



**OPPORTUNITIES TO REINFORCE  
FUNDAMENTAL LABOUR RIGHTS IN  
UBS'S INVESTMENT STEWARDSHIP**

September, 2021

## Contents

<b>I. CWC Baseline Expectations of Asset Managers</b>	<b>2</b>
<b>II. Executive Summary</b>	<b>2</b>
<b>III. UBS at a Glance</b>	<b>4</b>
<b>IV. Labour Rights in UBS's Investment Stewardship Framework</b>	<b>5</b>
<b>V. Stewardship Practices: Shareholder Engagement and Proxy Voting</b>	<b>7</b>

---

*Please note that this brief is for informational purposes only, and is not intended to provide, and should not be relied on for investment, legal, tax or accounting advice. Trustees should consult their own advisors and investment professionals to evaluate the merits and risks of any investment.*

### About the Global Unions' Committee on Workers' Capital (CWC) Asset Manager Report Series

The CWC Asset Manager Report Series examines the performance of some of the world's largest asset managers on workers' rights and global trade union priorities. The asset managers profiled rely on a client base that includes pension funds across the globe. Many of the trustees who sit on these pension funds are CWC network participants.

The reports evaluate the strength of the asset managers' stewardship frameworks, the impact of their stewardship practices on workers' rights and their degree of alignment with the ILO Fundamental Principles and Rights at Work and rights-based frameworks such as the UN Guiding Principles for Business and Human Rights (UNGPR) and the OECD Guidelines for Multinational Enterprises (MNEs).

## I. CWC Baseline Expectations of Asset Managers

The CWC Asset Manager Reports review the stewardship policies and practices in public equities (engagement and proxy voting), alternative investments and policy advocacy for some of the world's largest asset managers. It then assesses the consistency of those practices with the CWC Secretariat's Baseline Expectations around fundamental labour rights. The following Baseline Expectations have guided the research and analysis that underpin this report:

- Adopt the promotion of fundamental labour rights and responsible business conduct as an engagement priority and a proxy voting guideline;
- Commit to engaging companies when trade unions provide evidence of adverse human rights impacts and reporting back publicly on the outcome of those engagements;
- Adopt a position of "neutrality" in public equities and private market investments when workers exercise their right to associate and to bargain collectively; and,
- Commit to a dialogue with the CWC and its asset owner representatives once a year to discuss trade union priorities that are relevant to investment stewardship.

## II. Executive Summary

UBS Asset Management ("UBS") is the world's 13th largest asset manager with USD 1.1 trillion in assets under management (AUM).<sup>1</sup> This report builds on the CWC 2019 Asset Manager Report on UBS Group AG, which included a response from UBS.<sup>2</sup>

In this year's iteration, the CWC reviewed the manager's policies and practices into two overarching categories: (1) stewardship framework and (2) stewardship practices in public equities including engagement and proxy voting.<sup>3</sup> The recommendations and analysis were based on an evaluation of UBS's corporate disclosures, as well as news reports and consultations with trade unions that participate in the CWC.

UBS's stewardship framework acknowledges investor responsibilities under global human rights frameworks to identify and mitigate adverse impacts on people.<sup>4</sup> We were encouraged by the importance it places on breaches of the UN Global Compact, its consideration of portfolio companies' human rights due diligence processes, its reference to collective bargaining, and its policy on collaborating with other investors. However, our analysis indicates that there are gaps between UBS's strong policies and its stewardship practice in terms of upholding fundamental labour rights in its portfolios. This report outlines how UBS can improve its approach to engagement and proxy voting while describing key case studies drawn from trade union priorities. The report makes the following recommendations to UBS:

### (1) Stewardship Framework

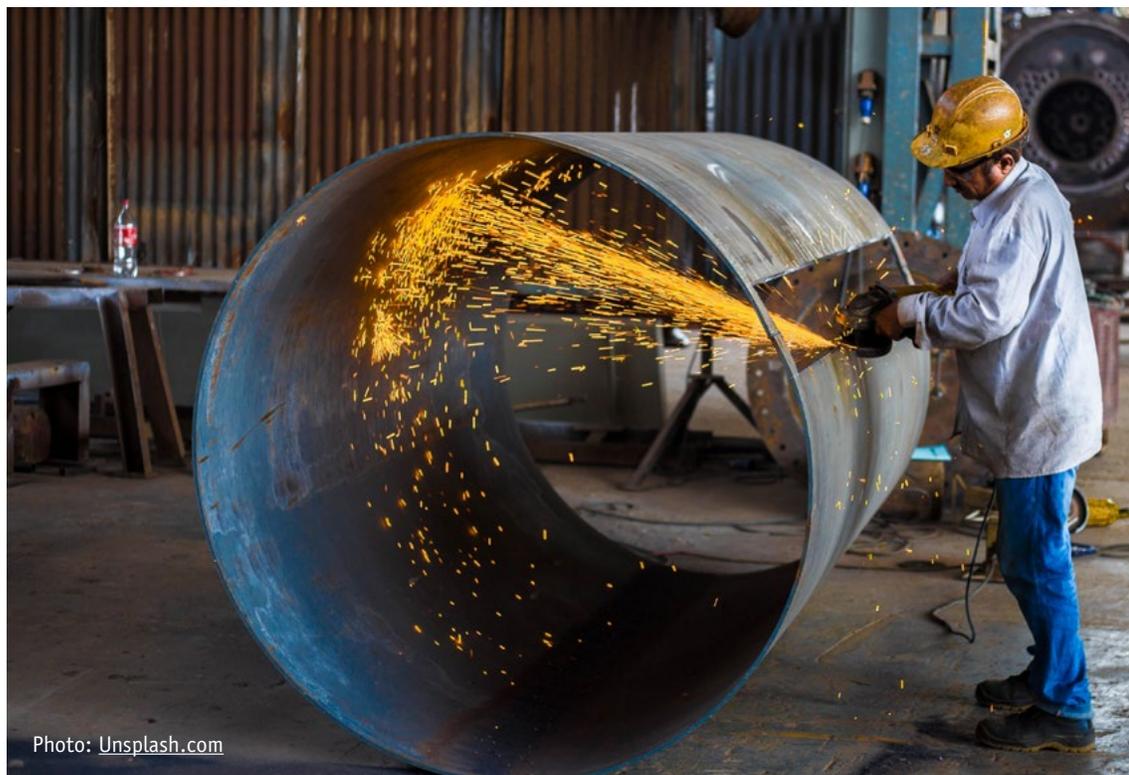
- Draft a standalone document to lay out clear expectations for companies and their management of human and labour right impacts. Those expectations should be underpinned by the [ILO Declaration on Fundamental Principles and Rights at Work](#) and UBS's (and company) responsibilities under the [OECD Guidelines for MNEs](#). The

expectations could indicate how UBS intends to escalate engagements to address egregious cases of workers' rights violations when (1) ILO fundamental labour rights violations go unaddressed by management within 12 months or (2) when the company has refused to participate in mediation offered by a National Contact Point (NCP) under the OECD Guidelines for MNEs.

