



2024 – 2026 Business Plan

Alberta Pensions Services Corporation

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Treaty Land Acknowledgement

Alberta Pensions Services Corporation (APS) is situated in the heart of Treaty Six territory.

We respect the histories, languages and cultures of First Nations, Metis, Inuit and all First Peoples throughout Alberta and across Canada, whose presence continues to enrich our community.



Message from the Chair – Accountability

The 2024 – 2026 Business Plan has been prepared under the direction of the Board of Directors and the President and the Chief Executive Officer (CEO) for APS. The Board sets the overall strategic focus for APS to carry out its mandate serving the needs of our clients – including LAPP Corporation, PSPP Corporation, SFPP Corporation and the Crown Trustee Plans we serve. We also are accountable to our sole Shareholder, the President of Treasury Board and Minister of Finance, on behalf of the Government of Alberta, in respect of the legislative and regulatory framework governing APS and direction as determined by the Minister.

APS is focused on delivering high-quality, accurate and timely information and benefit services to our clients within our proactive risk management structure. We look forward to proudly delivering on our commitments. Working together, we are committed to success in achieving this plan.



Colin P. MacDonald, K.C., ICD.D
Chair, APS Board of Directors

Message from the CEO – Structure and Adaptability

There have been many changes in our business and how we have operated over the past several years, with the prospect of more changes and growth on the horizon, some of which are outlined in our *2023 – 2027 Strategic Plan* (Strategic Plan). However, our driving motivation remains constant: to be the pension administrator of choice in Alberta. The past years have taken us through transitions in our governance, operations software, procedures and approaches, including officially adopting our Agile APS policy reflecting a flexible hybrid working model. Our strategy and actions have set us up with a strong foundation and a solid plan to help us remain industry leaders while maintaining flexibility to adjust our course when needed.

With APS' Strategic Plan and the *Client Corporation & Trustee Plan 5-Year Strategic Roadmap* (Client Strategic Roadmap) guiding our future, APS has created a three-year business plan detailing our key priorities and initiatives to achieve our strategic goals during the 2024 to 2026 period. We continue to work closely with all our stakeholders, collaborating to ensure continued alignment and maintain their trust in us as a strategic business partner.

The strength of our employees and culture consistently elevates our business operations. APS was recognized as one of the top 75 employers in Alberta, in part due to our culture and values – a distinction that shows our commitment to excellence in all areas of our business as we move into the next three years.

Our scorecard measures show it's clear that we are achieving solid results. However, we must continue building our capacity to reach our five-year goals. I am confident that the proposed initiatives and budget estimates supporting this business plan will allow us to achieve our goals.



Darwin Bozek, FCPA, FCGA, ICD.D
President and Chief Executive Officer



Executive Summary

This three-year business plan outlines the core priorities and the planned Initiatives for APS during the period 2024 to 2026. This plan aligns with and further explains the goals and commitments outlined in our recently published documents:

- The Strategic Plan; and
- The Client Strategic Roadmap

Our Strategic Plan recognizes that our environment can change rapidly, and it mandates continued transformation in our business operations to achieve our goal to be a leader in pension administration services and a strategic business partner with our clients. The Strategic Plan reaffirms our purpose as expressed in our mission, vision and value statements. APS continues to focus on excellence in the services we provide to our clients, members, pensioners and employers, which are supported by effective, ethical, innovative and risk-managed business practices. The Client Strategic Roadmap was jointly created with our clients and sets out guiding principles and describes the overarching future desired services, service levels, functionality and capacity that occur within APS over the five years from 2023 to 2027.



Challenges and Opportunities We Face

Central to the success of APS are the people who provide the services to our clients, members, pensioners and employers. In the presence of demographic changes and the digital transformation of our working world, our workforce and their expectations are evolving. We see a reduction in employee tenure, an urgency to build new digital-focused internal skills and capabilities, and a competitive landscape where companies must shape their value proposition to attract talent.

At APS, we must consider our culture, defined ways of working, and agility of internal processes to position ourselves to effectively attract and retain a high-performing workforce. Today's workforce is comfortable with technology and expects a work environment that is supported by modern applications and processes with access to information and tools that support them in their jobs. In adapting to the changing needs of the workplace, APS must remain committed to creating a culture that is service-focused and drives the Strategic Plan forward through an emphasis on diversity, equity, inclusion, high-performing teams and a shared purpose. Our human resource and business policies and practices must be adaptive to attract and retain the kind of employees APS needs to respond to an ever-changing environment.

APS continues its strong collaboration with our clients to meet the evolving needs and expectations of plan members and employers. There is a need to understand how meaningful and valued services can be delivered within the limitations and constraints of the pension administration system. As new generations move into the workforce, the adoption of an increasingly agile approach is necessary to pivot with changing preferences.

APS is considered a low-cost, high-service provider compared to peers in the pension administration industry. Balancing cost considerations, while investing in value-add services supported by a strong ROI (return on investment), continues to be important to meet stakeholder expectations. APS must prioritize and measure the performance of investments of resources, creating capacity for the organization and value to our clients, members and employers.

Our Plan

The 2024 – 2026 Business Plan is forward-looking, balanced and sustainable. We are shaped not only by external factors such as demographics and economics, but also by the needs and expectations of external parties (clients, members, pensioners, employers and our Shareholder) and our people – employees who provide the services. Our key focus for the next three years includes people and culture initiatives, operational support and growth, implementing Client Strategic Roadmap initiatives and continued emphasis on risk management to sustain and achieve Strategic Plan objectives.

We anticipate growth as pension plan membership continues to increase year over year (4% increase in 2023 from the previous year) which results in increasing volumes. In addition, new employers continue to join the pension plans and the complexity and level of services are expected to increase. APS is positioned as a low-cost, high-service provider amongst benchmarked peers for several years and additional investments and operational support are required to sustain this competitive advantage.

