SHARED PROSPERITY:
THE INVESTOR CASE FOR FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

NOVEMBER, 2022
The Global Unions’ Committee on Workers’ Capital (CWC) was established in 1999 as an international labour union network for dialogue and action on the responsible investment of workers capital. We bring together over 700 trade unions and pension fund board members from more than 25 countries to foster a community of practice aimed at upholding strong labour practices and trade union priorities in investments.

We are an initiative of the International Trade Union Confederation (ITUC), the Global Unions Federations (GUFs) and the Trade Union Advisory Committee to the OECD (TUAC).

The CWC’s work is led by a Leadership Team composed and supported by a Networked Secretariat, which includes unions around the world and meets on a monthly basis. The CWC’s Leadership Team is:

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<td>BEIS</td>
<td>Business, Energy and Industrial Strategy</td>
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<td>CS CCOO</td>
<td>Confederación Sindical de Comisiones Obreras</td>
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<td>DEI</td>
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EXECUTIVE SUMMARY

This brief explains why respect for the fundamental labour rights of collective bargaining and freedom of association is important to investors. When workers come together in a trade union, they can effect meaningful changes in their compensation and working conditions, bringing valuable benefits to themselves and their companies and contributing to broader societal goals of economic growth, income and wealth equality, equity and inclusion. As these benefits and contributions are of interest to investors, this brief outlines how they can meet their responsibilities to protect workers’ fundamental labour rights.

Because there are many misconceptions around the role unions play in workers’ lives, the companies they work for and society at large, this executive summary addresses some common “myths” that the brief examines.

WHAT ARE FUNDAMENTAL LABOUR RIGHTS?

Freedom of association and collective bargaining are fundamental human rights enshrined in the International Labour Organization (ILO) Core Conventions. ILO Core Conventions state that employers and their agents should not prevent, prohibit or interfere with – directly or indirectly – the exercise of workers’ rights to organize and join a union.1 Fundamental labour rights are also included in the ILO Declaration on Fundamental Principles and Rights at Work, which means that all ILO member states have an obligation to respect, promote and realize fundamental labour rights, irrespective of whether they have ratified individual conventions.2 Importantly, fundamental labour rights are considered “enabling rights” because they can foster respect for other human rights such as gender equality, health and safety and decent working conditions.

WHAT ARE INVESTOR RESPONSIBILITIES TOWARD FUNDAMENTAL LABOUR RIGHTS?

Companies have a responsibility to respect fundamental labour rights. The 2011 UN Guiding Principles on Business and Human Rights (UNGPs) provide guidelines for companies – including institutional investors – to protect and respect human rights while remediying human rights abuses committed in their business operations.3 The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (MNEs) are a comprehensive set of standards for responsible business conduct, with specific guidelines regarding employment and industrial relations (Section 5).4 The OECD’s Responsible Business Conduct for Institutional Investors guidance clarifies that investors – including minority shareholders – are expected to use their “leverage” to influence companies to prevent or mitigate impacts.5

With legislation in place in several jurisdictions and the European Commission proposing a directive, there is a push for mandatory human rights due diligence* for companies. These and other regulatory developments may hold stewardship implications for investors.

* Please see the glossary for a definition of the term “human rights due diligence.”
Workers’ rights to freedom of association and collective bargaining are under attack, with many employers in all corners of the globe taking aggressive measures to prevent, prohibit or interfere with workers’ efforts to join a union and bargain collectively. These measures include a range of techniques, including violence, and are often executed with government support. In the U.S., the sophisticated suite of union avoidance tools used by companies has been well documented. Tactics include assembling workers for captive audience meetings to discourage unionization and threatening to close work sites, cut wages and fire workers.6

Violations of workers’ rights are a worldwide phenomenon, pervasive in the Global North and South alike. In 2022, the International Trade Union Confederation (ITUC) reported that workers have seen companies and governments violate their right to freedom of association (77% of countries) and infringe upon their right to collective bargaining (79% of countries). In Europe, for example, workers in 54% of countries experienced violations of collective bargaining rights. Meanwhile, the ITUC categorized the U.S. as experiencing “systematic violations of rights.”7

Though they violate ILO Core Conventions, decades of concerted union avoidance activities have contributed to a sharp decline in union density. In OECD countries, union density has fallen by 20% since 2000.8

* Please see the glossary for a definition of the term “union density.”
Fundamental labour rights are essential rights in themselves; they also unlock widespread potential benefits while mitigating crucial societal and investment risks. Institutions such as the International Monetary Fund (IMF), the OECD and the Global Deal have stated that collective bargaining and freedom of association are fundamental to a sustainable and inclusive economy. Evidence from these — and other — institutions demonstrates that unionization leads to important societal and economic outcomes, including stimulating economic growth, weathering economic shocks and tackling the systemic risks of inequality.

