



## **SHARE Roundtable: Barriers and Opportunities to the Integration of Responsible Investment by Pension Boards**

**Morris J Wosk Centre for Dialogue  
Simon Fraser University  
Vancouver, BC,  
May 12, 2016**

### **Roundtable Objectives:**

The Roundtable provided a forum for academics, pension trustees and practitioners to exchange knowledge and ideas about the relationship between investment decision-making at the portfolio level and at the broader systems level. The Roundtable was intended to empower trustees to bring new ideas forward, and to share the constraints that they face to implementing responsible investment policies and programs with a group of leading academics. For academics, the Roundtable provided access to new ideas for research that is grounded in experience, and an opportunity to form new relationships with the practitioner community. Academics can bring evidence-based knowledge that trustees need to support their decision-making, and trustees can draw on their experience to identify research gaps. Through this co-creation of knowledge, it is possible to extend the reach and impact of research on responsible investment.

Each speaker was paired with a respondent who provided feedback on the ideas exposed during the presentation and on the challenges associated with their implementation. Subsequently, each session was opened up for a discussion among all Roundtable participants.

For a list of the speaker bios and a list of respondents, please see Appendix 1 and 2.

**Keynote Presentation: Towards a new investment paradigm: the role of asset owners in the integration of systemic risks in investments – Steve Lydenberg**

### **[The Investment Integration Project \(TIIP\)](#)**

The Keynote introduced an ambitious and profound agenda for researchers and practitioners to integrate systemic issues (financial, social and environmental) alongside portfolio level analysis. This research agenda seeks to establish connections between asset owners, their service providers and society broadly conceived to include financial and social systems, current and future generation and the environment. The project places an emphasis on the role that institutional investors can play in bridging the disconnect between the day to day portfolio-level ESG issues and the wider systemic issues that interact with and shape risks and opportunities at the portfolio level, recognizing that strength and weakness of environmental social and financial systems impacts the ability of investors to generate returns. While this question has been framed through different lenses, such as intergenerational equity and universal ownership, the objective of across all of these research agendas is the same: a more comprehensive

approach to investment decision-making that allows asset owners to think and to act at the systems level and the portfolio level simultaneously. A core component of TIIP revolves around two forms of complementary reporting (systems level and portfolio level).

## **RESPONDENTS:**

Respondents explained some of the challenges that their organizations face in responding to systemic level risks. It was noted that there is an increasing portion of research and time dedicated to environmental, social and governance (ESG) issues, but there is need for further work in the area of responsible investment (RI). Trustees are facing a challenging investment environment, with low interest rates and the significant burden on trustees to deliver returns. Moreover, benchmarking returns against peer groups has led to unintended consequences such as short-term thinking and herd mentality, placing additional constraints on trustees' ability to make long-term investment decisions that include consideration for the systems level. There is a need for new tools such as performance measures that support long-term investment. It was also suggested that the state of progress on RI at the portfolio level is still in its infancy, and that many trustees still perceive a trade-off between ESG and investment returns. While respondents noted that it is good to push the boundaries, attempts to conceptualize risks and opportunities at the systems level could also distract from progress on RI being made at the portfolio level.

At the same time, the respondents recognised the importance of pushing forward on this research agenda, noting that global financial markets are changing at increasing velocity. Even if trustees are not yet ready for it, work to build the architecture to allow for the incorporation of systems level analysis in investment decision-making should begin now. This initiative must come from the asset owners, as clients, as investment managers and other service providers will not likely lead on this agenda. Some concerns were also raised about the qualitative analysis in investment decision-making that is demanded by the systems level, and respondents suggested that there is a need for common language to allow for system level ESG analysis. The respondent panel concluded by noting that the series of case studies on how asset owners are shifting toward systems level thinking is promising, as it will provide the opportunity to learn from what other investors are doing to address system level risks.

## **DISCUSSION**

*Mechanisms for reporting into decision-making:* Participants discussed what mechanisms would allow for the two forms of reporting (systems level and portfolio level) to be treated as equals by decision-makers. Within the context of the financial industry, one participant observed that if we are always rewarding companies from a financial market lens, then investors will never take systems level issues seriously. One of the panel respondents noted that there is a need to change the language of portfolio reporting, and perhaps translating the language of risk into a language of uncertainty, to establish common language across both forms of reporting. Alternatively, one panelist suggested that the portfolio level cannot be translated into the system level, and neither can investors ignore the portfolio level and only consider systems level risks and opportunities. The challenge facing investors is to consider and to weigh the consequences of both levels (portfolio and systems) at the same time.