“ We anticipate growth as pension plan membership continues to increase year over year (4% increase in 2023 from the previous year) which results in increasing volumes ”

To accomplish the initiatives stemming from the Client Strategic Roadmap, an expansion of the information technology (IT) function is planned. Many initiatives and process improvements over the next few years relate to online services, electronic options and automation; therefore, building sufficient resources with this skillset in-house will create a foundation for future initiatives, sustainment of products and the assessment and adoption of new technologies such as generative AI and continued transition to cloud-based services.

APS is dedicated to building professional excellence and collaborating with our clients. We will continue to enforce our values-based culture. By delivering valued services and sharing our expertise and professionalism, APS will contribute to supporting strong public sector pension plans in Alberta.

Pensions are complex, but our vision is to work with our clients to make the pension experience easier. Our efforts to progress our operational capabilities will further help us achieve operational excellence. A client-focused approach to pension services will help us to become a strategic business partner with our clients.



Mission – Vision – Values

Our mission, vision and values have remained consistent, and they continue to represent our outlook for 2024 and into the future.

Overall, we want to deliver a great client experience to all stakeholders we serve.

Our Mission

Our purpose.

As a pension administrator serving Albertans, we are knowledgeable, caring professionals committed to guiding the pension experience, delivering the highest standard of accurate, cost-effective service.

Our Vision

What we strive to achieve.

Relentlessly pursuing excellence in pension benefits administration, to serve those who serve Albertans.

Our Values

Drive us to do the right thing.

We are driven by our values to always “do the right thing.”

Service: Make every interaction count.

Quality: What we do, we do well.

Accountability: We take responsibility.

Who We Are and What We Do

APS guides the pension experience on behalf of Alberta’s public sector pension plans. APS was incorporated in 1995 under Alberta’s *Business Corporations Act* with the Government of Alberta as the sole Shareholder.

We provide pension administration services to more than 500 participating employers across Alberta. We also provide pension-related services to over 400,000 members and pensioners around the world. We manage over \$6.3 billion in pension plan funds annually through receipts and disbursements to and from employers, members, pensioners, and other pension plans.

500 +
participating employers

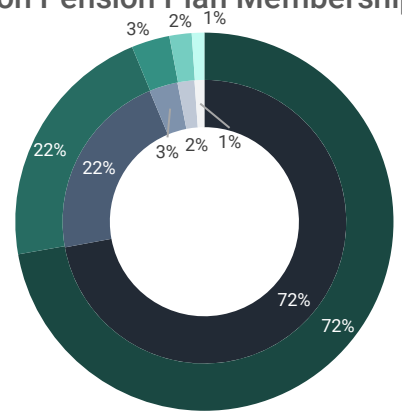
400,000 +
members and pensioners

> \$6.3 billion
in pension receipts and disbursements

Who We Serve

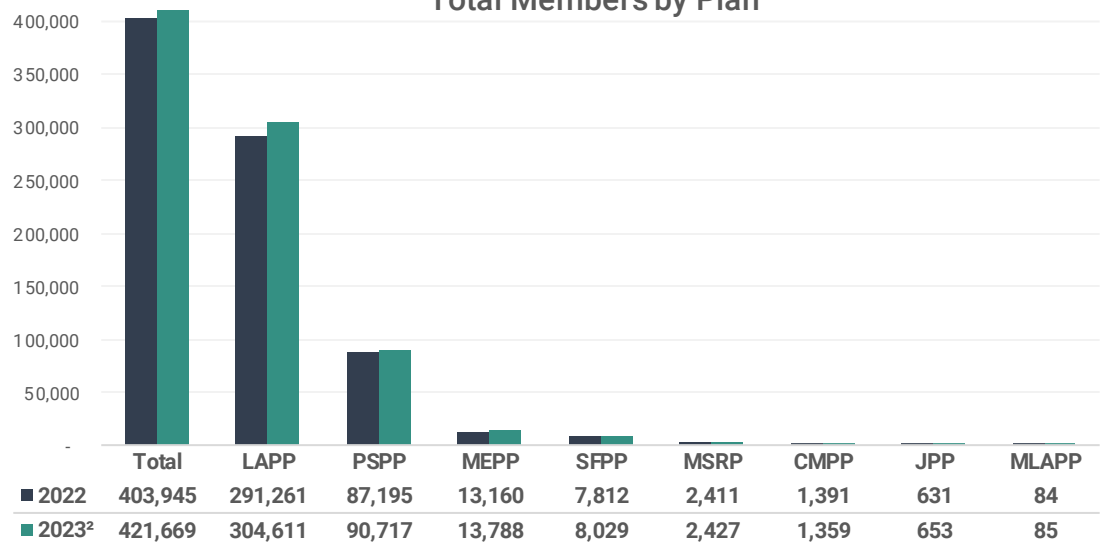
APS works alongside its clients to help guide the pension experience for members, pensioners and employers. In collaboration and consultation with the clients we serve, we deliver services on behalf of seven public sector pension plans and two supplementary plans ¹.

Total Percentage Based on Pension Plan Membership



2022 ■ LAPP ■ PSPP ■ MEPP ■ SFPP ■ Other Crown Trustee Plans
 2023² ■ LAPP ■ PSPP ■ MEPP ■ SFPP ■ Other Crown Trustee Plans

Total Members by Plan



¹ See Appendix 2 for full name of each pension plan ² 2023 numbers are projections

Key Themes

The three themes of APS—reliability, innovation and people and culture—remain steadfast and will lead APS toward the ultimate goal of operational excellence. Success lies in the quality of services and support we provide clients, members, pensioners and employers and will be achieved through continued collaboration with our clients by committed, diverse and skilled employees.



Reliability

Strengthening a solid and dependable foundation

To ensure we are delivering on our core pension administration services in a cost-effective, efficient and high-quality manner.



