

BCFMWU



Where your pension funds are invested

January 2016 presentation to Provincial Executive.

Investing Responsibly



"Only when the last tree has been cut down, Only when the last river has been poisoned, Only when the last fish has been caught, Only then will you find that money cannot be eaten."
Cree Indian Prophecy

Our Pension Plan at a glance

bcIMC (British Columbia Investment Management Corporation) has **\$123.6 billion** net assets under management (Mar. 2015)

83.6% (**\$103.3 billion**) belongs to provincial pension plans

As of June 2015, the **Public Service Pension Plan** represents \$26.4 billion (about 25%)

Investments:

- 51% Public Equities
- 15% Real estate
- 14% Bonds
- 20% other (Private Placements, Infrastructure and renewable resources, Mortgages, etc.)



Top 10 Investments:

- | | | |
|------------------------|-------|---|
| • 1. Royal Bank | 863 m | Financial/Bank |
| • 2. TD | 825 m | Financial/Bank |
| • 3. Valeant | 650 m | Pharmaceutical/Consumer |
| • 4. Apple | 553 m | Technology/Consumer |
| • 5. Canadian National | 535 m | Transportation |
| • 6. Scotiabank | 506 m | Financial/Bank |
| • 7. Suncor | 481 m | Energy/Resource |
| • 8. Aberdeen GL-India | 372 m | Mutual Fund (66% India, 100% Stocks, 22% Financial) |
| • 9. Manulife | 363 m | Financial/Insurance |
| • 10. Brookfield Asset | 350 m | Financial/Investments |

Politics: As of the last provincial election, our pension fund had investments in 5 of the top 10 corporate contributors to the Liberal party.

<u>Company</u>	<u>Type</u>	<u>PSPP Investment</u>	<u>Political Contribution</u>
Teck Resources	Mining	38 m	200,000+
Goldcorp	Mining	130 m	200,000+
Silver Wheaton	Precious Metals	69 m	100,000+
West Fraser Mills	Logging	28 m	90,000+
Encana	Oil and Gas	92 m	40,000+
Spectra Energy	Gas	15 m	30,000+

Vancity Investment Management is a leader in socially responsible investing, with **\$18.6** billion in assets.
Industry Exclusions :

Tobacco
Nuclear power
Military weapons
Pornographic materials
Gaming



The Government Pension Fund is a fund into which the surplus wealth produced by Norwegian petroleum income is deposited. Currently worth about **one Trillion dollars**.

Excluded Companies (as of Aug. 2015):



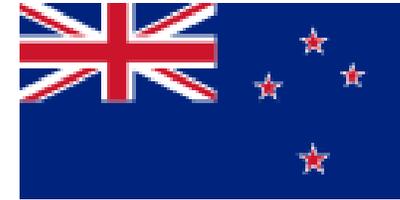
NORGES BANK

- produce Anti-personnel **mines**
- produce cluster **munitions**
- produce **nuclear** arms
- produce **Tobacco**
- engaged in serious or systemic **human rights** violations
- caused severe **environmental** damages
- engaged in serious violations of fundamental **ethical** norms
- failed to respect the **rights** of individual situations of war or conflict



Worth **\$29.8 billion** and provides superannuation pension coverage for New Zealanders over 65. Companies that are directly involved in the following activities are **excluded** from the Fund:

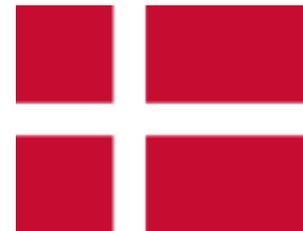
- manufacture of cluster **munitions**
- manufacture or testing of **nuclear** explosive devices (NEDs)
- manufacture of anti-personnel **mines**
- manufacture of **tobacco**
- processing of **whale** meat.



Currently has **\$3.5 trillion** in assets

We screen our investment portfolios according to internationally recognised norms and standards for **human rights, arms, working conditions, the environment and anti-corruption**. Such norms and standards are:

- UN Global Compact
- UN Guiding Principles on Business and Human Rights
- *OECD Guidelines for Multinational Enterprises



*(Organization for Economic Co-operation and Development)

*Weapons Manufactures:



- Of the top 50 Canadian weapons manufactures, as of 2014, we have investments in 17 of them, totaling over **\$330 million**.
- As of Aug. 2015, **Norges Bank** has excluded 5 Cluster Munitions manufacturers, we are invested in 3 of them.
- As of Mar. 2015, **NZSuperfund** has divested itself of 18 military manufacturing companies, we are invested in 8 of them.
- As of Nov. 2015, **Danske Bank** has excluded 14 weapons manufacturing companies, we have investments in 5 of them.

* **Article 23 – Union Policy**

“This Union: (h) Is opposed to the arms’ race.”

