted
12,694

Against / withheld
33%

TOP REASONS FOR VOTES AGAINST OR WITHHELD



SHAREHOLDER PROPOSALS

We evaluated 600 governance-related shareholder proposals, and we supported 58%, including proposals to adopt majority vote standards, enhance shareholder rights, separate board and management roles, and improve the disclosure of voting results.

Total evaluated
600

Supported
58%

Expectations on Climate Change

BCI's climate-related voting decisions are strategically aligned with our broader engagement objectives, serving as an accountability mechanism and escalation tool to drive continuous improvement. We focus on portfolio companies with material climate governance gaps, enabling us to direct our voting efforts where they can drive the most meaningful improvements. BCI pays close attention to the disclosures, targets, and practices of our most carbon-intensive investments to assess the maturity level of their net-zero plans.

In cases where companies are not progressing toward our expectations, BCI may vote against the board chair, lead independent director, or chair/members of the sustainability committee to provide clear feedback about the importance of climate stewardship and board accountability.

SHAREHOLDER PROPOSALS

Climate-related proposals evaluated	Supported by BCI
42	40%

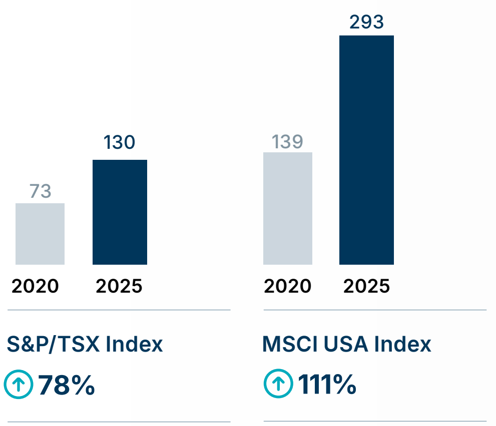
VOTES AGAINST DIRECTORS

Insufficient disclosure of GHG emissions	Not linking climate targets to executive compensation
156	76
Lack of emissions reduction targets	**Lack of board oversight on climate-related issues**
93	12

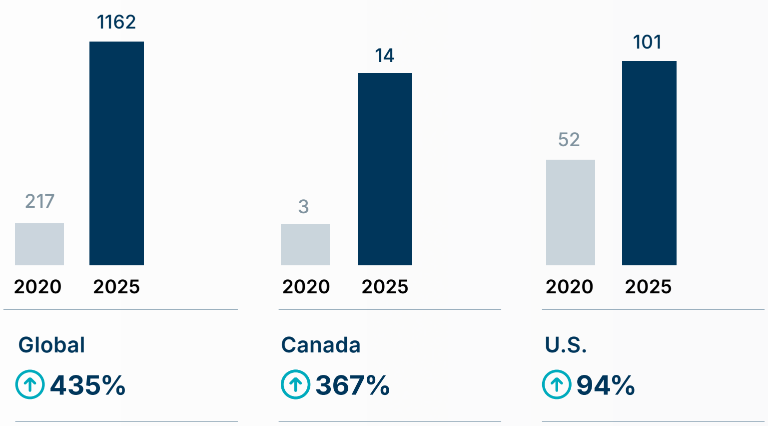
Market-level Indicators

BCI tracks market-level indicators to measure broader advancements and trends. Between 2020 and 2025, we observed an increase in ESG-linked pay and progress on independently assessed climate disclosure, consistent with the direction of our climate-related engagement.

COMPANIES WITH ESG-LINKED EXECUTIVE COMPENSATION (#)[1]



COMPANIES ON THE CDP CLIMATE A LIST (#)[2,3]



1 Source: Bloomberg.

2 Source: 2020 and 2025 CDP A Lists, including companies scoring A or A- on climate.

3 The "Global" category excludes A List companies in Canada and the U.S. Each chart uses an independent scale.

Engagement

Achieving strategic outcomes through constructive dialogue.

BCI engages across asset classes to reduce ESG risks, strengthen governance, and enhance the long-term value of our portfolio. Depending on the risk or opportunity, our approach ranges from targeted outreach on a single topic to comprehensive dialogue across multiple touchpoints.

In 2025, BCI engaged with 181 companies across public and private markets. This included 65 meetings with senior management, C-suite executives, and board directors.

While most of our engagement was direct, where we believed it would achieve a better outcome, we worked through Climate Action 100+, ARE, ACGA, 30% Club Canada, and targeted coalitions on methane and AI to amplify consistent expectations across companies and geographies.

BCI publishes an annual inventory outlining our direct engagement with companies across public and private markets.

Explore our **engagement inventory**.

ENGAGEMENT BY TYPE[1]

Comprehensive Dialogue
29%

Sustained, two-way communication with multiple touchpoints on a specific or broad range of ESG topics, often involving multiple participants, including executives and board directors.