*Dynamic relationship between system and portfolio level:* One participant noted that security level and portfolio level issues are affecting price at different levels, and that it can be difficult for investors to predict these impacts. The participant asked whether it is possible that there are other feedback loops between the systems level and portfolio level, particularly within a dynamic context, whether or not these

issues are reflected in price. The respondent suggested that the further out that investors look, the more closely that portfolio level and systemic level risks will coincide. The challenge, however, is that investors must make decisions in the context of today. It was also suggested that as ESG portfolio level ratings become more widespread (e.g., Morningstar), there is a need for research to consider validity of ratings and their impacts on price.

*Risk aversion and risk reduction:* It was suggested that there is a distinction to be made between risk reduction at portfolio and systemic level vs. risk aversion. Investors could divest from an industry or on broader terms they could look to climate change adaptation and mitigation strategies. One participant asked whether there are normatively higher standards to more closely align risk aversion to risk mitigation? Industry level and security level – SASB translates industry level ESG considerations back to the portfolio level and portfolio risk management stays at the portfolio level, but this does not get at the systemic level. In response, it was suggested that investors need to do both – risk reduction and risk aversion. It is not sufficient to do only one. Reference was made to a recent study by the Cambridge Institute for Sustainability Leadership [report](#) that looks at what degree of climate change risk can be hedged at the portfolio level. The study finds that the most aggressive portfolio could only hedge 50% of climate change risk at portfolio level, underscoring the need for understanding system level climate change risk.

*System level externalities* – It was suggested that herd behaviour makes it difficult for pension boards to consider the system level. If these systemic level considerations are to gain traction, they need to be treated as one unified concept through the lens of the financial interests of the beneficiaries. The panelist clarified that the systems level can affect the portfolio level, but investors need to resist conflating of the two. Rather, they need to be considered simultaneously.

*Education:* Placing the challenge in a historical context, one participant noted that new and radical ideas have been normalized by the financial industry in the past, citing examples like the role of actuaries and modern portfolio theory. One mechanism through which these ideas become normalized is the curriculum. It was suggested that there is a disconnect, as younger generations are interested in RI, but the curriculum remains focused on conventional finance theories and practices. Participants noted some promising developments among higher-education institutions, such as new professorship position in Responsible Investment at the University of Berkley, and student-run investment funds that incorporate ESG.

*Investment beliefs:* Some of the systemic impacts actually have more resonance in investment beliefs. For example, if investors hold the belief that we cannot allow for a rise beyond 2-degrees, then all investment decisions will need to be consistent with this belief. In order to move toward system level in investment decision-making, trustees will need to be prepared to adopt these beliefs. Respondent agreed that belief statements are a mechanism through which asset owners can acknowledge systemic issues. It was noted that the increasing attention that pension funds are paying to their belief statements is encouraging.

## **Panel 2: Fiduciary Duty as an Enabler of Responsible Investment**

### **PRESENTERS**

- Ed Waitzer, Stikeman Elliott LLP
- Murray Gold, Koskie Minsky LLP



The presenters addressed how fiduciary duty is evolving and how trustees are using the legal concept to improve their RI practices. Climate change and fiduciary obligation is not an issue that dominates boards, but it is beginning to be discussed. The science of climate change is no longer disputed, and the core implications are straightforward. For fiduciaries, climate change denial is not defensible anymore.

*Fiduciary duty in contemporary context:* The first presenter provided a perspective on fiduciary duty as it relates to RI in the context of its current interpretation. Within the context of their duty of prudence, trustees are expected to bring knowledge skills and recognize where they need to hire appropriate expertise to be fully informed. As stewards of capital, fiduciary duty requires trustees to take into account every risk and return element that is material. The [Freshfields Report](#) (2005) found that trustees must consider ESG as criteria to the extent that it is relevant to risk and return characteristics. Within the context of their duty of loyalty, trustees must take into account diverse and multi-generational interests. Moreover, asset liability management as a relatively new standard in pension fund management, provides statutory basis to think about pension fund investing over the long-term horizon.

