



International Trade Union Confederation

GENERAL COUNCIL

Brussels, Belgium, 29 November – 1 December 2017

Agenda item 9:

Committee on Workers' Capital

The General Council is invited **to note the report of the Committee on Workers' Capital.**



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Committee on Workers' Capital

The Global Unions Committee on Workers' Capital provides a forum where trade union representatives and labour-appointed pension fund trustees share information and coordinate action to effect change in the global economy through the responsible investment of workers' capital.

The activities of the CWC's working groups and task forces include collaborating on shareholder activism campaigns, educating union pension trustees on responsible investment, developing guidelines on the incorporation of workers' rights and labour standards into the investment chain and examining ways in which the responsible investment of workers' capital can yield economic and social value in our communities.

In 2016-2017, over 85 trade unionists and pension fund trustees from 15 different countries took part in the CWC's annual conference in Berlin, including representatives from the AFL-CIO USA, ACTU Australia, SAK Finland, JTUC-RENGO Japan, CCOO Spain, CLC/FTQ and CSN Canada, COSATU South Africa, CFDT and CGT France, LO Denmark, TUC-GB, and from the ITF, IndustriALL, UNI Global Union and the UFCW. The CWC Leadership Team is composed of:

- Chair: Coen van der Veer, FNV Treasurer
- Co-chairs: Liz Shuler, AFL-CIO Secretary-Treasurer and Paddy Crumlin, ITF President
- ITUC: Sharan Burrow, ITUC General Secretary

The CWC Networked Secretariat, which convenes on a monthly basis, includes representatives from the ITF, TUAC, TUC-GB, FNV Netherlands, ACTU, CCOO, LO Sweden, CLC and AFL-CIO.

REPORT ON KEY 2017 ACTIVITIES

I. Shareholder Activism Working Group

Key campaigns supported include:

- XPO Logistics (US): Support to a shareholder resolution filed by the Teamsters addressing poor working conditions and anti-union activity.
- Aerocare (Australia): Engaging with pension funds and investment managers regarding the company's non-union policy and the undermining of workers' rights to freedom of association and collective bargaining.
- **Woolworths' (Australia):** Engaging with pension funds and investment managers regarding the labour rights violations in the company's fresh food supply chain.
- Corporate disclosure rules (US): International support for the AFL-CIO's SEC pay ratio disclosure rule and the Human Capital Management Coalition rulemaking petition to the SEC requesting better disclosure of human capital management issues from U.S. companies.

II. Trustee Leadership Network

Trustee Leadership Profiles: The CWC published three profiles based on interviews with labour-nominated pension trustees that describe how they face the challenging and complex task of ensuring that their funds' investments contribute to decent retirements and a sustainable society. The profiles featured trustees from American, Dutch and French funds and were disseminated through the CWC networks and Responsible Investor (RI.com).

Engaging with the UN Principles for Responsible Investment: The Trustee Leadership Network provided input into the CWC leadership team's engagement with the UNPRI Board. For instance, the CWC Secretariat drew on the Network to identify priority ESG-related topics for trustees around the world and it relayed this information to CWC participant and PRI board member Xander Den Uyl.

III. Taskforce on Workers' Rights and Labour Standards in the Supply Chain

The CWC released its [Guidelines for the Evaluation of Workers' Human Rights and Labour Standards](#), a comprehensive set of key performance indicators (KPIs) for investors to evaluate companies' social performance. The Guidelines were endorsed at a meeting of the Council of Global Unions in February 2017, giving them unique status amongst ESG KPIs as an official document of the global labour movement.

The Taskforce is using the Guidelines for the following purposes:

- 1) Building the capacity of pension fund trustee around the incorporation of decent work issues into investments (e.g.: presenting the Guidelines to the U.S. Trustee Leadership Forum);
- 2) Elevating the profile of decent work practices within ESG analysis frameworks of key investment chain actors (e.g.: following up with the rating agencies who attended the 2016 Amsterdam dialogue);
- 3) Engaging in financial market consultations around the incorporation of labour-related KPIs (e.g.: EU High-Level Expert Group Consultation on capital market sustainability); and,
- 4) Encouraging greater measurement and disclosure of labour-related KPIs among corporations (e.g.: engaging with ShareAction over the methodology of its Workforce Disclosure Initiative).

IV. Task Force on the Integration of Social Issues Into UNPRI Work Streams

The CWC leadership team continued to drive the integration of selected trade union priorities in responsible investment practices by meeting with the UNPRI Board on September 25th in Berlin. The CWC presented four project proposals to the PRI:

- 1) Providing more capacity to trustee networks to drive responsible investment;
- 2) Tying the social dimension into the PRI's work on environmental issues;
- 3) Asking for the PRI to elevate awareness from signatories on the ILO Tripartite Declaration on the Social Policy of MNEs, the OECD Guidelines for MNEs and OECD standards on Due Diligence, and the G20 commitments on human rights in global supply chains; and,
- 4) A joint project on the identification of authoritative labour rights indicators for PRI signatories. These proposals will be developed with the PRI Executive before the end of 2017.

V. Network Coordination and Communication

Workers' Capital Conference: The 2017 Workers' Capital Conference brought 85 pension fund trustees, trade union representatives and capital stewardship staff together in Berlin in September. The conference sessions highlighted workstreams and issues such as the integration of workers' human rights in the investment chain, novel approaches to reconcile workers' rights in infrastructure investments, costs and fees in the investment chain, just transition and a trustee roundtable. A workshop on capital strategies, a session on shareholder activism and the XPO campaign and a dialogue on German co-determination and capital stewardship rounded out the second day of the conference.

Network communications: The CWC General Mailing list consists of 328 trade union officials and pension fund trustees. The network composition is balanced between Europe (47%), North America (32%), Australasia/Asia (9%) and other countries/international union delegate participants (12%). The list allows the CWC to disseminate information to 200 trustees from funds in 17 countries. This year, the CWC published 4 quarterly newsletters.

Website renewal: The CWC worked closely with the ITUC to renew its website. The website, which will be launched in early 2018, provides the public with information on the responsible stewardship of workers' capital and includes a members' only area for shared knowledge and networking.



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