Upholding fundamental labour rights is important to investors because they mitigate systemic risks of inequality and weak economic growth.

Upholding fundamental labour rights is important to investors because they mitigate systemic risks of inequality and weak economic growth. Institutional investors are long-term investors and, as such, their investment returns depend on a stable and healthy economy.9

Because their returns are threatened by systemic risk, investors have joined governments, regulators and the general public in raising expectations of how companies identify and mitigate environmental, social and governance risks. The Principles for Responsible Investment (PRI) identifies inequality as a systemic risk and argues that it may negatively impact long-term investment performance, hold implications for the universe of investment opportunities and destabilize the global financial system. Addressing labour relations and labour rights in stewardship is an avenue proposed by the PRI for investors to mitigate the systemic risk of inequality.10

**MYTH:** RESPECT FOR LABOUR RIGHTS IS A PRIORITY FOR UNIONS, BUT IRRELEVANT FOR INVESTORS.

Upholding fundamental labour rights is important to investors because they mitigate systemic risks of inequality and weak economic growth.
Trade union density and inequality have an inverse correlation. A strong and vast body of research demonstrates that declining union density contributes to stagnating real wages and rising inequality. In the U.S., for instance, declining union density accounts for a third of the wage gap that grew between high- and middle-wage earners between 1979 and 2021. In the U.K., the share of gross domestic product (GDP) going to wages shrank from 57% to 49% between 1979 and 2018 as union density declined by 30% over the same period. On the positive side, a study of 32 OECD countries found that higher collective bargaining coverage is strongly correlated with lower wage inequality. In particular, it found countries where workers are covered by sectoral bargaining have lower wage inequality than countries with firm-level bargaining only or no collective bargaining. In this regard, sectoral or multi-employer bargaining can play an important role – particularly in low-wage or low-margin industries – in uplifting the lowest wages without putting companies at a competitive disadvantage.

Importantly, these data show that the benefits of unionization extend beyond the unionized workers themselves. OECD research, for instance, found that union density increases the share of earnings to middle-income wage earners alongside that of low-wage earners. Unionization also raises wages in competing non-unionized workplaces, as they must lift pay to attract and retain workers. At a macroeconomic level, investors also benefit from a more equal division of labour income through greater social and political stability, improving the ability of workers to invest in their and their children’s education and training, and increased economic demand from rising living standards.

In the U.S., declining union density accounts for a third of the wage gap that grew between high- and middle-wage earners between 1979 and 2021.
Workers who exercise fundamental labour rights add value to the companies they work for, which in turn creates value for investors. Trade unions enhance corporate human rights due diligence in the area of labour rights while also making positive contributions to risks that investors consider material, such as health and safety; training; retention; productivity; contracting efficiency; and diversity, equity and inclusion (DEI).
Workers are the foundation of human rights due diligence because they are best placed to observe and report risks and violations in a company’s operations or value chains. The value that workers add in identifying and mitigating material risks is enhanced when they are unionized. Collective bargaining agreements protect employees from retaliation for reporting human rights violations and provide a grievance resolution system between union members and management. The Global Deal, for instance, analyzed years of data in garment factories in five countries and found that compliance was positively correlated with workplace unionization and collective bargaining processes.\textsuperscript{16} The International Accord for Health and Safety in the Garment and Textile Industry, which builds upon the Bangladesh Accord, is another example that is often cited as a model for effective human rights due diligence. A legally binding agreement between multinational companies, national trade unions and global trade union federations, the Bangladesh Accord successfully mitigated and remedied countless health and safety risks for over two million workers.\textsuperscript{17}

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Trade unions bring significant improvements to a company’s health and safety performance. Collective bargaining agreements often institute health and safety structures and arrangements, which are central to identifying and mitigating risks.\textsuperscript{18} In the U.S., for example, a 2018 study found that a 1% decline in unionization resulted in a 5% increase in occupational mortalities.\textsuperscript{19}

