



2013 ACTIVE OWNERSHIP ACTIVITY REPORT

FOREWORD

SHARE's mission is to help institutional investment decision-makers implement investment practices that promote sustainability, good governance and respect for human rights and the environment – all essential elements to maintain a sustainable economy on which foundations, pension funds, religious institutions and others depend for long-term investment returns.

This is SHARE's first organization-wide annual report. It tells our story in a way that illustrates how actions taken across our organization knit together around the single objective of helping institutional investors be responsible stewards of the assets under their care – responsible to their beneficiaries, to their mission and to the world in which they invest.

The number of Canadian companies offering shareholders an advisory vote (say-on-pay) is steadily increasing, as is the number of investors challenging corporate pay plans. In 2013 investor concern reached new heights when an unprecedented 85% of shareholders at Barrick Gold Corporation voted against management's proposed compensation plan. It is time for regulators to level the playing field and institute say on pay at all public companies.

The tragic collapse of a garment factory in Bangladesh in early 2013 and the on-going controversy about child and forced labour in the cotton supply chain remind us of the dangers hiding in global supply chains for workers, brands and investors. On page 13 of this report, we describe steps SHARE is taking to encourage companies to sign the Accord for Fire and Building Safety in Bangladesh and to address child and forced labour in the Uzbek cotton industry. Both cases have been advanced by collaboration, as SHARE has worked with teachers, civil society, industry associations and investors to improve practices in these areas.

Each year, SHARE produces research geared to help investment decision-makers. This year three responsible investment research reports were published. The 11th annual Key Proxy Vote Survey, produced jointly with the Fonds de solidarité FTQ and the Columbia Institute, helps asset owners engage their fund managers on how their voting rights were exercised. Leading research on human rights and on responsible banking was also published, demonstrating that, for SHARE, engagement takes place across sectors and markets as well as with individual companies.

One important way institutional investors enforce their rights is through securities class action litigation. That is why SHARE, helped by law firm Koskie Minsky, sought intervenor status in the case of Green vs. CIBC and argued that deterring untrue, misleading or incomplete disclosure by public companies depends on a practical, accessible right for shareholders to bring class actions.

Most institutional investors are governed by trustee boards focused on acting with care and loyalty to beneficiaries. As the scale and power of pension fund capital has grown in the last two decades, attention is being drawn how these duties balance with society's interests. A significant event this year was the clarification issued by the Dutch National Contact Point for the OECD Guidelines on Multinational Enterprises stating that shareholders – even minority shareholder – have an obligation to act in accordance with widely accepted human rights standards.



Peter Chapman
Executive Director

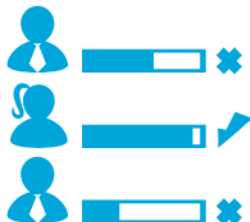
RESPONSIBLE INVESTMENT FOR A SUSTAINABLE ECONOMY

SHARE's approach to responsible investment is rooted in our belief that environmental, social and corporate governance (ESG) factors can have an impact on the financial performance of investments. Because of the potential financial implications of ESG factors, investors, as part of their fiduciary duty, must understand these factors and address them in the way that they select and manage assets. To help funds exercise their ownership rights in a way that meets their fiduciary obligations and contributes to a more sustainable economy, SHARE has developed an integrated set of active ownership services.

These services are:

Shareholder Engagement

SHARE coordinates and facilitates shareholder dialogues with companies on key ESG issues and with regulators to devise laws that are conducive to healthy capital markets.



Proxy Voting

SHARE helps institutional investors exercise their voting rights responsibly.

Investor Education

SHARE provides responsible investment education to institutional investor boards and to individual investment decision makers.





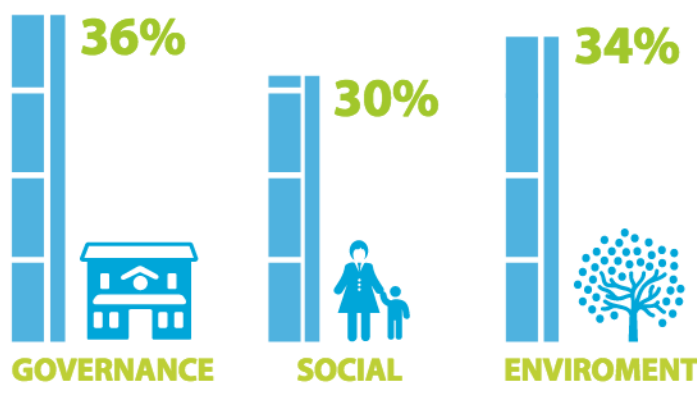
THE POWER OF COOPERATION – SHAREHOLDER ENGAGEMENT

SHARE's shareholder engagement service allows small- and medium-sized Canadian institutional investors to work with SHARE's team of experts and engage in dialogues with Canadian companies on a range of ESG issues. SHARE also provides its clients with a platform to engage with regulatory bodies to encourage legal reforms in support of resilient capital markets and greater transparency on investor and company ESG practices. By pooling their resources, our clients benefit from an extensive shareholder engagement program delivered at an affordable cost. SHARE's clients include pension funds, foundations, religious investors, asset managers and responsible investment mutual funds with assets under management of approximately \$14 billion. At any given time, SHARE is engaging with approximately 40 to 50 companies on issues such as climate risk disclosure, hydraulic fracturing, responsible supply chain management, human rights, board diversity and executive compensation.