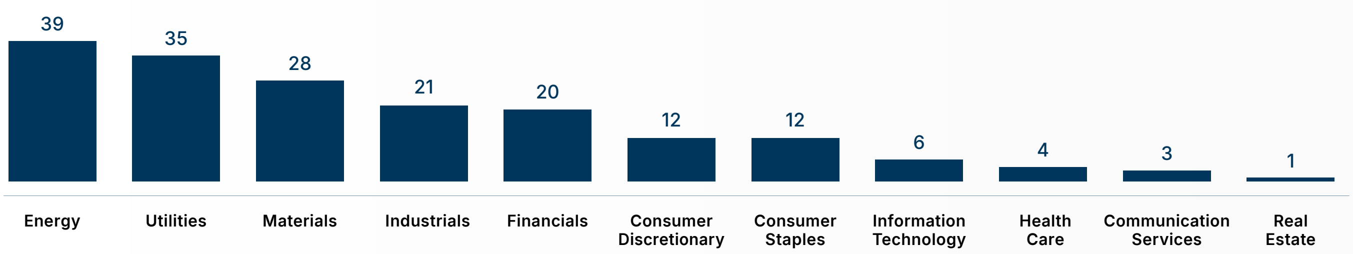
Basic Dialogue
30%

Two-way exchange between BCI and a company, usually through investor relations, sustainability teams, or management on a specific or narrow range of ESG topics. Contact is limited to one or a few touchpoints.

Outreach
41%

One-way communication in which BCI states an expectation to a company on a specific ESG topic, often a proxy voting follow-up letter or co-signed statement.

ENGAGEMENT BY SECTOR (#)



[1] Figures presented do not precisely add up due to rounding.

Engagement Outcomes

Recognizing the ongoing and dynamic nature of engagement is essential to understanding and assessing the outcomes. By categorizing each engagement activity based on the progress made toward achieving our objectives, BCI can track and adapt the tools and levers we employ to ensure we are as effective as possible.

Of the 107 companies BCI engaged in basic or comprehensive dialogue this year, 8% achieved our objectives and a further 44% showed positive momentum. These results demonstrate the benefit of direct, two-way conversations with company representatives.

Our definition of objectives achieved is intentionally strict and requires a fully met objective, not steps toward one. Complex engagements typically unfold over several years, so we treat momentum as a leading indicator, showing what sustained, multi-year engagement produces over time.

PROGRESS FOR BASIC AND COMPREHENSIVE ENGAGEMENTS[1]

Objectives Achieved
8%

Company has satisfactorily addressed concerns, and further engagement is not necessary on the topic.

Positive Momentum
44%

Company has demonstrated openness to our perspective, and/or signs of improvement.

Neutral
47%

Company requires further dialogue and there is limited indication of progress.

Lagging
1%

Company is resistant to our perspective.

Public Markets

Given the breadth of our public markets holdings, we are selective and targeted in our public markets engagement strategies, prioritizing materiality. We engage board members or the most senior leadership available and leverage voting rights as a signal of our expectations to the board.

In 2025, 88 of the engagements that involved comprehensive or basic dialogue were with public companies. Environmental topics featured in the majority of discussions (75), governance in just over half (45), and social themes, such as health and safety or human capital practices, comprised a smaller segment (14).

Private Markets

With direct ownership stakes across private markets, we have greater access to the companies we invest in. Where BCI holds board seats or governance rights, we raise material ESG risks and opportunities directly in the boardroom and track progress over time.

BCI's 19 private company engagements spanned Infrastructure & Renewable Resources (11) and Private Equity (8). Each one was comprehensive and multi-topic, showing positive momentum. Climate-related topics featured in nearly all (17), with about half also covering social topics like health and safety, reflecting the operational exposures typical of long-held private assets.

1 Outreach engagements are reported separately and are not assessed for momentum, as they are one-way communications with no dialogue to evaluate.

Engagement Highlights

Governance, disclosure, climate change, and health and safety remained key themes across our public and private markets activity, spanning sectors from energy to technology. We continued to build on expectations and relationships with companies that have been developed over decades.

Driving Sustainable Value in Private Markets

BCI works directly with private portfolio companies and collaborates with general partners to help embed ESG as a driver of long-term value.

In addition to the 19 direct company engagements across our Private Equity and Infrastructure & Renewable Resources programs, we engaged 26 general partners and external managers on ESG-related topics, covering governance practices, climate risk management, and ESG data and reporting.

BCI Private Equity hosted our second ESG Value Creation Conference in New York in early 2026, bringing together 50 investment partners and portfolio company leaders to examine how ESG practices connect to measurable financial outcomes.

