



Report to Members

2022

Investing your pension responsibly

MESSAGE FROM THE TRUSTEES

Did you know that for every pension dollar you will receive in retirement, only 25 cents will come from your and your employer's contributions? And the rest—75 cents—will come from investment returns?

As your board of trustees, we are legally required to maximize plan returns and ensure you receive the pension you earn during your teaching career. Strong investment returns over the long term help us meet these requirements.

Responsible investing is a critical part of the plan's investment approach. Responsible investing means integrating environmental, social and governance (ESG) factors directly into investment decisions. We believe that companies with strong ESG business practices will provide better investment returns compared to companies with less favourable practices.

We have followed a philosophy of responsible investing for many years; this has helped your Teachers' Pension Plan grow to be the 10th largest pension plan in Canada.

BCI's role in responsible investing

We provide guidelines to BC Investment Management Corporation (BCI, the plan's investment agent) on how we want the plan's assets invested. You can read these

guidelines, including the Statement of Investment Policies and Procedures (SIPP) and the funding policy, on the plan website.

On behalf of the plan, BCI uses its shareholder votes to influence companies and partners to be transparent about their ESG risks and to adopt best practices.

We believe that the biggest systemic risk facing the world today is climate change. As a pension board, we also believe that the most effective way we can reduce that risk is by directing BCI to practise engagement. We provide this direction through the SIPP.

Engagement means influencing a company as a shareholder rather than selling our shares in a company, a practice known as divestment.

While divestment may sound like the right thing to do, it's not as effective as engagement because it takes away our ability to engage management and encourage positive change. Selling our shares also allows other investors (who may not prioritize ESG issues) to buy the shares at a reduced price. The likely result is the company continuing to operate with no improvement to its ESG practices.

BCI's Climate Action Plan and ESG Annual Report, available at bci.ca and on the plan website, provide more information on our and BCI's belief in responsible investing.

Year at a glance (\$ millions)

37,767	+	(1,184)	+	843	-	1,405	-	108	=	35,913
Net assets January 1, 2022		Investment income (loss)		Contributions		Benefits payments		Investment and administration		Net assets December 31, 2022

New leave types for COVID-19 and personal illness or injury

VARIOUS EFFECTIVE DATES

Effective January 1, 2022, and amended March 31, 2022, illness or injury leave under BC's *Employment Standards Act* (ESA) was expanded. It now provides employees covered by the ESA up to five days of paid leave per year, for reasons of personal injury or illness. This comes in addition to the current three days of unpaid leave allowed per year.

In 2021, the ESA was amended to allow leaves for COVID-19 vaccinations.

The plan rules did not require updating due to the ESA changes. Members will continue to contribute and earn service while away from work during the paid portion of these leave types and have the opportunity to buy service for the unpaid portion.

Removal of limited member application fee

EFFECTIVE APRIL 1, 2021

The fee to apply to be a limited member was removed. Limited members are the former spouses of plan members who are entitled to a portion of the plan member's pension.

Retiring soon? Help shape the future of retirement health and dental coverage

We are currently reviewing the design of the plan's retirement group health benefits program. To help inform our decisions, we are seeking feedback from members within five years of retirement. This fall, complete an online survey to share your thoughts. Watch the plan website and Twitter (@BCTeachersPlan) for more information.

Register for My Account

Scan the QR code to access your secure online source for all your pension information and services.

- ✓ Update your personal information
- ✓ Choose to go paper-free
- ✓ Manage your beneficiaries
- ✓ Apply for your pension
- ✓ Access documents and statements
- ✓ Connect with a pension specialist using Message Centre

myaccount.pensionsbc.ca

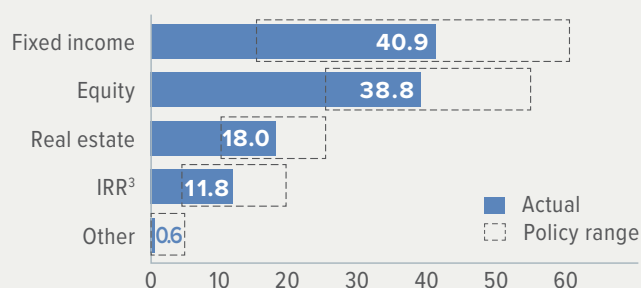


PLAN PERFORMANCE¹

The information here is an overview of the plan's financial status. For audited financial information, read the *2022 Annual Report*, available on the plan website in fall 2023.

Asset allocation² (%)

as at December 31, 2022

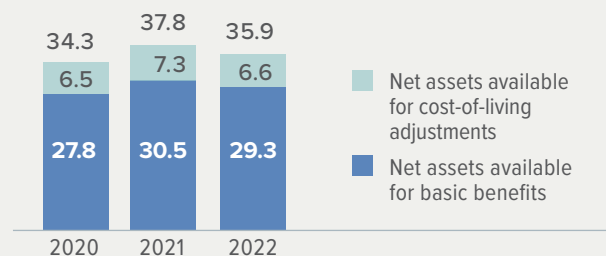


1 These highlights are preliminary and unaudited
2 Asset allocation does not add to 100 per cent due to the use of leverage
3 Infrastructure and renewable resources

For the plan's full investment strategy, see the Statement of Investment Policies and Procedures (SIPP), on the plan website. The SIPP provides objectives, policies and principles for plan asset management.

Net assets available for benefits (\$ billions)

as at December 31, 2022



Plan members on page 1 (left to right): **Sonia Jagpal**, John Henderson Elementary, SD39 (Vancouver); **Larry Dureski**, Gordon Terrace Elementary School, SD5 (Southeast Kootenay); **Danita Stewart**, Dunsmuir Middle School, SD62 (Sooke); **Shuk Yan**, Waverley Elementary School, SD39 (Vancouver); **Janice Marschner**, teacher teaching on call, SD5 (Southeast Kootenay)

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