*Future direction of fiduciary duty:* The second presentation considered the future trajectory of the legal concept and its implications for investment decision-making. In the context of pension fund decision-making, reasonable expectations increasingly informs the trajectory of the law. The concept explains the way that courts mould existing structures to fill gaps, and these gaps are increasing. The presentation provided examples of the broadening scope of legal concept and the shift to re-asserting the social utility of financial services and markets (e.g., [Oregon case](#)). As asset owners, we get what we ask for: on the client side, few have made the conceptual shift away from financial services as zero sum back to fiduciary culture. Law can provide broader protection for stakeholders, including future generations and the environment. There is an increasing a willingness of courts to look through legal entity gaps, particularly post- financial crisis, and regulators are prepared to discipline market actors, regardless of what is technically stated in the law. In other words, liability attaches more than technical compliance. The long-term view is enforceable as a stewardship obligation. The presenter concluded noting that the potential for a [seventh PRI principle](#) is encouraging, as it would ask signatories to consider systemic risks, and asset owners in particular to engage on public policy issues and consider the stability of the financial system.

*Role of investors and government:* The two presenters discussed the role of investors and government in bringing about meaningful action on climate change at the systems level. For one presenter, the most effective action that pension funds can take is to promote resolutions that require companies to articulate how they plan to survive in a 2-degree world. The presenters also considered the role of government, expressing different views on the responsibility and influence that governments could have on climate change risks. For one presenter, only governments could adequately address systemic level risks facing investors. Government has tools at its disposal such as carbon tax, cap and trade systems, and while investors have a role to play, they cannot affect the wider system level on their own.

Alternatively, it was suggested that investors have an interest and responsibility to engage with governments. Moreover, the political environment is 'thin', leaving little scope for government action and influence on financial markets. There is a need for other actors step up and fill that gap. Fiduciary duty acts as a requisite counterweight to thin political markets. States are weak because the financial crisis indebted them. Corporate lobbying is a powerful force but investors have just as much clout but are not using it as effectively as those corporations that lobby against climate change policies.

The moderator summarized the two views presented by panelists, noting that there remains a struggle with two sides of the model presented in the first panel – the systemic and the portfolio level – and that climate change is dominating the conversation as a proxy for different systemic risks. While different views were expressed on the role of government and investors, both presenters framed their comments in a way that suggests the need to move toward a long-term view and fiduciary duty has a role to play.

## RESPONDENTS

Respondents agreed that fiduciary duty requires trustees to consider ESG risks and to consider the impact on future generations of members and beneficiaries. Respondents emphasized that there is a responsibility of trustees to ensure assets will be there in the future and to pass on a world that is conducive to economic security among other things, in retirement, noting that this is a heavy responsibility.

*Member engagement:* One respondent opened with the recognition that trustees may care about climate change, but they cannot take action on the basis of a personal ideological position. The respondent noted that it is important to note how we define financial interest of members/beneficiaries, and that there has been an evolution in board thinking on this issue from a conservative view toward a broader view that incorporates ESG issues into understanding of financial interest. As one example of how this evolved perspective manifests itself in practice, boards are requiring all asset managers to include RI criteria as one of many factors consider – and while not the deciding factor, it is gaining some prominence. Respondents also mentioned progress they are seeing among pension funds to engage with corporations but that this is incremental and slow. One respondent suggested that there is a need for government action, and in particular, a strong regulatory regime to send signals to the market. It was also noted that the herd behaviour as a defense for not taking action on climate change as an investor remains uncertain – and there is a need for more clarity on when standards of the profession are no longer a defense for not taking into account ESG issues. But until this time, one respondent suggested that trustees will likely maintain a bias toward a conservative view.

## DISCUSSION

*Liability for trustees:* One participant suggested that there is good news and bad news for trustees related to liability concerns in the context of the future direction of fiduciary duty. The bad news is that herd behaviour does not protect trustees from liability. The Australian system statute that governs trustees does not provide for the business judgment as a defense. It was noted that humans are not good at thinking in long-term frameworks. There are some encouraging developments in technology, artificial intelligence and big data analytics that can contribute to helping human decision-makers to overcome heuristics and biases that undermine our ability to think about the long-term. There was some discussion about the consequences of already exceeding the 2-degree increase in temperature target, and the limits of fiduciaries to prevent such a scenario. However, as many participants pointed out in their remarks, there is value in having aspirational goals, regardless of these emerging realities.