Innovation

Exploring ways to improve

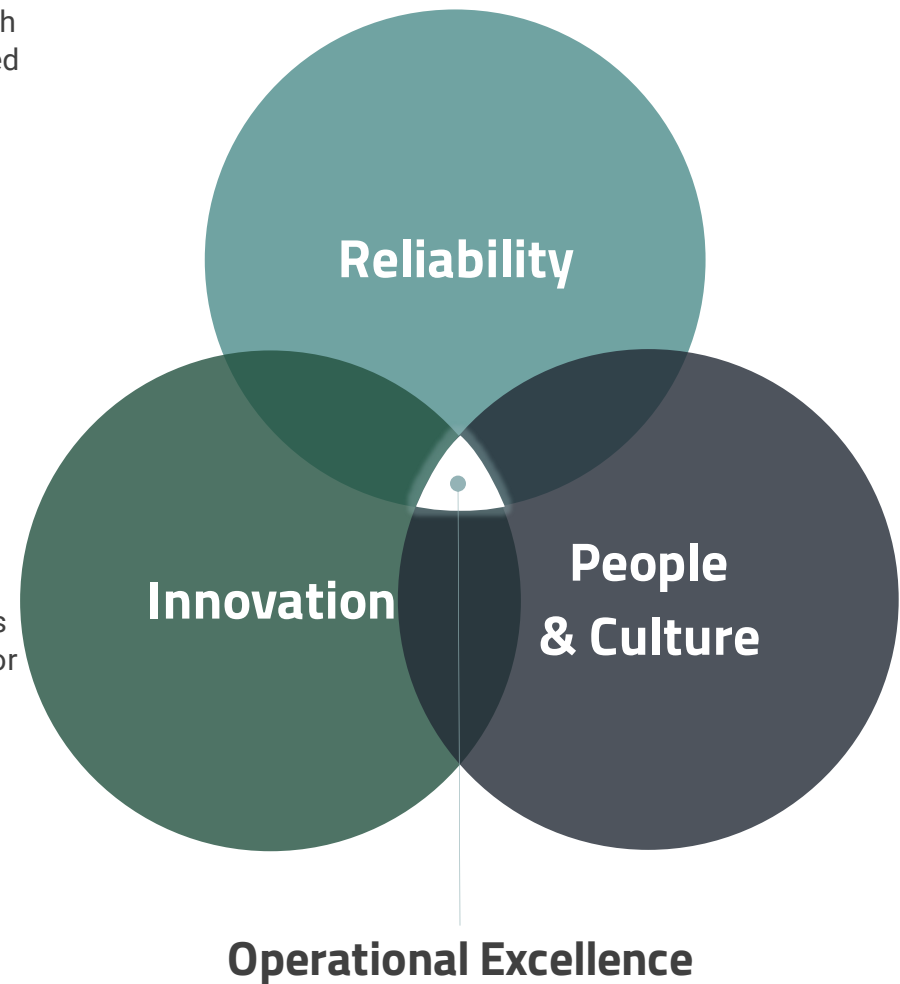
To explore new ideas, methods and capabilities for process improvements. Implement solutions with business outcomes to deliver efficient and effective service. Target programs and projects that deliver value, environmental stewardship, and positive results for the people we serve and support and our employees.



People & Culture

Elevating a culture of service with a highly-engaged workforce

To foster an environment where collaboration and service come naturally because our people are inspired, empowered and values-driven.



Strategic Objectives

We are committed to our Strategic Plan and we will focus our passion and energy on the five strategic objectives to provide high quality delivery of client services. We will be reliable and innovative in providing services to members, pensioners and employers on behalf of our clients. The five strategic objectives reflect our mission statement and align with our key themes; these five objectives set the foundation to remain a leading service provider and an employer of choice for our employees, as well as continue in building the strength of our organization to innovate and build the capacity and capabilities for the future success of APS and our clients.

This section summarizes each of our strategic objectives and target outcomes (goals), including the core priorities we need to achieve our goals. Also included is a brief description of the significant planned initiatives we will undertake to carry out our commitments. Some initiatives were identified and selected in collaboration with our clients, and they support strategic objectives and priorities and align with the Client Strategic Roadmap; other initiatives help make our processes and services more efficient and cost-effective to achieve our Strategic Plan vision. These actions are in addition to, and in support of, the activities and service level requirements outlined in each client's pension services agreement. The descriptions are intended to be brief overviews and are not a reflection of detailed scope or timelines and we identify how the core priorities and initiatives reflect our key themes.

1. Strengthen alignment with our clients as a strategic business partner

Our target outcomes for this strategic objective are:



We successfully implement our Strategic Plan through collaboration and engagement with our clients



We are a proactive, knowledgeable strategic partner to our clients



We proactively provide data and analysis to clients to support their strategic decision-making



We are positioned as a leader in the pension administration system



1.1 Core Priority: Deliver on the commitments in the APS Strategic Plan and the Client Strategic Roadmap and conduct ongoing reviews to ensure alignment and prioritization to meet client needs

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|---|-------------|--|--------------------|
| 1.1.1 Amend PSA (pension services agreements) | Reliability | Review and amend existing PSA with clients to provide enhanced clarity regarding roles and responsibilities for all parties | 2024 – 2025 |
| 1.1.2 Enhance client relations strategy | Reliability | Review and assess existing client relations strategy in conjunction with corporate communications strategy to identify areas of strength and opportunities | 2024 – 2026 |
| 1.1.3 Monitor Client Strategic Roadmap progress | Reliability | Develop and implement formal process to modify, review and monitor progress and achievement of Client Strategic Roadmap objectives and initiatives | Ongoing |

1.2 Core Priority: Continue to evolve the data analytics program to support our clients' priorities

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|---------------------------------------|---------------------------|---|--------------------|
| 1.2.1 Enhance data management program | Reliability Innovation | Build on current data management and innovation strategies to create a Centre of Excellence which utilizes generative AI (artificial intelligence) and increase self-service for clients to access their data including enhanced security of client and member data | 2024 – 2026 |