Health and safety emerged at the forefront of risks during the COVID-19 pandemic for reputational and operational reasons alike. During the early stages of the pandemic in Spain, a trade union alerted a government labour inspector to COVID-19 transmission risks at an Amazon.com warehouse. The inspector ordered Amazon to immediately address these health and safety concerns to keep the facility open.\textsuperscript{20}

In the U.S., a study of 13,350 nursing homes found that unions were associated with a 10.8% lower COVID-19 mortality rate among residents and 6.8% lower worker infection rates.\textsuperscript{21}
**TRAINING AND SKILLS**

Trade unions also bring benefits to companies by encouraging workforce training, which in turn builds skills and productivity. Research demonstrates that worker voice arrangements are correlated with workers’ access to training and that unionized workers are more likely to receive training than their non-unionized peers. In many countries, trade unions operate formal apprenticeship programs and worker training centres. Trade unions also facilitate the informal transmission of knowledge between workers on the shop floor by building camaraderie and assuring workers that the gains from the productivity improvements that they generate will be shared with them through collective bargaining.

As workplaces transition in response to climate and technological changes, collective bargaining is even more essential to addressing company skills gaps. Research based on a 2019 European Company Survey, for instance, linked positive outcomes in workplace automation to collective bargaining agreements.

**PRODUCTIVITY**

Contrary to the outdated stereotype that unions have a negative impact on productivity, empirical evidence offers a more accurate analysis, with the positive impact of unionization on productivity varying by country, sector, industry and company. To the extent that unions are associated with increased labour-related expenses, they also improve worker efficiency and work processes, with a positive net result. Research has also found that union density and collective bargaining increase productivity because they facilitate communication of information to company management, establish mutual responsibility for a company’s success, reduce turnover, promote productive modes of organizing work, resolve industrial disputes effectively, promote training and reduce time lost to injury or death. Important-ly, the job satisfaction that has been associated with unionization can also translate into increased productivity.

Collective bargaining also provides assurance to workers that the gains from their contributions will be shared with them. As a result of these contractual assurances, employees are more willing to invest their time and energy to acquire the knowledge and skills required for high productivity.

**As workplaces transition in response to climate and technological changes, collective bargaining is even more essential to addressing company skills gaps.**
Trade unions address underlying conditions that limit a company’s ability to achieve diversity, equity and inclusion (DEI) goals. They do so by reducing racial and gender pay gaps, improving access to training and promotion, providing a safe structure from which to address intimidation and discrimination and promoting work-life balance. While employment discrimination is forbidden in many countries by law, unions provide an accessible workplace grievance system for all workers, which is particularly important for low-income workers who otherwise may not be able to access legal protections through private litigation, for example.

In European countries such as Spain, Belgium and the U.K., data sets show a correlation between workers’ voice arrangements and a lower incidence of various forms of intimidation and discrimination. Notably, in the U.K., the Trades Union Congress (TUC) found that workers on permanent (union) contracts reported fewer cases of racial harassment and discrimination by their employers compared with those on zero-hours (non-union) contracts.

A vast body of research from the U.S. shows that unions boost pay for women, people of colour and other vulnerable groups, thereby helping to close race and gender pay gaps. This trend is particularly pronounced in low-wage industries where women and people of colour are most represented, such as hospitality, janitorial, nursing and food service.

Unionized workplaces score better than their non-union counterparts on work-life balance arrangements and access to related benefits that improve gender inclusiveness, such as parental leave, paid family leave and job sharing.

If unions are beneficial to workplace productivity, why do so many employers resist their employees’ freedom to come together in a union to negotiate for a fair return on their work? Part of the answer is agency costs and a disconnect between short-term executive compensation incentives and long-term organizational performance. Corporate managers may resist unionization if they perceive it as a challenge to their personal authority – the “imperial CEO” phenomenon that is common in many corporate cultures. This managerial urge to resist unionization at any cost imposes an expense on the company and its shareholders. The fact that the productivity benefits from unions accrue over the entire careers of the unionized workforce also creates a misalignment in executive pay incentives. The typical senior executive’s compensation plan is limited to a one-year performance period or, at most, a three-year performance period. Why should a CEO invest in co-operative labour management relations that will pay off over the long term when the average CEO’s tenure in office has been falling in recent years? For these reasons, it is up to long-term investors to demand that their portfolio companies embrace fundamental labour rights as a business strategy for sustainable value creation.
As labour rights are human rights, tools that have been developed to assist investors in meeting their responsibilities to respect human rights can be applied equally to labour rights. At the institutional level, the Investor Alliance for Human Rights (IAHR) suggests that investors develop policy commitments, governance structures, due diligence processes and grievance processes and mechanisms. At the investment level, the IAHR recommends a series of steps related to investment decision-making and stewardship, including responsible divestment.

