

October 17, 2014

Disclosure of Environmental, Social and Governance Factors
Pension Policy Branch
Ministry of Finance
Statements under subsection 27(2)
5th Floor, Frost Building South
7 Queen's Park Crescent
Toronto ON M7A 1Y7
Submitted via ServiceOntario website

RE: Proposal 14-MOF022 proposed amendment to Regulation 909 under the Pension Benefits Act, incorporating feedback from the April 25, 2014 posting

Thank you for a second opportunity to comment on the proposed amendments to the Ontario *Pension Benefits Act* regulations to require pension plans to disclose information about environmental, social and governance factors.

We strongly endorse this latest amendment which requires pension plans to disclose whether, *and, if so, how*, environmental, social and governance factors are incorporated into the plan's investment policies and procedures (latest amendment in italics).

Our view is that this amendment strengthens the regulation and provides increased transparency and accountability for plan beneficiaries. We note that SHARE and others recommended this wording in submissions made in June of this year and that similar wording was recommended by the 2008 Ontario Expert Commission on Pensions. We are pleased the Ministry of Finance has incorporated the views of experts and stakeholders.

A supportive legislative environment that creates transparency about how fiduciaries incorporate ESG considerations into investment decision-making and risk management processes is an important contributor to responsible pension fund management. Mandating ESG disclosure helps clarify the potential materiality of these issues for fiduciaries and encourages pension fund managers and other capital market agents to improve investment practices by integrating ESG factors.

Thank you again for the opportunity to comment. SHARE would be pleased to elaborate on any of the arguments outlined above.

Sincerely,



Peter Chapman
Executive Director, Shareholder Association for Research and Education