1.3 Core Priority: Invest in ongoing engagement with local and global pension thought leaders to contribute and continue to grow our knowledge of leading practices

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|---|-------------|--|--------------------|
| 1.3.1 Continue ongoing engagement with pension industry peers | Reliability | APS will continue to participate in CEM Benchmarking Inc. surveys and Canadian pension peer forums to stay abreast of pension industry changes and share knowledge | Ongoing |

1.4 Core Priority: Align and grow our expertise and capabilities in support of our clients to drive strategic value in the development and execution of services





| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|--|------------------|--|--------------------|
| 1.4.1 Develop and implement knowledge management strategy | People & Culture | Develop a knowledge management strategy which encompasses all facets required to create, organize and share knowledge effectively within the corporation; this includes applications and tools to support the strategy | 2024 – 2026 |
| 1.4.2 Knowledge management portal replacement | People & Culture | Implement a new tool to support our corporate knowledge management vision | 2024 |
| 1.4.3 Create comprehensive career development program | People & Culture | Define and establish expertise and capabilities required for a comprehensive career development and training program | 2025 and beyond |

1.5 Core Priority: Enhance the client experience through a proactive relationship-based approach

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|---|-------------|--|--|
| Enhance client relations strategy – see Core Priority 1.1 under planned initiative 1.1.2 | Reliability | See Core Priority 1.1 under planned initiative 1.1.2 | See Core Priority 1.1 under planned initiative 1.1.2 |

2. Work collaboratively with our clients to elevate the member journey

Our target outcomes for this strategic objective are:

-  We anticipate and understand the needs and expectations of plan members
-  We deliver innovative solutions to meet the evolving needs of plan members
-  Online tools are enhanced or developed in support of the member journey
-  Plan members trust and rely on our self-service options

2.1 Core Priority: Understand and enhance the member journey in collaboration with our clients through process reviews

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|---|---------------------------|---|--------------------|
| 2.1.1 Process reviews and process improvements for key life events and activities | Reliability | Implement process improvements for retirements including related online tools, based on results from the process review completed in 2023 | 2024 |
| | Reliability | Complete process reviews; based on results, implement process improvements for terminations, buybacks, relationship breakdowns and post-retirement activities (includes related online tools) | 2024 – 2026 |
| | Reliability | Complete process reviews; based on results, implement process improvements for new members, transfers and other activities (includes related online tools) | 2025 – 2026 |
| 2.1.2 Improve plan member training | Reliability Innovation | Enhance learning programs for pension plan members to support clients' endeavors to help members better understand their plan, and support options to utilize a digital-first approach in delivery of program | 2024 - 2026 |

2.2 Core Priority: Enhance the member journey through a data analytics and AI strategy to respond to member needs

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|---|--------------------------------|---|--|
| 2.2.1 Enhance data management program – see Core Priority 1.2 under planned initiative 1.2.1 | Reliability Innovation | See Core Priority 1.2 under planned initiative 1.2.1 | See Core Priority 1.1 under planned initiative 1.2.1 |
| 2.2.2 Transition to online services strategy and implementation | Innovation | Create and implement a holistic strategy and plan to continue transitioning our processes to provide options for digital, online services to improve our efficiency and the member experience | 2024 – 2025 |
| 2.2.3 Develop and implement an AI strategy | Innovation People & Culture | Create a vision, identify opportunities and develop a generative AI strategy to implement tools to enhance and expand on automated processes, gain better insights into data analytics and elevate client and employee engagement | 2024 – 2026 |

2.3 Core Priority: Improve training programs to enhance knowledge and capabilities within APS, especially in the provision of digital services

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|---|---------------------------------|--|--|
| 2.3.1 Develop knowledge management strategy – see Core Priority 1.4 under planned initiative 1.4.1 | Reliability People & Culture | See Core Priority 1.4 under planned initiative 1.4.1 | See Core Priority 1.4 under planned initiative 1.4.1 |
| 2.3.2 Improve employee training | Reliability People & Culture | Continue to enhance training program which provides employees with ongoing information, skills and tools to support services to plan members | Ongoing |

2.4 Core Priority: Strengthen a culture of innovation through continuously improving products built by APS and evaluating platforms and tools for support





| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|---|---------------------------|--|--------------------|
| 2.4.1 Promote and grow innovation strategy | Innovation | Increase awareness of corporate innovation program through open, effective communication and engagement activities | Ongoing |
| 2.4.2 Pension benefits administration system (Compass) upgrade | Reliability Innovation | Continue with Compass release strategy to advance the software with a major release annually; the Compass D7 upgrade delivery covers a two-year period with planned production release by end of 2024 | Ongoing |
| 2.4.3 Xpertdoc solution | Innovation | Based on pilot completed in 2023, implement a governance process and a transition and maintenance plan for a cost-effective, efficient solution (Xpertdoc) that will allow APS and clients to update artifacts (Xpertdoc is a documentation generation application tool) | 2024 – 2025 |

2.5 Core Priority: Continue our pension simplification process by embracing digital technologies, including electronic payment options

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|--|---------------------------|---|--------------------|
| 2.5.1 Develop and implement a technology and applications roadmap | Reliability Innovation | Create a comprehensive technology and applications roadmap that outlines the infrastructure and application requirements that align and support the corporation’s vision for digital, online services including ongoing maintenance of our pension administration benefits system | 2024 – 2026 |
| 2.5.2 Automation of cash receipts | Reliability Innovation | Modernize the cash receipting process and achieve automation of electronic online payments which will produce improved efficiency and result in convenience and enhanced experience for members | 2024 – 2025 |

3. Enhance the employer journey in partnership with our clients

Our target outcomes for this strategic objective are:

-  Our compliance program balances the need for accurate and timely data with employer effort
-  Employers are equipped with the pension resources they require
-  Data is collected and leveraged to support service delivery and business process improvements that can be measured and evaluated
-  The employer portal is a seamless experience for employers to fulfill their role in pension administration