*Politicization of investment decision-making:* Participants debated the politicization of trustee decision-making, raising questions around the normalization of ESG issues, and around how to determine at what point ideology becomes accepted as appropriate investment behaviour, and therefore no longer 'ideology'. One participant noted that there is an expectation that trustees cleanse ideology and adopt a neutral perspective when they participate at the discussion table, but that this conflicts with what is required to think and anticipate risks and opportunities at a systems level. A trustee suggested that there



is a difference between politicization and using political means to meet a fiduciary goal, the latter perspective being more appropriate for trustees. Another participant noted that what is considered neutral or 'pure' financial is an ideological position /value judgment itself, and that the conflation of a financial perspective with a neutral perspective can be deceptive. Indeed, it was noted that the financial crisis demonstrated that the market mispriced risk. Courts do not ever expect trustees to leave their ideology at door — reasonable expectations are favourable to the trustee role - a way of framing responsibility is for trustees to act in best interests of members, with decision-making that has a long-term perspective.

*Divestment:* It was noted that divestment has been particularly useful at placing pressure and elevating the issue of climate change, and that engagement does not have this same influence that is capable of raising the political profile of ESG issues. Divestment movements are inherently political. Trustees face a choice: trustees need to be persuaded that engagement is an effective action and a good use of resources. Trustees need to spend money in the best interest of the plan members —where to draw the line is a complex question. Participants noted the inherent dilemma in the divestment question, noting that divestment can be an effective political influence tool but there is also opportunity for engagement with the industry and individual firms.

### **Panel 3: Pension Boards: Fostering a Climate that is Conducive to Progress on Responsible Investment**

#### **PRESENTERS**

- Johanna Weststar, Department of Management and Organizational Studies, University of Western Ontario
- Diane-Laure Arjaliès, Ivey Business School, University of Western Ontario

The presenters considered what pension trustees can do to foster a decision-making environment for RI that is capable of addressing systemic level risks. Presenters discussed the findings of their research, drawing on interviews with trustees and an ethnographic study. Topics included strategies for facilitating open discussion at the board table to ensure that diverse perspectives are heard; strategies for ensuring trustees with professional roles that differ from their role as trustees are adequately supported; the role of subcommittees in decision-making; the role of the board chair in focusing attention of trustees and the potential for chair's framing of the issues for introducing biases and socializing trustees; and successful on-boarding of new trustees to ensure they are comfortable bringing new ideas to the table particularly if it is not a view shared by other trustees. The panel also explored relationships between the trustees and staff, consultants and money managers, and the power asymmetries that characterize these relationships.

#### **RESPONDENTS**

Respondents reflected on some of the challenges facing trustees in the context of multi- employer trusteed plans with diverse group of members/beneficiaries and large boards. Respondents discussed constraints related to term limits for trustees, competing priorities for trustees, the role of the chair for meeting agendas and monitoring asset managers. Respondents also addressed 'softer' governance dimensions such as the importance of building strong social relationships among trustees, the time that it takes for trustees to become comfortable in their roles, and the tensions related to professionalization of trustees (expertise requirements) and the need to maintain strong relationships with plan members.

The panel emphasized the role of trustee education to ensure that trustees can fulfill their duties with confidence, and in particular, to provide proper oversight of service providers.

## DISCUSSION

*Relationship with beneficiaries:* Participants discussed the important role of trustees in maintaining transparent and regular communication with plan members/beneficiaries. Some practitioners noted the lack of engagement by members/beneficiaries with trustees on RI issues. Participants suggested that there is room for improvement on how trustees communicate what they are doing with respect to RI with plan members. It was also suggested that trustees that were embedded in the workplace of members/beneficiaries (i.e. representative trustees) had a more nuanced understanding of their needs than trustees that are sitting in a fiduciary role but have not operated in the workplaces (i.e. 'experts') and the important role that representative trustees play in communicating decisions at the board level to members/beneficiaries. Participants noted that there is low representation of members at AGMs. Some trustees noted that they are doing more to communicate around ESG such as in their newsletters and in particular, communicating the impact of pension investments in the communities where members/beneficiaries live.