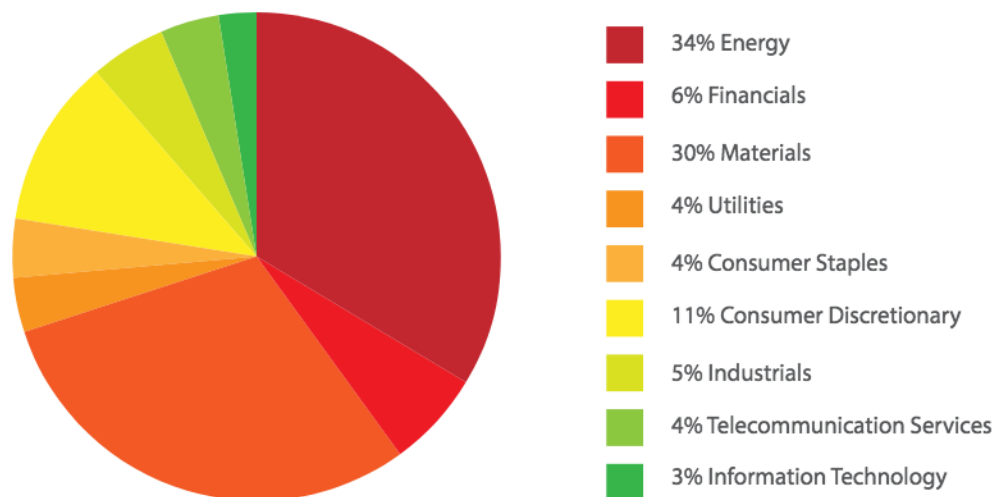


81 COMPANIES ENGAGED

ENGAGEMENT THEMES



SECTORS ENGAGED



COMPANY ENGAGEMENTS AT A GLANCE

Environment		37
Climate Risk Disclosure	ATCO Ltd., Bonterra Energy Corp., Canadian Utilities Limited, Crew Energy Inc., Ensign Energy Services Inc., Major Drilling Group International Inc., Meg Energy Corporation, New Gold Inc., Osisko Mining Corporation, Pan American Silver Corp., Pembina Pipeline Corporation, Petrominerales Ltd., Peyto Exploration and Development Corp., Precision Drilling Corporation, Shaw Communications Inc., ShawCor Ltd., Sherritt International Corporation, Thompson Creek Metals Inc., Trilogy Energy Corporation, Trinidad Drilling Limited, Veresen Inc., Vermillion Energy Inc.	
Fossil Fuels Financing	Bank of Montreal, Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Royal Bank of Canada, Toronto- Dominion Bank	
Hydraulic Fracturing	Calfrac Well Services Ltd., Encana Corporation, Imperial Oil Limited, Talisman Energy Inc., Trican Well Services Ltd.	
Oil Sands	Suncor Energy Inc.	
Sustainable Forest Management	Canfor Corporation, Quebecor Inc.	
Toxics in Consumer Products	Canadian Tire Corporation Ltd., Shoppers Drug Mart Corporation	
Social		32
Conflict-Free Mineral Sourcing	BCE Inc., Blackberry Ltd., Bombardier Inc., Celestica Inc., Magna International Inc., Rogers Communications Inc., Shaw Communications Ltd., TELUS Corporation	
Human Rights	Barrick Gold Corporation, Goldcorp Inc., IAM Gold Corporation, Kinross Gold Corporation, Teck Resources Limited	
Occupational Health and Safety	Canadian National Railway Company, Canadian Pacific Railway Ltd., Cenovus Energy Inc., Methanex Corporation	
Phosphate Sourcing and Western Sahara	Agrium Inc., Potash Corporation of Saskatchewan Inc.	
Responsible Banking	Bank of Montreal, Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Royal Bank of Canada, Toronto- Dominion Bank	
Responsible Supply Chain Management	Canadian Tire Corporation Ltd., Gildan Activewear Inc., Hudson's Bay Company, Loblaw Companies Limited, Reitmans (Canada) Ltd.	
Sustainable Coffee Sourcing	Tim Hortons Inc.	
Responsible Supply Chain Management	Tim Hortons Inc.	
Corporate Governance		39
Board Diversity	Algonquin Power & Utilities Corp., B2Gold Corporation, Celtic Exploration Ltd., Crescent Point Energy Corporation, Crew Energy Inc., Dollarama Inc., Eldorado Gold Corporation, Enerflex Ltd., Franco-Nevada Corporation, Hudbay Minerals Inc., IAMGold Corporation, Inmet Mining Corporation, Lundin Mining Corporation, New Gold Inc., Niko Resources Ltd., Precision Drilling Corporation, Silver Wheaton Corp., Tourmaline Oil Corporation, Trilogy Energy Corporation, Trinidad Drilling Ltd., Vermilion Energy Inc., Yamana Gold Inc.	

COMPANY ENGAGEMENTS AT A GLANCE

Executive Compensation	Air Canada, Canadian Natural Resources, First Quantum Minerals Ltd., Yamana Gold Inc.
Shareholder Vote Disclosure	Crescent Point Energy Corporation
Sustainability Reporting	Canadian Tire Corporation, Canfor Corporation, Dollarama Inc, Eldorado Gold Corporation, Ensign Energy Services Inc., Husky Energy Inc., Jean Coutu Group Inc., Loblaw Companies Limited, Shaw Communications Inc., Shoppers Drug Mart Corporation, Trican Well Service Inc.

