

August 28, 2019

Mr. Chris Aylward
PSAC National President and PSAC representative to the
Public Service Advisory Committee
-and-
Ms. Magali Picard
PSAC National Vice-President and PSAC representative to the
Public Service Advisory Committee

Public Service Alliance of Canada

233 Gilmour Street
Ottawa, ON
K2P 0P1

Dear Mr. Aylward and Ms. Picard,

Thank you for your letter dated July 31, 2019, in which you raise concerns regarding investments in the U.S.-based Geo Group and CoreCivic.

We confirm that we are not a direct shareholder of either of these companies.

PSP Investments is a global investor with a diversified portfolio of public and private market investments in more than 75 sectors and 75 countries. Our mandate is to maximize the returns of our stakeholders without undue risk of loss. To achieve our mandate, we implement various investment strategies, including passive strategies involving index funds and external manager niche strategies, which may, at a certain time, have limited or passive exposure to the companies listed above.

We would like to take this opportunity to reassure you that PSP Investments takes your concerns very seriously by highlighting how we proactively address environmental, social and governance (“ESG”) risks and opportunities within the portfolio.

We have a dedicated Responsible Investment team that is housed within the Chief Investment Officer Group for a clear view of all of PSP’s investments. Our investment professionals and Responsible Investment team work collaboratively to systematically identify, assess and consider material ESG factors (examples of which are outlined in our [2019 Responsible Investment Report](#)). We integrate ESG factors into our decision-making process, both at the time of the investment and throughout its holding period. When investing through external manager strategies, we assess their ESG practices and conduct open dialogue to share and encourage the adoption of ESG best practices. One of PSP’s roles is to be an active steward of the assets we own. That is why we not only monitor ESG factors throughout the life of the investment, but we also engage in direct dialogue with companies with respect to a

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wide range of ESG issues to encourage sustainable corporate conduct and enhance long-term financial performance.

As a long-term investor, we proactively address ESG risks and opportunities as part of our investment strategy to create long-term sustainable value for contributors and beneficiaries. We reassure you that all contributions are being well managed and invested in a way that aligns with our mandate and responsible investment policy. To keep beneficiaries and contributors abreast of our activities, we will continue our disclosure efforts regarding our responsible investment activities.

Sincerely,

A handwritten signature in black ink, appearing to read "Neil", followed by a long horizontal line extending to the right.

Neil Cunningham
President & CEO
PSP Investments

c.c. Joyce Murray, Martin J. Glynn