- Disclose the list of companies that have been excluded from portfolios based on insufficient progress during UBS-led engagements on ESG (including human rights) issues.

## (2) Stewardship in Public Equities: Engagement and Proxy Voting

- Clarify how it applies its escalation tactics when issues go unresolved over a reasonable timeframe.
- Adopt a public expectation that investee companies remain neutral when workers attempt to exercise freedom of association.
- Commit to respond to notifications of workers' rights violations brought by unions, particularly when there is public evidence that substantiates allegations (e.g., OECD National Contact Point statements).
- Review its voting policy and practices related to shareholder proposals for employee representation on corporate boards, particularly in a context of increasing acceptance for stakeholder capitalism.
- Disclose the names of companies with whom it engages and the topics of engagements on a quarterly basis.

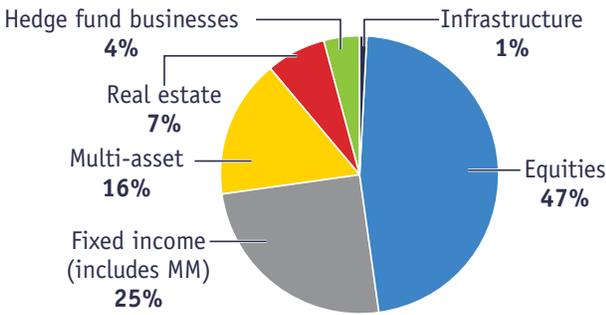


### III. UBS Asset Management at a Glance

UBS Asset Management is the world's 13th largest asset manager with USD 1.1 trillion in assets under management (AUM).<sup>5</sup> Based in Switzerland, its investment portfolio is composed of equities (47%), fixed income (25%), real estate (7%) and infrastructure (1%).<sup>6</sup> Institutional investors – including pension funds – account for 59% of the investor base in UBS's portfolio.<sup>7</sup>

This report analyzes UBS Asset Management's investment stewardship policies and practices.<sup>8</sup>

**TABLE 1: KEY FACTS ON UBS ASSET MANAGEMENT**

<b>Assets Under Management</b>	USD 1.1 trillion (at December 2020) <sup>9</sup>														
<b>Management of institutional accounts</b>	USD 649 billion (at December 2020) <sup>10</sup>														
<b>Ranking among global asset managers</b>	13th largest <sup>11</sup>														
<b>Ranking among global real estate managers</b>	8th largest <sup>12</sup>														
<b>Asset base composition</b>	 <p>A pie chart illustrating the asset base composition of UBS Asset Management. The largest segment is Equities at 47%, followed by Fixed income (includes MM) at 25%, Multi-asset at 16%, Real estate at 7%, Hedge fund businesses at 4%, and Infrastructure at 1%.</p> <table border="1"> <thead> <tr> <th>Asset Class</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Equities</td> <td>47%</td> </tr> <tr> <td>Fixed income (includes MM)</td> <td>25%</td> </tr> <tr> <td>Multi-asset</td> <td>16%</td> </tr> <tr> <td>Real estate</td> <td>7%</td> </tr> <tr> <td>Hedge fund businesses</td> <td>4%</td> </tr> <tr> <td>Infrastructure</td> <td>1%</td> </tr> </tbody> </table>	Asset Class	Percentage	Equities	47%	Fixed income (includes MM)	25%	Multi-asset	16%	Real estate	7%	Hedge fund businesses	4%	Infrastructure	1%
Asset Class	Percentage														
Equities	47%														
Fixed income (includes MM)	25%														
Multi-asset	16%														
Real estate	7%														
Hedge fund businesses	4%														
Infrastructure	1%														
<b>Company structure</b>	Publicly-listed (SIX Swiss Exchange, NYSE)														
<b>Responsible investment (RI) staff/total employees</b>	22 responsible investment staff <sup>13</sup> 1,150 FTE staff in total <sup>14</sup>														
<b>Headquarters</b>	Zurich, Switzerland														

## IV. Labour Rights in UBS's Investment Stewardship Framework

UBS is committed to “outcomes-focused stewardship.”<sup>15</sup> In 2020, UBS's focus areas for thematic engagements included climate change, corporate purpose, corporate governance, and social issues such as gender, impacts on people, and “controversies.”<sup>16</sup> Engagement targets are prioritized based on the following set of factors: high financial exposure, the presence of significant ESG risks and opportunities, a history of votes against management, the performance on topics selected for thematic programs, and the presence of significant controversies.<sup>17</sup>

UBS's approach to engaging on employee-related matters comprises both a human capital management and a human rights lens. Encouragingly, this suggests that the manager is implementing a double materiality ESG strategy, where the investor considers sustainability issues that impact a company's own activities (i.e. financial materiality), as well as its' impact on key stakeholders, including workers.

The occurrence of fundamental labour rights violations may inform engagements focused on “impacts on people” or “controversies”. For “impacts on people” thematic engagements, UBS assesses both human capital management policies and human rights due diligences practices, including in the supply chain. It cites “unionization rates” as one of the factors to assess corporate performance on human capital management.<sup>18</sup> Furthermore, it reviews how companies hold suppliers accountable based on their “participation in industry partnerships to tackle child labour, modern slavery, minimum and living wages, collective bargaining and health and safety”.<sup>19</sup> Importantly, UBS makes explicit mention of collective bargaining when it describes how it measures corporate performance on social issues.<sup>20</sup> It also draws on The UN Guiding Principles on Business and Human Rights (UNGPs), and the OECD framework on Responsible Business Conduct serve to frame discussions.<sup>21</sup>

UBS can also engage with companies where there are egregious labour rights violations that qualify as controversies. Its “Adverse Impacts Statement” lays out its approach to tackling adverse environmental and social impacts in passive and active equity investments in addition to its incorporation into investment stewardship activities. These impacts are screened according to company compliance with the UN Global Compact, the voluntary UN-led initiative which includes 6 human and labour rights focused principles (out of 10). In actively managed portfolios with ESG risk integration, investments with high levels of adverse impacts may be screened out by portfolio managers. In passive portfolios, adverse impacts are integrated depending on the screening methodology of the index provider. Finally, the stewardship team may engage with companies that are (or are at risk of) causing adverse impacts “where appropriate”. In those engagements, UBS asks companies to remedy breaches and may choose to escalate the case if issuers do not meet its expectations or if disclosures are insufficient.<sup>22</sup>

UBS's escalation strategies include voting sanctions and adding the company to a “grey list,” where it is subject to a review.<sup>23</sup> Should no progress be made over a period of time, UBS may choose to divest all or some of the shares held on behalf of their clients.<sup>24</sup> Disclosure on which companies the manager has excluded from its portfolios under this process would improve transparency.