3.1 Core Priority: Improve and develop employer education and training delivery focused on value-add content and delivery

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|--|---------------------------|---|--------------------|
| 3.1.1 Employer education updates and ongoing improvements | Reliability Innovation | Complete review and implement holistic improvements to the employer education and training programs to reflect the vision for the programs; maintain a continuous improvement process – the timing and scope of process improvements will depend on results from the review | 2024 – 2025 |
| 3.1.2 Enhance relationships with employers | Reliability | Collaborate with clients to strengthen relationships with employers via various means including continuous feedback and monitoring processes and surveys | Ongoing |

3.2 Core Priority: Review the employer compliance program with a focus on effectively managing risk while optimizing employer resources

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|--|---------------------------|---|--------------------|
| 3.2.1 Employer compliance program review and improvement implementation | Reliability Innovation | Complete review of the employer compliance program process and identify and prioritize improvement opportunities to revise compliance requirements and produce a simplified experience for employers and offer employer support – the timing and scope of process improvements will depend on results from the review | 2024 – 2026 |

3.3 Core Priority: Perform a holistic review of data validations to achieve the right balance between quality data and employer effort

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|--|---------------------------|---|--------------------|
| 3.3.1 Employer portal validation improvements | Reliability Innovation | Implement improvements to employer portal validation process which will improve overall employer experience | 2024 – 2026 |

3.4 Core Priority: Strengthen a culture of innovation through continuously improving products built by APS and evaluating platforms and tools for support

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|---|-------------|--|--|
| 3.4.1 Promote and grow innovation program – see Core Priority 2.4 under planned initiative 2.4.1 | Innovation | See Core Priority 2.4 under planned initiative 2.4.1 | See Core Priority 2.4 under planned initiative 2.4.1 |
| 3.4.2 Employer portal technical feasibility study | Reliability | Complete a technical feasibility study to assess options regarding the future maintenance of the employer portal | 2024 |







3.5 Core Priority: Complete and roll out employer hub, including follow-up feedback sessions and annual content reviews

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|---|-------------|---|--------------------|
| 3.5.1 Complete and roll out employer hub, including follow-up feedback sessions and annual content reviews | Reliability | Complete next steps in the employer hub project which include creating content and developing a strategy to roll out to employers which will include formal training and review processes | 2024 Ongoing |

4. Continue to deliver value through sustainable, innovative and efficient operations

Our target outcomes for this strategic objective are:

-  We leverage our improved data capabilities to enable insight-driven and benefits-based decision-making
-  We have enhanced the adaptability and scalability of the core pension administration software application
-  We are recognized within the pension administration industry, and with our shareholder and our clients as an innovative, value-driven service provider
-  We demonstrate quality, security, compliance and risk management practices

4.1 Core Priority: Complete compliance reviews of plan texts, address priority risk areas and evolve our enterprise risk management program

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|---|-------------|---|--------------------|
| 4.1.1 Compliance risk mitigation | Reliability | Continue reviews of plan texts to identify compliance risks and gaps, and implement remediation as required | 2024 – 2026 |
| 4.1.2 Enhance enterprise risk management (ERM) program | Reliability | Enhance existing ERM program by refreshing risk appetite framework and continuously strengthen the risk culture and maturity of the program | 2024 Ongoing |
| 4.1.3 Plan changes | Reliability | Implement mandatory legislative and plan text changes into systems and processes including client specific change requests | Ongoing |

4.2 Core Priority: Enhance our initiative prioritization framework by assessing and highlighting benefits and improve on our efficient delivery of those benefits

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|--|-------------|---|--------------------|
| 4.2.1 Improve business planning process | Reliability | Conduct a review of existing frameworks regarding project management and business case processes to produce consistency through standardized criteria | 2024 Ongoing |

4.3 Core Priority: Continue the development and roll-out of the innovation strategy, continually seeking ways to improve our services, automation and efficiencies

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|---|---------------------------|---|--|
| 4.3.1 Promote and grow innovation strategy – see Core Priority 2.4 under planned initiative 2.4.1 | Innovation | See Core Priority 2.4 under planned initiative 2.4.1 | See Core Priority 2.4 under core priority 2.4.1 |
| 4.3.2 Develop and implement a technology and applications roadmap – see Core Priority 2.5 under planned initiative 2.5.1 | Reliability Innovation | See Core Priority 2.5 under planned initiative 2.5.1 | See Core Priority 2.5 under planned initiative 2.5.1 |
| 4.3.3 Planned IT initiatives | Reliability Innovation | Proactively implement multiple initiatives to replace and update IT infrastructure and applications as required | Ongoing |

4.4 Core Priority: Review the APS operating model considering agility, flexibility and scalability, and implement improvements to better support the pension ecosystem





| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|---|-------------|---|--------------------|
| 4.4.1 Develop an organization effectiveness strategy | Reliability | Assess and identify opportunities to create systems that enable greater flexibility, scalability and agility to better support the pension ecosystem and ensure organizational effectiveness as well as have the ability to adjust to client needs and support service requirements | 2025 – 2026 |

4.5 Core Priority: Enhance our ability to tell our success stories internally and externally

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|---|--------------------------------|--|--|
| 4.5.1 Intranet upgrade | Innovation People & Culture | Develop a modernized, interactive and updated internal website that serves as an effective communication channel to support the employee online experience and information sharing | 2024 |
| 4.5.2 Enhance client relations strategy – see Core Priority 1.1 under planned initiative 1.1.2 | Reliability | See Core Priority 1.1 under planned initiative 1.1.2 | See Core Priority 1.1 under planned initiative 1.1.2 |

5. Invest in and prepare our people and culture for the future

Our target outcomes for this strategic objective are:

