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Challenges Facing the Workers' Movement
Workers' Pension Funds Must Not Be Used to
Finance Union-Busting
– Empower Yourself Now –



Active and Retired teachers on picket line at Windsor Salt, May 31, 2023

- **Ontario Teachers' Pension Plan's Talk About Responsible Investing**
- **Dirty Activity of Canada Steamship Lines in Salt Strike**

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On August 20, 2023, the Ontario Teachers' Federation (OTF) will meet for its summer Board of Governors' meeting in Toronto. A major issue of concern that will come up at the August meeting is the significant investments of the Ontario Teachers' Pension Plan (OTPP) in Stone Canyon Industries Holdings Inc. (SCIH), directly, and through one of its subsidiaries, SCI Salt, which is engaged in union-busting at Windsor Salt in Windsor, Ontario.



OSSTF provincial council rises in support of Windsor Salt workers, June 2, 2023

The OTF is a body made up of 40 representatives of all the teachers' federations in Ontario. These include: L'association des enseignantes et des enseignants franco-Ontariens (AEFO), the Elementary Teachers' Federation of Ontario (ETFO), the Ontario English Catholic Teachers' Association (OECTA), the Ontario Secondary School Teachers' Federation (OSSTF) as well as the Retired Teachers of Ontario (RTO).

The OTF is established in Ontario law and, in 1991, formed a partnership with the Ontario government to oversee the OTPP. This took place at a time the Ontario government was restructuring the state to abdicate its responsibility for the pensions of Ontario's teachers, which up until 1989 it had sole control and responsibility for. As a result of this partnership, in return for the government giving up its sole responsibility for the plan, the OTF gained a certain amount of control over it in the form of selecting members of its board.[1]

For some time, and with increasing firmness, shareholders of the OTPP, including the presidents of all the teachers' federations, have called on the OTPP to use its investments in Stone Canyon to contribute to stopping attacks on Canadian salt workers and the critical resources they mine and process. The pension plan's CEO responded to the concerns being raised first by claiming that the OTPP did not interfere in the day-to-day operations of companies it was invested in and did not have a controlling stake in. This response was not accepted by teachers who noted that the OTPP has a seat on Stone Canyon's Board of Managers, making it directly implicated in the company's activities. Furthermore, it was noted that the OTPP speaks incessantly about the use of its investments to try and make a positive environmental and social impact, but for some reason stopping union-busting against Canadian workers is not considered worthy of doing anything concrete.

The CEO of the pension plan then responded to the presidents of the teachers' federations who all wrote a joint letter raising their concerns about the Plan's investments. He told them the OTPP supports collective bargaining and the right to strike and was glad that the company and the workers were bargaining. In fact, the company, which the OTPP helps manage, was not bargaining anything, but was continuing to uphold its demands for union-busting through such things as attacking seniority rights, contracting out the re-start of salt production at the facilities when the strike ends, undermining the ability of the union to represent its members and compromising the health and safety of maintenance workers.[2] This was why the mine workers who were presented with these concessions in the recent tentative agreement voted *No!*

A challenge facing the OTF, and its member federations, is how to assert the values of their members in not permitting their pensions to be used to finance an American holding company's attack on Canadian workers, their union and Canadian natural resources. The OTPP is a huge asset for teachers and for the people of Ontario for investments in socially responsible projects and activities. Teachers are very proud of their pension plan because it presents itself as being a responsible investor that uses its investments to make a positive environmental and social impact. However, the truth is that this is not the case at this time. It is heavily invested in a variety of anti-social activities – from the privatization of health care, elder care, education, and public infrastructure in Canada and abroad, to French nuclear weapons and, as evidenced by its

investments in SCIH, the monopolization of critical natural resources and attacking the workers in these industries, and by extension, the communities in which they are based.

Finding ways to hold the OTPP executives and board to account for their investments in union-busting in Canada will make a concrete contribution to defending Canadian workers and Canada as a whole. Such a concrete contribution would be for the OTPP to make it clear to Stone Canyon that unless it gives up its union-busting demands and negotiates a contract that respects the workers' union and the standards established in over a century of salt production or sells Windsor Salt to someone that will, the OTPP will sell its investments in SCIH. It is irrational for a Canadian public pension plan to invest in such activities.