---

UBS's escalation strategies include voting sanctions and adding the company to a “grey list,” where it is subject to a review.

---

Encouragingly, UBS supports collaborative engagements and “sees a strong benefit” in working with other investors.<sup>25</sup> In 2020, roughly 10% of UBS's engagements were organized in collaboration with other investors through joint initiatives such as the Workforce Disclosure Initiative, or Climate Action 100+.<sup>26</sup> In its global stewardship policy, UBS has set out guidelines to evaluate collaborative initiatives before bargaining, such as a consideration of consensus among investors on the issues of concern and potential solutions.<sup>27</sup> Collaborative engagements can be effective tools to improve the success of an engagement and could be relied on more often.

There is no explicit mention of the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises (MNEs) in UBS stewardship documents. These are important guiding frameworks to hold portfolio companies to with regards to fundamental labour rights.

---

There is no explicit mention of the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises (MNEs) in UBS stewardship documents.

---

### **CWC SECRETARIAT RECOMMENDATIONS: Stewardship Framework**

UBS's stewardship framework attempts to implement a double-materiality perspective that is conducive to holding companies accountable on labour rights. We are encouraged by elements of UBS's stewardship framework, such as the importance it places on breaches of the UN Global Compact, its policy on collaborating with other investors, its consideration of portfolio companies' human rights due diligence processes and its reference to collective bargaining.

UBS's stewardship framework could be enhanced by clarifying its expectations of companies on fundamental labour rights. The manager could draft a standalone document to lay out expectations around companies and their management of human and labour right impacts. Those expectations should be underpinned by the [ILO Declaration on Fundamental Principles and Rights at Work](#) and UBS's (and company) responsibilities under the [OECD Guidelines for MNEs](#). The expectations could indicate how UBS intends to escalate engagements to address egregious cases of workers' rights violations when (1) ILO fundamental labour rights violations go unaddressed by management within 12 months or (2) when the company has refused to participate in mediation offered by a National Contact Point (NCP) under the OECD Guidelines for MNEs. This would reduce the ambiguity related to UBS's current approach of engaging with companies that are (or are at risk of) causing adverse impacts “where appropriate”.

Moreover, we encourage UBS to disclose the list of companies that have been excluded from portfolios based on insufficient progress during UBS-led engagements on ESG (including human rights) issues. This list could be disclosed on the stewardship website as opposed to the disclosures of individual UBS funds.

## V. Stewardship Practices: Shareholder Engagement and Proxy Voting

To evaluate the asset manager's commitment to its responsible investment policies, this section analyzes how UBS' active ownership practices align with its stated policies. It includes case studies and examples from global trade unions as it relates to holding portfolio companies accountable to upholding fundamental labour rights through engagement and proxy voting.

### A. Shareholder Engagement

The CWC reports identify companies where trade unions have raised labour rights violations and scans asset manager reports for any disclosures on engagements. This provides us with insight into the application of a manager's stewardship framework.

Of the 429 engagements that UBS conducted with 277 companies over the course of 2020, more than a quarter (24%) touched on human capital management and labour standards.<sup>28</sup> In describing one example of a human capital management-focused engagement with an unnamed company, UBS indicates that progress is reflected in strengthening relationships with local trade unions and commits to monitoring developments on dialogue with international workers' representations.<sup>29</sup> This acknowledgement that positive relationships with trade unions are integral to a company's performance on social issues is welcomed.

In addition, approximately 24 engagement meetings (6% of total engagements) organized by UBS last year were focused solely on controversies where there has been a serious breach of the UN Global Compact.<sup>30</sup> Engagements under this stream included dialogues with Vale (following the Brumadinho tailings dam failure in 2019), Petrobras (for a corruption scandal associated with Lava Jato in 2014) and Rio Tinto (for the destruction of cultural heritage at Juukan Gorge, Australia in 2020).<sup>31</sup> None of the examples that UBS provided touch on instances of labour rights violations.

In its annual stewardship report, UBS discloses the list of companies engaged on a yearly-basis but provides few details on which topics the engagements address aside from case studies. This level of disclosure is inferior to peers such as BlackRock, which discloses engagement case studies and company names in quarterly stewardship reports and list broad topic areas. UBS could thus improve practices by increasing the pace of its disclosures and adding company specific engagement information.

In 2020, UBS reported engagements with two out of four companies where CWC participant trade unions identified violations of fundamental labour rights. However, it is unclear which topics were raised in these engagements (see Table 2).

---

Approximately 24 engagement meetings (6% of total engagements) organized by UBS last year were focused solely on controversies where there has been a serious breach of the UN Global Compact.

---

**TABLE 2: UBS ENGAGEMENTS WITH COMPANIES FLAGGED BY CWC PARTICIPANT TRADE UNIONS FOR VIOLATIONS OF FUNDAMENTAL LABOUR RIGHTS**

Company (country HQ)	Ownership stake	Impacts to workers' rights raised by CWC participants	UBS engagement reported (topic not disclosed)
Amazon.com Inc. (USA)	0.43%	Employee concerns regarding workplace health and safety at the beginning of the COVID pandemic, <sup>32</sup> labour disputes in US, UK and European warehouses, <sup>33</sup> and an anti-union campaign in the US. <sup>34</sup> The latter is summarized in a CWC Statement for Investors on the Union Election at Amazon's Facility in Bessemer, Alabama. <sup>35</sup>	YES
Teleperformance (France)	0.49%	OECD National contact point complaint filed by UNI regarding retaliation and unsafe practices linked to covid-19 in call centers in various countries. The NCP announced the formal admissibility of the referral and has begun its assessment. <sup>36</sup>	YES
XPO Logistics Inc. (USA)	0.30%	Concerns regarding labour standards, alleged employee misclassification and freedom of association. <sup>37</sup>	NO
Holcim (Switzerland)	1.74%	OECD national contact point complaint filed by the Buildings and Woodworkers' International on replacement of employees with subcontractors in the Philippines. <sup>38</sup>	NO



Photo by Tima Miroshnichenko from Pexels

## MOVING FORWARD: SECTORS ON WATCH BY GLOBAL TRADE UNIONS FOR LABOUR RIGHTS VIOLATIONS

The following thematic areas have been identified by global trade unions as high-risk sectors for violations of fundamental labour rights. UBS stands apart from its peers in its willingness to adopt a formal policy to participate in collaborative engagements. The following engagements are opportunities for UBS to demonstrate commitment to fundamental labour rights in investment stewardship:

### LONG-TERM CARE

COVID-19 has highlighted workforce risks in the long-term care system. Lax health and safety standards, under-staffing, low wages and temporary contracts have contributed to surging COVID-19 deaths in nursing homes.<sup>39</sup> More than 100 investors with \$3.35 trillion in assets under management signed a [statement](#) issued by UNI Global Union that voiced expectations for labour standards in the sector. The CWC urges UBS to join this initiative and enter into a dialogue with UNI Global Union about effective engagement with the sector.

