

A+ Greens
B+ Bloc
B- NDP
D Liberals
F Conservatives

“With only a few days before Canadians cast their vote, it’s important for SIO members to consider the parties’ response on these issues when choosing which party to support on Oct. 14,” said SIO Executive Director Eugene Ellmen.

Analysis

Of the five parties, the Greens have the clearest policy on the issue, and say they are prepared to act on it. The Green Party supports legislation for transparency on social and environmental policies, and mandatory disclosure of proxy voting policies and records.

The Green Party supports changes to federal legislation to introduce pension transparency on social, environmental and ethical considerations, and to disclose proxy voting policy and records. The Green Party also supports the recommendations of the two national roundtables. In addition to pension issues, the Green Party also says that Green MPs would work to introduce legislation to uphold Canadian corporations overseas to Canadian standards of corporate social responsibility. This was a key recommendation of the roundtable report on CSR and the Canadian Extractive Industry.

As SIO noted in 2006, the Bloc shows great understanding of the issue of social and environmental transparency, and reiterated its support for a Bloc-sponsored private members bill in 2001 to require federal pension funds to disclose their social and environmental policies. The government never brought the bill forward for passage. The Bloc also supports disclosure of proxy voting policies and records. This is an improvement to its response to SIO’s questionnaire in 2006, in which the Bloc did not address the issue of mandatory disclosure of proxy voting policies and records. The Bloc also provided extensive background on other policy positions related to their election platform. However, this year the Bloc did not expressly support the recommendations of the roundtable reports.

The NDP strongly supports disclosure of proxy voting policies and records, but did not expressly support reforms on ESG disclosure. In its response, the NDP does not call for transparency on social and environmental issues among private and public sector pension funds. Rather than expressly supporting ESG disclosure, the NDP states that it has “consistently called for meaningful ethical screening of pension investments.” It goes on to state: “In the past we proposed legislation calling for an ethical investment criteria for the Canada Pension Plan whereby the Canada Pension Plan (CPP) Investment Board would be prohibited from investing in those companies and enterprises that destroy our planet for the future generations, engage in the arms trade, exploit unfair labour or undertake other unscrupulous practices.”

The Liberals failed to expressly address any of the three issues posed in SIO’s questionnaire. The response appears to be a standard response to letters on pension issues. After it received this

statement, the SIO encouraged the Liberals to send a new one with answers to our questions, but the Liberals failed to send a new response.

The Conservatives failed to respond. The SIO will continue to encourage the Conservatives to answer our questionnaire. If a response is received before election day, SIO will communicate it to our members.

The SIO's questionnaire and the parties' responses are attached.

For more information:

Eugene Ellmen

Executive Director

Social Investment Organization

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SOCIAL INVESTMENT ORGANIZATION

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XXXXX
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XXXXX

Dear Sir or Madam:

Re: Questionnaire on your party's policy on transparency for federal pension funds

I am writing to you on behalf of the Social Investment Organization, a national network of investment funds, asset management firms, financial institutions, investment advisors and investors. Our members are committed to the integration of social and environmental considerations into the selection and management of investments. Our members serve more than half a million depositors and investors across Canada. Full information on the SIO and our members is available on our website at www.socialinvestment.ca.

We are asking the major political parties (Bloc, Conservative, Green, Liberal and NDP) to participate in a short questionnaire on policy issues related to sustainable and socially responsible investment.

Background

Transparency in the investment practices of large institutional investors is becoming a significant international issue. The recent credit crisis in the US and other countries and the extraordinary measures now in place to deal with it are drawing attention to the investment practices of banks, investment companies and institutional investors.

But apart from the investment banking regulatory issues raised by the crisis, there is increasing demand that investors apply social and environmental assessments to companies in their portfolios. There is growing evidence showing that corporate social responsibility is linked to long-term investment performance, as well as long-term social and environmental sustainability. Therefore, it is critical for investors to look at the social and sustainability profiles of companies to understand the long-term societal and environmental risks and opportunities driving these companies.

As a result of these concerns, governments and regulatory authorities around the world are requiring institutional investors to increase the transparency of their social and environmental policies, and their proxy voting policies and records.

In 2003, the US Securities and Exchange Commission approved a rule requiring mutual funds in the US to publicly disclose their proxy voting policies and their voting records in the companies in their portfolios. A similar rule by the Canadian Securities Administrators took effect for Canadian mutual funds in August 2006.