Nuclear Arms:



Our Investment

- Lockheed Martin \$36.5 million
- Jacobs Engineering \$3.2 million
- Safran SA \$9.7 million
- Northrop Grumman \$28.3 million
- Honeywell International \$75.9 million
- Boeing \$64.1 million
- AECOM \$16.3 million
- Fluor Corp. \$5.5 million
- General Dynamics \$45.7 million
- United Technologies \$58.1 million

\$343.3 million

Excluded From

- Norges Bank, NZSuperfund, Danske Bank
- Norges Bank, NZSuperfund
- Norges Bank, Danske Bank
- Norges Bank, NZSuperfund, Danske Bank
- Norges Bank, NZSuperfund
- Norges Bank
- NZSuperfund
- NZSuperfund
- NZSuperfund, Danske Bank
- Danske Bank

Tobacco:



- The Non-Smokers Rights Assoc. produced a report (Dec. 2014) that broke down Pension Plan investments in the Tobacco Industry in Canada as follows:
 - Canada Pension Plan **\$556 million**
 - Caisse du depot **\$477 million**
 - bcIMC **\$422 million*** (in 2012 – about \$250 million)

- * as of March 2015, the bcIMC holds shares in at least 16 tobacco companies, world wide, with a total investment of over **\$650 million.**

Human Rights



Norges Bank excludes:

- Wal-Mart Stores Inc.  Failure to respect the right to associate, USA
- Wal-Mart de Mexico SA  Bribery of local officials
- Potash Corp. of Sask.  Importing Potash from West Africa, illegally invaded and occupied by Morocco since 1973
- Tahoe Resources (?)  Recommended by Council on Ethics (April 2014), violent against any mining demonstrators, Guatemala

NZSuperfund excludes:

- Barrick Gold  Excessive use of force my mine security, Tanzania
- Freeport-McMoRan Inc./ Freeport-McMoRan Copper and Gold  Human rights abuses by mine security, West Papua, also “severe environmental damage”
- Tokyo Electric Power disaster  Failure to adequately protect, monitor, and compensate citizens affected by the Fukushima
- Zijin Mining  Killing of mining protesters in Peru

Danske Bank excludes:

- Cintas Corp.  Sweatshops, Honduras
- Potash Corp. of Sask.  Violation of human rights (West Africa)

Of the 100 largest economies in the world, 51 are corporations; only 49 are countries. (Amnesty International, 2015)

- **TIAA-CREF**  Brazil (grilagem) employing gunmen to snatch land from farmers by force (New York Times, Nov. 2015)(Teachers Insurance and Annuity Association – College Retirement equity Fund)
- ***Nevsun Resources**  Bisha mine (Eritrea) use of forced labor (2013, Human Rights Watch)
- **Barrick Gold**  Papua New Guinea gang-raped women (2011, Human Rights Watch)
- **Gildan Activewear**  Honduras sweatshops (reported to CUPE Vancouver in 2015)
- **Tahoe Resources**  Guatemala shooting of unarmed protesters (civil and criminal cases ongoing)
- **Hudbay Minerals**  Guatemala assault, murder and gang-rape of indigenous Maya K'iche', Izabel Department.

The Canadian government neither regulates nor monitors the human rights practices of Canadian mining companies when they go abroad. Its sole action on this front was to establish in 2009 a corporate social responsibility counselor whose office is **without oversight or investigatory powers. (Human Rights watch, 2015 Annual Report)*

*United Nations Declaration on the Rights of Indigenous Peoples:

Article 10.

*"Indigenous peoples shall not be forcibly removed from their lands or territories. No relocation shall take place without the **free, prior and informed consent** of the indigenous peoples concerned and after agreement on just and fair compensation ..."*



**"... Canada cannot associate itself with the elements contained in this outcome document related to free, prior and informed consent."*
(Canada's Statement on the World Conference on Indigenous Peoples Outcome Document, New York, 22 September 2014)

In 2012 the Swiss research firm **Covale** released a rating of the worlds worst ethically performing multinationals. The bclMC had investments in all of them, to the tune of about **\$1 billion**. (As of 2015, we are still invested in 10 of them).

- **1 Monsanto Co.**
- **2 Halliburton Company**
- **3 Chevron Corp.**
- **4 Freeport-McMoRan Copper & Gold Inc.**
- **5 Philip Morris International Inc.**
- **6 Occidental Petroleum Corporation**
- **7 Ryanair Holdings plc**
- **8 Syngenta AG**
- **9 Grupo Mexico SA de CV**
- **10 Total SA**
- **11 Mediaset SpA**
- **12 Barrick Gold Corporation**

Questions :



- Would you invest in these kinds of companies?
- What standards do we want to establish as a union?
- How will we monitor compliance?
- Do we want to connect with other labour groups about this?

"The superior man seeks what is right; the inferior one, what is profitable."

Confucius

For more information

KAIROS Canada www.kairoscanada.org - Canadian Ecumenical Justice Initiatives

 **RightsAction** www.rightsaction.org – Assisting human rights, environmental and development organizations in Guatemala and Honduras.



www.miningwatch.ca - Changing public policy and mining practices to ensure the health of individuals, communities and ecosystems.



Human Rights Watch www.hrw.org - Accurate fact-finding, impartial reporting, effective use of media, and targeted advocacy.



Amnesty International www.amnesty.ca - Exposing and Preventing Human Rights Abuses



Covalence www.ethicalquote.com - Tracking the world's largest companies on Environmental, Social, Governance (ESG), Corporate Social Responsibility, ethics and sustainability.



Mining Justice Action Committee www.mjacvictoria.ca - United by concerns that many Canadian mining companies are responsible for human rights violations, social degradation and environmental crimes around the world.

Film: "*Flin Flon Flim Flam*", InvestigateMedia,  on 