### STRANDED AT SEA

Over 400,000 seafarers have been stranded at sea, and are prevented by national COVID-19 restrictions from disembarking commercial vessels to be relieved by replacement crews. Some seafarers have been at sea for over 18 months. The International Transport Workers' Federation highlighted in 2020 how crews are effectively facing a situation of forced labour as they are made to work long after their legal contracts have ended.<sup>40</sup> The CWC urges UBS to join a collaborative engagement led by Fidelity International to advocate for policy changes.<sup>41</sup>

### PREPARING FOR A JUST TRANSITION

The just transition is increasingly acknowledged as an essential component of a successful shift to a carbon-neutral economy.<sup>42</sup> The ITUC's Just Transition Center has highlighted the key role of investors to ensure that investee companies integrate social considerations to their climate strategies. This includes a plan to ensure social dialogue with workers as the centerpiece of developing and implementing a just transition plan.<sup>43</sup> While UBS has engaged with companies such as BP on a just transition to the low carbon economy in 2020,<sup>44</sup> its climate programme<sup>45</sup> could benefit from better alignment with the International Labour Organizations (ILO) Just Transition Guidelines.<sup>46</sup> These guidelines on international labour standards offer a robust framework to secure workers' rights and livelihoods when economies are shifting to a carbon-neutral economy.<sup>47</sup>

## B) Proxy Voting

UBS's proxy voting guidelines state that the manager will support shareholder proposals that are "reasonable", "well-framed", and "promote good corporate citizenship [...], while enhancing long-term shareholder and stakeholder value," including proposals that refer to human capital management and supply chain labour standards.<sup>48</sup> The guidelines do not indicate how UBS will vote on shareholder resolutions that relate to the ILO fundamental labour rights within a company's workforce.

UBS's proxy voting record discloses valuable and timely information to stakeholders, including its rationale for supporting shareholder proposals. During the 2020 proxy season, it voted against management in 17% of the 115,000 resolutions it voted on and it showed support for ESG focused shareholder proposals.<sup>49</sup> For example, UBS supported 68% of the 171 shareholder proposals focused on social issues in 2020.<sup>50</sup>

UBS voted in alignment with CWC participant vote recommendations on 83% of the 18 votes tracked in 2021 (see table 3 and 4). This included votes against management on the election of directors or the approval of executive compensation packages. It supported shareholder resolutions that addressed executive compensation strategies, the separation of Chairman and CEO, lack of transparency on company lobbying, racial justice goals, and gender/racial pay gaps. The manager was generally supportive of shareholder proposals that request reports on specific issues provided they are not "overly demanding."<sup>51</sup> The three resolutions that were supported by CWC supported and which UBS did not support requested a report on the pay disparities between executives and other employees.

---

UBS voted in alignment with CWC participant vote recommendations on 83% of the 18 votes tracked in 2021

---

**TABLE 3: UBS VOTE ON MANAGEMENT PROPOSALS WHERE CWC PARTICIPANTS ISSUED SPECIFIC RECOMMENDATIONS**

Company (country HQ)	Proposal subject	Item #	Meeting date	CWC-supported recommendation	UBS vote
Chartwell Retirement Residences (Canada)	Elect Director Michael D. Harris.	B1W	5/20/2021	<u>WITHHOLD</u>	WITHHOLD
McDonald's (USA)	Elect Director Enrique Hernandez Jr.	1e	5/20/2021	<u>AGAINST</u>	AGAINST
XPO Logistics (USA)	Approve Compensation of CEO Bradley Jacobs	3	5/11/2021	<u>AGAINST</u>	AGAINST

TABLE 4: UBS VOTE ON SHAREHOLDER RESOLUTIONS FILED BY CWC PARTICIPANTS

Company (country HQ)	Proposal subject	Item #	Meeting date	CWC-supported recommendation	UBS vote
Bank of America (USA)	Racial Equity Audit	8	4/20/2021	<b>FOR</b>	<b>FOR</b>
Charter Communications (USA)	Corporate Political Spending Disclosure	3	4/27/2021	<b>FOR</b>	<b>FOR</b>
Chartwell Retirement Residences (Canada)	Disclose Workforce Metrics and Oversight	B1	5/20/2021	<b>FOR</b>	<b>FOR</b>
GEO Group (USA)	Corporate Political Spending Disclosure	6	4/28/2021	<b>FOR</b>	<b>FOR</b>
Intel (USA)	Report on Gender and Racial Pay Gaps	5	5/13/2021	<b>FOR</b>	<b>FOR</b>
Loblaws (Canada)	Report on Board Oversight of 'Hero Pay'	B1	5/06/2021	<b>FOR</b>	<b>FOR</b>
Marathon Petroleum (USA)	Accelerated Vesting of Equity Awards	7	7/28/2021	<b>FOR</b>	<b>FOR</b>
Southern Copper Corporation (USA)	Appoint an Independent Chair	4	5/28/2021	<b>FOR</b>	<b>FOR</b>
TMX Group Ltd (Canada)	Address Indigenous Relations and Reconciliation	4	5/12/2021	<b>FOR</b>	<b>FOR</b>
Walmart (USA)	Racial Justice Goals and Starting Wages	6	6/02/2021	<b>FOR</b>	<b>FOR</b>
XPO Logistics (USA)	Appoint an Independent Chair	5	5/11/2021	<b>FOR</b>	<b>FOR</b>
XPO Logistics (USA)	Acceleration of Executive Equity Awards	6	5/11/2021	<b>FOR</b>	<b>FOR</b>
3M Company (USA)	Consider Pay Disparity Between Executives and Other Employees	5	5/11/2021	<b>FOR</b>	<b>AGAINST</b>
Mondelez International (USA)	Consider Employee Pay in Setting CEO Pay	4	5/19/2021	<b>FOR</b>	<b>AGAINST</b>
TJX Companies (USA)	Consider Employee Pay in Setting CEO Pay	5	6/08/2021	<b>FOR</b>	<b>AGAINST</b>

## Case Study: Voting for Employee Representation on the Board

UBS could make significant improvements in its proxy voting practice by supporting employee representation on corporate boards. Worker representation on corporate boards is common in several European jurisdictions and it can contribute to more balanced corporate strategies.<sup>52</sup> Importantly, when supported by conditions that include a unionized labour market and robust democratic processes, employee representation can elevate workers' collective voice.<sup>53</sup> Research has also suggested that worker representation on boards can foster the consideration of stakeholder interests that may be critical to a company's success.<sup>54</sup>

Employee representation on boards is receiving more attention in corporate governance forums, bolstered by the Business Roundtable Statement on the Purpose of a Corporation<sup>55</sup> and broader support for the principles of stakeholder capitalism. The recent UN Working Group on Business and Human Rights report, *Taking stock of investor implementation of the UN Guiding Principles on Business and Human Rights*, recommends that investors engage portfolio companies in:

“Elevating stakeholder voice and perspectives in corporate governance and ownership structures, such as by reserving board seats for employees, promoting opportunities for employee ownership and supporting the adoption constituency statutes and reforms of corporate ownership law”<sup>56</sup>

UBS's proxy voting guidelines outline that “where local market practices require [it] will generally support the appointment of employee representatives to the Board.”<sup>57</sup> One shortcoming is that this support for employee representation does not extend to shareholder resolutions in jurisdictions where it is not required. For example, in the United States, UBS voted against all (13) shareholder proposals identified by the CWC that encouraged employee representation on the Boards of Director in 2020. Then in 2021, it has supported two of the six resolutions on employee representation on board identified by the CWC over the first and second quarters.