In the UK, the British government amended pension regulations in 2000 to require pension plans to disclose the extent to which labour rights, social, environmental and ethical considerations are taken into account in the selection and management of their investments, including the exercise of their voting on shareholder proposals. These requirements have also been put in place in Germany, France, Belgium, Sweden and Australia.

Pension plan members are demanding more transparency in the selection and management of their institutional investment assets. Yet only a few Canadian pension funds are prepared to voluntarily provide information on their social and environmental policies, and their proxy policies and voting.

Two recent major Canadian studies of this issue – the Capital Markets and Sustainability Report of the National Roundtable on Environment and Economy and the Advisory Group Report of the National Roundtables on Corporate Social Responsibility and the Canadian Extractive Industry in Developing Countries – recommended rules to require federally-registered pension funds to disclose the extent to which environmental, social and governance considerations are taken into account in the selection, retention and management of investments, and their proxy voting activities; and to require pension funds to annually disclose their proxy voting guidelines and voting records.

The Social Investment Organization strongly supports these recommendations as a way to deliver more transparency and accountability through Canadians' institutional investments.

Questionnaire

With this background, SIO would like your responses to the following questions pertaining to potential transparency legislation involving federally-regulated pension plans. This questionnaire is similar to a questionnaire we issued to the federal parties before the last election. In the interests of a full dialogue, please take as much space as you require to answer these questions. The pension plans covered by these questions involve public sector plans and private plans regulated by federal authorities.

We are planning to publish these responses for our members and for the public before the election on October 14.

- 1) Does your party support policies, regulations or legislation to require pension funds covered by the Pension Benefits Standards Act and the Public Sector Pension Investment Board Act to disclose the extent to which social, environmental and ethical considerations are taken into account in the selection and management of investments?
- 2) Does your party support policies, regulations or amendments to require pension funds covered by the Pension Benefits Standards Act and the Public Sector Pension Investment Board Act to disclose their proxy voting policies and voting records?
- 3) Does your party support the recommendations of the Capital Markets and Sustainability Report of the National Roundtable on Environment and Economy and the Advisory Group Report of the National Roundtables on Corporate Social Responsibility and the Canadian Extractive Industry in Developing Countries?

We would appreciate it if you could respond as quickly as possible to this request in order that we may inform our members of your responses in a timely way before the election on October 14.

Please send us your responses to these questions by Monday, October 6. You can send them by fax to 416-461-2481 or by email to thomson@socialinvestment.ca.

If you require any further information on this issue, or would like further background on the Social Investment Organization or our members, do not hesitate to contact our Executive Director, Eugene Ellmen, directly at 416-461-6042 ext. 111 or ellmen@socialinvestment.ca.

I look forward to receiving your responses to this questionnaire.



Sarah Thomson
Membership and Communications Coordinator
416-461-6042 ext. 113



Envoi par courriel

Le 6 octobre 2008

Sarah Thomson,
Membership and Communications Coordinator,
Social Investment Organization,

Madame,

Vous trouverez, ci-joint, les réponses au questionnaire que vous nous avez fait parvenir dans le cadre du déclenchement des élections fédérales 2008.

Nous espérons que les réponses fournies vous permettront de mieux comprendre notre action politique.

Nous vous prions d'agréer l'expression de nos sentiments distingués.

A handwritten signature in black ink, which appears to read 'Dominic Labrie'.

Dominic Labrie
Cabinet du chef du Bloc Québécois
3730, Crémazie Est, 4^e étage
Montréal (Québec)
H2A 1B4

Social Investment Organization

1) Does your party support policies, regulations or legislation to require pension funds covered by the Pension Benefits Standards Act and the Public Sector Pension Investment Board Act to disclose the extent to which social, environmental and ethical considerations are taken into account in the selection and management of investments?

Oui

Yes

2) Does your party support policies, regulations or amendments to require pension funds covered by the Pension Benefits Standards Act and the Public Sector Pension Investment Board Act to disclose their proxy voting policies and voting records?

La transparence dans la gestion des pensions est fondamentale. Or, comme cet argent appartient aux travailleurs, du moins en partie, le Bloc Québécois juge que ces derniers devraient avoir le droit de consulter les documents relatifs à la gestion de leur pension, incluant les politiques relatives aux votes du Conseil d'administration, de même que les résultats de ces mêmes votes.

Transparency in pension funds is fundamental. Now, since this money relates to workers, at least in part, the Bloc believes that workers should have the right to review documents related to the management of their pension, including policies related to board of directors voting, as well as the results of these votes.

