

*Attention: Jeffrey Hodgson, Director, Industry and Stakeholder Affairs at CPP Investment Board, please ensure this gets to Ms. Munroe-Blum, Mr. Graham and Mr. Beaumont, along with CPPIB board members & senior staff.*

June 7, 2022

Canadian Pension Plan Investment Board  
One Queen Street East,  
Suite 800,  
Toronto, ON M5C 2W5

Heather Munroe-Blum, Chairperson, Canadian Pension Plan Investment Board (CPPIB)  
John Graham, CEO, Canadian Pension Plan Investment Board (CPPIB)  
Neil Beaumont, Senior Managing Director & Chief Financial and Risk Officer, CPPIB

Dear Ms. Munroe-Blum, Mr. Graham and Mr. Beaumont,

We are writing to you with regard to The Canadian Pension Plan (CPPIB) investment in funds related to Israeli-occupied Palestine and Israeli-occupied Syrian Golan Heights. We have been monitoring the human rights situation in the occupied Palestine territory (oPt) and the occupied Syrian Golan and are concerned that investments within the Canadian Pension Plan portfolio may facilitate activity that constitutes a war crime under international law.

Based on CPP's March 31, 2022 annual listing of equity holding, the CPP seems to be invested in 11 companies that are listed in **the United Nations (UN) Database of companies complicit with human rights violations**

The UN Database was released on February 12, 2020 in the **Report of the United Nations High Commissioner for Human Rights** ([A/HRC/43/71](#)) after the independent international fact-finding mission to investigate the implications of the Israeli settlements on the civil, political, economic, social and cultural rights of the Palestinian people throughout the oPt, including East Jerusalem. There are a total of 112 companies included on the UN list.

This investigation followed the **United Nations Human Rights Council** [Resolution 31/36](#) which defined the Database by reference to specific human rights violations include the following:

(a) The supply of equipment and materials facilitating the construction and the expansion of settlements and the wall, and associated infrastructure.

- (b) The supply of surveillance and identification equipment for settlements, the wall and checkpoints directly linked with settlements;
- (c) The supply of equipment for the demolition of housing and property, the destruction of agricultural farms, greenhouses, olive groves and crops;
- (d) The supply of security services, equipment and materials to enterprises operating in settlements;
- (e) The provision of services and utilities supporting the maintenance and existence of settlements, including transport;
- (f) Banking and financial operations helping to develop, expand or maintain settlements and their activities, including loans for housing and the development of businesses;
- (g) The use of natural resources, in particular water and land, for business purposes;
- (h) Pollution, and the dumping of waste in or its transfer to Palestinian villages;
- (i) Captivity of the Palestinian financial and economic markets, as well as practices that disadvantage Palestinian enterprises, including through restrictions on movement, administrative and legal constraints;
- (j) The use of benefits and reinvestments of enterprises owned totally or partially by settlers for developing, expanding and maintaining the settlements.

[UN Security Council resolution 2334 \(2016\)](#) reaffirmed that settlements have no legal validity and constitute a flagrant violation under international law.

**As we have indicated both in regard to the March 31, 2020, and March 31, 2021, CPPIB annual reports we are very concerned that the CPPIB has these investments. Now that the 2022 yearend holdings are public it is even more concerning that still no action has been taken.**

**Your office had indicated in March 2021 that a review would be undertaken. What that review been undertaken, and if so what are the results.**

Since you received the initial letter in March 2021 from over 70 organizations and 130 individuals including former MPs, UN Rapporteurs, lawyers, academics, and others, well over 5,000 letters have been sent to you, some with copies to the Federal Minister of Finance. We note that other than the original commitment by CPPIB staff to undertake a review that no response has been received. This is very concerning especially given these are the public pension plan funds of millions of Canadians.

**CPP investments that are on the United Nations Database:**

The **Canadian Pension Plan** based on its March 31, 2022 report is invested in the following companies that are listed on the UN Database of business enterprises considered to be in violation of international law.

Airbnb Inc. (12 shares, \$3M), E, United States

Bank Hapoalim B.M, (794 shares, \$10M), E, F, Israel

Bank Leumi Le-Israel B.M, (992 shares, \$13M), E, F, Israel

Bezeq, the Israel Telecommunication Corp Ltd. (1010 shares, \$2 M), E, G, Israel

Expedia Group Inc., (566 shares, \$138 M), E, United States

First International Bank of Israel (33 shares, \$2 M) E, F, Israel

Israel Discount Bank Ltd., (790 shares, \$6 M), E, F, Israel

Mizrahi Tefahot Bank Ltd. (99 shares, \$5 M), E, F, Israel

Shufersal Ltd., (137 shares, \$2 M), E, G, Israel

Booking Holdings Inc (114 shares, \$334 M), E, United States

Motorola Solutions Inc., (30 shares, \$9M), B, United States

**These include a total \$524M or .38% of the total \$136,107M CPPIB foreign equity portfolio.**

*Note: information about the companies, verified by [Who Profits](#), an independent Israeli research organization as per links provided with each of companies listed.*

You can review the details associated with each of these companies listed on the [United Nations High Commissioner for Human Rights](#) report.

Given that the aggregate investments are a very small proportion of the foreign traded portfolio, it seems it is an easy move for the CPP Investment Board to divest from companies that have been named as complicit in acts contributing to the maintenance of illegal settlements.

