

Comparing State Street Global Advisors (SSGA) and BlackRock's incorporation of fundamental labour rights in their stewardship frameworks

State Street Global Advisors (SSGA)	BlackRock
Stewardship expectations for portfolio companies	
<p>"We expect companies to disclose information regarding their approach to identifying material sustainability-related risks and the management policies and practices in place to address such issues. We support efforts by companies to demonstrate the ways in which sustainability is incorporated into operations, business activities, and most importantly, long-term business strategy."¹</p>	<p>"We ask that companies report on how they have determined their key stakeholders and considered their interests in business decision-making. We also ask that companies effectively address adverse impacts that could arise from their business practices and mitigate material risks with appropriate due diligence processes and board oversight."²</p>
References to fundamental labour rights	
<p>"Common topics for sustainability-related shareholder proposals include: [...] Labor and human rights"³</p>	<p>"We are prioritizing engagement with companies whose business practices have breached international norms set forth by the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for MNEs. In particular, we are engaging with companies that have experienced severe social controversies to assess their board oversight, due diligence, and remediation efforts."⁴</p>
Stewardship of labour issues	
<p>"We believe that a company's workforce is a core asset and driver of long-term sustainable performance. We will engage with companies to understand how they measure, monitor and manage their workforce and how they align their incentives with the company's long term strategy and invest in creating a workforce for the future."⁵</p>	<p>"we advocate for improved disclosures on a company's key human capital priorities—referring to [...] international guidance on responsible business conduct from organizations such as the United Nations and the Organization for Economic Cooperation and Development (OECD)."⁶</p>
Human rights due diligence	
<p>No references</p>	<p>"Unmanaged potential or actual adverse human rights issues can not only harm the people directly affected, but also expose companies to significant legal, regulatory, operational, and reputational risks. These risks can materialize in a variety of ways, from fines and litigation to workforce and supply chain disruptions that may damage a company's standing with business partners, customers, and communities. Furthermore, these risks may call into question a company's social license to operate – the ability to maintain operations in a certain location and benefit from the labor, raw material, or regulatory structures in place – particularly if they significantly undermine its corporate reputation and purpose."⁷</p>

ENDNOTES

- ¹ SSGA, "Global Proxy Voting and Engagement Guidelines for Environmental and Social Issues," March 2021. P. 3, <https://www.ssga.com/library-content/pdfs/ic/global-Proxy-Voting-and-engagement-guidelines-es-issues.pdf>
- ² BlackRock, "Our 2021 Stewardship Expectations Global Principles and Market-level Voting Guidelines," January 2021, P. 8, <https://www.blackrock.com/corporate/literature/publication/our-2021-stewardship-expectations.pdf>
- ³ SSGA, "Global Proxy Voting and Engagement Guidelines for Environmental and Social Issues," March 2021. P. 3, <https://www.ssga.com/library-content/pdfs/ic/global-Proxy-Voting-and-engagement-guidelines-es-issues.pdf>
- ⁴ BlackRock, "BlackRock Investment Stewardship Engagement Priorities for 2021," March 2021, p. 5, <https://www.blackrock.com/corporate/literature/publication/blk-stewardship-priorities-final.pdf>
- ⁵ SSGA, "Our Asset Stewardship Approach," May 2020, P. 3, <https://www.ssga.com/library-content/products/esg/asset-stewardship-highlights-2018-2019.pdf>
- ⁶ BlackRock, "Our 2021 Stewardship Expectations Global Principles and Market-level Voting Guidelines," January 2021, p.5, <https://www.blackrock.com/corporate/literature/publication/our-2021-stewardship-expectations.pdf>
- ⁷ BlackRock, "Our approach to engagement with companies on their human rights impacts Investment Stewardship," P. 2, <https://www.blackrock.com/corporate/literature/publication/blk-commentary-engagement-on-human-rights.pdf>



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