3) Does your party support the recommendations of the Capital Markets and Sustainability Report of the National Roundtable on Environment and Economy and the Advisory Group Report of the National Roundtables on Corporate Social Responsibility and the Canadian Extractive Industry in Developing Countries?

Le Bloc Québécois considère qu'il est important que des mesures soient prises afin de fournir plus d'information aux épargnants des grands fonds de retraite.

Les épargnants jouissent d'un pouvoir considérable d'influence, susceptible d'engendrer l'essor du développement durable, ce qui rejoint le credo du Bloc Québécois au sujet d'une mondialisation à visage humain. Or, la plupart des travailleurs ignorent quels sont les impacts sociaux et environnementaux de l'utilisation de leurs épargnes.

En raison des législations déjà en vigueur dans certains pays comme le Royaume Uni, l'Allemagne, l'Australie et la France, et compte tenu du retard du Canada à se doter d'une telle législation, un des députés du Bloc Québécois, Stéphan

Tremblay, a déposé à la Chambre des communes, en septembre 2001, un projet de loi privé modifiant la loi de 1985 sur les normes de prestation de pension et incitant à l'investissement responsable.

Si ce projet de loi avait été entériné par la Chambre des communes, les administrateurs de caisses de retraite auraient été tenus légalement de préparer annuellement un rapport décrivant les considérations d'ordre social, éthique ou environnemental prises en compte lors de la sélection, la conservation ou la liquidation des titres de placements. Cet amendement législatif ne cherchait pas à obliger les comités de caisses de retraite à faire des placements socialement responsables, mais plutôt à les pousser à se doter d'une politique allant en ce sens et à en faire part aux cotisants du régime.

À l'hiver 2003, la députée bloquiste Pauline Picard tenté représenter ce projet de loi devant la Chambre des communes.

Le Bloc Québécois croit fermement que les épargnants possèdent un pouvoir considérable d'influence, et nous sommes d'avis que des réformes doivent avoir lieu afin de permettre aux épargnants d'utiliser ce pouvoir.

The Bloc Quebecois thinks it is important that measures be taken to provide more information to savers/investors in large pension funds.

Half of the money compounded on global capital markets belongs to small investors gathered in pension plans. At a Canadian scale, this represents more than 500 billion dollars. Therefore, investors have a considerable amount of power to influence, which may be put at work to favour the growth of sustainable development, and that is very much in tune with the Bloc Quebecois' convictions with regards to a humane globalization. But most workers have no clue what social and environmental impacts the use of their savings entails.

Because of laws that already exist in certain countries such as the United Kingdom, Germany, Australia and France, and taking into account Canada's delay in adopting this type of legislation, one of the Bloc Quebecois MPs, Stéphan Tremblay, proposed a private bill at the House of Commons, in September 2001, amending the 1985 Pension Benefits Standards Act, and inducing ethical investment.

Had the House of Commons confirmed this bill, pension fund administrators would have been required by law to put together yearly reports stating social, ethical or environmental considerations taken into account at the time of selection, maintenance or liquidation of investment securities. This legislative amendment did not aim at forcing the the pension funds committees to make socially ethical investments, but rather at inducing them to adopt a policy along those lines and to tell so to pension plan members.

In the winter of 2003, Bloc Quebecois MP Pauline Reid tried to table this bill once again at the House of Commons.

The Bloc Quebecois firmly believes that investors have a considerable power of influence, and we think that reforms must take place so that investors are able to use this power.

1) Does your party support policies, regulations or legislation to require pension funds covered by the Pension Benefits Standards Act and the Public Sector Pension Investment Board Act to disclose the extent to which social, environmental and ethical considerations are taken into account in the selection and management of investments?

Yes.

The public is increasingly aware of the social and environmental impacts of business practices and more and more people are beginning to demand that Canadian corporations come to terms with a much broader set of interests and expectations. The Green Party of Canada is committed to the principles of corporate responsibility. We would therefore support legislation that would enforce norms of transparency regarding the investments of Canadian pension funds.

2) Does your party support policies, regulations or amendments to require pension funds covered by the Pension Benefits Standards Act and the Public Sector Pension Investment Board Act to disclose their proxy voting policies and voting records?

Yes.

The Green Party believes that pension funds must be required to disclose their proxy voting policies and voting records as a safeguard against corruption and the concentration of power in the hands of a small, influential group.