-  Our focus on diversity, equity and inclusion (DEI) has unlocked capabilities that enable employees to feel valued, engaged and empowered
-  Employees understand how their role supports the delivery of APS’ purpose
-  We continue to build a high-performing workforce by investing in our staff through defined career pathing, development and succession planning processes
-  We have a well-defined, values-based culture that is understood and demonstrated by all employees in how we do business and enables the success of our workforce

5.1 Core Priority: Develop and roll-out a culture strategy in collaboration with employees

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|---|------------------|---|--------------------|
| 5.1.1 Develop and implement a culture strategy | People & Culture | Develop a culture strategy that encompasses a definition of culture (a culture statement) and ongoing collaboration with employees; includes various engagement activities and incentives | 2024 – 2026 |

5.2 Core Priority: Launch an improved performance management approach emphasizing consistent and fair evaluation, career development opportunities, coaching and skill-building opportunities

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|--|------------------|---|--------------------|
| 5.2.1 Review and augment performance management process | People & Culture | Revise current performance management system to ensure fairness and consistency in employee performance evaluations while providing opportunities to support career development | 2024 |



5.3 Core Priority: Enhance our career development and training program to attract, retain and develop talent

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|--|------------------|---|--------------------|
| 5.3.1 Develop a talent acquisition strategy | People & Culture | Develop a proactive plan that focuses on finding and attracting talent that aligns to current and future workforce requirements | 2024 – 2026 |
| 5.3.2 Review and enhance onboarding program | People & Culture | Improve onboarding program to ensure successful transition for new hires into APS and desired corporate culture | Ongoing |
| 5.3.3 Continue development of succession planning program | People & Culture | Complete plan to assess and develop specific high-potential employees to fill key roles in the organization | 2024 Ongoing |

5.4 Core Priority: Prepare our people for the future of work by identifying and developing future capability requirements

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|---|------------------|---|--|
| 5.4.1 Create comprehensive career development program – see Core Priority 1.4 under planned initiative 1.4.3 | People & Culture | See Core Priority 1.4 planned initiative 1.4.3 | See Core Priority 1.4 under planned initiative 1.4.3 |
| 5.4.2 Enhance leadership development program | People & Culture | Continue to enhance current leadership program that focus on developing current and future leaders within APS | Ongoing |
| 5.4.3 Complete workforce planning | People & Culture | Strategically plan for people needs into the future that aligns organizational goals to the skills and abilities required | 2024 – 2025 Ongoing |

5.5 Core Priority: Initiate a diversity and inclusion strategy to develop a diverse and equitable workplace

| Planned Initiative | Key Themes | Brief Description | Expected Timelines |
|--|------------------|--|------------------------|
| 5.5.1 Define and implement a DEI strategy | People & Culture | Define purpose and develop a strategy to educate employees about DEI | 2024 – 2025 Ongoing |



Corporate Scorecard

The corporate scorecard provides a structure in which performance in achieving our strategic objectives can be evaluated holistically. APS utilizes a balanced scorecard and reports quarterly results against targets and aims to optimize resource allocation to continuously improve the results. See the next page for a summary of the measures we have included in our balanced scorecard.





Corporate Scorecard Metrics

| Stakeholder Alignment & Satisfaction | |
|--|---|
| Client Relations | The qualitative assessment of relationship and aggregated client scorecards. |
| Member and Pensioner Satisfaction | The ongoing external survey of members and pensioners interacting with the Member Services Centre. |
| Employer Engagement | Equal weighting of employer satisfaction survey, employer portal survey and employer compliance score. |
| Shareholder Alignment | Qualitative assessment of shareholder alignment. |
| Operational Effectiveness | |
| Key Pension Administration Services Index | Comprised of three key business areas: weighting of 40% Operations, 20% Employer Services and 40% Member Services. |
| Pension Services Agreement (PSA) Compliance | Importance and quantity of compliant vs. non-compliant items with the PSAs. |
| System Availability | Equal weighting of availability vs. unplanned downtime of Compass, portals and client websites. |
| System Reliability | The number and average duration of unscheduled outages of Compass, portals and client websites. |
| Financial Performance & Risk Management | |
| CEM Cost Per Member | CEM Benchmarking Inc., an external survey organization that aggregates various operational costs in order to calculate the cost per member. |
| Adherence to Client Fee Budgets | Adherence to client fee budgets as agreed to in the annual service delivery plans. |
| Payout Calculation Accuracy | The accuracy of calculation payouts for members and post-retirement death for pensioners based upon a random ongoing sampling methodology. |
| People & Culture | |
| Employee Engagement | APS employee responses to an external engagement survey. |
| Absenteeism Rate | The total number of absenteeism hours divided by the total number of FTE (full-time equivalents), converted to days. |
| Voluntary Turnover Rate | Number of voluntary employee terminations divided by the total number of employees. |
| Internal Promotion Rate | The percentage of recruitments for new or existing roles at APS that are filled by existing APS employees. |

APS is currently refreshing its scorecard to reflect the goals outlined in the strategic objectives in the Strategic Plan; as a result, the metrics within the corporate scorecard are anticipated to evolve as we move forward. The information below shows the current scorecard measures in relation to the five Strategic Plan objectives.



- 1. Strengthen alignment with our clients as a strategic business partner**
 - Shareholder Alignment
 - Client Relations
 - Adherence to Client Fee Budgets
 - PSA Compliance
- 2. Work collaboratively with our clients to elevate the member journey**
 - Member and Pensioner Satisfaction
 - Key Pension Administration Services Index
- 3. Enhance the employer journey in partnership with our clients**
 - Employer Engagement
 - Key Pension Administration Services Index
- 4. Continue to deliver value through sustainable, innovative and efficient operations**
 - System Availability
 - System Reliability
 - Key Pension Administration Services Index
 - Payout Calculation Accuracy
 - CEM Cost Per Member
- 5. Invest in our people and culture for the future**
 - Employee Engagement
 - Absenteeism Rate
 - Voluntary Turnover Rate
 - Internal Promotion Rate

Budget

2024 – 2026 Budget Overview

The APS operating budget for 2024 has increased from 2023 (~\$4.3M or ~7.1% increase) mainly due to inflationary impacts on salary and expenses and increasing resources added in the following areas:

Operations support and growth

Due to previous budget constraints several years ago, APS is currently operating with resources similar to that in 2019 despite inflationary pressures and increasing volumes and complexity. We have experienced growth in our business operations as plan membership and new employers joining the plans continue to increase. We anticipate the level of services offered will continue to grow and to ensure sustainability in our operations over the long term, we have added resources to support our operational growth.