However, we do also note, that the CPPIB continues to be invested in [WSP Global](#) a Canadian management and consulting firm that specializes in engineering projects. This company, according to [Who Profits](#), is involved in the planning of the Israel railway system that crosses into the occupied West Bank and constitutes settlement infrastructure. [AFSC Investigate](#) describes WSP as “a Canadian management and consulting firm that specializes in engineering projects. Involved in the planning of the Israel railway system that crosses into the occupied

West Bank.” **WSP continues to dominate the Canadian public equity fund, with \$2953 Million of WSP holdings representing over 35% of the total portfolio.** While the percentage of holdings has reduced from 54% in 2020, the total holding has increased with 2020 holding being valued at \$1683 Million and 2021 holdings at \$2583 Million. We would ask that you seriously consider eliminating WSP from the CPPIB portfolio until it ends its contracts related to the Israel railway system running through occupied Palestine.

Beyond this, our analysis of the March 31, 2022 year-end holdings shows that **CPPIB is invested in 27 additional companies deemed by AFSC Investigate to have substantial, ongoing, and intentional complicity in severe violations of human rights and international law related to occupied Palestine and the Syrian Golan.**

**These include:**

(in Millions of dollars)

<u>3M</u>	62
<u>ABB</u>	709
<u>Alony Hetz Properties &amp; Investments</u>	3
<u>Alphabet</u>	3870
<u>Amot Investments</u>	2
<u>Atlas Copco</u>	24
<u>Boeing</u>	36
<u>CNH Industrial</u>	14
<u>Canon (Japan)</u>	64
<u>Caterpillar Inc</u>	83
<u>Chevron Corp</u>	5
<u>Cisco Systems Inc</u>	34
<u>General Electric (USA)</u>	70
<u>General Motors Co</u>	5
<u>Heidelberg Cement AG</u>	11
<u>Hitachi (Japan)</u>	45
<u>L3Harris Technologies Inc.</u>	27
<u>Lockheed Martin Corp</u>	76
<u>Mitsubishi (Japan)</u>	677
<u>Northrop Grumman Corp.</u>	38
<u>Palantir Technologies Inc.</u>	217
<u>PayPal Holdings Inc.</u>	97
<u>Siemens (Germany)</u>	138
<u>Teva Pharmaceutical Industries Ltd.</u>	16
<u>Toyota Motor Corp. (Japan)</u>	407
<u>Valero Energy Corp.</u>	8

Volvo (Sweden)

278

**TOTAL**

**\$7016M**

*Note: information about the mentioned companies, have been verified by [Who Profits](#), an independent Israeli research organization and/or the [American Friends Service Committee](#) "Investigate" as per links provided with each of companies listed.*

Also, we raise concerns about \$3M investments in [ZIM Integrated Shipping Services Ltd](#), and would ask you to investigate their role in shipping military equipment between Canada and Israel, and goods from illegal settlements.

With these over 40 companies, it would appear that over 7% of the CPPIB foreign and Canadian equity holdings are contributing to companies that have complicity with violations of human rights and/or international law.

**As a result:**

- 1. We would ask that the CPPIB take immediate steps to divest from these funds, and to do a review to ensure no other investments are included now or into the future from the UN Database.**
- 2. We also note that companies from the UN Database in the CPP Global Equity Indices, and so would ask that you review your current holdings and remove any that have companies from [the UN Database](#), and put a transparent public process in place to ensure that these funds do not include any investments from the list going forward.**
- 3. Put in place a transparent process to ensure that companies are vetted for violations of human rights and international law.** This would involve reporting back publicly on the review you committed to undertake.

The concerns that we raise are in the broader context of ethical investment related to Canada's public pension fund investment.

**We ask the CPPIB to take all steps necessary to ensure that the activities of all companies included in all of its portfolio are in compliance with international law governing war crimes.** We remind you that in Canada, parties that are complicit in war crimes are liable to criminal prosecution under the *Crimes Against Humanity and War Crimes Act*,<sup>[1]</sup> including corporations.<sup>[2]</sup>

Also, we remind you that under Article 1 of the *Fourth Geneva Convention*, all high signatories in which Canada is one, are required to take actions to ensure that violations of the Fourth Geneva Convention do not occur under any circumstance.

We further remind you that, ever since the Quebec Superior Court's decision in *Bil'in (Village Council) v. Green Park International Inc.*,<sup>[3]</sup> it is also possible for a corporation to be held liable in a civil lawsuit in Canadian courts for complicity in a war crime. Although the *Bil'in* case was dismissed on jurisdictional grounds, Canadian courts in recent years have shown increasing willingness to assert jurisdiction over the overseas activities of Canadian companies where violations of human rights and international law are concerned,<sup>[4]</sup> and it is far from certain that the same result would be obtained now.

We are sure that the CPPIB would not want to have any companies within its portfolio that would be a violation of international law.

The CPPIB is entrusted with fiduciary trust of Canadian's public pension plan and would be expected to undertake enhanced due diligence to ensure that its investments in conflict affected areas are in line with Canada's responsibility under international and domestic law.

We would be grateful for any information you could provide us in response to our concerns, and if you would like to discuss the matter further, we are available to meet with you.

Sincerely,



Response can be made to:

*Just Peace Advocates/Mouvement Pour Une Paix Juste*

[info@justpeaceadvocates.ca](mailto:info@justpeaceadvocates.ca)

CC: CPPIB board members

Jeffrey Hodgson, Director, Industry and Stakeholder Affairs at CPP Investment Board

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[1] S.C. 2000, c. 24.

[2] R.S.C., 1985, c. C-46, ss. 22.1-22.2.

[3] 2009 QCCS 4151 at para. 176.

[4] See e.g. *Garcia v. Tahoe Resources Inc.*, 2017 BCCA 39; *Araya v. Nevsun Resources Ltd.*, 2017 BCCA 401 (pending appeal on different issue).