The conference featured findings from BCI's research collaboration with Stanford University's Long-Term Investing Initiative. The resulting whitepaper, *ESG Value Creation in Private Equity: From Rhetoric to Returns*, draws on case studies from our global portfolio to demonstrate how financially material ESG initiatives can contribute to EBITDA improvements, operational risk reduction, and stronger exit outcomes.

Valence Surface Technologies

Valence, a BCI Private Equity portfolio company, is the largest independent aerospace surface finishing platform in North America. Aerospace surface finishing is chemically intensive work, and how well a company manages environmental, health, and safety (EHS) risk is inseparable from its long-term value.

BCI’s larger direct investments carry governance rights that let us set expectations on EHS performance and hold management accountable. In collaboration with the company, several actions were taken in recent years to mitigate risks.

In 2024, to shift oversight of certain EHS risks from a site-by-site approach to the company level, Valence formed an EHS committee, including BCI representatives, and set out nine categories of material risk with expected mitigations. Since then, the company appointed a new EHS leader, catalogued and prioritized operational risks across its sites and built a mitigation plan for each.

For 2024 through 2025, Valence invested US$5.7 million in EHS risk and fire suppression projects. BCI supported the company in moving its property insurance to a carrier whose loss prevention engineers now audit every site and track mitigation actions through to closure. As highlighted in its 2025 ESG Report, the company also established a new commitment to reducing resource consumption and emissions by 20% by 2030.

In 2026, management tightened the injury rate target from the industry average to an industry-leading level, tied part of the quarterly employee bonus to meeting that target, and standardized protective equipment requirements across all sites. BCI’s board representatives continue to hold management accountable through regular engagement with the Valence team on EHS and broader business performance.

ENGAGEMENT *IN CONVERSATION*

Managing Physical Climate Risk in Infrastructure

Mel de Jager

Director, ESG, Infrastructure & Renewable Resources

Infrastructure assets are long-lived, capital-intensive, and increasingly exposed to physical climate risk. BCI engages on how factors like flooding, wildfires, and extreme heat may affect asset performance and long-term value. Mel de Jager, Director, ESG, Infrastructure & Renewable Resources, shares our approach and why this work matters.

Physical climate risk is growing in complexity. How does BCI think about it?

Physical climate risk is a growing challenge facing infrastructure investment today and has become a core consideration in how we assess and manage our assets. The potential compounding nature of extreme weather impacts across operations, insurance markets, regulatory environments, and long-term cash flows demands treating physical climate risk as a rigorous financial discipline. The risks are real, further strengthening the case for embedding it as a standard part of investment practice.

Where do you start the conversation?

We start by asking companies a similar set of questions: which natural hazards are affecting business operations today, how are these expected to change under future climate conditions, and what mitigation efforts are in place to reduce the potential impacts, both physical and financial. The physical climate risks that companies are facing vary across asset types and geographies — increasing drought conditions, for example, play a much more material role for a hydro facility than they do for a toll road or telecom tower. Each company requires a tailored approach based on its specific risks.

What does engagement look like in practice?

We focus our discussions on the most material risks and impacts facing each individual business. For example, with Endeavour Energy, an electricity distributor supplying power in New South Wales, Australia, our engagements focused primarily on wildfire exposure and risk management across their assets and regulatory support for these mitigants. With Cube Highways, a toll road platform in India, flood exposure and technical mitigants to improve road resilience was the key topic.

This year, we engaged on physical climate risk at several companies across BCI's Infrastructure & Renewable Resources portfolio, including BBGI, Cube Highways, Endeavour Energy, Isagen, Puget Sound Energy, and Teays River Investments. We continue to expand our engagements and analysis across the portfolio.

What is the value of sustained, direct engagement over time?

Climate risk is not static, it evolves as businesses adapt, regulations shift, and hazards intensify. That calls for ongoing engagement, not a one-time assessment, tracking how risk profiles and adaptation strategies change over time. Engaging with companies directly gives us a deeper view of the specific challenges they face and how they are responding, letting us act on what we learn rather than simply record it. That knowledge compounds: insights from one company sharpen our questions elsewhere, raising engagement quality across the portfolio.

Setting Expectations at Scale with Climate Action 100+

Climate Action 100+ is the largest collaborative climate engagement initiative with more than 600 global investors. BCI sits on the Steering Committee and participates as the co-lead or a supporting investor across seven companies, spanning energy, utilities, materials, and technology sectors. We embed the initiative's Net Zero Company Benchmark framework as a consistent basis for expectations on target-setting, decarbonization, capital allocation, and policy advocacy alignment.

The value of Climate Action 100+ is collaboration and coordination. A single investor raising the same request carries less weight than a coalition of institutional investors with a shared framework raising it consistently over years. That supports accountability in both directions as companies know what is expected and investors have committed publicly to consistent follow-through.