Client Strategic Roadmap initiatives

We are committed to successful completion of the many initiatives and process improvements outlined in the Client Strategic Roadmap. There is a demand for more online services, electronic options and automation, therefore the 2024 budget includes an expansion of the IT function to build sufficient resources with this skillset in-house will create a foundation for future projects and the sustainment of products.

Risk management

Resources are being added to address areas of risk including cybersecurity, access management, project management and fraud risk.

The 2024 budget shows savings due to reduced building space requirements resulting from transition to a hybrid work arrangement for many employees. Capital investment increased slightly to \$3.7 million (\$3.4 million in 2023) and is projected to remain at this level for 2025 and 2026. Our capital expenditures predominately focus on our pensions administration system and ongoing innovation and more online services.

For 2025 and 2026, we have budgeted for a 6% annual increase to our overall budget due primarily to performance and salary increases as well as continued growth of our employee base. We anticipate continued growth in the number of plan members by 4% per year, as well as an increase in employers, which, in turn, will cause an expected increase in our services and it is likely the complexity of administering our services will increase as well. We continue our journey to increase innovation and automation to deliver more online services and simplified processes, allowing APS to effectively and efficiently manage our growth. Further, future plans for capital and operating initiatives will be impacted by several of our initiatives currently underway, including any client requested projects and services that support their long-term plans and vision.



| (\$ Millions) | 2022 Actual | 2023 Budget | 2024 Budget | 2025 Budget | 2026 Budget |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| APS OPERATING EXPENSES | | | | | |
| Salaries and Benefits | \$ 34.0 | \$ 38.3 | \$ 42.2 | \$ 45.9 | \$ 49.2 |
| Contract Services | 2.7 | 2.7 | 2.8 | 2.8 | 2.9 |
| Software Licensing and Support | 5.0 | 5.0 | 5.3 | 5.5 | 5.7 |
| Office Related Expenses | 5.2 | 4.8 | 4.3 | 4.3 | 4.3 |
| Amortization | 5.6 | 6.0 | 6.5 | 6.7 | 7.0 |
| SUB-TOTAL | \$ 52.5 | \$ 56.8 | \$ 61.1 | \$ 65.2 | \$ 69.1 |
| Operating Projects | 1.7 | 2.0 | 2.1 | 1.8 | 2.0 |
| Crown Trustee Plans | 1.0 | 1.4 | 1.3 | 1.3 | 1.3 |
| TOTAL APS OPERATING EXPENSES | \$ 55.2 | \$ 60.2 | \$ 64.5 | \$ 68.3 | \$ 72.4 |
| TOTAL APS CAPITAL INVESTMENT | \$ 2.6 | \$ 3.4 | \$ 3.7 | \$ 3.7 | \$ 3.7 |

| | 2022 Actual | 2023 Budget | 2024 Budget | 2025 Budget | 2026 Budget |
|--|----------------|----------------|----------------|----------------|----------------|
| CEM* Cost Per Member | \$ 160 | \$ 177 | \$ 172 | \$ 176 | \$ 179 |
| # of Active Members and Pensioners (excludes deferred members) | 344,692 | 338,764 | 372,819 | 387,732 | 403,241 |

*CEM refers to Cost-Effectiveness Measurement (see detailed description in Appendix 1.2)

