

UBC Staff Pension Plan and the Potential for a Value-Driven Pension Fund

Background

At AAPS's 2024 Annual General Meeting, members voted in favour of a motion calling on AAPS to advocate against and act to end UBC's complicity in human rights violations. Part of this motion included a resolution for AAPS to review assets and investments in the Staff Pension Plan (SPP) for companies profiting from human rights violations and apartheid in Palestine and to advocate for the immediate divestment from these companies. This motion clearly reflects the values of the majority of members who supported the motion and emphasizes the importance of UBC aligning with those values. In keeping with this, AAPS brought on a researcher to look into the companies on three different boycott, divestment and sanctions lists that UBC's SPP has invested money in. This is a summary of the findings of the report.



Why Examine The Pension Fund?

Pension funds are deferred wages. AAPS members have already worked for this money and it is being held as part of your total compensation package. Having money invested in companies perpetuating human rights violations means having AAPS members' money used for objectionable purposes without their consent, and out of alignment with members' values.

Responsible Investing

The UBC Endowment Fund and SPP are both signatories to the United Nation's Principles for Responsible Investment (UN PRI). Being a signatory to the UN PRI is supposed to signal a commitment to responsible investment, and as an oversight body, signatories are obligated to report on their implementation of the principles. UBC has also stated that it is developing a "human rights risk framework" for UBC Investment Management (UBCIM), factoring in the UN PRI and Environmental, Social and Governance (ESG) principles into this framework.

What is Divestment?

Divestment is simply the opposite of investing. In this case, divesting from companies complicit in human rights violations would mean removing investments in those companies from the UBC SPP's portfolio, and replacing those with other companies that align with UBC's stated values on human rights.



Why Divest?

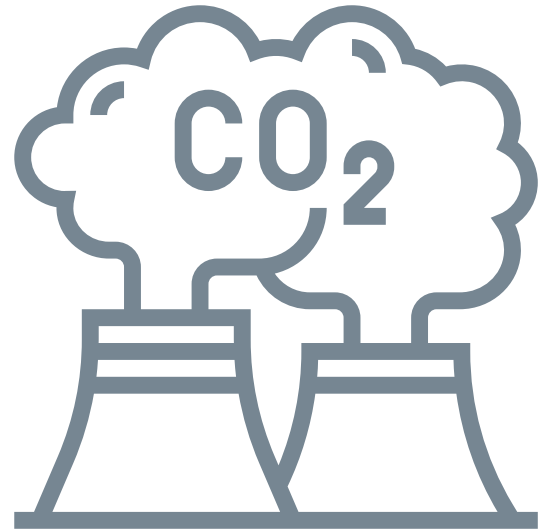
Divestment puts necessary pressure on companies to stop doing business with and stop supporting countries or governments that continue to commit human rights violations. If these companies cut ties with countries committing human rights violations, those countries' economies and militaries take a hit, putting pressure on leaders to end the violence. Additionally, divesting from companies complicit in human rights violations would put UBC's investments in alignment with its stated values.

Does Divesting Make a Difference?

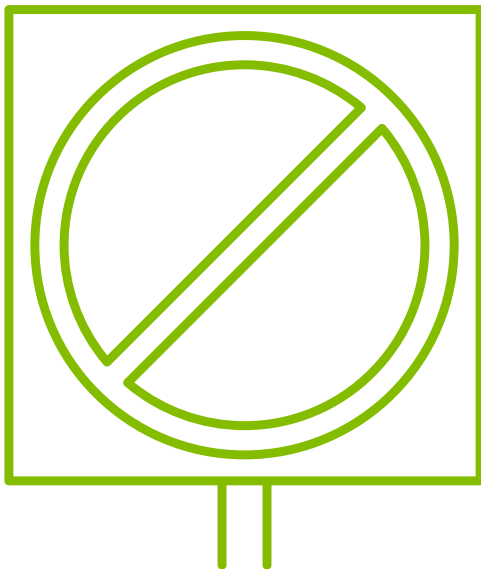
Divestment has successfully led to real political change before on a global scale, most notably with regards to apartheid in South Africa. Anti-apartheid activists lobbied governments and institutions to divest from South Africa starting in the 1960s, and by the late 1980s, the divestment movement had grown widespread across institutions and governments that it had a major impact on South Africa's economy. This played a major role in the dismantling of the apartheid system. Among the divestors were many major American universities, who divested from South Africa in their own endowment funds. This is a perfect example of the actionable change that can happen when institutions stick to their values.