The Committee on Workers’ Capital Baseline Expectations for Asset Managers on Fundamental Labour Rights (“CWC Baseline Expectations”) is a framework for investors that is specific to labour rights. It suggests tangible steps that investors can take, with a progression from “baseline” to “leading practice” in four categories:

- Overall stewardship framework
- Stewardship practices in public equities
- Stewardship practices in private markets (including infrastructure and real estate assets)
- Policy advocacy
The guidelines we propose below are based on the CWC Baseline Expectations. These guidelines apply equally to asset owners and asset managers, and across asset classes. As the forms of investor ownership vary, the tools available to implement respect for labour rights may also vary. Nonetheless, ownership confers responsibility to act, regardless of the form ownership takes. Asset owners who contract with asset managers for the stewardship of their investments still have responsibility for those investments and may, through explicit procurement policies, communicate their expectations of their asset managers regarding labour rights. For example, through asset manager selection and oversight, asset owners can make clear the labour rights policies they expect their asset managers to adopt and implement as they carry out their contracted investment stewardship activities. In turn, asset managers may develop and implement their own investment stewardship policies regarding labour rights and make them available to their asset owner clients. Whether directly or through contracted investment stewardship providers, all investors can implement these guidelines.

In all four areas addressed by these guidelines, investors will benefit from meaningful dialogue with trade unions, national and global union federations, the ILO and other authorities on work and labour relations. Investor respect for fundamental labour rights begins with a clear policy commitment to such rights, which should be approved at the most senior level and informed by relevant human rights expertise. It should be publicly available and actively disseminated internally and externally. At minimum, the policy should:

- Commit the investor to respect the fundamental rights stated in the ILO Declaration on Fundamental Principles and Rights at Work, including ILO Conventions 87 and 98; and
- Acknowledge the investor’s human rights due diligence responsibilities under the OECD Guidelines for MNEs and the UNGPs.

The policy should also describe:

- The business relationships (scope) to which it applies, including the business relationships of investee

* Please see the glossary for a definition of the term “investment stewardship.”

SHARED PROSPERITY: THE INVESTOR CASE FOR FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING
An investor’s labour rights policy commitment and governance structures should support a robust due diligence process.

Investors should be clear and transparent about their due diligence process, identifying:

- How it identifies actual and potential adverse labour rights impacts in the pre- and post-investment phases;
- How it incorporates trade unions into impact identification;
- How it draws on trade union expertise, including the ITUC’s Global Rights Index, and national and international labour rights reports and databases;
- How it informs engagement and stewardship priorities; and
- How its results are reported internally and externally.

Investor due diligence should prioritize companies that are:

- Subject to charges, litigation or extrajudicial proceedings (including OECD NCP Specific Instances) related to fundamental labour rights; or
- The subject of trade union reports of adverse fundamental labour rights impacts.

Investors should use their leverage, through engagement, proxy voting and collaboration, to ensure that investee companies avoid adverse labour rights impacts by co-operating in good faith with workers’ efforts to exercise their rights to freedom of association and collective bargaining. Those same tools can be used to achieve remedy where adverse impacts occur.

LABOUR RIGHTS DUE DILIGENCE AND REMEDY

companies, their supply chains, contingent workers and independent contractors, and, in the case of asset owners, the procurement of service providers such as asset managers and ratings agencies;

- How the investor performs due diligence to identify potential and actual adverse impacts it is linked to or to which it contributes;
- How it acts on labour rights complaints received from trade unions;
- Which escalation methods (e.g., proxy voting, watch lists, collaborative engagements, divestment) will be employed when engagements on fundamental labour rights do not meet objectives;
- How it provides access to remedy for affected workers in cases where it has caused or contributed to negative labour rights impacts (e.g., when it holds a majority ownership stake or board seat); and
- How it uses its influence to ensure that investee companies provide legitimate access to remedy in cases where it is directly linked to a negative outcome (e.g., a minority shareholding).

Investors should incorporate meaningful trade union input into the development of their investment stewardship frameworks by committing to ongoing dialogue, referring to information from trade unions within the total mix of information guiding stewardship and committing to report back to trade unions.