The results vary across companies, with some responding to coordinated investor engagement with material changes to their disclosure and strategy.

Samsung Electronics

BCI has engaged Samsung Electronics on environmental and governance issues since 2016, leveraging direct dialogue in addition to Climate Action 100+ and ACGA collaborations. This continuous engagement reflects a business relationship that has progressed over many years. Early meetings established BCI's expectations on decarbonization targets and board governance. Each subsequent year added depth, particularly from 2023 onward when we began pressing for independently validated emissions targets through the CDP science-based targets campaign, and provided rationale for voting against board committee members for lack of climate targets and metrics in executive compensation at the 2025 AGM. We also shared our views on hybrid AGM best practices.

In 2025, Samsung added climate metrics to executive compensation, and finalized a science-based 2030 target, including Scope 3 emissions for its consumer electronics and mobile division.

On capital management, BCI engaged with the company to promote equitable treatment across common and preferred shareholders. Samsung subsequently committed to repurchasing common and preferred shares in proportion to each class's shares outstanding, with the repurchased shares to be cancelled. This approach helps ensure that capital returns are allocated fairly across both share classes while preserving shareholders' relative economic interests.

Sustaining Engagement at Suncor Energy

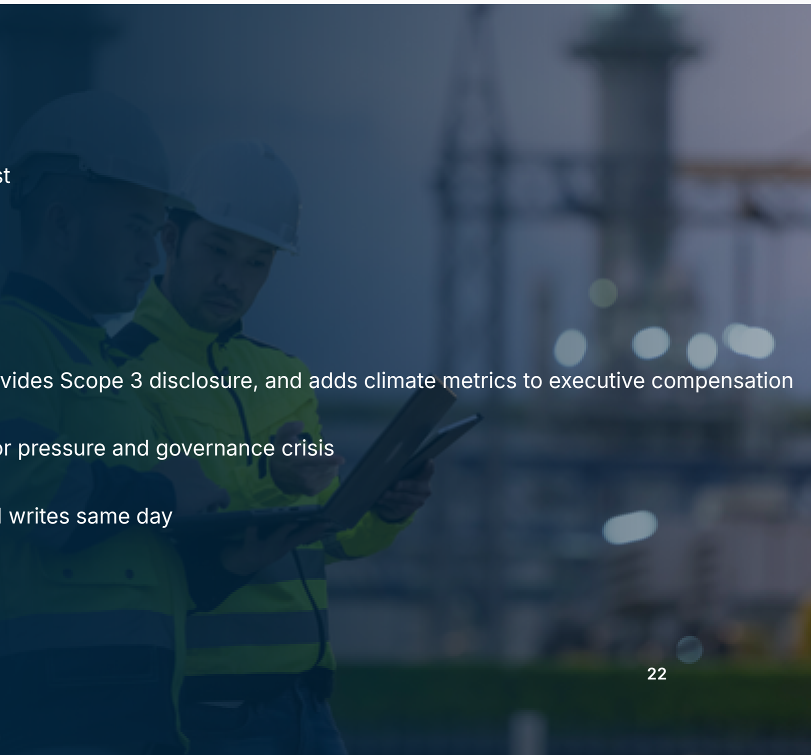
BCI has engaged with Suncor Energy as a long-term shareholder for nearly 20 years, first writing to the company on climate disclosure in 2007. Our clients' interests span decades, so we look to a board's governance practices for confidence it can handle ongoing and emerging material risks through any economic cycle. With Suncor, that focus has meant sustained attention to safety oversight, climate governance, and disclosure quality, regardless of where oil prices stood at the time.

Patient engagement has moved Suncor before. BCI's lead role in the Climate Action 100+ collaborative engagement, held starting in 2019, contributed alongside other investors to Suncor's first net-zero commitment and its first disclosure of Scope 3 emissions. Years of engagement on executive pay led the company to add a greenhouse gas metric to its long-term compensation plan. On safety, BCI raised concerns with the board starting in 2014, after a series of workplace fatalities, and visited a Suncor site in 2015. We continued to engage with the board on safety through leadership changes at the company, including a 2023 CEO transition.

That same approach is behind BCI's current work on climate disclosure. In 2024, Suncor and other members of the Pathways Alliance, now the Oil Sands Alliance, removed public emissions reporting, citing new federal anti-greenwashing rules. BCI wrote asking for a timeline to reinstate that reporting and further discussed the issue with them throughout 2025. Those conversations gave BCI a clearer view of the issues at play, insight we also brought to our own outreach to Canadian policymakers on the risks the anti-greenwashing provisions might pose to decision-useful climate disclosure. BCI, along with Addenda Capital and University Pension Plan, decided to file a shareholder proposal asking Suncor's board to report on how it governs and oversees climate-related risk, given that most related information was no longer available. Suncor's board recommended against the proposal, yet 20% of shareholders supported it at the 2026 annual meeting. We recognize a company will not always agree with what we raise. Filing a shareholder proposal does not mean we have lost faith in a company on a fundamental level, it is meant to foster dialogue amongst shareholders on a foundational governance question that impacts long-term shareholder value.

