

## PRESS RELEASE

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### **NEI Investments and Desjardins Investments announce a ban on cluster munitions investing**

**TORONTO-MONTREAL, February 10, 2015** – [NEI Investments](#) and [Desjardins Investments](#), Canada's leaders in socially responsible investing (SRI), are announcing they are banning investment in companies that manufacture cluster munitions.

Cluster munitions (also known as “cluster bombs”) have been banned under international humanitarian law. In November 2014, Canada passed legislation to make it illegal for Canadians to make, use or trade these weapons anywhere in the world—or to “aid, abet or counsel” such activity. When introducing the legislation in the Senate, the government indicated that this would include knowingly investing in a cluster munitions manufacturer.

“These are indiscriminate and abhorrent weapons, responsible for thousands of civilian deaths,” said John Kearns, CEO of NEI Investments, Canada’s leader in SRI\*. “The implications of the new cluster munitions act have not been widely discussed in the investment industry, but as responsible investment leaders we want to demonstrate how you can exclude these weapons from the entire investment universe. We will also be engaging companies on joining this worldwide effort as part of our [2015 corporate engagement Focus List](#).” [See the [NEI policy on cluster munitions](#)].

For its part, Desjardins has been offering SRI products to its members for 25 years. According to Éric Landry, Chief Operating Officer at Desjardins Investments, Desjardins SRI Funds grew 530% between December 2009 and December 2014. “By banning investment in cluster bombs, Desjardins Investments is applying a responsible investment strategy to all Desjardins specialized savings products. With this decision, we reassert a cooperative value: money should be working for people, not the other way around.”

Both Desjardins SRI funds and the NEI Investments SRI family, Ethical Funds, run rigorous environmental, social and governance (ESG) programs that draw on international conventions and guidelines. As such, they have long excluded cluster munitions. Today’s announcement also extends that exclusion to all of their conventional fund families.

## **A reminder about cluster munitions**

It is generally estimated that more than 90% of cluster munitions casualties are civilians. Cluster munitions are air- or ground-launched artillery that open up mid-flight to release hundreds of “bomblets” which disperse over a large area and hit targets indiscriminately. Many bomblets are duds that fail to detonate as intended, littering the landscape, waiting to be found. Bomblets can look like toys to children, or like air-dropped aid packages, injuring or killing civilians who disturb them.

Ottawa-based NGO [Mines Action Canada](#) has successfully advocated for the destruction of Canada's cluster munitions stockpile, as well as for industry-wide divestment from cluster munitions manufacturers. “Cluster munitions are claiming civilian lives in the conflict areas of Syria and eastern Ukraine today, and sub-munitions dropped decades ago in countries like Vietnam and Cambodia continue to cause deaths from delayed detonations. Yet, between 2011 and 2014, financial institutions across the world have invested US \$27 billion in producers of these inhumane weapons,” said Paul Hannon, Executive Director of Mines Action Canada. “We applaud financial institutions taking a stand against cluster munitions, and ask their peers to do the same by introducing policies to ensure they are not supporting companies involved in the production of these illegal weapons.”

\*Based on 2014 investor economics data of Canadian retail mutual fund market share.

## **ABOUT NEI INVESTMENTS**

NEI Investments is a national investment firm with over \$6 billion in assets under management. It offers Canadian retail investors unique access to top independent money managers through high quality investment solutions in two fund families, Northwest Funds and Ethical Funds. NEI Investments is 50% owned by the Provincial Credit Union Centrals and 50% by Desjardins Group. ([www.neiinvestments.com](http://www.neiinvestments.com))

## **ABOUT DESJARDINS INVESTMENTS INC.**

Desjardins Investments Inc. develops and distributes more than 70 specialized savings products totalling \$37 billion in assets throughout Canada. It is wholly owned by Desjardins Group, the leading cooperative financial group in Canada and the fifth largest cooperative financial group in the world. In 2014, Bloomberg News named Desjardins the second strongest bank in the world. ([www.desjardinsfunds.com/home.jsp](http://www.desjardinsfunds.com/home.jsp))

**For media interviews please contact:**

<p style="text-align: center;"><b>For NEI</b> Stephanie Turner MAVERICK Public Relations 416-640-5525 ext. 248 <a href="mailto:stephaniet@wearemaverick.com">stephaniet@wearemaverick.com</a></p> <p style="text-align: center;"><b>For Mines Action Canada</b> Erin Hunt Program Coordinator Office: 613-241-3777 Cell: 613-302-3088 <a href="mailto:erin@minesactioncanada.org">erin@minesactioncanada.org</a></p>	<p style="text-align: center;"><b>For Desjardins Investments</b> Richard Lacasse Spokesperson 418-835-8444 ext. 3163 1-866-835-8444 ext. 3163 <a href="mailto:media@desjardins.com">media@desjardins.com</a></p>
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