TABLE 5: UBS VOTE ON US SHAREHOLDER PROPOSALS REGARDING EMPLOYEE REPRESENTATION IN 2020/2021<sup>58</sup>

Company	Proposal subject	Item #	Meeting date	UBS vote
AT&T	Approve Nomination of Employee Representative Director	5	4/24/2020	AGAINST
The Chemours Company	Establish Board Advisory Position	4	4/28/2020	AGAINST
Square	Report on Non-Management Employee Representation on the Board of Directors	4	6/16/2020	AGAINST
Walmart	Adopt Policy to Include Hourly Associates as Director Candidates	7	6/03/2020	AGAINST
Boston Scientific Corporation	Report on Non-Management Employee Representation on the Board of Directors	5	5/07/2020	AGAINST
Badger Meter	Report on Non-Management Employee Representation on the Board of Directors	4	4/24/2020	AGAINST
Dupont De Nemours	Approve Creation of an Employee Board Advisory Position	6	5/27/2020	AGAINST
IDEX	Report on Employee Representation on the Board of Directors	4	5/07/2020	AGAINST
Stryker	Report on Non-Management Employee Representation on the Board of Directors	4	5/05/2020	AGAINST
Fedex	Report on Employee Representation on the Board of Directors	6	9/21/2020	AGAINST
Automatic Data Processing	Report on Non-Management Employee Representation on the Board of Directors	4	11/11/2020	AGAINST
Microsoft	Report on Employee Representation on the Board of Directors	4	12/02/2020	AGAINST
WD-40	Adopt a Policy to Include Non-Management Employees as Prospective Director Candidates	4	12/08/2020	AGAINST
Citigroup Inc.	Adopt a Policy to Include Non-Management Employees as Prospective Director Candidates	7	4/27/2021	AGAINST
Walt Disney Company	Adopt a Policy to Include Non-Management Employees as Prospective Director Candidates	5	3/09/2021	AGAINST
Starbucks Corporation	Adopt a Policy to Include Non-Management Employees as Prospective Director Candidates	4	3/17/2021	AGAINST
Woodward Inc.	Adopt a Policy to Include Non-Management Employees as Prospective Director Candidates	5	1/27/2021	AGAINST
Amazon Inc.	Adopt a Policy to Include Hourly Employees as Director Candidates	10	5/26/2021	FOR
Wal-Mart	Approve Creation of a Pandemic Workforce Advisory Council	7	6/02/2021	FOR

## Case Study: Amazon.com Inc

UBS indicated, in its response to the CWC 2019 asset manager report, that it engages Amazon broadly on human capital management risks.<sup>59</sup> The CWC Secretariat invited UBS to sign a joint letter led by Swedish investors Folksam and Ohman Fonder on Amazon's violations of their workers' rights to freedom of association and collective bargaining during the union election in Bessemer, Alabama.<sup>60</sup> Despite its commitment to collaborative engagements, UBS indicated its support of the cause but preference for engaging with Amazon on a one-on-one basis in a written communication sent to the CWC.<sup>61</sup>

At Amazon's AGM in 2020, UBS voted against shareholder proposals that targeted improvements in workforce conditions, such as those requesting reports on global median gender/racial pay gap (Item 10), promotion velocity (Item 13) and viewpoint discrimination (Item 12).<sup>62</sup> However, the manager did support some resolutions that addressed human rights concerns, lobbying practices, and food waste.<sup>63</sup>

The following year at Amazon's AGM in 2021, UBS' proxy voting record largely aligned with CWC participant vote recommendations. Of the seven shareholder proposals identified by the CWC that touched on issues related to workers' rights at Amazon, UBS voted in favour of five (71% alignment with CWC-vote recommendations). This included support for proposals requesting additional reporting on gender/racial pay (Item 6), competition strategy and risk (Item 11), diversity and equity (Item 9), lobbying (Item 13) – and most notably, a proposal requesting an Alternative Director Candidate Policy (Item 10) affirming that the “consideration of a wider set of candidates may provide the company with greater insights into management of the workforce”. Nevertheless, the manager did not support proposals that requested a mandatory Independent Board Chair policy (Item 5) or a report on promotion data (Item 7).<sup>64</sup>



“Amazon Prime delivery agent during his work shift,” by Cineberg. Photo taken in Berlin, Germany on Jan. 27, 2020. Shutterstock, Royalty-free stock photo ID: 1640803081

## **CWC SECRETARIAT RECOMMENDATIONS: Stewardship in Public Equities**

UBS's recent engagement practices and proxy voting show increasing alignment with human rights-based frameworks relative to the prior analysis carried out in 2019. Its recent record points to shareholder engagements with companies over adverse labour rights impacts. In proxy voting, the manager showed increasing willingness to vote in line with CWC participant recommendations.

While it has engaged with a handful of companies of fundamental labour rights issues, UBS could clarify how it applies its escalation tactics when issues go unresolved over a reasonable timeframe. For instance, its engagement case study on human capital practices at a large French company states that it will "continue to monitor any developments on dialogue with international workers' representations", but it fails to indicate how UBS will escalate should the issues go unresolved.<sup>65</sup>

UBS could also publicly adopt an expectation that investee companies remain neutral when workers attempt to exercise freedom of association, a fundamental labour right. This would send a clear message to investees regarding UBS' commitment to human rights. This should be accompanied by a commitment to respond to notifications of workers' rights violations brought by unions, particularly when there is public evidence that substantiates allegations (e.g., OECD National contact point statements). This commitment would make it likelier for UBS to engage with companies in sectors that are on watch by trade unions.

On proxy voting, the CWC recommends that UBS continue to support shareholder resolutions on social issues and that it reviews its voting policy and practices related to shareholder proposals for employee representation on corporate boards, particularly in a context of increasing acceptance for stakeholder capitalism.

Finally, with regards to disclosure, the manager should align with good practice in the asset management industry by disclosing the names of companies with whom it engages and the topics of engagements on a quarterly basis. This would foster increased public accountability on the part of UBS towards investee companies.