BCI remains a Suncor shareholder, and the disclosure question stays open. How Suncor's board responds on climate governance and disclosure continues to inform BCI's assessment of the board, including how we vote on individual directors going forward.

We will continue to raise the issues we judge material with companies in our portfolio, whether or not each one leads to immediate change.



Key Milestones

2007	BCI submits its first climate disclosure letter and request
2019	BCI takes on CA100+ lead investor role
2020	BCI secures board meeting with independent directors
2021	Suncor sets net-zero commitment and 2030 target, provides Scope 3 disclosure, and adds climate metrics to executive compensation
2022	Suncor achieves safety improvements following investor pressure and governance crisis
2024	Suncor removes emissions data following Bill C-59; BCI writes same day
2026	BCI files shareholder proposal at AGM; ~20% support

Building Momentum for Climate Disclosure at the Canadian Banks

Supporting the global goal of net zero by 2050 requires investment in low-carbon energy supply to significantly outpace investment in fossil fuels. In 2023, BloombergNEF (BNEF) officially launched the core framework for tracking energy supply ratios.

The Energy Supply Financing Ratio (ESFR) compares a bank's financing of clean energy to its financing of fossil fuels, giving investors a consistent way to assess how exposed a lending portfolio is to the energy transition. BCI expects the ESFR to become a basic expectation and standard in North America, and we continue to see momentum within the banking sector.

Canada's major banks are among the largest financiers of energy infrastructure domestically. Their lending portfolios carry significant exposure to the energy transition, and their disclosure determines how well investors can assess the risks and opportunities that come with it.

In 2025, BCI engaged five major Canadian banks on ESFR disclosure, reaching board directors, CEOs, CFOs, chief sustainability officers, and senior management. This included direct dialogue, formal letters to the boards, and votes against directors when earlier tactics did not produce tangible results.

Our consistent engagement, alongside the efforts of other investors, delivered results. By mid-2026, Scotiabank had become the first Canadian bank to publicly disclose its ESFR, with CIBC disclosing a methodology and National Bank committing to do the same. Despite this momentum, there continue to be firms that lag behind.

In 2024, RBC's board saw a shareholder proposal on ESFR disclosure withdrawn after committing to provide it. RBC published its methodology in 2025, but the ratio remained outstanding through most of the period covered by this report. As a result, we withheld our vote from the Governance committee chair in 2025 and the Audit committee chair in 2026.

In September 2026, RBC published its ESFR, fulfilling its commitment to investors. We supported ESFR proposals at CIBC, TD, and BMO in 2025, all receiving record support of 32 to 38%. We wrote to the boards of all these banks in November 2025, and since then CIBC has published their methodology, citing shareholder support for the proposal. We withheld our vote from the Governance committee chair at both TD and BMO this proxy voting season, where the disclosure remained outstanding.

BCI's engagement with the Canadian banks and votes against committee chairs reflects how applying consistent expectations over time across an entire sector can result in higher standards.

Derek Spronck

Director, Canadian Large Cap Equities, Capital Markets & Credit Investments

"Commitments are a useful first step, but they are not enough on their own for investor decision-making. Scotiabank's disclosure changes how we assess risk premiums tied to the energy transition. We can now price that exposure into our view of the bank instead of estimating it from the outside."

Michel Léveillée

Principal, ESG, Capital Markets & Credit Investments

"The ESFR gives us something we can analyze, the same way, at every institution, every year. When one bank discloses and its peers do not, it creates a comparability gap. That is the issue we are pushing the sector to close."

Moving from Methane Assessment to Certification

Methane emissions management sits at the intersection of climate risk, regulatory exposure, and market access, particularly for Canadian natural gas producers with exposure to liquefied natural gas (LNG) in Asian markets. We continue to engage on methane emissions management individually and collaboratively.

In fall 2025, BCI worked with Ceres and Environmental Defense Fund to convene a roundtable of companies within the Canadian LNG value chain, alongside international organizations and institutional investors, to discuss methane measurement, OGMP 2.0 adoption, and the case for direct measurement data as both a credibility signal and a commercial differentiator in LNG markets. With buyers in the market making the same requests, BCI's engagement amplifies a signal companies are already receiving from their customers.

We also engaged several companies in direct dialogue on OGMP 2.0 progress and the path to reasonable assurance of their greenhouse gas emissions. The roundtable established a shared framing across the value chain, while the bilateral meetings allowed BCI to connect that framing to each company's specific position and customer relationships.