Investors should incorporate labour rights into other stewardship priorities and programs, such as climate action plans, asset class-specific policies (e.g., responsible contractor policies) and risk mitigation strategies.
Investors should use their leverage, through engagement, proxy voting and investor collaboration to ensure that investee companies act in good faith when workers attempt to exercise their rights to freedom of association and collective bargaining.

Investors’ shareholder engagement with investee companies should:

- Adopt respect for fundamental labour rights as an engagement priority, distinct from human capital management, to hold investee companies accountable to their responsibilities under international norms and frameworks;
- Insist investee companies support trade union recognition and collective bargaining throughout their value chains by:
  - Including union neutrality and union access policies with respect to workers seeking to form or join trade unions;
  - Making policy commitments to labour rights for all employees in the company’s value chain;
  - Disclosing labour rights-related metrics, such as percentage of workers covered by collective bargaining agreements or union avoidance expense (see Appendix 1: Guide to Engagement on Labour Rights: Questions Investors Can Ask Investee Companies);
  - Embedding labour rights in corporate governance and risk mitigation structures;
  - Involving trade unions in processes to identify and improve poor labour practices;
  - Offering workers practical support to exercise their labour rights;
  - Training local management on expectations to meet labour rights standards;
  - Recognizing and negotiating with local unions in good faith collective bargaining;
  - Investigating trade union complaints and providing remedy if problems are found;
  - Working with national and global unions to understand, mitigate and remedy risks;
- Promote the adoption of GFAs where applicable; and
- Participate in collaborative investor initiatives when individual engagements fail to provide effective resolution to adverse fundamental labour rights impacts.

Investors should escalate their shareholder engagements on fundamental labour rights through proxy voting by:

- Adopting a proxy voting guideline that references the responsibility of investee companies to uphold fundamental labour rights;
- Voting for:
  - Shareholder resolutions that promote respect for fundamental labour rights;
  - Shareholder resolutions that support workforce voice and/or representation in corporate governance, including shareholder resolutions recommending worker directors on corporate boards; and
  - Worker directors where they stand for election in an investee company;
- Voting against:
  - Directors with oversight for labour issues and/or company reports and accounts in cases where:
    - A company is subject to charges, litigation or extrajudicial complaints, including OECD NCP Specific Instances, relating to a failure to uphold fundamental labour rights (regardless of engagement duration); and
    - Engagement has failed to address ongoing fundamental labour rights violations for 12 months after an initial engagement on the subject matter;
  - Pre-declaring voting intentions at least seven days prior to the annual general meeting;
  - Describing their proxy voting rationale related to fundamental labour rights when applicable; and
  - Publishing voting records on a quarterly basis.

* Please see the glossary for a definition of the term “union access”
As with their stewardship practices in public markets, investors should ensure that fundamental labour rights are respected in their private market investments, including by companies contracted to manage or operate assets. Investors should adopt responsible contractor policies to ensure that private assets are built, maintained and operated in compliance with fundamental labour rights. In addition, they should disclose:

- Their private market assets, including ownership stakes and board representation;
- The labour rights risks identified as a result of their due diligence processes.

Investors should also publicly state support for worker retention and, where applicable, continued union representation in the event of transactions leading to full or partial sale of private market assets.
As with other human rights, investors should ensure that their top governing body takes responsibility for the oversight of labour rights. For asset owners, this implicates the board of directors or board of trustees; for asset managers, it implicates the board of directors. Investor boards should confirm that labour rights governance is embedded throughout their organization’s activities, including the selection and stewardship of investments. For asset owners, this also means embedding labour rights governance in the selection and oversight of investment managers. All investors should assign day-to-day responsibility and provide resources for labour rights policy implementation to specific functions that report up the management chain. The board and senior management should receive regular reports on labour rights performance across portfolios.

Labour rights governance requires procedures for identifying risks and impacts in both the pre- and post-investment phases and across functions, including portfolio management, research and analysis, engagement and stewardship. Similar procedures should be developed for the selection, engagement, oversight and review of all business partners, including external managers, portfolio companies, ratings agencies, research firms and other service providers. These procedures should be responsive to emergent risks and reviewed at least annually.

Investors can incorporate trade union input into their labour rights governance by:

- Committing to annual dialogue with relevant trade union representatives, including the CWC, to discuss trade union priorities related to investment stewardship, including, but not limited to, fundamental labour rights violations (for asset managers, this dialogue can include asset owner representatives where pertinent);

- Including information from trade unions in the total mix of data that guide investment decisions and stewardship practices; and

- Committing to report back to trade unions that provide information on adverse fundamental labour rights impacts on the outcome of its stewardship activities.
Under the UNGPs and the OECD Guidelines for MNEs, investors have obligations to respect labour rights. And because the business case is strong, investors also have an economic interest in doing so.