- <sup>19</sup> UBS, "Stewardship Annual Report 2020", March 31 2021. Page 51. [https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/\\_jcr\\_content/mainpar/toplevelgrid\\_274723673/col1/linklist/link\\_1819271429.0819141569.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtaW52ZXNoaW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAAtcmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf](https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/_jcr_content/mainpar/toplevelgrid_274723673/col1/linklist/link_1819271429.0819141569.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtaW52ZXNoaW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAAtcmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf).
- <sup>20</sup> UBS, "Stewardship Annual Report 2020", March 31 2021. Page 51. [https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/\\_jcr\\_content/mainpar/toplevelgrid\\_274723673/col1/linklist/link\\_1819271429.0819141569.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtaW52ZXNoaW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAAtcmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf](https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/_jcr_content/mainpar/toplevelgrid_274723673/col1/linklist/link_1819271429.0819141569.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtaW52ZXNoaW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAAtcmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf).
- <sup>21</sup> UBS, "Stewardship Annual Report 2020", March 31 2021. Page 51-55. [https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/\\_jcr\\_content/mainpar/toplevelgrid\\_274723673/col1/linklist/link\\_1819271429.0819141569.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtaW52ZXNoaW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAAtcmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf](https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/_jcr_content/mainpar/toplevelgrid_274723673/col1/linklist/link_1819271429.0819141569.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtaW52ZXNoaW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAAtcmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf).
- <sup>22</sup> UBS, "Global Stewardship Policy", 2019. Page 6. [https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/\\_jcr\\_content/mainpar/toplevelgrid\\_274723673/col1/linklist/link\\_2061817810.0592488275.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS91YnMvaW5zaWdodHMvZ2xvYmFsLXNOZXdhcmRzaGlwLXNOYXRlbWVudC0yMDE5LnBkZg==/global-stewardship-statement-2019.pdf](https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/_jcr_content/mainpar/toplevelgrid_274723673/col1/linklist/link_2061817810.0592488275.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS91YnMvaW5zaWdodHMvZ2xvYmFsLXNOZXdhcmRzaGlwLXNOYXRlbWVudC0yMDE5LnBkZg==/global-stewardship-statement-2019.pdf).
- <sup>23</sup> UBS, "Stewardship Annual Report 2020", March 31 2021. Page 55. [https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/\\_jcr\\_content/mainpar/toplevelgrid\\_274723673/col1/linklist/link\\_1819271429.0819141569.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtaW52ZXNoaW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAAtcmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf](https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/_jcr_content/mainpar/toplevelgrid_274723673/col1/linklist/link_1819271429.0819141569.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtaW52ZXNoaW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAAtcmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf).
- <sup>24</sup> UBS, "Global Stewardship Policy", 2019. Page 6. [https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/\\_jcr\\_content/mainpar/toplevelgrid\\_274723673/col1/linklist/link\\_2061817810.0592488275.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS91YnMvaW5zaWdodHMvZ2xvYmFsLXNOZXdhcmRzaGlwLXNOYXRlbWVudC0yMDE5LnBkZg==/global-stewardship-statement-2019.pdf](https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/_jcr_content/mainpar/toplevelgrid_274723673/col1/linklist/link_2061817810.0592488275.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS91YnMvaW5zaWdodHMvZ2xvYmFsLXNOZXdhcmRzaGlwLXNOYXRlbWVudC0yMDE5LnBkZg==/global-stewardship-statement-2019.pdf).
- <sup>25</sup> UBS, "Global Stewardship Policy", 2019. Page 6. [https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/\\_jcr\\_content/mainpar/toplevelgrid\\_274723673/col1/linklist/link\\_2061817810.0592488275.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS91YnMvaW5zaWdodHMvZ2xvYmFsLXNOZXdhcmRzaGlwLXNOYXRlbWVudC0yMDE5LnBkZg==/global-stewardship-statement-2019.pdf](https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/_jcr_content/mainpar/toplevelgrid_274723673/col1/linklist/link_2061817810.0592488275.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS91YnMvaW5zaWdodHMvZ2xvYmFsLXNOZXdhcmRzaGlwLXNOYXRlbWVudC0yMDE5LnBkZg==/global-stewardship-statement-2019.pdf).
- <sup>26</sup> UBS, "Stewardship Annual Report 2020", March 31 2021. Page 30, 73-75. [https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/\\_jcr\\_content/mainpar/toplevelgrid\\_274723673/col1/linklist/link\\_1819271429.0819141569.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtaW52ZXNoaW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAAtcmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf](https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/_jcr_content/mainpar/toplevelgrid_274723673/col1/linklist/link_1819271429.0819141569.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtaW52ZXNoaW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAAtcmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf).
- <sup>27</sup> UBS, "Global Stewardship Policy", 2019. Page 6. [https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/\\_jcr\\_content/mainpar/toplevelgrid\\_274723673/col1/linklist/link\\_2061817810.0592488275.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS91YnMvaW5zaWdodHMvZ2xvYmFsLXNOZXdhcmRzaGlwLXNOYXRlbWVudC0yMDE5LnBkZg==/global-stewardship-statement-2019.pdf](https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/_jcr_content/mainpar/toplevelgrid_274723673/col1/linklist/link_2061817810.0592488275.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS91YnMvaW5zaWdodHMvZ2xvYmFsLXNOZXdhcmRzaGlwLXNOYXRlbWVudC0yMDE5LnBkZg==/global-stewardship-statement-2019.pdf).
- <sup>28</sup> UBS, "Stewardship Annual Report 2020", March 31 2021. Page 30. [https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/\\_jcr\\_content/mainpar/toplevelgrid\\_274723673/col1/linklist/link\\_1819271429.0819141569.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtaW52ZXNoaW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAAtcmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf](https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/_jcr_content/mainpar/toplevelgrid_274723673/col1/linklist/link_1819271429.0819141569.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtaW52ZXNoaW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAAtcmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf).
- <sup>29</sup> UBS, "Stewardship Annual Report 2020", March 31 2021. Page 53. [https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/\\_jcr\\_content/mainpar/toplevelgrid\\_274723673/col1/linklist/link\\_1819271429.0819141569.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtaW52ZXNoaW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAAtcmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf](https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/_jcr_content/mainpar/toplevelgrid_274723673/col1/linklist/link_1819271429.0819141569.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtaW52ZXNoaW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAAtcmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf).
- <sup>30</sup> UBS, "Stewardship Annual Report 2020", March 31 2021. Page 30. [https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/\\_jcr\\_content/mainpar/toplevelgrid\\_274723673/col1/linklist/link\\_1819271429.0819141569.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtaW52ZXNoaW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAAtcmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf](https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/_jcr_content/mainpar/toplevelgrid_274723673/col1/linklist/link_1819271429.0819141569.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtaW52ZXNoaW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAAtcmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf).
- <sup>31</sup> UBS, "Stewardship Annual Report 2020", March 31 2021. Page 55. [https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/\\_jcr\\_content/mainpar/toplevelgrid\\_274723673/col1/linklist/link\\_1819271429.0819141569.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtaW52ZXNoaW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAAtcmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf](https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/_jcr_content/mainpar/toplevelgrid_274723673/col1/linklist/link_1819271429.0819141569.file/bGlUay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtaW52ZXNoaW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAAtcmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf).
- <sup>32</sup> Dana Mattioli and Sebastian Herrera, "Amazon Struggles to Find Its Coronavirus Footing. It's a Time of Great Stress," *Wall Street Journal*, March 31, 2020, <https://www.wsj.com/articles/amazon-struggles-to-find-its-coronavirus-footing-its-a-time-of-great-stress-11585664987>; Matt Day, "Amazon Has a Europe Problem: Unions and Regulators Are Circling," *Bloomberg*, April 30, 2020, <https://www.bloomberg.com/news/articles/2020-04-30/amazon-has-a-europe-problem-unions-and-regulators-are-circling>. See also Committee on Workers' Capital, "Investor Brief: Amazon.com, Inc. and the COVID-19 Pandemic," 26 April 2020, <https://www.workerscapital.org/investor-brief-amazon-com-inc-and-the-covid-19-pandemic>.