*Complexity and heavy reliance on (deference to) service providers:* The discussion considered the tension between the role of trustees as representing their members, and the challenges facing representative trustees (as opposed to 'expert' trustees) in monitoring asset managers and consultants and other service providers. In particular, it was noted that pension trustees often show deference to service providers, and with the sheer complexity and volume of information that trustees face, one participant asked how could trustees be reasonably expected to incorporate ESG considerations given the challenges they already face with understanding complex investment decisions. The participants considered the role of social rating agencies and outsourcing the complex ESG analysis to investment managers. However, this again raises the question of the asymmetry in power in the relationship between asset owners and asset managers—as it requires additional due diligence to ensure that managers actually are incorporating ESG into investment decision-making. Expertise requirements for trustees can address this power imbalance with financial service providers, however, participants noted that 'expertise' could undermine the diversity of trustees and their capacity to effectively represent the best interests of members/beneficiaries.

*Trustee education:* In the context of the discussion above it was suggested that more trustee education can help asset owners have appropriate oversight of their managers and consultants. However, it is not clear the extent to which this education can substitute for expertise. Investing in trustee education was suggested by one participant as consistent with a long-term view. Participants discussed the evolution of trustee education on responsible investment issues, noting that RI was originally met with fear particularly around trustee liability, but that there is more comfort among trustees with integrating ESG into their investment decision-making. Also, it was noted that trustees are now beginning to ask deeper questions that move beyond surface-level questions about why they should integrate ESG into investment decision-making toward questions of implementation and specific tools and mechanisms to achieve their objectives with respect to RI.

*Intermediary role of pension staff:* Finally, it was suggested that pension plan staff may play an important role in intermediating the relationship between trustees and their external money managers, consultants and other service providers. Respondents suggested that there may not be a strong relationship between trustees and staff currently, but there could be potential for deepening this relationship in the future.

## **Session 4: From Inputs to Outputs: How Effectively are Board Decisions on Responsible Investment Captured in Board Documents and Investment Practice**

### **PRESENTERS**

- Darlene Himick, Telfer School of Management, University of Ottawa
- Mark DesJardine, Ivey School of Business, University of Western Ontario

The final panel addressed the question of whether policies and commitments to RI were actually translating into meaningful and observable outcomes. Questions considered by the presenters included tensions between short-term and long-term the pressures that corporate managers face and biases, the external market pressures such as analyst and pressure corporate managers and solutions that longer holding periods by investors, the need for more discussion with corporate manager about their long-term strategy, longer term benchmarks for performance and mechanisms to allow for short-term underperformance and taking fewer but larger positions in firms. Alternative metrics that could be used to measure performance such as research and development intensity, turnover, and policy issues that could change loyalty shares, shifting away from quarterly reporting or new forms of quarterly reporting that emphasize progress on long-term strategy. Another presentation considered the evolution of statement of investment policies and procedures (SIP&P) and in particular, how responsible investment is framed and imported into these governance documents. The discussion to investment beliefs as grounded in ESG should be reflected in the SIP&Ps themselves and there is often a disconnect between beliefs and SIP&Ps.

### **RESPONDENTS**

Respondents noted the pressure in the short-term as a barrier, particularly in the context of defined benefit plans. In no particular order, the following were highlighted as important lessons that could be taken back to their boards:

1. Include RI on every agenda to raise awareness and ensure that RI information is distributed to board members.
2. Include RI in fund manager interviews (and make sure to conduct due diligence not only in interviews but also in follow up on criteria).
3. Integrate RI into SIP&P and funding policy (and explain rationale in minutes).
4. Proxy voting rights – exercise these.
5. Include RI activities/initiatives in newsletters- communication and awareness raising with beneficiaries.
6. Board education – primarily focus on investment, but should be extended to include consideration for ESG, and the board should drive agenda; not staff or service providers.
7. To frame RI in the context of pension fund, there is a need for more data.
8. Become a signatory to the PRI and report annually.
9. Review and track investments in corporate engagement (detailed analysis on outcomes, and case studies of success).
10. Report on-going initiatives and share success stories.