3) Does your party support the recommendations of the Capital Markets and Sustainability Report of the National Roundtable on Environment and Economy and the Advisory Group Report of the National Roundtables on Corporate Social Responsibility and the Canadian Extractive Industry in Developing Countries?

Yes.

The Green Party understands the need for greater corporate accountability and the lack of legal provisions that allow civil actions against the big polluters in Canada. Our businesses need to be both competitive and accountable and our government needs to create a legal environment that will make this happen. We recognize that Canadians want to feel proud of the corporations that represent them abroad and we will take practical and balanced steps to ensure Canadian corporations are leaders around the globe.

Green Party MPs will:

- Introduce legislation to begin holding Canadian corporations that are working overseas to the same environmental and human rights standards as they are in Canada.
- Prevent legal intimidation of ordinary people by limiting the rights of corporations to sue groups and individuals only for actual loss.
- Develop laws similar to the US's Alien Tort Claims Act that will allow those who are not Canadian to sue Canadian corporations for damages that result in their own countries.
- Empower Canadians whose environmental rights have been violated to take corporations and individuals to court for violation of these rights.

Liberal Party of Canada
81 Metcalfe Street, Suite 400
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October 6, 2008

Eugene Ellmen
Executive Director
Social Investment Organization
184 Pearl St. 2nd floor
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Dear Mr. Ellmen,

There has been tremendous interest in pension issues during this campaign. In fact, far more groups representing seniors, pensioners, and public and private sector employees have written asking detailed questions about pension laws than at any time in recent election history. It is becoming increasingly evident that the laws that govern pensions in Canada need to be examined at great length and, wherever possible, improved.

The Liberal Party has always worked to defend and improve the benefits seniors receive. It was the Liberal government of Lester Pearson that founded the Canada Pension Plan, and reforms undertaken by the Liberal government of Jean Chrétien ensured the integrity of the plan for generations.

Please be assured a future Liberal government will examine these issues and work with Canadians to strengthen the rules that protect their pensions.

On behalf of our Leader, Stéphane Dion, and the entire Liberal team, thank you for writing to identify the major concerns of your membership. We appreciate your interest in the Liberal Party's policies as they relate to the issues which affect you.

Sincerely,

Doug Ferguson, President
Liberal Party of Canada





October 6, 2008

RE: Social Investment Organization Questionnaire

Attached please find the response of Canada's New Democrats to your 2008 Election questionnaire. It is the policy of our party to respond on behalf of all New Democrat candidates.

To find out more, we encourage you to consult: www.ndp.ca

Thank you for your interest in the views of Canada's New Democrats on the critical issues facing Canadians.

We appreciate your efforts to help voters make an informed decision on voting day.

Sincerely,

A handwritten signature in black ink that reads 'Jack' in a cursive, stylized font.

Jack Layton
Leader of Canada's New Democrats

- 1) **Does your party support policies, regulations or legislation to require pension funds covered by the Pension Benefits Standards Act and the Public Sector Pension Investment Board Act to disclose the extent to which social, environmental and ethical considerations are taken into account in the selection and management of investments?**

New Democrats have consistently called for meaningful, ethical screening of pension investments. Canadians have been expressing their outrage for years at having their retirement savings used to keep tobacco companies in business, support child labour and to prop up brutal military regimes.

- 2) **Does your party support policies, regulations or amendments to require pension funds covered by the Pension Benefits Standards Act and the Public Sector Pension Investment Board Act to disclose their proxy voting policies and voting records?**

We support changes to make pension funds more transparent. We believe that by giving pension plan members more information, such as enabling them to request voting policies and voting records, we will strengthen Canada's pension Acts. An increase in transparency, democracy and accountability is tremendously important to Canadians and these disclosures will lead to that.

- 3) **Does your party support the recommendations of the Capital Markets and Sustainability Report of the National Roundtable on Environment and Economy and the Advisory Group Report of the National Roundtables on Corporate Social Responsibility and the Canadian Extractive Industry in Developing Countries?**

Jack Layton's New Democrats strongly feel that CPP funds should be invested in ethical businesses. New Democrat Finance critics have pursued this issue for some time.

In the past we proposed legislation calling for an ethical investment criteria for the Canada Pension Plan whereby the Canada Pension Plan (CPP) Investment Review Board would be prohibited from investing in those companies and enterprises that destroy our planet for the future generations, engage in the arms trade, exploit unfair labour or undertake other unscrupulous practices.

We believe that Canadians expect the best return on their pension dollar and agree that building our pensions without regard for social justice and environmental sustainability runs completely contrary to Canadian values.