REGULATOR ENGAGEMENTS AT A GLANCE

Regulator	Topic	Description
Ontario Securities Commission (OSC)	Board Diversity	SHARE submitted comments to the OSC on Staff Consultation Paper 58-401 regarding women on boards and in senior management. SHARE agreed with the "comply-or-explain" approach, but favoured a broader definition of diversity reflecting all of Canada's diversity.
Government of Alberta	Alberta Business Corporations Act	SHARE provided comments regarding proposed amendments to Alberta's Business Corporations Act. We used the opportunity to address two important issues regarding the right of shareholders to submit proposals at annual general meetings: 1) minimum shareholding requirements; and 2) word limits for shareholder proposals.
Natural Resources Canada (NRCan)	Revenue Transparency	SHARE wrote to NRCan in support of proposals to require mandatory reporting standards in the extractive sector. Comments were provided on the necessary scope and content of the proposed mandatory disclosure regime.
Ministry of International Trade	Extractive Sector Consultations	SHARE made a submission to Minister of International Trade Ed Fast as part of the federal government consultation process on the extractive sector. The government was seeking input on how to advance the interests and opportunities of the Canadian extractive sector abroad, and the role that industry plays in promoting responsible resource development. SHARE made a series of recommendations to clarify the social and environmental responsibilities of Canadian extractive companies and improve the policy framework to integrate social and environmental factors into investment decision-making.
Canadian Securities Administrators (CSA)	Proxy Infrastructure	SHARE provided comments on CSA Consultation Paper 54-401: Review of Proxy Voting Infrastructure and recommended further regulatory involvement to ensure accurate vote reconciliation and tabulation.

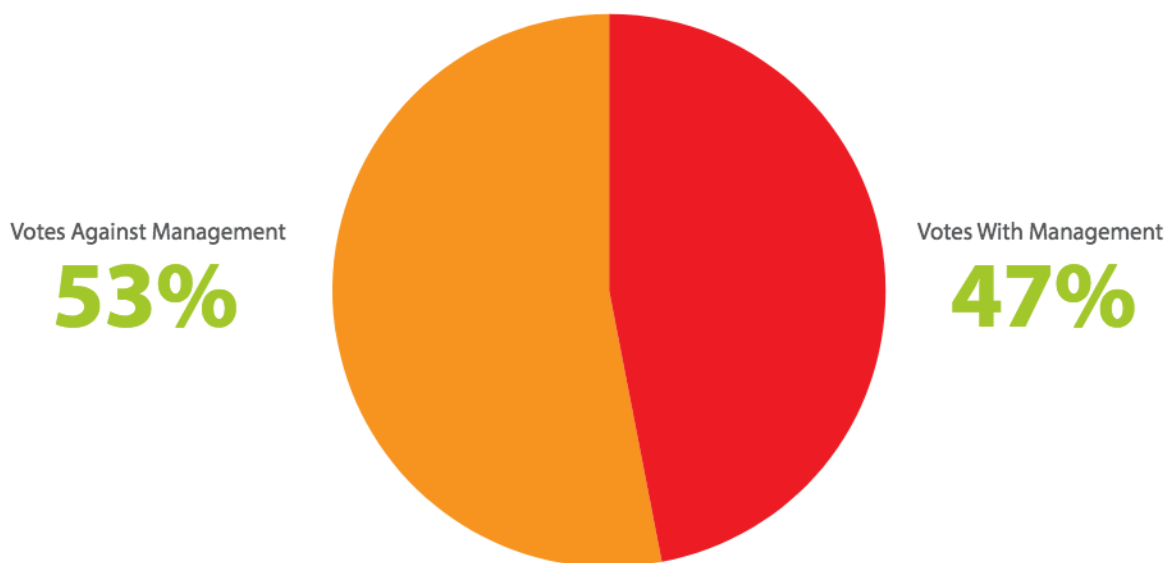


VOTING RESPONSIBLY – PROXY VOTING SERVICE

SHARE's proxy voting service allows institutional investors to exercise their voting rights responsibly. We vote our clients' proxy ballots in a manner that: 1) supports their best interests in the long term; 2) is consistent with the duties of loyalty and care; and 3) reflects current best practices in corporate governance and social responsibility. In deciding how to vote, we consider the interests of each company and its stakeholders, including its shareholders, employees, creditors, and the communities where it operates.



VOTING RECORD





SHARE
 SHAREHOLDER ASSOCIATION
 for RESEARCH & EDUCATION

**SHARE VOTED IN
 28 JURISDICTIONS**

- Australia
- Belgium
- Bermuda
- Brazil
- Canada
- Chile
- China
- Denmark
- Finland
- France
- Germany
- Great Britain
- Hong Kong
- India
- Ireland
- Israel
- Italy
- Japan
- Jersey
- Netherlands
- Norway
- Russia
- South Africa
- Spain
- Sweden
- Switzerland
- Taiwan
- Mexico

KEY VOTES AT A GLANCE

Contested Board Elections at Agrium Inc

Jana Partners, a New York-based hedge fund owning 7.5% of Agrium shares, sought to exercise greater control over Agrium by presenting shareholders with its own nominees to the board. It had been engaging with Agrium since the summer of 2012, pressing the company to spin off parts of its business, buy back more shares and pay larger dividends to “unlock shareholder value”. Agrium, in turn, accused Jana of being more interested in short-term gains than in long-term profitability. After Agrium refused to comply with its wishes, Jana nominated five candidates for election to the Agrium’s twelve-member board. All of their nominees were defeated at Agrium’s general shareholders’ meeting on 9th April. SHARE voted against Jana’s nominees, primarily because they lacked independence from Jana Partners. While they were as well qualified as Agrium’s existing board, Jana proposed to pay them a percentage of Agrium’s profits once elected. This would have amounted to performance bonuses for those directors, which could undermine their independence as directors. This, combined with Jana’s emphasis on short-term benefits for Agrium’s shareholders, led SHARE to vote for Agrium’s nominees for director instead.

