ESG Investing PEPP Q&A's

1. **Is PEPP concerned about what types of investments your pension invests in? Are you wondering if there are guidelines for socially responsible investing?**

   The Public Employees Benefits Agency (PEBA) mandate does not set out any specific environmental, social and governance (ESG) guidelines, but many of the Public Employee Pension Plan (PEPP) investment managers have implemented ESG processes within their firms as they realize the value for shareholders over the long term.

2. **Is ESG something PEPP considers when hiring Investment Managers? How much of a consideration is given to ESG?**

   Yes, when PEPP conducts a search for a new Investment Manager, ESG is considered by the Board in any hiring decision. This is also true for the Board's subcommittee responsible for approving private market investments, the PEPP Private Investments Committee (PIC). The Board and PIC are aware of the growing importance of ESG investing.

3. **Are there any prohibitions to the type of investments my pension can invest in?**

   We understand that you want to know where your money is invested, and our Statement of Investment Policies and Goals outlines how PEPP makes its investment decisions, including permitted and prohibited investments. This can be found on our website under the *Investments* tab. Each investment manager is also provided with its own mandate to ensure it aligns with PEPP's investment policy, and are required to report on their compliance at the end of each quarter.

4. **What other criteria other than ESG is considered when making a decision regarding hiring an investment manager?**

   PEPP considers many options before making decisions on where to invest your money, and we have an Investment Services team dedicated to presenting the Board with the best information possible to help them make those decisions. Some of the criteria considered before hiring an investment manager includes the investment strategy, style, team, process and key decision makers, as well as historical performance and risk, fees, alignment of interests and any capacity constraints. These considerations may vary by asset class as some asset classes may demand greater resources or greater regional presence in order to invest effectively. Finally, the Board may also consider any risks unique to the specific investment firm.