By taking a clear stand against the use of teachers' pension funds for Stone Canyon's anti-union activities, the OTF can contribute to upholding the dignity of all Canadian workers and make it clear to the Ontario government – its partner in overseeing the pension plan – that dictate will not be accepted at any level against Canadian workers. This will also permit teachers to hold their heads high as they prepare for their own battles in the new school year. They have been without a contract in Ontario since August 31, 2022, due to the government's use of its majority to dictate changes to Ontario's education system and its refusal to pay attention to the teachers demands and negotiate in good faith.

Note

1. The OTF and the Ontario government each select five people to serve on the board that oversees the Ontario Teachers' Pension Plan. These partners jointly select the plan's chairperson. According to the OTF they and the government "jointly determine benefit levels, contribution rates and the frequency of filing funding valuations for the OTPP." Those appointed to the plan's board do not come from the teachers' federations, but the OTF has the following criteria for who it appoints: "One director must have general pension knowledge and specific expertise in teachers' interests. We must also have one director with general pension experience and specific expertise in pension plan benefits and structure. Also, at least two directors must have general pension experience and specific expertise in pension finances."

The OTF also has its own pension committee comprised of staff members of the OTF. The OTF and each teaching affiliate AEFO, ETFO, OECTA and OSSTF – each name a representative to the committee. The Retired Teachers of Ontario (RTO) also has a representative on the OTF pension committee. The mandate of the committee is to study "pension issues referred to it by the OTF Executive. The committee conducts research and makes recommendations concerning pension policy to the OTF Executive and to the OTF members of the Partners' Committee."

2. "Stand as One with Windsor Salt Workers! Negotiate Don't Dictate!," *Empower Yourself Now!*, July 28, 2023.



Ontario Teachers' Pension Plan's Talk About Responsible Investing

In its most recent Annual Responsible Investing and Climate Strategy Report, the Ontario Teachers' Pension Plan (OTPP) says that its purpose is to "invest to shape a better future."^[1] Its investments in and seat on the Board of Managers of Stone Canyon Industries Holdings Inc. (SCIH) and its refusal to take meaningful action to bring the company in line with the values and standards of its shareholders, or divest if it won't, brings into question what this means in practice.

In the report, the Plan's Chief Investment Officer, Ziad Hindo, says that given the current investment environment, "it has never been more important to invest responsibly and with a clear sense of purpose." He goes on to say, "We are increasingly evolving our thinking to consider how we can use our capital in a way that has clear and measurable real-world environmental and social benefits while creating value for our members. Thus, as part of our bold plan to reach \$300 billion in net assets by 2030, our actions will expressly look to create a lasting, positive impact on the world. We believe doing this will result in better risk-adjusted returns over the long term and contribute to the stability of the plan's funded status."



Hindo says this can be accomplished in part by "leveraging our board seats" and that "we have used our influence on private company boards to drive progress on diversity, equity and inclusion (DE&I) issues." In this respect, Hindo talks a lot about the issue of representation of women. He says that the OTPP's intention is to have 30 per cent women across "all board seats we control," which the plan says it has achieved. In fact, part way through the strike at Windsor Salt and after the revelation about the OTPP's investments in Stone Canyon, it changed its member on the Board of Managers from a man to a woman. Around the same time SCIH deactivated the link on its website to its "Leadership" page where the membership of the OTPP on its Board of Managers was found, in what appears to be an attempt to shield its "Leadership" from accountability for its actions. What didn't change, however, were the actions of Stone Canyon or the refusal of the OTPP to take a clear stand against the use of teachers' pensions to finance union-busting. OTPP's talk about diversity, equity and inclusion issues is all about having members of boards that look like the makeup of Canada's population and to say nothing about what such individuals represent. In the case of its investments in SCIH, it is to hide that when it comes to the actions of these companies, they are in contempt of the values of Canadians who do not support union-busting and attacks on workers' rights in the name of "flexibility."

The report goes on to say that in the private portfolio companies that the OTPP invests in, of which SCIH is one, "we roll up our sleeves to help navigate these factors from selecting board members, to advising on operational issues or drawing on the expertise secured from our portfolio of over a hundred private investments." For public holdings (i.e., those listed on the stock exchange and shareholders elect their boards of directors), they say that "we execute a corporate engagement program where we seek to speak with board members and key executives to understand how they are addressing important issues like climate change, diversity and human capital management, and offer suggestions, when needed."