Shareholders Say “No” to Barrick’s Compensation

One of the highlights of last year’s busy spring proxy season was the annual shareholders’ meeting of Barrick Gold Corporation, which took place on April 24th. Barrick has adopted an annual advisory shareholders’ vote on its executive compensation, commonly known as a “say on pay” proposal. About 5% to 9% of shareholders typically vote against these proposals at Canadian companies. However, the vote against Barrick’s say on pay proposal was an astounding 85%. SHARE joined the majority of Barrick’s shareholders in voting against the company’s executive compensation as its high levels of executive pay without any connection to Barrick’s performance would be detrimental to the company and its stakeholders over the long-term.



RESPONSIBLE INVESTMENT LEADERSHIP – INVESTOR EDUCATION

Building the capacity of investment decision-makers and broadening their understanding of responsible investment is key to expanding active ownership practices in Canada. SHARE delivers formal education to institutional investor boards of trustees and investment committees, and to individual investment decision makers, including pension trustees and members of religious institutions and charitable foundations. SHARE produces investor-focused research and facilitates webinars and workshops on emerging responsible investment issues. SHARE's responsible investment leadership is also recognized internationally through our role coordinating the Secretariat of the Global Unions Committee on Workers' Capital (CWC).¹

EDUCATIONAL CONFERENCES AND COURSES

Educational Conferences and Courses	
2013 Harrison Pension Investment and Governance Courses January 20-25, Harrison Hot Springs	In conjunction with the CLC Winter School, SHARE delivered its pension investment and governance course, which provides practical knowledge and skills covering key topics including pension fundamentals, investment strategies, fiduciary duties, responsible investment and plan governance.
2013 BC Pension Forum and Boot Camp February 28-March 1, Vancouver	SHARE held its annual BC Pension Forum in March where over 150 participants heard from leading pension and investment experts including a keynote address from Dr. Wolfgang Engshuber, Chair of the United Nations-supported Principles for Responsible Investment (PRI).
2013 Manitoba Pension Forum and Pension Boot Camp November 4-5, Winnipeg	SHARE and the Manitoba Federation of Labour held a half-day conference in November focused on key issues and challenges surrounding pension plan governance, funding and investment with keynote Paul Moist, CUPE National President.
Addressing Investment Risks in the 21 st Century February 28, Vancouver	In February, SHARE together with Simon Fraser University's Beedie School of Business and the PRI hosted a speaker event featuring Dr. Wolfgang Engshuber, Chair of the PRI, and an expert panel. The event attracted investment professionals, fund managers, analysts, academics, investment decision-makers and responsible investment stakeholders.
How to align investments with your mission: A workshop for religious investors September 27, Montreal	In cooperation with ESG research firm Sustainalytics, SHARE hosted a seminar on responsible investment and shareholder activism for treasurers, finance committee members and staff of Catholic religious communities. The event took place in conjunction with the annual meeting of the Association of Treasurers of Religious Institutes.

¹For more information on the activities of the Committee on Workers' Capital, please visit their website at: <http://www.workerscapital.org/>.

TOPICAL WEBINARS

Human Rights and the Mining Sector: SHARE's Approach to Engagement with Mining Companies

SHARE hosted a special webinar for our clients to talk about the human rights responsibilities of mining companies and SHARE's approach to engagement with these companies on human rights issues.

How Teachers and Teachers' Unions Are Working to Stop Child and Forced Labour

SHARE hosted an educational webinar specifically for representatives from teachers' unions about child and forced labour in the cotton industry and what teachers' unions are doing about it, including through shareholder engagement efforts.

International Responsible Investment Leadership

The Committee on Workers' Capital (CWC) is an international labour union network for dialogue and action on the responsible investment of workers' capital - trade union pension funds and retirement savings invested in global capital markets. The CWC organizes international events and coordinates shareholder activism efforts to support and promote responsible investment practices globally. Recent initiatives include encouraging more companies to sign the Accord on Fire & Building Safety in Bangladesh, addressing excessive executive compensation through Global CEO Paywatch research and publishing the second annual Global Proxy Review. A recent meeting in Washington, DC hosted 110 participants from 13 countries.

