



Pension Investment
Association of Canada

Association canadienne des
gestionnaires de caisses de retraite

June 16, 2014

Pension Policy Branch
Ministry of Finance
5th Floor, Frost Building South
7 Queen's Park Crescent
Toronto Ontario
M7A 1Y7
Via email: pension.feedback@ontario.ca

To Whom It May Concern:

**Re: Proposed Amendment to Regulation 909 under the Pension Benefits Act:
Disclosure of Environmental, Social and Governance Factors in Statements of
Investment Policy**

This submission is made by the Pension Investment Association of Canada (“PIAC”) in response to the recent call for comments related to proposed amendments to Regulation 909 under the Ontario Pension Benefits Act (“the Proposed Amendments”).

PIAC has been the national voice for Canadian pension funds since 1977. Senior investment professionals employed by PIAC's member funds are responsible for the oversight and management of over \$1 trillion in assets on behalf of millions of Canadians. PIAC's mission is to promote sound investment practices and good governance for the benefit of pension plan sponsors and beneficiaries.

Filing SIPPs with the Financial Services Commission of Ontario

PIAC supports the requirement in the Proposed Amendments for pension plan administrators to file their SIPP (and amendments thereto) with FSCO. We also support the proposal to make SIPPs more readily available to pension plan members, either in person at FSCO's office, or by request via e-mail or regular mail. These steps are consistent with PIAC's support for transparency in dealing with plan members, which in turn builds members' confidence in how their pension assets are being invested.

We suggest that instead of requiring the SIPP to be filed within 90 days of the Proposed Amendments coming into force, the filing should be made at the same time as the plan administrator submits its Annual Information Return to FSCO. Similarly, subsequent amendments to the SIPP (to the extent there are any) should also be filed as part of the Annual Information Return filing process. From an administrative perspective, this would allow plan administrators to consolidate processes without reducing the level of transparency to plan members.

Disclosure of ESG Factors in Annual Statements

While there is increasing recognition that environmental, social, and governance (ESG) factors may have the potential to affect long-term investment performance, PIAC does not support provisions in the Proposed Amendments that would create a requirement to indicate in annual member statements whether or not ESG factors are addressed in the SIPP. This position is based on our belief that such a statement is inconsistent with the other types of information presented in annual member statements. Annual statements are primarily focused on presenting individual benefit entitlements, contribution requirements, benefit calculation details and the disclosure of the plan's funded status. That information is largely unrelated to investment policy. On that basis, including a statement concerning ESG in the annual statement would be out of context and potentially confusing for recipients.

PIAC believes that the most straightforward way to provide plan members with insight on whether their plans incorporate ESG factors into the SIPP is to make the SIPP widely available to members. On that basis, PIAC believes that the provisions in the Proposed Amendments related to filing SIPPs and making them more accessible to plan members would sufficiently address the need for transparency concerning ESG factors.

Conclusion

Thank you for this opportunity to comment on the Proposed Amendments. Please do not hesitate to contact Katharine Preston, Acting Chair of the Corporate Governance Committee (416-681-2944, kpreston@optrust.com), if you wish to discuss any aspect of this letter in further detail.

Yours sincerely,



Michael Keenan
Chair