



PSPP Corporation
Board of Directors

Responsible Investment Policy

Effective Date: July 1, 2024

RESPONSIBLE INVESTMENT

BOARD COMMITMENT

In considering Responsible Investment (RI) as it relates to the management of Plan assets, the Board is committed to the integration of material Environmental, Social and Governance factors (ESG) into investment decision making.

ESG factors that may impact investment returns and risk include:

1. Environmental factors that concern company interaction with the physical environment. Examples include, but are not limited to, carbon emissions, pollution, waste management and land use.
2. Social factors that concern company business practices and the effect on the interests of society, communities and individuals. Examples include, but are not limited to, human rights, indigenous relations, labour standards and consumer protection.
3. Governance factors that concern the management of a company. Examples include, but are not limited to, board structure, diversity in leadership, business ethics and transparency.

The Board is committed to openness and transparency with respect to this RI Policy and its implementation and will work towards developing appropriate reporting and communication protocols.

FIDUCIARY CONSIDERATIONS

ESG factors and Climate Change can represent significant long-term risks to the financial health of the Plan. In adopting ESG views within investment decision making processes, the Board is consistent with its fiduciary responsibility.

Consistent with the Board's fiduciary responsibility, Plan assets will be managed exclusively in the financial interests of beneficiaries. The implementation of RI Policy will be aligned accordingly.

RESPONSIBLE INVESTMENT BELIEFS

The Board believes:

1. The integration of ESG factors across all Plan asset classes, investment decision making processes and stewardship practices is expected to have a positive impact on risk-adjusted investment returns.
2. Companies that commit to the development of sustainable ESG business practices are expected to enhance long-term shareholder value.

3. Active ownership and engagement with companies on ESG factors is often, relative to exclusion and divestment, a more effective way of driving impactful change.
4. The integration of material ESG factors into investment decision making processes can highlight new investment opportunities.

POLICY FRAMEWORK: PRINCIPLES FOR RESPONSIBLE INVESTMENT

The Board acknowledges the UN-led Principles for Responsible Investment (PRI), introduced in April 2006 (<http://www.unpri.org/principles/>). The Board views the PRI as a practical framework and approach to conducting Responsible Investment Policy and aligns its implementation with the PRI.

The PRI Principles are as follows:

1. We will incorporate ESG issues into investment analysis and decision making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

IMPLEMENTATION, MONITORING AND REPORTING

The Board delegates the implementation of its RI Policy and Proxy Voting process to its asset manager, AIMCo. In recognition of AIMCo being a formal signatory to the UN-led Principles for Responsible Investment, the Board expects AIMCo to uphold the PRI and to integrate ESG factors into its investment analysis, decision making processes and stewardship activities accordingly.

To facilitate the Board's oversight of AIMCo's RI activities, on at least an annual basis, AIMCo will provide the Board with the following:

1. Copies of, and updates to, its policies and procedures supporting the implementation of its RI program, including AIMCo's Proxy Voting Guidelines.
2. A presentation of its RI Views, Strategy and Business Plan.

3. A report of activities and outcomes underlying key RI considerations, including proxy voting. The Board expects AIMCo to measure and report climate related metrics such as the carbon footprint and intensity of the investment portfolio, to the extent possible, following generally accepted best practices.
4. A review of the Plan's RI Policy and Beliefs versus industry and peer practices.

AIMCo will also provide the Board with the following:

1. Quarterly RI Reporting related to monitoring the execution of business plan initiatives across the strategic priorities of the RI program.
2. Ad-hoc communication of responses to Board queries and of occurrences of RI related events and news items that may have the potential to impact the Plan financially and/or reputationally.

The Board, being committed to transparency on RI activities, will work toward developing protocols and best practices for communication and disclosure in this area. As regulatory expectations and requirements related to ESG and RI disclosures evolve, we will respond and adjust accordingly.

In the short term, we expect to be able to provide the following disclosures:

1. RI Policy.
2. An annual summary of relevant RI metrics including climate related metrics and progress against any targets that may be set by the Board or by AIMCo.
3. An annual summary of Proxy Voting and ESG Engagement activities.
4. An RI update within the Plan's Annual Report.

REVIEW OF RI POLICY

The Board and AIMCo will work together to ensure the ongoing relevance of the RI Policy and its implementation. The RI Policy is expected to evolve with the changing dynamics of RI, which are reflected in the materiality of ESG factors, industry best practices and reporting standards, and the Plan itself. The RI Policy will be reviewed and approved by the Board at least annually.