RESPONSIBLE INVESTMENT RESEARCH

In October 2013, SHARE completed a report on investor expectations of the human rights responsibilities of mining companies. The Canadian mining sector – a globally significant industry – faces particular challenges when operating in overseas markets, including the use of security forces, community relations and consent of indigenous peoples, and labour rights of employees and contracted workers. The report highlights areas that typically have human rights impacts for mining companies, outlines corporate policies and management systems to meet human rights responsibilities, and sets out expectations of corporate performance in these areas. The report is a key tool for SHARE's ongoing engagement with Canadian mining companies.

http://www.share.ca/files/SHARE-Human_Rights-Mining-Final.pdf



Resources, Rights and Respect

Investor Expectations of the Human Rights Responsibilities of Mining Companies

SHARE
SHAREHOLDER ASSOCIATION
for RESEARCH & EDUCATION
OCTOBER 2013



Investor Brief: Promoting Financial Inclusion in Canada's Financial Services Sector

OCTOBER 2013

Shannon Bakan
Director of Responsible Investment
SHARE



SHARE released an investor brief outlining the risks and opportunities of financial inclusion for investors. An increasing number of Canadians are underserved by the financial mainstream, leaving them unable to build savings, access affordable credit or obtain appropriate financial advice. Underserved groups – including low-income people, new immigrants, and Aboriginal Canadians – are more likely to use high-fee products offered by a burgeoning alternative financial service industry. The brief recommends that institutional investors engage with Canada's mainstream banks to encourage greater product, service and delivery innovations to improve financial service provision to low-income and underserved groups.

<http://responsiblebanking.ca/wp-content/uploads/downloads/2013/10/Financial-Inclusion-Investor-Brief.pdf>

The Key Proxy Vote Survey is an annual survey of the discretionary voting practices of investment managers and proxy voting services that vote the proxy ballots of Canadian companies whose shares are owned by Canadian pension plans and other institutional investors. The Survey is intended to help trustees and other fiduciaries evaluate the work of their proxy voting service providers by making proxy voting more accessible and highlighting key issues to focus on in reviewing the work of those service providers.

<http://proxyvotesurvey.ca/>



IN FOCUS - RESPONSIBLE SUPPLY CHAIN MANAGEMENT

The Issue

More often than not, modern manufacturing takes place through a network of international suppliers that provide raw inputs, sub-components, final product assembly, and transport. Clothing retailers, telecommunications companies, general retailers and even auto manufacturers rely on global supply chains to bring their products to market. But within these supply chains may lie substantial risks to the company's ability to deliver safe and reliable products on time, and to the company's reputation. Management of environmental, social and economic supply chain risks is therefore an important indicator of a company's overall health.

In 2013, this was demonstrated most clearly by the April 24th disaster at the Rana Plaza factory in Dhaka, Bangladesh, which collapsed, crushing more than 1,100 workers and injuring thousands more. A Canadian brand label, Loblaw Companies' "Joe Fresh" clothing, was found amongst the rubble, drawing media and consumer attention to the unsafe conditions in the company's overseas supplier factories.

SHARE's Engagement

Since the disaster last April, SHARE has been engaging with five prominent Canadian apparel brands and retailers (Loblaw Companies, Hudson's Bay Company, Canadian Tire, Reitman's, and Gildan Activewear) as well as the Retail Council of Canada, urging companies to join a multi-stakeholder Accord for Fire and Building Safety in Bangladesh that will ensure a regime of independent, transparent building inspections, remedial actions, and worker training in Bangladeshi factories. Of these, only Loblaw has joined the Accord to date.² Along with Batirente and NEI Investments, SHARE coordinated an open investor letter in which Canadian institutions with more than \$44 billion in assets under management urged Canadian companies to sign the Accord, and efforts to bring more companies on board continue.³

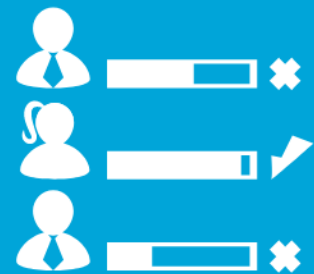
The Issue

SHARE's work on responsible supply chains goes beyond the first-tier factory level, and looks at the risks involved in the sourcing of raw inputs like cotton for apparel products, or minerals for consumer electronics or aerospace components. While these may be further removed from the company's direct control, many companies are taking steps to ensure that they are not supporting child or forced labour, or feeding conflicts in central Africa through their choice of suppliers.

Proxy Voting and Responsible Supply Chain Management

SHARE's proxy voting guidelines support corporate responsibility throughout a company's supply chain, including environmental sustainability, fair labour practices, and the free, prior, and informed consent of communities that may be affected by a company's operations.

For example, in 2013 SHARE supported a shareholder proposal filed with Kroger Company that asked the company to report on the risks of human rights violations in the company's supply chain. As the proposal pointed out, the potential for forced labour, human trafficking and other human rights abuses in agricultural labour in the U.S. poses a grave risk to companies like Kroger that depend on agricultural practices where these may be present. These risks include litigation, regulatory changes, and damage to the company's reputation from being associated with human rights violations. Kroger's code of conduct did not address those risks adequately. The proposed report would have helped the company to focus on ways to address these risks.



²Gildan Activewear owns only one factory in Bangladesh, which has already been renovated to meet safe building standards, so SHARE is no longer asking them to join the Accord.

³See <http://decentwork.ca/2013/10/16/canadian-investor-statement-on-bangladesh/>.

SHARE's Engagement

SHARE has been engaging with the same five Canadian apparel brands and retailers to urge them to publicly commit to tracing the origin of cotton in their clothing and eliminating any cotton that comes from Uzbekistan, where forced and child labour has been used extensively in the state-controlled harvest. In October, Loblaw Companies agreed to sign the public pledge and began the process of tracing its cotton. Hudson's Bay announced that it plans to sign the pledge in 2014, and Gildan Activewear is in the process of auditing its fabric suppliers to trace the original of all of its cotton.

