

**Pension Plan of The United Church of Canada
Investment Manager ESG Questionnaire
2022**

Section 1: Policy and Internal Resources

*Please ensure your answers focus on ESG practices at the **Firm** level*

- 1.1. Do you have a responsible investment/ESG investment policy? If so, how frequently is it reviewed and updated and who approves it? Please attach relevant documents and/or links.
- 1.2. Do you have a dedicated team focusing on ESG integration? If so, how does it influence your research and investment activities? If not, how do other staff integrate ESG factors into their responsibilities?
- 1.3. Is your firm a signatory to the UN Principles for Responsible Investment (PRI)? If so, please provide a copy of your latest assessment report. If not, what are your reasons for not signing?
- 1.4. List your participation in any other responsible investment initiatives (e.g. GRESB, CCGG, RIA, ICGN, CERES/IIGCC, USSIF/UKSIF, etc.). What other organizations, if any, is your firm considering joining?
- 1.5. What reporting do you provide to clients – and external parties – regarding your ESG activities? Please attach relevant documents or links or explain why you do not provide reporting.
- 1.6. What proportion of your senior management team comprises women or visible minorities? What efforts has the firm made to hire and promote BIPOC individuals across the organization?
- 1.7. In the last year, have you changed any of your sustainability practices or made any new commitments. If so, please describe.

Section 2: ESG Integration

*Please ensure your answers focus on ESG practices at the **Investment Strategy** level*

- 2.1. How do your investment decisions incorporate risks and opportunities associated with ESG-related megatrends affecting the world economy? In particular please address how you assess climate-related risks and opportunities. Have you signed on to the Climate Action 100+ initiative, Net-Zero Asset Owner Alliance or made a commitment to achieving net zero by 2050?
- 2.2. How are other material ESG factors identified, prioritized and addressed at a security level within the strategy? Please illustrate this process with specific examples.
- 2.3. Do you provide disclosures that align with the recommendations of the TCFD, including disclosures of emissions data, detailed transition plans, and progress against stated GHG emissions reduction targets? Please provide any such disclosures for 2021.
- 2.4. What role do standards such as the ILO core labour standards and the UN Declaration on the Rights of Indigenous Peoples play in asset selection and stewardship?
- 2.5. What role does the Truth and Reconciliation Commission of Canada's Calls to Action play in your stewardship activities.
- 2.6. What workplace issues does the manager consider most relevant to its investment analysis?
- 2.7. For Fixed Income Investment Managers: Do you invest in green bonds? If so, what standard do you use to determine whether they are sufficiently "green," including at the issuer level?
- 2.8. Describe how you train, develop, and improve your staff's ESG competency?
- 2.9. What resources (internal and external) are used for ESG research and analysis?

Section 3: Engagement

*Please ensure your answers focus on ESG practices at the **Firm and Investment Strategy** level*

- 3.1. Do you engage with companies in your portfolio? If so, how many companies do you engage with? What proportion of your engagements focus on environmental and social issues? What are your engagement goals? Are these goals outcome/action-based (e.g. decreases in emissions or number of women on the board) or means-based (reporting on emissions or number of women on the board)?
- 3.2. What is your policy around the escalation of engagement; how and why might this happen and what is the ultimate tool you might use (e.g. divestment, voting against board re-election, etc.)?
- 3.3. Would you be able to provide the following information on your portfolio companies, and do you engage with them on the basis of this information?
 - a. Composition of senior leadership team and board of directors (women and visible minorities)
 - b. Ratio between the highest-paid employee and the median employee (total compensation, including bonuses, shares, etc.)
 - c. Alignment between 1.5C scenario and company spending: capital expenditures, research and development spending, acquisitions and disposals
 - d. Alignment between 1.5C scenario and use of new capital: bond proceeds, use of bank lending proceeds (use of funds)
 - e. Emissions profile, including: Scope 3 emissions, supply chains, and contractors

Section 4: Exclusions

*Please ensure your answers focus on ESG practices at the **Firm and Investment Strategy** level*

- 4.1. Do you ever exclude a company from your portfolio for ESG-related reasons? If so, do you announce the exclusion?
- 4.2. For pooled fund investments, the Plan's absolute exclusion for companies that are involved in the production of antipersonnel weapons, adult entertainment, tobacco or gambling does not apply. However, if the Plan is invested in a pooled fund, does your firm invest in these industries? If so, please provide rationale for such holdings.

Section 5: Proxy Voting

UCC Pension Plan votes shares held in separate accounts. This section only applies to Pooled Fund Investments. - Please ensure your answers focus on ESG practices at the **Firm** level

- 5.1. What proportion of the time do you vote with or against management on shareholder resolutions, board appointments, auditor (re-)appointments, and the like? What proportion of the time do you vote with or against management on ESG issues? How does this break down in terms of proxy votes on issues such as the climate, diversity, and remuneration?
- 5.2. What proportion of all independent ESG shareholder resolutions do you support?
- 5.3. Have you ever co-filed an ESG-related shareholder resolution? If so, how many and with what frequency? If not, would you be open to doing so?
- 5.4. Have you ever voted against a company director for explicitly ESG-related reasons? If so, why? If not, would you consider doing so in the future? Do you inform companies when you vote against management?