In the U.S., BCI participated through a Nordea-led collaboration in roundtables with utilities on methane emissions management in gas distribution. Methane emissions is also a distinct but related issue at the downstream end of the value chain.

Canadian Energy Companies

Credible methane performance rests on measurement and independent verification, which can be demonstrated in different ways. Reporting frameworks such as OGMP 2.0 and gas certification programs such as MiQ both move a company from self-reported figures toward externally verifiable ones. Completing an initial assessment is a meaningful step, but full commitment is harder. The operational, data, and verification requirements are substantial, and the difficulties are well-documented across the sector. Two companies BCI engaged on methane emissions management in 2025 advanced along different routes.

TC Energy completed its OGMP 2.0 reassessment, set a methane reduction target for 2035, and tied long-term executive compensation to a methane-specific metric, connecting leadership accountability directly to the risk and opportunity. This followed a multi-year engagement by BCI reaching every level of the company, including two meetings with the CEO in 2025 and a question at the AGM on methane emissions across the LNG value chain.

Tourmaline Oil pursued independent verification and, in February 2026, achieved two industry firsts: it became the first company globally to certify an integrated natural gas production and processing system under MiQ, and separately, the first Canadian producer to receive MiQ's Grade A Certification.[1] BCI met with the CEO on methane emissions management and disclosure, and in late 2025, the company took part in BCI's methane emissions roundtable with participants along the LNG value chain.

Together, these outcomes show that sustained engagement can move companies from voluntary assessment to externally verifiable commitments, whether governance-linked or third-party certified. Both give BCI independent assurance that methane-related claims in the portfolio are more than self-reported.

1 MiQ Grade A: The top rating under MiQ's independent methane emissions certification standard.

Advancing Indigenous Relations

Indigenous relations is not a reporting checkbox. For resource companies, utilities, and infrastructure operators working on or near Indigenous lands and communities, the quality of Indigenous relationships is financially material. Access to land, social license, permitting, and labour supply depend on it. BCI's approach to engaging on reconciliation reflects our view that companies with strong Indigenous relationships carry less long-term risk.

Over the past year, our focus spanned several Canadian companies, each at a different stage of translating commitments into practice.

Enbridge

Advanced an Indigenous equity ownership agreement with First Nations on the British Columbia Natural Gas Pipeline System, consistent with expectations BCI had raised in prior engagement and reflecting leading practice in Canada. The company also published an enhanced Reconciliation Action Plan in 2025. This reflects the concrete, structural progress BCI encourages.

Agnico Eagle Mines

Became the first Canadian mining company to publish a Reconciliation Action Plan, earning the Towards Sustainable Mining (TSM) Community Engagement Excellence Award. BCI met with the CFO, COO, and Executive Vice President of Sustainability to discuss the company's progress and encourage PAIR certification as a next step.

Hydro One

Continued to advance its Reconciliation Action Plan, with procurement targets and an Indigenous equity option framework in place. BCI engaged the CFO on reconciliation alongside the company's Climate Adaptation Plan.

Hydro Québec

Shared during an engagement how it operationalizes its Indigenous reconciliation strategy, and BCI provided observations from peer companies to support the firm as it develops its approach.

Together, these engagements reflect a consistent expectation. For companies whose operations depend on Indigenous relationships, a published Reconciliation Action Plan or similar commitment is foundational. BCI looks for the outcomes these plans are meant to produce, including equity participation, certified frameworks, and measurable targets, where doing so serves our clients' long-term financial interests.

Achieving Board Diversity with 30% Club Canada

BCI is the Chair of the 30% Club Canada Investor Group, and works collaboratively through the initiative to engage companies on board gender representation and human capital management more broadly.

Five of the 12 companies engaged in 2025 reached 30% female representation this year, several after appointing new directors. Additionally, Kinross, Maple Leaf Foods, G Mining, and Spin Master all added a woman to the board in 2025 or 2026.

This progress reflects a broader market trend. Separate from our 30% Club role, BCI tracks board gender representation across the S&P/TSX Composite Index and MSCI USA Index as part of our governance monitoring. The share of S&P/TSX companies at or above 30% female representation reached a record 89% in 2025, and average representation across the index held at 37.5%, essentially unchanged after a decade and a half of continuous growth.