Upholding fundamental labour rights is a way for investors to mitigate systemic risks of inequality and weak economic growth. Numerous studies across years and jurisdictions indicate that there is a historical correlation between trade union density and equality.

Where workers can exercise their rights to freedom of association and collective bargaining, companies and investors benefit from some combination of enhanced human rights due diligence; better health and safety performance; improved training and skills development; lower turnover; increased productivity; and a workplace that is more diverse, more equitable and more inclusionary.

The CWC Baseline Expectations can guide investors in upholding fundamental labour rights across their investments. Investors should make a clear policy commitment to these rights and describe the processes that they have in place to perform due diligence, respond to concerns from trade unions, escalate engagements and provide remedy as appropriate. In public equities and private markets, investors should use their leverage to ensure that investee companies act in good faith when workers attempt to exercise their rights to freedom of association and collective bargaining. The policy advocacy that investors participate in should reflect their commitments to respecting fundamental labour rights.

Ownership gives investors many tools for the implementation of their labour rights responsibilities. However, not all tools are equal. Policy commitments, governance structures and due diligence mechanisms are absolutely necessary, but they are not sufficient. Investors must walk the talk, and that means taking action to achieve remedy where they identify potential and actual adverse labour rights impacts. It means using their ownership voice by engaging with investee companies, voting in support of labour rights and escalating where necessary. Investors must not be afraid to call their investee companies out publicly, put them on watch lists, launch or join collaborative initiatives, or divest. Only through such action will investors fulfil their labour rights responsibilities.
The ILO Declaration on Fundamental Principles and Rights at Work

The ILO Core (Fundamental) Conventions:

• C087 - Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
• C098 - Right to Organise and Collective Bargaining Convention, 1949 (No. 98)

The UNGPs

The OECD Guidelines for Multinational Enterprises (MNEs)

• Responsible Business Conduct for Institutional Investors

Investors with further questions are encouraged to contact the CWC and consult these resources:

The CWC Baseline Expectations for Asset Managers on Fundamental Labour Rights

The CWC Guidelines for the Evaluation of Workers’ Human Rights and Labour Standards
CARD CHECK

U.S. labour law permits employees to organize a labour union by majority sign-up of union authorization cards. The company agrees to recognize and bargain in good faith with the union when a majority of workers sign the cards.

GLOBAL FRAMEWORK AGREEMENT (GFA)

Sometimes called a transnational company agreement or an international framework agreement, this agreement between a union or union federation and a multinational company ensures workers within a company’s worldwide operations can exercise fundamental labour rights in accordance with ILO core labour standards on freedom of association and collective bargaining. The agreement defines specific rights and standards that apply to all employees of the multinational company, and increasingly to subcontractors or suppliers as well.

GLOBAL UNION FEDERATION

A membership organization of unions around the world with members working in particular industries and sectors.

HUMAN RIGHTS DUE DILIGENCE

Measures companies can take to proactively manage potential and actual adverse human rights impacts with which they are involved.

INVESTMENT STEWARDSHIP

How investors use their influence over investee companies and other investment chain actors, such as policy-makers or service providers, to preserve and enhance the value of assets on behalf of beneficiaries and/or clients.

UNION ACCESS

The ability of workers and their union representatives to enter the workplace for the purpose of engaging in union activity, such as informing workers about the benefits of unions and collective bargaining, investigating grievances and supporting members.

UNION DENSITY

The percentage of a company's workforce covered by a collective bargaining agreement. Density can be measured locally, nationally and globally, as well as across companies. It is useful information for assessing the implementation of fundamental labour rights.

UNION NEUTRALITY POLICY

A publicly available statement in which a company commits to refrain from all forms of interference, including communicating management or board preferences, when workers seek to organize or join a union.


37 As per the OECD Guidelines for MNEs, leverage “refers to the ability of an enterprise to effect change in the practices of another party that is causing or contributing to adverse impacts”: OECD. (2017). Responsible Business Conduct for Institutional Investors: Key Considerations for Due Diligence under the OECD Guidelines for Multinational Enterprises. p. 52. [https://mneguidelines.oecd.org/98C4-for-institutional-investors.pdf](https://mneguidelines.oecd.org/98C4-for-institutional-investors.pdf)


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