SHARE has also been engaging with telecommunications, electronics, auto parts and aerospace companies (Rogers, BCE, TELUS, Celestica, Blackberry, Magna, Celestica and Bombardier) to encourage tracing and public reporting on the presence of "conflict minerals" used in the production of their goods. The international focus on tracing the source of tantalum, tin, gold, or tungsten is intended to stem the financing of perpetual conflict and human rights abuses in the Democratic Republic of Congo through exploitation of these minerals by armed groups. SHARE is encouraging these companies to require their suppliers to eliminate conflict minerals from their own supply chains, to encourage the use of verifiable conflict-free mineral smelters wherever possible, to join multi-stakeholder efforts to manage supply chain risks, and to report publicly on both the processes and outcomes of these efforts.

For example, SHARE initiated discussions with Blackberry in the spring of 2012. Of the companies we have approached, Blackberry is now a leader in reporting relative to its peers. Blackberry has a Responsible Minerals Policy with which suppliers must comply as a contractual condition of doing business, and last year it began requiring conflict minerals reporting from its suppliers using a reporting template developed jointly by two of the multi-stakeholder initiatives in which Blackberry participates. In November, Blackberry publicly disclosed the identity of smelters and refiners in its supply chain.

As a general rule, SHARE encourages all companies to develop effective supply chain oversight, engage with stakeholders in the countries in which they source goods, work with multi-stakeholder initiatives to address sector-wide problems, and to report both quantitative and qualitative information on the environmental and human rights risks it is encountering in its supply chains and its efforts to address them.

Investor Educational Resources



**SHARE'S website devoted to
"Investing in Decent Work"
www.decentwork.ca**

IN FOCUS - BOARD DIVERSITY

The Issue

Currently, corporate boards in Canada do not reflect the diversity of Canadian society. According to the Canadian Council on Board Diversity, women make up 15% of Canadian board positions and visible minorities just 5.6%. Canada even lags behind some other industrialized countries: a recent TD Economics report showed that Norway, New Zealand, France, Sweden and Australia all had greater percentages of women on corporate boards. Diversity on boards is important for the same reason that workplace diversity is important – because diverse organizations benefit from a wide variety of opinions, perspectives and experiences. There is a strong business case that diverse boards can challenge assumptions, avoid “groupthink” and bring a range of perspectives to address strategic challenges.

SHARE’s Engagement

In January 2013, SHARE wrote to more than twenty Canadian companies asking that they adopt policies to broaden their search for director candidates and increase the diversity of the nominees to their boards. Some companies responded by acknowledging the importance of diversity at the board level and indicated that they were reviewing their policies. In addition to engaging with individual companies, SHARE participated in the Government-mandated Ontario Securities Commission (OSC) review of ways to promote gender diversity on boards and in senior management. In SHARE’s submission to the OSC consultation, we agreed with the “comply-or-explain” approach proposed by the OSC, in which companies would be required to disclose the content and aim of their diversity policy and if they do not have such a policy, companies would be required to explain why not and identify any associated risks or opportunity costs. To better reflect all of Canada’s diversity, we also favoured broadening the focus beyond just gender.

In addition, in December 2013 Industry Canada announced a wide-ranging consultation on the Canada Business Corporations Act, Canada’s key corporate statute, which included an opportunity to comment on whether measures to promote diversity on corporate boards should be included in the Act. SHARE is preparing to make a submission by the deadline in May 2014.

Voting for Board Diversity

SHARE’s proxy voting guidelines have supported greater diversity on boards of directors since the guidelines were first drafted in 2002.

In 2013, SHARE supported the proposal filed by IA Clarington Inhance SRI Funds with BCE Inc. The proposal asked BCE Inc to undertake a review of its diversity policies and initiatives, using the UN Women’s Empowerment Principles as guidance, to identify and address gaps or inadequacies; and give due consideration to the value to the company of endorsing the CEO Statement of Support for the Principles. Currently, two of BCE’s 15 directors are women. IA Clarington argued that greater diversity would help the company thrive in a competitive environment by attracting and retaining qualified professionals. SHARE believes that companies should have a diversity policy and implementation strategy.



⁴TD Economics, March 2013, Get on Board Corporate Canada, available at: <http://www.td.com/document/PDF/economics/special/GetOnBoardCorporateCanada.pdf>.

⁵Canadian Board Diversity Council, <http://www.boarddiversity.ca/>.

IN FOCUS - CLIMATE RISK

The Issue

According to the latest assessment report from the Intergovernmental Panel on Climate Change (IPCC), the warming of the climate system is undeniable.⁶ Based on new evidence, it is extremely likely, i.e. certain at more than 95%, that human activities have been a dominant cause of the observed warming since the mid 20th century due to the burning of fossil fuels. Like the rest of the world, Canada has already observed the serious impacts of climate change. Sea level rise and extreme weather events such as flooding, droughts, intense precipitations, and wildfires have hit communities across the country with implications for the economy as a whole. Most importantly, these climate impacts are expected to increase in frequency and intensity without substantial and sustained cuts in greenhouse gas (GHG) emissions.⁷ In light of these risks, SHARE's engagement program focuses on moving companies in all sectors to reduce their own carbon footprint and work towards a lower carbon economy. On behalf of our clients, SHARE is engaging with companies to seek improved disclosure of climate change related information including company strategies to address climate change, GHG emission reduction targets and efforts to achieve greater energy efficiency.

