



## Consent

### Agenda Item 4b

February 19, 2013

**ITEM NAME:** Annual Reports to the California Legislature – Holocaust Era and Northern Ireland

**PROGRAM:** Global Governance

**ITEM TYPE:** Total Fund – Consent Action

#### **RECOMMENDATION**

Approve the Holocaust Era and Northern Ireland Reports for transmittal to the California Legislature.

#### **EXECUTIVE SUMMARY**

This agenda item seeks approval to submit the annual Holocaust Era and Northern Ireland reporting to the California Legislature and forward letters to companies identified as having unresolved claims or are not adhering to the principles of non-discrimination under the relevant Acts.

#### **STRATEGIC PLAN**

This agenda item supports statutory requirements and does not directly support the CalPERS Strategic Plan.

#### **BACKGROUND**

In 1999 the California Legislature enacted a statute (SB 1245, Chapter 216) that requires CalPERS to monitor and annually report on investment holdings in companies that do business in California and that owe compensation to victims of slave or forced labor during World War II. The Holocaust Era Holdings Report is provided as Attachment 1.

Since 1999 CalPERS has also been required to investigate and report to the Legislature (SB 105, Chapter 341) whether any corporations operating in Northern Ireland, in which assets of CalPERS are invested, are not in compliance with laws applicable in Northern Ireland. These laws in particular, adhere to the principles of non-discrimination in employment and freedom of workplace opportunities. The Northern Ireland Holdings Report is provided as Attachment 2.

CalPERS has contracted with MSCI Inc. to monitor and report on the Holocaust Era and Northern Ireland statute requirements.

**ANALYSIS**

The 2012 MSCI Holocaust Era report (Attachment 3) identifies two CalPERS holdings in companies that are facing lawsuits in Japan or China over the use of forced or slave labor during World War II. These companies are Mitsubishi Corporation and Mitsubishi Materials Corporation.

The 2012 MSCI Northern Ireland report (Attachment 4) which includes 56 non-U.S. (Table 1) and 14 U.S. (Table 2) companies with operations in Northern Ireland that may not adhere to the MacBride Principles of nondiscrimination.

**Non-U.S. Holdings – Table 1**

3i Group PLC	Bank of Ireland	DCC PLC	Getinge AB	J D Wetherspoon
Adecco SA	Bombardier Inc.	Debenhams	Halfords Group	Kone Oyj
Aer Lingus Group	Booker Group PLC	Deutsche Beteiligung	Hays plc	Kyocera Corp
Aon PLC	Bouygues SA	Diageo PLC	HCL Technologies	Lafarge SA
Associated British Foods	Britvic PIC	DSV A/S	Heineken NV	Lagardere SCA
AstraZeneca PLC	C&C Group plc.	Essilor INTL	Hutchison Whampoa Limited	Linde AG
Axa SA	Celesio AG Compagnie	Fred Olsen Energy	Workspace Group PLC	PostNL N.V.
Ayala Corporation	Danske Bank	G4S Plc	Interserve	Premier Foods PLC
Rexel S.A.	RPS Group Plc	Sandvik AB	Schlumberger	Sodexo S.A.
Steinhoff INTL	Terumo Corp.	The Restaurant Group PLC	ThyssenKrupp AG	TNT Express
Tyco International Ltd.	United Drug PLC	Veolia Environnement	Willis Group Holdings Limited	Wolseley Plc
WPP Plc				

**U.S. Holdings – Table 2**

B/E Aerospace	IBM Corp.	NYSE Euronext	PPG Industries	Visa Inc.
Colfax Corporation	Jacobs Engineering Group Inc.	Oxford Industries	Supervalu Inc.	Xerox Inc.
DFC Global Corp.	Marsh & McLennan Co	Pfizer Inc.	TeleTech Holdings	

CalPERS will be writing to each of the companies identified above informing them of the findings within the MSCI report.

**BENEFITS/RISKS**

Failure to comply with the statutory requirements of Holocaust Era and Northern Ireland reporting could result in legal and reputational risk for CalPERS.

**ATTACHMENTS**

Attachment 1 – CalPERS 2012 Holocaust Era Holdings Report

Attachment 2 – CalPERS 2012 Northern Ireland Holdings Report

Attachment 3 – 2012 MSCI Holocaust Era Report Executive Summary and  
Legislature Holocaust Letter

Attachment 4 – 2012 MSCI Northern Ireland Report and Legislature Ireland Letter

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