It states further that "Accountability for behaviour, decision-making and reporting [of boards of companies they invest in] are central aspects of our engagements with portfolio companies. Sustained, collaborative engagement with board members and management teams helps ensure the businesses we invest in stay aligned with our expectations."

In a podcast interview on April 27, 2023, OTPP Chief Executive Officer, Jo Taylor, spoke about how a pension plan can both generate steady investment returns and make a positive environmental and social impact. He said: "[T]he question I always get asked is, are you willing to compromise your returns to be able to deliver impact, to which the answer is always no," adding, "We take the

view that we want to be able to influence the outcome on the investments that we're involved with." "We can only drive that if we're a material investor in the business, either a control investor or a large minority investor." Later in the interview he stated: "We're trying to make the investments we make and the businesses we're working with better companies as a result of our involvement." Elaborating further, he said, "we can actually help them with their diversity and inclusion, we can help them with their climate footprint in terms of emissions, and we can help them really in terms of their social component in terms of really being a better business in terms of the communities and businesses they serve."

Speaking about short-term versus long-term investing, Taylor stated: "We take the view that we want to be able to influence the outcome on the investments that we're involved with. So that's partly to make sure the returns shape up in the way we anticipated, or we wanted, but also to try and drive some of the things I mentioned a minute ago." [...]

"So we're trying to say not only how do we deliver return for our members, but how can we build businesses that we'll be proud of? To do that, you really have to be actively involved. [...]

"We try to generally take a view, I would say, of trying to improve and influence businesses from the inside rather than try and sell them and leave the problem to somebody else." [2]

For all the OTPP's talk about responsible investing, or improving and influencing businesses, its open refusal to take meaningful action in addressing the union-busting and generally anti-social activities of Stone Canyon Industries Holdings Inc. – where the Plan actually has a seat on the Board of Managers – raises serious questions about what its commitment to responsible investing actually means. If it is to mean anything, it must live up to its statements and act decisively to stop the investment of teachers' pension funds in the union-busting activities of SCIH.

Notes

1. "Investing to Make a Mark – Annual Responsible Investing and Climate Strategy Report," Ontario Teachers' Pension Plan, 2022.

2. "Canada's Ontario Teachers' Pension Plan -- With Jo Taylor, OTPP CEO, " Money Maze Podcast, April 27, 2023.



Dirty Activity of Canada Steamship Lines in Salt Strike

Using a court injunction it received allegedly to protect the environment and machines in and around the salt operations it owns in Windsor, Ontario, Stone Canyon Industries Holdings Inc. (SCIH) has been able to maintain a level of production at its Ojibway Mine complex during the strike of salt workers which has now gone on for 175 days.

Workers are raising concerns that Canada Steamship Lines (CSL) has been removing the rock salt mined by managers and this is prolonging the strike. CSL is owned by the Martin family associated with former federal Liberal Cabinet Minister Paul Martin Sr. and his son Paul Martin Jr., former federal Liberal Finance Minister and later Prime Minister. Paul Martin Jr. sold his ownership in the company to his three sons, one of whom now sits as Chairman of the Board. CSL and CSL International own the world's largest fleet of dry bulk self-unloading vessels.



Canada Steamship Lines removes salt from Windsor Salt's Ojibway Mine complex, April 26, 2023.

CSL boats sent to Windsor Salt are able to transport 30,000 tons of rock salt in a single load. Workers loading the product on the ships are represented by the Seafarers' International Union of Canada. Salt workers report that the Seafarers' Union had stated their members would respect the picket line if one was established in the water. Initially, the ship Whitefish Bay came to load salt from the Ojibway Mine, but the workers on the boat refused to cross the line established. Salt workers inform that refusing to load the salt meant that these workers gave up their pay for that load as a form of support to their strike. Since then, two other ships -- the Baie Comeau and the Baie St. Paul -- have been brought to take loads out of the Ojibway Mine and have not respected the water picket lines, creating a dangerous situation for the strikers on the water and prolonging the strike. Workers inform that these loads are likely headed for U.S. markets in Milwaukee or Chicago where city governments are stocking up for the coming winter.



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