SHARE's Engagement

In January 2013, SHARE wrote to 22 companies asking them to respond to the Carbon Disclosure Project (CDP) Questionnaire. The CDP is an international coalition of institutional investors that requests and collects investor-relevant, climate change-related information from the world's largest companies via annual questionnaires. It currently brings together 722 investors with combined assets under management of US\$87 trillion, including banks, fund managers, pension funds, socially responsible investors and insurance companies. Three companies responded to our letters by completing the 2013 survey: New Gold, ShawCor and Bombardier.

In 2013, the CDP sent information requests to 200 of Canada's largest corporations. One hundred and fifteen of those companies answered the CDP survey, providing valuable information to investors on their carbon strategies, their carbon budget, and actions conducted or planned to manage challenges arising from climate change. This is up from the 107 that disclosed in 2012.

Key Data on CDP Reporting in Canada

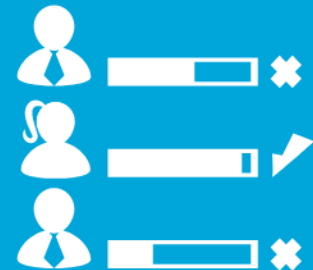
- 58% (115 companies) of the Canada 200 (the top Canadian publicly traded companies by market capitalization) disclosed to the CDP, representing 82% of the total Canada 200 market capitalization.
- 90% (54 companies) of the TSX 60 disclosed to the CDP, representing 95% of the total TSX 60 market capitalization.
- 85% of respondents reported that climate change is integrated into their business strategy - up from 77% in 2012.
- 49% of companies disclosed having set an emissions reduction target - up 6% from 2012.

⁶IPCC (2013). Climate Change 2013: The Physical Science Basis. Summary for Policymakers.

⁷IPCC (2013). Climate Change 2013: The Physical Science Basis. Summary for Policymakers.

Voting Guidelines and Climate Change

SHARE's proxy voting guidelines strongly support companies' reporting on the environmental sustainability of their operations, including their carbon emissions. Corporations have a responsibility to disclose to their shareholders the potential liabilities of their operations, including the risks associated with social and environmental aspects of their operations. We vote for proposals to provide shareholders with sustainability reports. We also vote for proposals that ask companies to report on specific social and environmental aspects of their operations, including related risks and liabilities and efforts to mitigate those risks, provided the information is not already easily accessible to shareholders. This includes reports made according to the Global Framework for Climate Risk Disclosure, which was created in consultation with the Global Reporting Initiative and the Carbon Disclosure Project.



APPENDIX

Company Progress Summary



Positive



On Track



Neutral



Negative /No Response

PROGRESS	COMPANY	THEME	TOPIC
	Agrium Inc.	SOC	Phosphate Sourcing from Western Sahara
	Air Canada	GOV	Executive Compensation
	Algonquin Power & Utilities Corp.	GOV	Board Diversity
	ATCO Ltd.	ENV	Climate Risk Disclosure
	B2Gold Corporation	GOV	Board Diversity
	Bank of Montreal	ENV	Fossil Fuels Financing
	Bank of Montreal	SOC	Responsible Banking
	Bank of Nova Scotia	ENV	Fossil Fuels Financing
	Bank of Nova Scotia	SOC	Responsible Banking
	Barrick Gold Corporation	SOC	Human Rights
	BCE Inc.	SOC	Conflict-Free Mineral Sourcing
	Blackberry Ltd.	SOC	Conflict-Free Mineral Sourcing
	Bombardier Inc.	SOC	Conflict-Free Mineral Sourcing
	Bonterra Energy Corp.	ENV	Climate Risk Disclosure
	Calfrac Well Services Ltd.	ENV	Hydraulic Fracturing
	Canadian Imperial Bank of Commerce	ENV	Fossil Fuels Financing
	Canadian Imperial Bank of Commerce	SOC	Responsible Banking
	Canadian National Railway Company	SOC	Occupational Health and Safety
	Canadian Natural Resources Limited	GOV	Executive Compensation
	Canadian Pacific Railway Ltd.	SOC	Occupational Health and Safety
	Canadian Tire Corporation Ltd.	ENV	Toxics in Consumer Products
	Canadian Tire Corporation Ltd.	GOV	Sustainability Reporting
	Canadian Tire Corporation Ltd.	SOC	Responsible Supply Chain Management
	Canadian Utilities Limited	ENV	Climate Risk Disclosure
	Canfor Corporation	GOV	Sustainability Reporting

