



ASSET MANAGER ACCOUNTABILITY INITIATIVE

SHIFTING THE BALANCE OF POWER IN THE INVESTMENT CHAIN

Establishing accountability from asset managers on labour-related issues is a major challenge.

The Committee on Workers' Capital (CWC) launched the Asset Manager Accountability initiative in 2019 to support trustees and unions in raising workers' rights issues with asset managers. This initiative aims to shift the balance of power in the investment chain by enabling asset owners to hold the asset managers they contract accountable, driving meaningful improvements in workers' rights at the company level.

The CWC is producing report cards on asset managers that examine their policy interventions, shareholder engagements and proxy voting records, which may uncover discrepancies between discourse and action on social issues. We are organizing meetings between asset managers and pension fund trustees in the CWC's global network to launch a constructive dialogue aimed at elevating social issues within the investment chain.

Asset Manager Report Cards

The CWC Asset Manager Report Cards will provide trustees and trade unions with information on the extent to which 10 of the world's largest asset managers incorporate workers' concerns into their stewardship of workers' capital.

The CWC, in consultation with an advisory committee, has designed a methodology that evaluates the strength of the asset managers' stewardship frameworks, the impact of their stewardship practices on social issues and the degree to which their policy interventions support workers' human rights and labour standards.

The Asset Manager Accountability initiative is designed to produce outcomes at three levels:

- 1. Accountability at the company level:** Improve conditions on the ground in specific cases brought forward by unions where companies are violating workers' rights;
- 2. Accountability within the investment chain:** Organize asset owners to reassert the balance of power by holding the asset managers they contract accountable on social issues;
- 3. Accountability within the financial system:** Provide asset owners with opportunities to press for mechanisms at the policy and regulatory levels that advocate for mandatory due diligence.

Through publically-available documentation, we highlight discrepancies between the asset manager discourse on “Environment, Social and Governance (ESG)” factors and the actual impacts of their practices for workers on the ground. For equities, we examine asset managers’ proxy voting records. For asset managers that manage alternative investment portfolios, we include case studies informed by trade unions.

The meetings we organize between asset managers and CWC pension trustees are an opportunity to deepen accountability in the investment chain. Our completed asset manager report cards, meeting reports and methodology are available upon request by emailing info@workerscapital.org.

Join the Asset Manager Accountability Initiative

The Asset Manager Accountability Initiative is organizing outcome-oriented meetings between trustees, pension fund staff and the asset managers that they contract.

- Unions can join the initiative by bringing cases involving selected asset managers to the attention of the CWC Secretariat.
- Trustees can join the initiative by participating in meetings with the asset managers they contract.

To learn more about how you can join your colleagues from around the world in the Asset Manager Accountability initiative, contact the CWC at info@workerscapital.org.

The CWC operates on voluntary contributions from participating unions. These contributions allow us to conduct the ownership research, communications and organizing that drives this initiative. To contribute to our activities, please contact CWC.



About the CWC

The Global Unions’ Committee on Workers’ Capital (CWC) is an international labour union network for dialogue and action on the responsible investment of workers’ retirement savings. A joint initiative of the International Trade Union Confederation (ITUC), the Global Union Federations (GUFs), and the Trade Union Advisory Committee to the OECD (TUAC), the CWC has brought trade union representatives and worker-nominated trustees from across the world together since 1999. The pension fund board members who participate in the CWC network oversee the retirement savings of millions of workers. In 2017, pension assets in OECD countries reached \$43.4 trillion.

From Words to Action: CWC Asset Manager Accountability Initiative launches with meeting at State Street

Equipped with a report card produced by the CWC that examined State Street Global Advisors’ (SSGA) stewardship framework and practices, trustees from three Australian superannuation funds and the CWC Secretariat staff met with the asset manager at its Boston headquarters in early June 2019.



At our meeting with SSGA, we raised concerns detailed in our report card regarding the absence of references to workers’ human rights or labour standards in the company’s responsible investment policies and stewardship activity reports.

Our meeting was an opportunity for trustees in the CWC network to exercise their fiduciary duty to take environmental, social and governance (ESG) issues into account. Re-affirming the accountability of asset owners to asset managers is an important step in transforming the global financial system so that the workers’ whose savings are invested in global markets benefit fully – now and in the future.