Keeping Pace with Responsible AI

AI is being deployed at a pace and scale that is reshaping the risk profile of companies across sectors. The four largest hyperscalers, including Amazon, Alphabet, Microsoft, and Meta, spent more than US$350 billion on capital expenditure in 2025 and are projected to approach US$700 billion in 2026. The governance structures required to oversee that level of deployment are not keeping pace. For example, only 22% of S&P 500 companies disclosed board-level AI oversight in 2024.[1]

When AI is deployed well, it can create competitive advantages. However, when it is deployed poorly, there can be significant risk from inadequate board oversight, opaque implementation, and unmanaged exposures across data, privacy, labour, and environmental practices. This tension is already evident in infrastructure, with more than US$64 billion in U.S. data centre projects blocked or delayed between May 2024 and March 2025 over energy, water, and community concerns.[2]

BCI introduced Responsible AI as a formal ESG priority in our 2024-2025 Stewardship Report and we have spent the past year refining our approach and objectives. Notably, we now distinguish roles across the AI value chain to better tailor our engagement:

- Developers include the hyperscalers who are responsible for creating and training AI models and are exposed to the broadest risks across the ESG spectrum
- Deployers, such as financial institutions, primarily face risks related to governance of AI deployment and workforce impacts
- The broader value chain, including utilities, largely faces environmental impacts tied to adjacent risks like grid impacts and physical climate risk

Regardless of where a company sits in the value chain, BCI expects board-level AI oversight with designated accountability, credible risk management frameworks, and transparency on AI use, risks, and incident reporting.

In 2025, BCI re-established comprehensive dialogue with Amazon, focusing on AI governance, the use of external data for AI training, and the energy and water intensity of its infrastructure expansion. To amplify our reach, BCI also joined the World Benchmarking Alliance's Collective Impact Coalition on Ethical AI. Following the first phase of this initiative, the number of the world's 200 largest digital companies with published ethical AI principles rose from 33 to 52, with 19 publishing their first principles following the engagement.

A Strong Foundation

BCI has analyzed and voted on AI-related shareholder proposals as they became more mainstream at public companies. Our assessment and voting record provide a strong foundation for continued engagement on AI governance.

Company/Year	Resolution	BCI Vote	Support
Apple 2024	Report on AI use	For	37.5%
Microsoft 2024	AI data sourcing accountability	For	36.2%
	AI misinformation	For	18.7%
Amazon 2025	Data centres & climate commitments	For	20.4%
Canadian Banks 2026 (BMO / BNS / TD / RBC)	AI disclosure in decision-making	For	22.5%[3]

Aligned to BCI's other engagement priorities, our focus on Responsible AI will continue to evolve and expand as the space matures.

1 Source: ISS-Corporate: 2026 Artificial Intelligence and Governance Paper.

2 Source: Data Center Watch.

3 Support percentage reflects the average across four Canadian banks.

Engagement Inventory

This inventory lists the public and private portfolio companies, as well as select bond issuers, that BCI directly engaged between January 1 and December 31, 2025, and indicates the focus of these engagements as environmental, social, and/or governance.

It excludes public companies reached through collaborative initiatives where BCI participated but did not play a leading or supporting role.

Company	E	S	G
A.P. Moller-Maersk	●		
Agnico Eagle Mines Limited	●	●	●
Agricultural Bank of China Limited	●		
Air Canada			●
Algonquin Power & Utilities Corp.			●
Amazon.com, Inc.	●	●	●
Ambuja Cements Limited	●		
Anglo American plc	●		
Anhui Conch Cement Company Limited	●		
ARC Resources Ltd.	●		●
Atacadao S.A.			●
Athabasca Oil Corporation	●		
Bank of America Corporation	●		●
Bank of Montreal	●		●
Baytex Energy Corp.	●		
BBGI Global Infrastructure S.A.	●	●	
Berkshire Hathaway Inc.	●		
Birchcliff Energy Ltd.	●		
BMS Group Limited	●		
BroadStreet Partners, Inc.	●		
Bunge Global	●		
Canadian Imperial Bank of Commerce	●		●
Canadian National Railway Company	●		
Canadian Natural Resources Limited	●		●

Company	E	S	G
Canadian Pacific Kansas City Ltd.	●		●
Capstone Copper Corp.	●		
Caterpillar Inc.	●		
Cenovus Energy Inc.	●		●
CES Energy Solutions Corp.	●		●
Cheniere Energy, Inc.	●		
Chevron Corporation	●		
China Construction Bank	●		
China Petroleum & Chemical Corporation	●		
China Shenhua Energy Company Limited	●		
Citigroup, Inc.		●	
Cleco Corporate Holdings LLC	●	●	
Coal India Limited	●		
ConocoPhillips	●		
Consolidated Edison, Inc.	●		
Constellation Energy Corporation	●		
Constellation Software Inc.	●		
Costa Group Holdings Limited	●		
Cube Highways Trust	●		
Deere & Company		●	
Delta Air Lines, Inc.	●		
Dominion Energy, Inc.	●		
Duke Energy Corporation	●		
Edison International	●		
Element Fleet Management Corp.			●
Emera Incorporated	●		
Enbridge Inc.	●		●
Endeavour Energy	●		
Endeavour Silver Corp.	●		●
Energy Fuels			●
Entergy Corporation	●		
EOG Resources, Inc.	●		
EQB Inc.	●	●	
Equinox Gold Ltd.	●		●
Exelon Corp.	●		
Exxon Mobil Corporation	●		●
First Majestic Silver Corp.	●		●
FirstEnergy Corp.	●		
Ford Motor Company		●	
Fortis, Inc. (Canada)	●		
Freehold Royalties Ltd.	●		
G Mining Ventures			●
General Electric Co.	●		
General Mills, Inc.		●	
General Motors Company	●		