Is it Possible for UBC to Divest?

Divestment is absolutely possible for UBC, especially considering the University's commitment to divesting from fossil fuels by 2030. Divestment from fossil fuels would similarly require UBCIM to alter its investments in fossil fuel companies that are also held in pooled funds, managed by external investment managers. If divesting from fossil fuels in the Endowment Fund is possible, so too is divesting from companies complicit in human rights violations.



How Are Targets For Divestment Identified?



Different organizations have different methods for choosing who to include on Boycott, Divestment and Sanctions lists. The most notable one, the Global BDS Movement, chooses a small number of companies with a "clear and direct role" in human rights violations in Palestine that have a high chance of being successfully pressured with targeted boycotts.¹ The Canadian BDS Coalition focuses not just on global BDS campaign targets but also Canadian companies that profit from the occupation of Palestine, or "donate to, support and market occupation products."² Lastly, the 2023 UBC Apartheid Investment Database focuses on companies that are "active agents in the illegal settlement enterprise in the occupied West Bank and/or the ongoing genocide of Palestinians in Gaza" that are invested in within UBC's Endowment Fund.³

[1] <https://bdsmovement.net/Guide-to-BDS-Boycott>

[2] <https://bdscoalition.ca/2022/03/28/apartheid-free-zones-and-the-boycott-shame-list/>

[3] <https://blogs.ubc.ca/ross/files/2024/05/UBC-apartheid-investments.pdf>

Companies Identified

UBC's Staff Pension Plan Holdings Disclosure Report from June 30, 2023 includes 48 companies linked to Israel that have been identified by boycott campaigns Global BDS Movement, Canadian BDS Coalition, and 2023 UBC Apartheid Investment Database. The approximate total value of these investments is \$108,480,000, or 4.52% of the SPP total portfolio as of June 30, 2023.

#	Company Name	% of Total Portfolio
1	Airbus S.E.	0.14
2	Amazon Inc	0.17
3	Bank Hapoalim B.M.	0.01
4	Bank of Montreal	0.27
5	Barclays Group	0.01
6	Boeing Co.	0.02
7	booking.com	0.16
8	British Petroleum PLC	0.02
9	CIBC	0.07
10	Coca-Cola Company	0.03
11	Cemex S.A.B. de CV	0.01
12	Cisco Systems Inc.	0.02
13	Dell Technologies Inc.	0.01
14	Doosan Corp.	0.02
15	Ford Motor Co.	0.03

#	Company Name	% of Total Portfolio
16	General Dynamics Corp.	0.01
17	General Electric Co.	0.09
18	General Motors Co.	0.03
19	Google/Alphabet Inc.	0.37
20	HewlettPackard Enterprise Co	0.01
21	HD Hyundai	0.07
22	Hitachi Ltd.	0.01
23	HSBC	0.15
24	ICL Group Ltd.	0.01
24	Lockheed Martin Corp.	0.02
26	Loblaw Companies Ltd.	0.04
27	Lululemon	0.05
28	Manulife Financial Corp.	0.23
29	McDonald's Corp.	0.04
30	Microsoft	0.66

#	Company Name	% of Total Portfolio
31	Nice Ltd.	0.03
32	PayPal	0.02
33	Pepsi Company	0.02
34	Procter & Gamble (P&G)	0.06
35	Restaurant Brands International (Tim Hortons, Burger King, Popeyes)	0.17
36	RBC	0.60
37	Safran S.A.	0.07
38	Scotiabank	0.12
39	Siemens Healthineers AG	0.04

#	Company Name	% of Total Portfolio
40	Stingray Radio	0.01
41	Tata Motors Ltd.	0.01
42	TD Bank	0.45
43	Toyota Motor Corp.	0.01
44	TripAdvisor	0.03
45	Valero Energy Corp.	0.03
46	Volkswagen A.G.	0.01
47	Walmart Inc.	0.05
48	WIX	0.01

Next Steps

Identifying the companies UBC SPP is invested in that are complicit in human rights violations is only the first step toward calling on UBC to divest and aligning its investments to its avowed values. With this list compiled, we can bring forward a tangible number of companies for the SPP to divest from.

Additionally, as we begin the bargaining process for our next Collective Agreement, AAPS will bring forward a proposal to add a clause stating that AAPS employees shall have the right to refuse work based on religious or moral objections. This means that, if successful, you would not have to handle services from any companies you deem morally objectionable, or those on any hotlists such as one of the BDS lists. This would ensure that AAPS members have the right to act in accordance with their own values on the job.