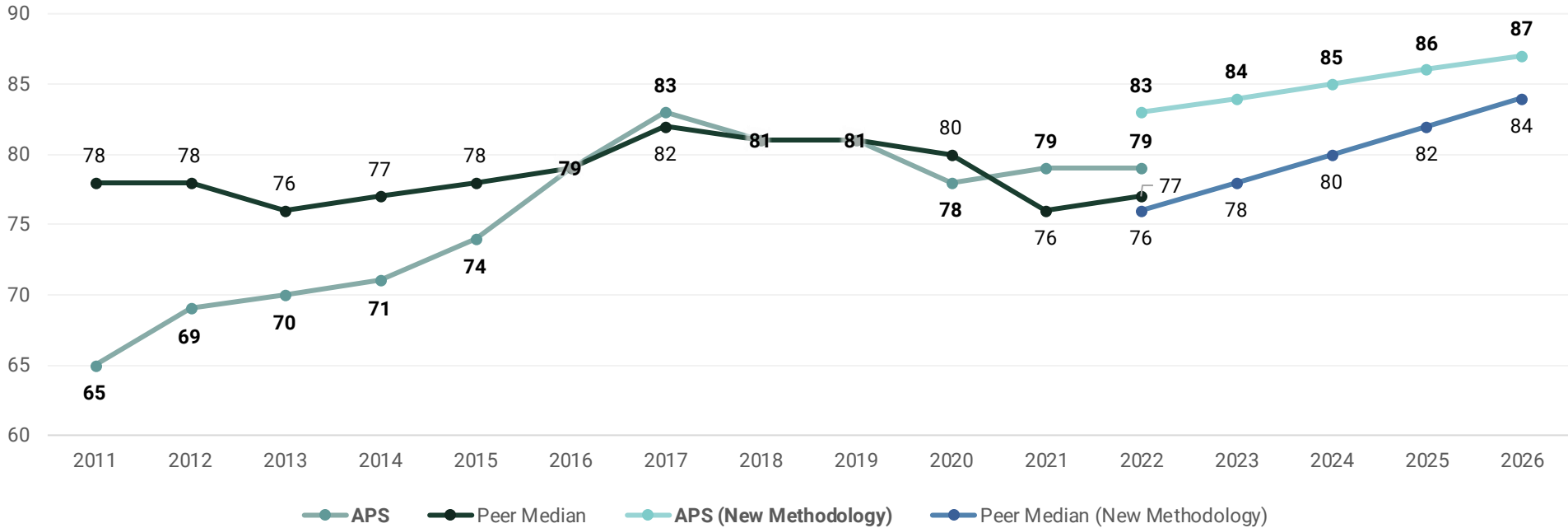
Appendix

1. CEM Comparison

APS' operating costs, membership numbers and transactional information are submitted annually to Cost Effectiveness Measurement (CEM) Benchmarking Inc. for comparison to our peer group in a comprehensive survey. While our peer group includes Canadian public sector pension administrators of similar size to APS, some of the largest in Canada, APS operates in a more complex pension environment than most. There are two key CEM indicators – **Total Service Score** and **Cost Per Member**.

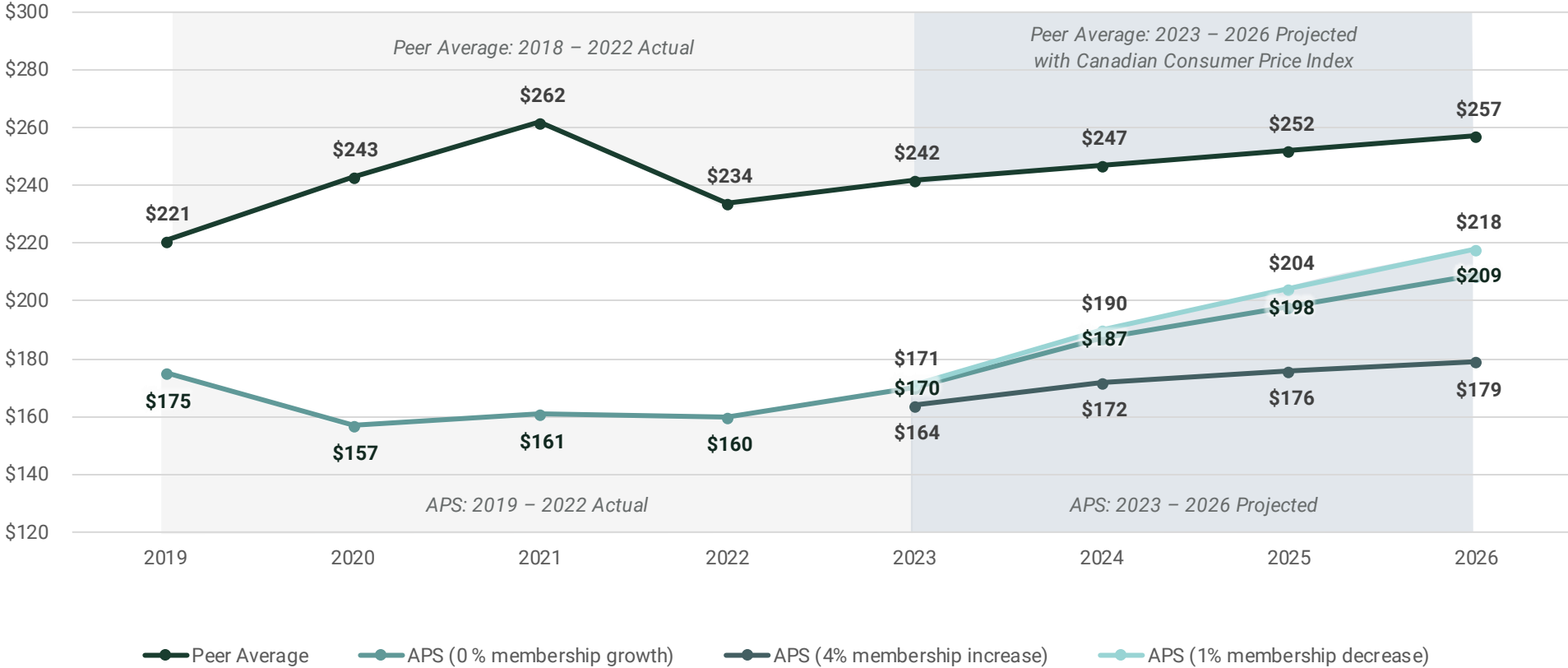
1.1 Total Service Score

This measure depicts the overall performance and service of APS and our national peers, based on CEM criteria. As shown in the below chart, APS has made significant progress on service metrics over time and now operates at the peer median for pension administration services and expected to throughout 2024 to 2026. In 2022, CEM revised their total service score metric, with an expanded focus on online services.



1.2 Cost Per Member

Based on the most recent (2022) CEM Benchmarking Inc. survey, APS service costs are \$74 (32%) per member lower than the peer average. APS cost per member is projected to remain well below the peer average in 2023. CEM cost per member will likely trend upwards through 2024 to 2026 due to anticipated inflationary increases slightly outpacing overall membership growth. Should plan membership decrease slightly, APS would continue to maintain a cost advantage over our peers in the survey, as shown in the scenarios below.



2. Pension Plan Glossary

| Full Name | Acronym |
|---|-----------|
| Local Authorities Pension Plan | LAPP |
| Public Service Pension Plan | PSPP |
| Management Employees Pension Plan | MEPP |
| Special Forces Pension Plan | SFPP |
| Public Service Management (Closed Membership) Pension Plan | PSM(CM)PP |
| Members of the Legislative Assembly Pension Plan | MLAPP |
| Supplementary Retirement Plan for Public Service Managers | SRP |
| Provincial Judges and Applications Judges (Registered) Pension Plan and Provincial Judges and Applications Judges (Unregistered) Pension Plan | JPP |




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