### **DISCUSSION**



*Short-term vs. long-term:* Participants shared their different conceptions of short-term and long-term investment. Drawing on experience, one participant suggested that investor relations teams within firms pay more attention to long-term investors, and these investors can provide corporate management with the freedom they need to innovate. While often the terms are used to distinguish between holding periods in public equities markets, some participants noted that the dichotomy drawn between the short- and long-term can contribute to misunderstanding about RI and its goals. An alternative way to conceptualize the difference between RI and more conventional approaches to investment is to think about short-term as a code for activities that extract value from the system to capitalize on small mistakes, and long-term as code for building value in the system. However, it is also important to note that there needs to be a way to distinguish short-term value building from long-term value building. Participants discussed the type of metrics that are needed to move away from quarterly earnings reports, though noting that quarterly reporting on other metrics such as strategy remains important.

*Influence of pension funds:* Participants discussed whether pension funds were large enough as investors to influence corporate managers. Some suggested that pension funds are ideal investors, and that it is not a question of size but rather, other characteristics such as their long-term investment horizons that are relevant to the question of influence. Pension funds can set agendas that percolate down in public markets. Another participant noted the unique advantages that pension funds have as long-term investors, such as an illiquidity premium, and that they can reduce their exposure to public equity markets and move to investing in long-term assets such as infrastructure, private equity, renewable resources. The challenge may be that some pension funds are too small and cannot access these alternative asset classes – and there is an opportunity to aggregate these pools to enable pensions to take advantage of these alternative asset classes (i.e., the “too small to succeed” problem).

*Incentives and delegation:* Participants discussed the challenges that trustees face when investment managers are not fulfilling their promises on RI. One participant suggested that there is a need for improved due diligence among hiring and compensating managers. Another participant noted that there is a contradiction in how asset owners incentivize asset managers (short-term basis) and their request for asset managers to take longer term view and integrate ESG into investment management. Participants discussed the need to design new incentive systems that would allow managers the scope to take long-term risks and opportunities into account. There is some experimentation in this area and asset owners should can learn from each other.

*SHARE gratefully acknowledges the work of Heather Hachigian in writing the Roundtable notes*

## **Appendix 1: Speaker Bios**

### **Steve Lydenberg, Partner, Strategic Vision, Domini Social Investments LLC**

Steve provides strategic vision and direction to guide Domini's policies, procedures, and daily practices. He has been active in researching the social and environmental performance of corporations since 1975. He was a co-founder of KLD Research & Analytics, Inc. and served as its research director from 1990 to 2001. From 1987 to 1989, he was an associate with Franklin Research and Development Corporation (now known as Trillium Asset Management). For 12 years he worked with the Council on Economic Priorities, ultimately as director of corporate accountability research. Steve is the author or co-author of *Dilemmas in Responsible Investment, Corporations and the Public Interest, The Social Investment Almanac* and other books as well as various articles on the theory and practice of responsible investment including "Reason, Rationality and Fiduciary Duty". He holds a B.A. in English from Columbia College and an M.F.A. in theater arts from Cornell University, and holds the Chartered Financial Analyst designation.

### **Ed Waitzer, Partner, Stikeman Elliott LLP**

Edward Waitzer was Chair of Stikeman Elliott from 1999 to 2006. His practice focuses on complex business transactions, acquisitions and restructurings, as well as advising in respect of various public policy and governance matters. He has also been very active on accounting and corporate governance issues and leads our Corporate Governance Group. He has served as a member of the firm's Executive Committee and Partnership Board. Mr. Waitzer has been the Falconbridge Professor of Law at Osgoode Hall Law School. He is a professor and the Jarislowsky Dimma Mooney Chair in Corporate Governance and is director of the Hennick Centre for Business and Law at Osgoode Hall Law School and Schulich School of Business at York University and is an inaugural fellow of the American College of Governance Counsel.

### **Murray Gold, Managing Partner, Koskie Minsky LLP**

Murray Gold a senior Partner in the pension and benefits practice at Koskie Minsky LLP and is currently the Firm's Managing Partner. He advises governing boards of public sector and jointly trustee pension and benefits plans across Canada in regard to compliance and best-practice issues. He has led governance and financial restructurings of major public sector pension and benefits arrangements in Ontario, British Columbia, Newfoundland and Alberta, and represents a range of plan sponsors, retiree groups and active members in the education, public, healthcare and multi-employer sectors, including in regard to major insolvencies. Murray has long played an active role in the area of pension reform. In 2008, he was one of four Expert Advisors to the Ontario Expert Commission on pensions, and has since been committed to pension reform in regard to public sector and multi-employer pension plans. In 2014, he was appointed to Ontario's Technical Advisory Committee on Retirement Income Security, and in 2015 was appointed as one of three initial members of the Board of Directors of the Ontario Retirement Pension Plan Administration Corporation. Murray has a longstanding interest in climate change as it affects the pension sector, and co-authored a report in 2015 titled "Climate Change and the Fiduciary Duties of Pension Fund Trustees in Canada."