Company	E	S	G
Hana Financial Group Inc.	●		●
Headwater Exploration Inc.	●		
Hengli Petrochemical Co., Ltd.	●		
Hon Hai Precision Industry Co., Ltd.	●		●
Honeywell International, Inc.	●		
Huaneng Power International, Inc.	●		
Hydro One Limited	●	●	
Hydro-Québec	●	●	
Imperial Oil Limited	●		●
Intact Financial Corp.			●
International Paper Co.	●		
International Petroleum			●
InterRent Real Estate Investment Trust			●
Isagen	●		
JBS S.A.	●	●	
JSW Energy Limited	●		
Kelt Exploration Ltd.	●		
KGHM	●	●	●
Kinder Morgan, Inc.	●		
Kinross Gold Corp.			●
Korea Zinc			●
LG Chem, Ltd.			●
LG Corp.			●
Linde plc	●		
Lloyds Banking Group			●
Maple Leaf Foods, Inc.			●
Marathon Petroleum Corporation	●		
Martin Marietta Materials, Inc.	●		
Max Healthcare		●	
McDonald's Corporation		●	
Mondelez International Inc.	●		●
National Bank of Canada	●		
National Gas Transmission plc	●	●	
National Grid plc	●		
Naver Corp.			●
Navitas Pty Limited		●	
NextEra Energy, Inc.	●		
NovaGold Resources, Inc.	●		●
NRG Energy, Inc.	●		
NTPC Limited	●		
Nutrien Ltd.	●		
Open Grid Europe GmbH		●	
PACCAR Inc.	●		
Pan American Silver Corp.	●		●
Pembina Pipeline Corporation	●		●

Company	E	S	G
PepsiCo, Inc.		●	
PetroChina Company Limited	●		
Petroliam Nasional Berhad (Petronas)	●		
Pfizer Inc.		●	●
PG&E Corp.	●		
Polska Grupa Energetyczna S.A.	●		
POSCO Holdings Inc.	●	●	●
PPL Corporation	●		
PS Logistics	●	●	
PT United Tractors Tbk	●		
PTT Public Company Limited	●		
Puget Sound Energy, Inc.	●		
Qdoba Restaurant Corporation	●	●	
Renewi plc	●	●	
Restaurant Brands International Inc.		●	
Rogers Communications, Inc.			●
Royal Bank of Canada	●		●
Samsung Electronics Co., Ltd.	●		●
Sempra Energy	●		
Shell plc	●		
Shinhan Financial Group Co., Ltd.			●
SK Hynix Inc.	●		●
Skeena Resources	●		●
Spin Master Corp.			●
Suncor Energy Inc.	●		●
Taiwan Semiconductor Manufacturing Company Limited (TSMC)	●	●	●
Tamarack Valley Energy Ltd.	●		
Target Corporation		●	
TC Energy Corporation	●		●
Teays River Investments	●		
Teck Resources Limited	●		●
TerraVest Industries			●
Tesla, Inc.		●	
The Bank of Nova Scotia	●		●
The Dow Chemical Co.	●		
The Home Depot, Inc.	●		
The Southern Company	●		
The Toronto-Dominion Bank	●		●
Tilray Brands			●
Topaz Energy			●
Torrent Power	●		
Tourmaline Oil Corp.	●		
TransAlta Corporation	●		
Tyson Foods, Inc.		●	
UltraTech Cement Limited	●		

Company	E	S	G
United Airlines Holdings Inc.	●		
UnitedHealth Group, Inc.			●
Valence Surface Technologies LLC	●	●	
Valero Energy Corporation	●		
Vanguard International Semiconductor Corporation (VIS)	●		
Verizon Communications Inc.	●		●
VistaJet Holding S.A.	●		
Vistra Corp.	●		
Walmart Inc.	●	●	
Waste Connections, Inc.	●		
Waste Management, Inc.	●		●
WEC Energy Group, Inc.	●		
Wells Fargo & Company		●	
West Fraser Timber Co. Ltd.	●		●
Wheaton Precious Metals Corp.	●		●
Whitecap Resources Inc.	●		●
Woolworths Group	●		
WSP Global Inc.	●	●	●
Xcel Energy Inc.	●		
XPEL Inc.	●		
Yinson Holdings Berhad	●		
Zijin Mining Group	●	●	●

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