

Via email: csr-extractives-rse@international.gc.ca

January 8, 2014

Dear Sir/Madam,

BC Investment Management Corporation (bcIMC) and Alberta Investment Management Corporation (AIMCo) are two of the largest Canadian institutional investors, collectively managing C\$170 billion of globally diversified investments on behalf of provincial public sector pension plans and government funds.

We would like to thank you for this opportunity to offer investor commentary on our federal government's Corporate Social Responsibility (CSR) Strategy (2009), which is currently under review. A significant portion of our respective assets under management are invested within the extractives industry, with application across both the energy and the mining sectors. As long-term investors acting in a fiduciary capacity on behalf of our client beneficiaries, we naturally seek the highest quality information concerning our investments; and we wish to understand the company's strategy to deal with environmental, social and governance (ESG) risks.

We are concerned about the recent findings of the Ontario Securities Commission (OSC) which reviewed the technical reports of Ontario mining issuers which reveal that 32% of the advanced properties reviewed were non-compliant with the proscribed environmental and social disclosure requirements. The full staff review can be found at the following link: http://www.osc.gov.on.ca/documents/en/Securities-Category1/sn_20130627_43-705_rpt-tech-rpt-mining-issuers.pdf.

The Global Reporting Initiative (GRI) is endorsed as a reporting standard by the Government of Canada, yet a search of the GRI reporting database yields only 16 mining company reports and an additional 8 in the energy sector. Several of these companies have only domestic operations which is not the intended target of the federal CSR Strategy. These numbers are little changed from 2010 when the CSR strategy was implemented, with 14 reports in mining and 7 in energy published in that year. This suggests that more assertive efforts are required to increase the levels of GRI reporting among Canadian issuers.

The general lack of consistent ESG disclosure within the extractives industry is concerning to us, as we have respectively made commitments to our clients, and also publically, under the auspices of the Principles for Responsible Investment (PRI) to integrate ESG considerations into investment decisions. Without the necessary ESG disclosure by these companies within our clients' portfolio, this commitment becomes challenging to fulfill in a consistent manner. Furthermore, the PRI now claims a membership base of over USD34 trillion in assets under management, many of whom are invested in, or would consider investing in, Canadian markets. Any Canadian government efforts made to increase the transparency of listed equities would be most welcome.

We also find that the only Canadian signatories to the Voluntary Principles on Security and Human Rights (VPs) are Talisman and Barrick Gold. Given that this is a standard that is endorsed by the federal CSR strategy we would expect wider adoption by Canadian issuers after almost 5 years of implementation.

Formal adoption provides investors with assurance that policies are aligned and that independent audits are being carried out. Considering that the federal CSR strategy was initiated almost 5 years ago, we suggest that you now pro-actively seek ways to strengthen the CSR Strategy. Several recommendations made by the original CSR National Roundtable Process may still be worth considering, as the original stakeholder group included a broad cross-section of stakeholders: representatives of civil society, industry and investors.

In particular, we encourage the Department of Foreign Affairs and International Trade (DFAIT) to work with Industry Canada in its review of the *Canada Business Corporations Act (CBCA)*. One of the areas under review by Industry Canada is the extent to which the CBCA adequately promotes CSR objectives. This would be a good opportunity for DFAIT and Industry Canada to work together on a standardized approach to CSR reporting for Canadian companies. bcIMC will be making detailed comments on this as part of that consultation process which extends until March 11, 2014.

We also encourage the Government of Canada to more explicitly support the UN Guiding Principles on Business & Human Rights in its CSR Strategy. This body of work has evolved quickly and has become a defining feature of the business and human rights landscape. The Guiding Principles clearly delineate between responsibilities of the State and companies. Although these are featured on the Centre for Excellence in CSR website it is unclear how these will be incorporated into the broader strategy.

Continued funding for the Centre for Excellence in CSR is essential to an effective CSR Strategy. The Centre should play a central role in providing companies with practical tools and resources in managing environmental and social risk of large scale project development. In our view, this kind of practical support for extractive companies is precisely what has been lacking, as they struggle to deal with complex issues. Identifying and mitigating ESG operational risk is a necessity for extractive companies and their investors.

bcIMC and AIMCo both appreciate the benefits of a strong CSR Strategy for Canadian extractive companies which extend across a company's investor base. At this juncture, 5 years post-implementation, it is time to consider new ways to strengthen the current strategy. We trust that our comments will be useful to you. To facilitate greater stakeholder input, we also encourage you to contemplate extending the deadline for this consultation by a few weeks.

If you have any further questions or require clarification please contact one or both of our respective Responsible Investment representatives: Jennifer Coulson at jennifer.coulson@bcimc.com or office phone: 778-410-7118 or Alison Schneider at alison.schneider@aimco.alberta.ca or office phone: 780-392-3981.

Sincerely,



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