- <sup>33</sup> Chavie Liber, "Amazon warehouse workers in Europe spent Black Friday protesting: Amazon workers in Italy, Germany, Spain, and the UK staged mass walkouts, protesting poor conditions and low wages," *Vox*, November 27, 2018, <https://www.vox.com/the-goods/2018/11/27/18114735/amazon-warehouse-workers-europe-protests-black-friday>; Abha Bhattarai, "Amazon Prime Day: Worker strikes and a site crash dent the online shopping bonanza," *The Washington Post*, July 16, 2018, <https://www.washingtonpost.com/business/2018/07/16/amazon-prime-day-now-an-opportunity-worker-strikes-consumer-protests-around-world/>; "Amazon workers strike in Germany, joining action in Spain and Poland," *Reuters*, July 16, 2018, <https://www.reuters.com/article/us-amazon-com-germany-strike/amazon-workers-strike-in-germany-joining-action-in-spainand-poland-idUSKBN1K610Y>; See also Committee on Workers' Capital, "Amazon In-Depth: Work, Rights and Risks at Amazon.com," 7 July 2020, <https://www.workerscapital.org/amazon-in-depth-work-rights-and-risks-at-amazon-com-inc>.
- <sup>34</sup> Dave Lee, "Amazon must not interfere with US union effort, say investors," *The Financial Times*, 9 February 2021, <https://www.ft.com/content/c7f24fbb-bb4e-489e-8a30-37708700e816>. See also Committee on Workers' Capital, "CWC Statement for Investors on the Union Election at Amazon's Facility in Bessemer, Alabama," 15 April 2021, <http://workerscapital.org/cwc-statement-for-investors-on-the-union-election-at-amazon-s-facility>.
- <sup>35</sup> The Global Unions' Committee on Workers' Capital (CWC), "CWC Statement for Investors on the Union Election at Amazon's Facility in Bessemer, Alabama," April 15, 2021, <http://workerscapital.org/cwc-statement-for-investors-on-the-union-election-at-amazon-s-facility>.
- <sup>36</sup> Communiqué du Point de contact national français, "CIRCONSTANCE SPECIFIQUE « TELEPERFORMANCE EN FRANCE ET DANS LE MONDE », April 29, 2020, <https://www.tresor.economie.gouv.fr/Articles/c3d96f28-7c6f-4bc6-bf70-ac679fd53f46/files/8adf73c9-133f-4322-8c3a-b44c3f64ef21>; OECD Guidelines for MNEs, "Specific instance concerning an alleged non-observance of the OECD Guidelines by Teleperformance," April 17, 2020. Accessed on March 16, 2021, <https://mneguidelines.oecd.org/database/instances/fr0030.htm>.
- <sup>37</sup> Lauren Kaori Gurley, "New Report Claims Extensive Worker Abuses at One of the World's Largest Logistics Companies," *VICE*, July 10, 2020, <https://www.vice.com/en/article/935x4y/new-report-claims-extensive-worker-abuses-at-one-of-the-worlds-largest-logistics-companies>; Stephen Singer, "Global transportation company that received \$2.7 million in Connecticut aid cited for misclassifying workers as contractors," *Hartford Courant*, October 21, 2020, <https://www.courant.com/business/hc-biz-xpo-logistics-20201021-oshxqortwjaktpgi5pdbm4te6y-story.html>. See also International Transport Workers' Federation and European Transport Workers' Federation, "XPO: Delivering Injustice," 2021, <https://www.xpoexposed.org/the-report>.
- <sup>38</sup> BWI, "Global Union files OECD Complaint against LafargeHolcim for Labour Violations," 2019, <https://www.bwint.org/cms/news-72/global-union-files-oecd-complaint-against-lafargeholcim-for-labour-violations-1592>.
- <sup>39</sup> "Global investors —with US\$3.34 trillion in AUM—launch initiative to raise labour standards and quality of care in nursing homes," UNI Global Union, <https://uni-globalunion.org/Care-Investor-Statement>.
- <sup>40</sup> International Maritime Organization, "Press Release: 400,000 seafarers stuck at sea as crew change crisis deepens," September, 25, 2020. Accessed on March 1, 2021, <https://www.imo.org/en/MediaCentre/PressBriefings/Pages/32-crew-change-UNGA.aspx>.
- <sup>41</sup> <https://www.itfseafarers.org/en/news/no-more-excuses-global-brands-new-tool-launched-fight-resolve-crew-change-crisis>.
- <sup>42</sup> Robins, Nick et al. "From the grand to the granular: translating just transition ambitions into investor action". July 23, 2021. <https://www.lse.ac.uk/granthaminstitute/publication/from-the-grand-to-the-granular-translating-just-transition-ambitions-into-investor-action>.
- <sup>43</sup> ITUC, "Just Transition: A Business Guide". May 2018. [https://www.ituc-csi.org/IMG/pdf/just\\_transition\\_-\\_a\\_business\\_guide.pdf](https://www.ituc-csi.org/IMG/pdf/just_transition_-_a_business_guide.pdf).
- <sup>44</sup> UBS, "Stewardship Annual Report 2020", March 31 2021. Page 63. [https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/\\_jcr\\_content/mainpar/toplevelgrid\\_274723673/col1/linklist/link\\_1819271429.0819141569.file/bGluay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxLLWFuZC1pbXBhY3QtaW52ZXN0aW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAtdmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf](https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/_jcr_content/mainpar/toplevelgrid_274723673/col1/linklist/link_1819271429.0819141569.file/bGluay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxLLWFuZC1pbXBhY3QtaW52ZXN0aW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAtdmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf).
- <sup>45</sup> UBS, "Climate change – engagement in action", May 14, 2020. <https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2020/climate-change-engagement-in-action.html>.
- <sup>46</sup> ILO. "Guidelines for a just transition towards environmentally sustainable economies and societies for all". February 2, 2016. [https://www.ilo.org/global/topics/green-jobs/publications/WCMS\\_432859/lang-en/index.htm](https://www.ilo.org/global/topics/green-jobs/publications/WCMS_432859/lang-en/index.htm).
- <sup>47</sup> Robins, Nick et al. "From the grand to the granular: translating just transition ambitions into investor action". July 23, 2021. <https://www.lse.ac.uk/granthaminstitute/publication/from-the-grand-to-the-granular-translating-just-transition-ambitions-into-investor-action>.
- <sup>48</sup> UBS, "Proxy Voting Summary Policy & Procedure", Page 10. [https://www.ubs.com/tw/tc/asset-management/about-us/stewardship/\\_jcr\\_content/mainpar/toplevelgrid/col1/linklist\\_copy/link\\_166666268\\_copy.1274442108.file/bGluay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxLLWFuZC1pbXBhY3QtaW52ZXN0aW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAtdmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf](https://www.ubs.com/tw/tc/asset-management/about-us/stewardship/_jcr_content/mainpar/toplevelgrid/col1/linklist_copy/link_166666268_copy.1274442108.file/bGluay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxLLWFuZC1pbXBhY3QtaW52ZXN0aW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAtdmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf).
- <sup>49</sup> UBS, "Stewardship Annual Report 2020", March 31 2021. Page 31. [https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/\\_jcr\\_content/mainpar/toplevelgrid\\_274723673/col1/linklist/link\\_1819271429.0819141569.file/bGluay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxLLWFuZC1pbXBhY3QtaW52ZXN0aW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAtdmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf](https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/_jcr_content/mainpar/toplevelgrid_274723673/col1/linklist/link_1819271429.0819141569.file/bGluay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxLLWFuZC1pbXBhY3QtaW52ZXN0aW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAtdmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf).
- <sup>50</sup> UBS, "Stewardship Annual Report 2020", March 31 2021. Page 35. [https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/\\_jcr\\_content/mainpar/toplevelgrid\\_274723673/col1/linklist/link\\_1819271429.0819141569.file/bGluay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxLLWFuZC1pbXBhY3QtaW52ZXN0aW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAtdmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf](https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/_jcr_content/mainpar/toplevelgrid_274723673/col1/linklist/link_1819271429.0819141569.file/bGluay9wYXR0PS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxLLWFuZC1pbXBhY3QtaW52ZXN0aW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAtdmVwb3J0LTlwMjAucGRm/esg-stewardship-report-2020.pdf).

