

Pierre Brunet, Chair
Caisse de dépôt et placement du Québec
1000, place Jean-Paul-Riopelle
Montréal, Québec H2Z 2B3

DATE

Dear Mr. Brunet,

As a stakeholder in the Quebec Pension Plan, I am writing to you to express some social and environmental concerns about the operations in Honduras of the gold company Goldcorp. The Caisse de dépôt et placement du Québec is a major shareholder in this company. According to the supplementary to the 2007 annual report posted on your website (*Taking the Long View*), La Caisse holds 10,475,520 shares of Goldcorp at a market value of \$354.1 million.

I am a member/supporter of the Canadian Catholic Organization for Development and Peace, which for several years now, has been working with Caritas Tegucigalpa in Honduras. This organization has followed the struggle of the community of the Valle de Siria, in central Honduras, where Entre Mares S.A., a subsidiary of Goldcorp, operates an open pit gold mine.

While the people of Valle de Siria are literally sitting on a gold mine, unfortunately, the mine has done little to improve the quality of their lives. On the contrary, since the arrival of the San Martin mine to the area in 1999, the people's living conditions have only deteriorated. Some of the areas of concern that people have highlighted:

- There was no real consultation with the community prior to the arrival of the company.
- The company pressured members of the community of Palo Ralos to sell their lands and relocate a few kilometres away, in order to accommodate the mine. As of 2008, the company still had not provided proper title deeds to some of the relocated families, depriving them of the right to security of tenure.
- The open pit mine has had serious effects on the community's water supply, all but drying up some 13 streams.
- In June 2007, the Honduran Ministry of Natural Resources and the Environment (SERNA) fined Entre Mares one million lempiras, the equivalent of \$55,000 for environmental pollution with cyanide and arsenic. Entre Mares has stated its refusal to pay the fine, showing blatant disrespect for government institutions and procedures.
- In the face of widespread local complaints that respiratory, skin and gastro-intestinal problems may be linked to the mine's activities, the Honduran government has responsibly begun rigorous laboratory testing of skin, blood and urine samples of local residents. Tests have found unacceptably high levels of heavy metals (arsenic, lead and mercury) in local people's organisms, and the Honduran government is currently carrying out further analysis of the initial results.

Entre Mares has irresponsibly sought to discredit the process from the outset, going so far as to send lawyers to the independent laboratory in Colombia where the samples were analyzed. The company has repeatedly affirmed that no diseases are linked to pollution from the mine; it should therefore welcome an opportunity to prove this instead of seeking to discredit the process.

As a current plan member and future beneficiary of the Quebec Pension Plan, I put forward that the above-raised concerns are business issues as well as ethical issues. Irresponsible behaviour by mining companies can have very real consequences on the long-term ability of the fund to earn a reasonable rate of return on its investments, and I urge the investment board not to ignore such a possibility. **I congratulate La Caisse on adopting responsible investing criteria and urge you to fully integrate these criteria in all business dealings, with particular concern for mining.**

I therefore request the board to enquire of Goldcorp how their subsidiary Entre Mares intends to address the following issues:

- Please urge Goldcorp in the strongest possible terms to respect local Honduran laws; in particular, it should pay the fine imposed by SERNA for environmental pollution, and use its right to appeal afterwards. The company must also stop its attempts to discredit the process whereby Honduran government environmental units are carrying out credible analysis of samples.
- What is Goldcorp's plan in regards to possible future claims for damages from individuals and local government? How does it plan to ensure compensation?
- What will Goldcorp do to address water scarcity in the Siria Valley, that has been aggravated by the mine? How will it ensure that the residents will have their water supply restored to them?
- What is Goldcorp doing to address the land title deeds issue? How does it plan to ensure that the relocated residents of Palos Ralos have title deeds to their lands that are considered legal by the Honduran government?
- What does Goldcorp plan to do to ensure adequate reforestation, rehabilitation, lands stabilization and acid drain control of the area at the closure of the mine?

I trust you will be able to raise these issues with Goldcorp as soon as possible, and look forward to your correspondence on this matter.

Yours sincerely,

MY NAME AND ADDRESS