

CALPERS NORTHERN IRELAND PORTFOLIO SCREENING REPORT

Executive Summary

Non-U.S. and U.S. Companies and Fair Employment in Northern Ireland: Synopsis of Inquiry Findings

January 2017

NON-U.S. COMPANIES

Starting in October 2016, MSCI ESG Research sent its annual Inquiry on Operations in Northern Ireland to corporate officials at 209 non-U.S. companies, asking them to file a response for each separate subsidiary or affiliate operating in Northern Ireland. The companies inquired were previously identified by MSCI ESG Research as having operations in Northern Ireland. In all, the 2016 CalPERS Northern Ireland Report covers 160 non-U.S. parent companies and their Northern Ireland operations.

U.S. COMPANIES

In addition, MSCI ESG Research inquired 105 U.S. parent companies. Out of this number, 103 companies are part of the CalPERS holdings.

INQUIRY RESPONSES

From a total of 263 companies in the CalPERS holdings, MSCI ESG Research received complete or partial replies for 32 non-U.S. parent companies and 18 U.S. parent companies with Northern Ireland operations, a response rate of approximately 19.0 percent. A number of companies replied saying that they would not respond this year, and some no longer had operations in Northern Ireland. Several of the inquired companies have fewer than 25 employees, in which case they are not required to monitor their workforce.

In the previous year, approximately 17.7 percent of non U.S. companies responded to MSCI's ESG Research's Northern Ireland inquiry. MSCI ESG Research has updated its universe of companies with operations in Northern Ireland, in part with information available from the Equality Commission in Northern Ireland's 2015 Monitoring Report published in December 2016.

2016 STUDY FINDINGS

- 25.0 percent of CalPERS non-U.S. portfolio companies with operations in Northern Ireland are in compliance with the MacBride principles, a decrease of 0.9 percent with the 2015 performance of portfolio companies (25.9 percent compliance).
- 37.9 percent of U.S. companies with operations in Northern Ireland are in compliance with the MacBride principles.
- For non-U.S. companies in CalPERS' portfolio whose workforce composition is available, Catholic employees amount to approximately 42.5 percent of the workforce, less than the current overall religious breakdown for Northern Ireland employers monitored by the Equality Commission. The difference between overall Catholic representation in Northern Ireland, and Catholic representation at companies in CalPERS' non-U.S. portfolio has remained at approximately 5 percent.
- There is more evidence of Catholic underrepresentation at non-U.S. companies in CalPERS' portfolio relative to Protestant underrepresentation (14.4 percent of the companies in the portfolio have underrepresentation of Protestants, whereas 26.3 percent have underrepresentation of Catholics).
- Companies that responded to the survey reported using—for the most part—a full range of affirmative action measures prescribed by Northern Ireland's fair employment law, including the use of goals and timetables. Affirmative actions are undertaken by a minority of companies (approximately 19.4 percent of non-U.S. companies in CalPERS' portfolio). Largely, information on affirmative action steps is not available unless companies respond to MSCI ESG Research's survey. In cases where there is no underrepresentation, it is possible that affirmative action measures are not warranted.



CONTACT US

esgclientservice@msci.com

AMERICAS

+ 1 212 804 5299

EUROPE, MIDDLE EAST & AFRICA

+ 44 20 7618 2510

ASIA PACIFIC

+ 612 9033 9339

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