⊕	Canfor Corporation	ENV	Sustainable Forest Management
▶	Celestica Inc.	SOC	Conflict-Free Mineral Sourcing
⊕	Celtic Exploration Ltd	GOV	Board Diversity
▶	Cenovus Energy Inc.	SOC	Occupational Health and Safety
▶	Crescent Point Energy Corporation	GOV	Board Diversity
▲	Crescent Point Energy Corporation	GOV	Shareholder Vote Disclosure
▶	Crew Energy Inc	GOV	Board Diversity
⊕	Crew Energy Inc	ENV	Climate Risk Disclosure
▶	Dollarama Inc.	GOV	Board Diversity
▼	Dollarama Inc.	GOV	Sustainability Reporting
⊕	Eldorado Gold Corporation	GOV	Board Diversity
⊕	Eldorado Gold Corporation	GOV	Sustainability Reporting
▶	Encana Corporation	ENV	Hydraulic Fracturing
⊕	Enerflex Ltd.	GOV	Board Diversity
⊕	Ensign Energy Services Inc.	ENV	Climate Risk Disclosure
⊕	Ensign Energy Services Inc.	GOV	Sustainability Reporting
▲	First Quantum Minerals Ltd.	GOV	Executive Compensation
⊕	Franco-Nevada Corporation	GOV	Board Diversity
▲	Gildan Activewear Inc.	SOC	Responsible Supply Chain Management
▶	Goldcorp Inc.	SOC	Human Rights
⊕	HudBay Minerals Inc.	GOV	Board Diversity
▶	Hudson's Bay Company	SOC	Responsible Supply Chain Management
⊕	Husky Energy Inc.	GOV	Sustainability Reporting
⊕	IAMGold Corporation	GOV	Board Diversity
⊕	IAMGold Corporation	SOC	Human Rights
▶	Imperial Oil Limited	ENV	Hydraulic Fracturing
▲	Inmet Mining Corporation	GOV	Board Diversity
⊕	Inmet Mining Corporation	SOC	Human Rights
⊕	Jean Coutu Group Inc.	GOV	Sustainability Reporting
⊕	Kinross Gold Corporation	SOC	Human Rights

▲	Loblaw Companies Limited	SOC	Responsible Supply Chain Management
□	Loblaw Companies Limited	GOV	Sustainability Reporting
▲	Lundin Mining Corporation	GOV	Board Diversity
▶	Magna International Inc.	SOC	Conflict-Free Mineral Sourcing
□	Major Drilling Group International Inc.	ENV	Climate Risk Disclosure
□	Meg Energy Corporation	ENV	Climate Risk Disclosure
▶	Methanex Corporation	SOC	Occupational Health and Safety
□	New Gold Inc.	GOV	Board Diversity
▲	New Gold Inc.	ENV	Climate Risk Disclosure
▼	Niko Resources Ltd.	GOV	Board Diversity
▶	Osisko Mining Corporation	ENV	Climate Risk Disclosure
□	Pan American Silver Corp.	ENV	Climate Risk Disclosure
□	Pembina Pipeline Corporation	ENV	Climate Risk Disclosure
□	Petrominerales Ltd.	ENV	Climate Risk Disclosure
□	Peyto Exploration and Development Corp.	ENV	Climate Risk Disclosure
▶	Potash Corporation of Saskatchewan Inc.	SOC	Phosphate Sourcing from Western Sahara
▲	Precision Drilling Corporation	GOV	Board Diversity
□	Precision Drilling Corporation	ENV	Climate Risk Disclosure
▶	Quebecor Inc.	ENV	Sustainable Paper Procurement
▼	Reitman's (Canada) Ltd.	SOC	Responsible Supply Chain Management
□	Rogers Communications Inc.	SOC	Conflict-Free Mineral Sourcing
▶	Royal Bank of Canada	ENV	Fossil Fuels Financing
▶	Royal Bank of Canada	SOC	Responsible Banking
□	Shaw Communications Inc.	SOC	Conflict-Free Mineral Sourcing
□	Shaw Communications Inc.	GOV	Sustainability Reporting
▶	Shaw Communications Inc.	ENV	Climate Risk Disclosure
▲	ShawCor Ltd.	ENV	Climate Risk Disclosure
▶	Sherritt International Corporation	ENV	Climate Risk Disclosure
▶	Shoppers Drug Mart Corporation	GOV	Sustainability Reporting
▶	Shoppers Drug Mart Corporation	ENV	Toxics in Consumer Products

⊕	Silver Wheaton Corp.	GOV	Board Diversity
⊕	Suncor Energy Inc.	ENV	Oil Sands
▶	Talisman Energy Inc.	ENV	Hydraulic Fracturing
⊕	Teck Resources Limited	SOC	Human Rights
▶	TELUS Corporation	SOC	Conflict-Free Mineral Sourcing
▼	Thompson Creek Metals Company Inc.	ENV	Climate Risk Disclosure
▶	Tim Hortons Inc.	SOC	Sustainable Coffee Sourcing
▶	Tim Hortons Inc.	SOC	Temporary Foreign Worker Program
▶	Toronto-Dominion Bank	ENV	Fossil Fuels Financing
▶	Toronto-Dominion Bank	SOC	Responsible Banking
▼	Tourmaline Oil Corporation	GOV	Board Diversity
⊕	Trican Well Service Ltd.	ENV	Hydraulic Fracturing
⊕	Trican Well Service Ltd.	GOV	Sustainability Reporting
⊕	Trilogy Energy Corporation	GOV	Board Diversity
⊕	Trilogy Energy Corporation	ENV	Climate Risk Disclosure
⊕	Trinidad Drilling Ltd.	GOV	Board Diversity
⊕	Trinidad Drilling Ltd.	ENV	Climate Risk Disclosure
⊕	Veresen Inc.	ENV	Climate Risk Disclosure
▲	Vermilion Energy Inc.	GOV	Board Diversity
▲	Vermilion Energy Inc.	ENV	Climate Risk Disclosure
⊕	Yamana Gold Inc.	GOV	Board Diversity
▲	Yamana Gold Inc.	GOV	Executive Compensation



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