

## **OVERVIEW: THE CWC GUIDELINES FOR THE EVALUATION OF WORKERS' HUMAN RIGHTS AND LABOUR STANDARDS**

### **What are the CWC Guidelines?**

The Committee on Workers' Capital (CWC) [Guidelines for the Evaluation of Workers' Human Rights and Labour Standards](#) are a comprehensive set of key performance indicators (KPIs) for investors to evaluate companies' social performance. They were developed in response to concerns that investors are not equipped with tools to adequately scrutinize social issues such as labour relations in their environmental, social and governance (ESG) analysis. The Guidelines are inspired by key international norms, standards and frameworks including the UN Guiding Principles for Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Fundamental Conventions. The indicators are grouped in ten themes: workforce composition, social dialogue, workforce participation, supply chain, occupational health and safety, pay levels, grievance mechanisms, training and development, workplace diversity, pension fund contributions for employees.

### **Who Developed the CWC Guidelines?**

The guidelines were developed by the CWC Taskforce on Workers' Rights and Labour Standards in the Investment Chain ("the Taskforce"). The Taskforce is composed of ITUC affiliates and Global Union Federations from countries that include the US, Australia, Spain, Canada and the UK. Taskforce members are experts on matters of social sustainability and responsible investment.

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. They will be updated at least every 24 months.

### **How Will the CWC Guidelines be Used?**

- **Building the capacity of pension fund trustee around the incorporation of decent work issues into investments:** The Taskforce will work with national trustee networks and the CWC trustee network to elevate the profile of social issues in the investment policy statements and ESG frameworks of specific asset owners. We will develop summary guidance and template investment policies using the Guidelines as the anchor point. This will be tailored to national contexts and will be accompanied by capacity-building workshops with trustees.
- **Elevating the profile of decent work practices within ESG analysis frameworks of key investment chain actors:** Building on the relationships developed during the June 2016 Dialogue with Sustainability Rating Agencies, we will carry out a follow up engagement with the agencies to encourage further incorporation of the Guidelines in their methodologies and the indices they develop. We will utilize the leverage of asset owners to incorporate the Guidelines into the asset selection and the engagement activities of asset managers, who play a central role in allocating capital to companies. We will also collaborate with key investment chain initiatives (e.g.: UNPRI).
- **Engaging in financial market consultations around the incorporation of labour-related KPIs:** The Guidelines will serve as the trade union view of the KPIs that should be utilized to evaluate a company's performance around decent work. Different sections of the Guidelines or indicators could be cited in responses to consultations at the national (e.g.: regulatory bodies) and international levels (e.g.: European Union, OECD) around the incorporation of ESG issues into investment processes.
- **Encouraging greater measurement and disclosure of labour-related KPIs among corporations:** The Guidelines will be utilized to drive better company disclosure around the management of their direct and indirect workforce. We will work with investor initiatives and reporting frameworks in different countries (e.g.: GRI, Shareaction's Workforce Disclosure Initiative) to develop a coherent, globally comparable framework that allows for the appraisal of company performance around respect for fundamental worker rights.