### **Johanna Weststar, Associate Professor, Department of Management and Organizational Studies, University of Western Ontario**

I am an academic who specializes in industrial relations and human resources. I earned an interdisciplinary liberal arts degree in Arts and Science and Psychology from McMaster University and then settled in my field through a Masters degree in Industrial Relations from Queen's University and a PhD in Industrial Relations and Human Resources from the University of Toronto. After my PhD, I spent 4 years experiencing the beautiful east coast and working in the Management Department at Saint Mary's University in Halifax, Nova Scotia, Canada. Returning to my Ontario roots, I am now an Associate Professor

in the Department of Management and Organizational Studies and an Adjunct Professor in Psychology at Western University in London, Ontario. I am currently the President of the Canadian Industrial Relations Association ([www.cira-acri.ca](http://www.cira-acri.ca)) and am also a member of a number of other academic and professional associations: LERA, CAWLS, ILERA, DiGRA and IGDA. My teaching interests include Industrial Relations and Labour Studies, Employee Training and Development and Project Management. My research interests are diverse, but are united by themes of union and industrial relations renewal, labour voice and participation, and worker autonomy and control.

**Diane-Laure Arjaliès, Assistant Professor, Ivey Business School, University of Western Ontario**

Diane-Laure Arjaliès is an assistant professor at the Ivey Business School. Before joining Ivey in 2015, Diane-Laure was an assistant professor at the Accounting and Management Control Department of HEC Paris. She received her PhD in business administration from ESSEC Business School in Paris and holds an MBA and a M.Sc. in organizational theory. She also has several years of experience in responsible investments at an asset management company. Utilizing qualitative methods, Diane-Laure investigates the introduction of non-financial performance measures in management control systems. She is particularly interested in the development of Responsible Investment (RI) and its impact on the financial markets. Her work in this area has won her several academic and professional prizes.

**Darlene Himick, Assistant Professor, Telfer School of Management, University of Ottawa**

Darlene Himick received a Ph.D. in Accounting from the University of Calgary and an MBA from Dalhousie University. Professor Himick also earned an LLB from Osgoode Hall Law School, York University. A Charterholder with the CFA Institute, Ms. Himick served for several years as a pension investment consultant with Mercer Investment Consulting before she began her academic career. Among her many current roles, she is a Senior Research Fellow with the Shareholder Association for Research and Education, based in Vancouver, B.C. Professor Himick has presented her research at numerous academic conferences and has been an invited speaker at several industry forums.

**Mark R. DesJardine, Ivey Business School, University of Western Ontario**

Mark is a PhD Candidate at the Ivey Business School, where he teaches corporate strategy and sustainability. His research and teaching focus on topics related to strategic decision making, corporate short-termism, and business sustainability. In his recent work, Mark explores how institutional pressures created in financial markets steer the attention of managers towards short-term profits at the expense of creating long-term value. In June 2016, he will complete his PhD and begin a new position as an assistant professor in the strategy department of HEC Paris. Mark has earned his designation as a CFA Charterholder and worked in investor relations at Agrium in Calgary.



## **Appendix 2: Session Respondents**

- Gordon Gibbons, Senior VP, portfolio manager, Leith Wheeler Investment Council
- Chris Finding, trustee, BC Municipal Pension Plan
- Linda Watson, vice-chair, BC Teachers' Pension Plan
- Dominique Roelants, Executive Officer, B.C. College, Public Service & Teachers' Pension Boards
- Richard Taylor, trustee, BC Municipal Pension Plan
- Liz Thompson, trustee, Local Authorities Pension Plan (Alberta)
- Marg Romanow, trustee, Saskatchewan Healthcare Employees' Pension Plan
- David Kazansky, trustee, New York City Teacher's Retirement System