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**GETTING TO KNOW**

**Jennifer Coulson**

**JOB TITLE:** Vice-president of ESG and public markets for the British Columbia Investment Management Corp.

**JOINED THE BCI:** January 2012

**PREVIOUS ROLES:** Manager of shareholder engagement and then senior manager of ESG at the BCI

**WHAT KEEPS HER UP AT NIGHT:** Continuing uncertainty associated with the coronavirus pandemic and its effects on the economy

**OUTSIDE THE OFFICE SHE CAN BE FOUND:** Outdoors as much as possible, often walking her dog on the beach

# ESG FACTORS AT THE HEART OF THE BCI'S INVESTING STRATEGY

BY ALISON MACALPINE

Jennifer Coulson has been engaged in responsible investing and environmental, social and governance factors for two decades and remembers a time when it was difficult to get access to chief executive officers to discuss her concerns. Not anymore. Today, senior leaders have a much better understanding of the importance of ESG factors and actively seek out her perspective.

“[ESG] was such a niche product 20 years ago, versus now, where it’s just part of our decision-making process,” says the Victoria, B.C.-based vice-president of ESG and public markets for the British Columbia Investment Management Corp., which manages more than \$170 billion in assets for 12 public sector pension plans, three insurance funds and various special purpose funds in B.C. “I’m thrilled to see the momentum.”

The BCI’s commitment to ESG factors started with strategic proxy voting, engagement with companies and public policy work. Then, as the firm built up its internal active management capabilities, it integrated ESG considerations into the investment selection process. In 2020, the BCI released an updated ESG strategy describing how overall investment strategies take ESG factors into account across the corporation.

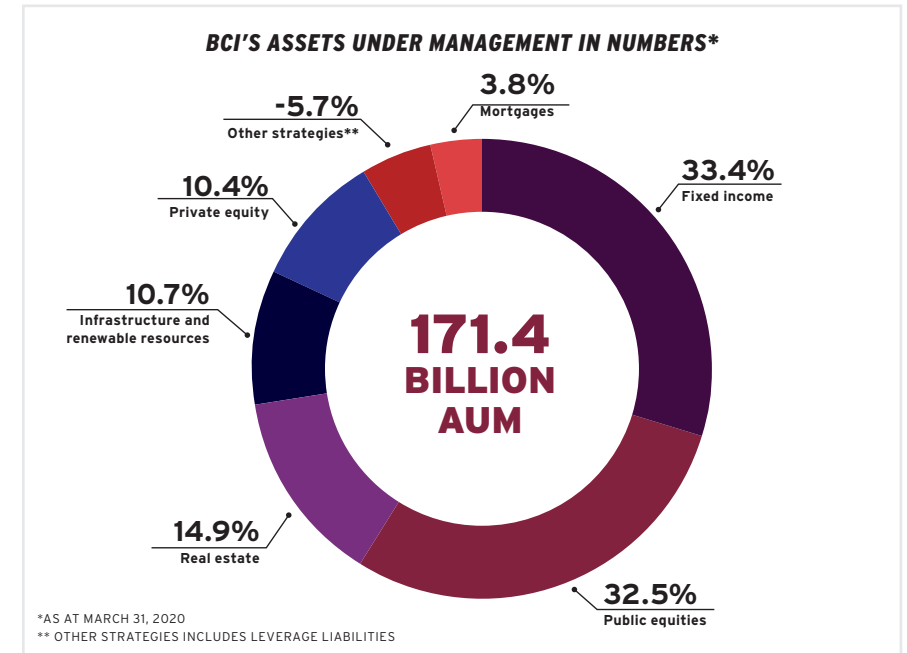
“We have a mandate to strictly act in the best financial interest of our clients. If you’re not looking at ESG, I would say that you can miss out on certain things when it comes to monitoring financial performance,” Coulson says.

The BCI’s quantitative strategies consider specific ESG factors linked with a high degree of confidence to financial performance. “It’s really putting ESG up in the front and having the ESG performance drive the composition of the portfolio,” says Coulson.

**Tracking progress**

Once a company is in the portfolio, the firm participates in ongoing engagement on ESG issues. The BCI has established engagement priorities that relate to the most material risks for the portfolio and regularly reviews exposure to risk and potential missed opportunities. So, how does it know if its engagement efforts are working?

“For all of those engagement priorities . . . we have specific [key performance] indicators that we are tracking to show where we are making a difference and where we might need to actually



put in more effort. It’s a good management tool for us, as well as really demonstrating to the external world that our engagement efforts do really make a difference.”

When it comes to effecting positive change in the area of ESG factors, there’s strength in numbers. Coulson says that treating relationships with pension plans as collaborative partnerships makes it possible to send clear and consistent messages to corporate boards. The BCI is further amplifying its impact by signing on as the only Canadian partner in the SDI Asset Owner Platform, available to Canadian pension plans through distributor Qontigo. Coulson is also proud of BCI’s participation in another global initiative, the 30% Club, which advocates for gender diversity on boards and senior management teams; she chairs the 30% Club Canada Investor Group.

“We’ve been sending that signal to companies together to say, ‘This is not just one or two of us. This is the broad market saying . . . we’d like you to establish policies, establish targets, know what you’re working towards. That has been, again, very effective because we’ve been going to companies with a single voice with the same expectations.”

To smaller pension funds that want to contribute to positive ESG change, she advises, “Be very careful about who you partner with. That’s a big lever that you have to use, and you can actually yield a lot of influence with that external manager selection and appointment process.”

**Alison MacAlpine is a freelance journalist.**