- <sup>51</sup> UBS, "Proxy Voting Summary Policy & Procedure", Page 10. [https://www.ubs.com/tw/tc/asset-management/about-us/stewardship/\\_jcr\\_content/mainpar/toplevelgrid/col1/linklist\\_copy/link\\_166666268\\_copy.1274442108.file/bGlUay9wYXRoPS9jb250ZW50L2RhbS9hc3NldHMvYW0vdHcvZG9jL2NvcnBvcnFOZS1nb3Zlcm5hbmNLLWFuZC1wcm94eS12b3RpbmctcG9saWN5LXByb2NlZHVyZXMtMjAyMC5wZGY=/corporate-governance-and-proxy-voting-policy-procedures-2020.pdf](https://www.ubs.com/tw/tc/asset-management/about-us/stewardship/_jcr_content/mainpar/toplevelgrid/col1/linklist_copy/link_166666268_copy.1274442108.file/bGlUay9wYXRoPS9jb250ZW50L2RhbS9hc3NldHMvYW0vdHcvZG9jL2NvcnBvcnFOZS1nb3Zlcm5hbmNLLWFuZC1wcm94eS12b3RpbmctcG9saWN5LXByb2NlZHVyZXMtMjAyMC5wZGY=/corporate-governance-and-proxy-voting-policy-procedures-2020.pdf).
- <sup>52</sup> Michael Gold, "Taken on Board: An evaluation of the influence of employee board-level representatives in company decision-making across Europe", *European Journal of Industrial Relations* 17(1), 2011
- <sup>53</sup> Lenore Palladino, "Economic Democracy at Work: Why (and How) Workers Should Be Represented on U.S. Corporate Boards," February 15, 2021. Available at SSRN: <https://ssrn.com/abstract=3476669> or <http://dx.doi.org/10.2139/ssrn.3476669>; Janet Williamson, "Workers on Board: the case for workers' voice in corporate governance," *Trades Union Congress*, 2014.
- <sup>54</sup> Caspar Rose, "Medarbejdervalgte bestrelsesmedlemmer I danske virksomheder" in *Tidsskrift for Arbejdsliv*, 2005
- <sup>55</sup> Business Roundtable Statement on the Purpose of a Corporation, 2019. <https://system.businessroundtable.org/app/uploads/sites/5/2021/02/BRT-Statement-on-the-Purpose-of-a-Corporation-February-2021-compressed.pdf>.
- <sup>56</sup> UN Working Group on Business and Human Rights, "Taking stock of investor implementation of the UN Guiding Principles on Business and Human Rights {Executive Summary}," June 2021, <https://www.ohchr.org/Documents/Issues/Business/UNGPs10/Stocktaking-investor-implementation-reader-friendly.pdf>.
- <sup>57</sup> UBS, "Proxy Voting Summary Policy & Procedure", Page 5 [https://www.ubs.com/tw/tc/asset-management/about-us/stewardship/\\_jcr\\_content/mainpar/toplevelgrid/col1/linklist\\_copy/link\\_166666268\\_copy.1274442108.file/bGlUay9wYXRoPS9jb250ZW50L2RhbS9hc3NldHMvYW0vdHcvZG9jL2NvcnBvcnFOZS1nb3Zlcm5hbmNLLWFuZC1wcm94eS12b3RpbmctcG9saWN5LXByb2NlZHVyZXMtMjAyMC5wZGY=/corporate-governance-and-proxy-voting-policy-procedures-2020.pdf](https://www.ubs.com/tw/tc/asset-management/about-us/stewardship/_jcr_content/mainpar/toplevelgrid/col1/linklist_copy/link_166666268_copy.1274442108.file/bGlUay9wYXRoPS9jb250ZW50L2RhbS9hc3NldHMvYW0vdHcvZG9jL2NvcnBvcnFOZS1nb3Zlcm5hbmNLLWFuZC1wcm94eS12b3RpbmctcG9saWN5LXByb2NlZHVyZXMtMjAyMC5wZGY=/corporate-governance-and-proxy-voting-policy-procedures-2020.pdf).
- <sup>58</sup> Vote results from UBS Proxy Voting dashboard: <https://vds.issgovernance.com/vds/#/MjU0>.
- <sup>59</sup> Committee on Workers' Capital, "Asset Manager Report Card: UBS Group AG," 2019, [http://workerscapital.org/IMG/pdf/reportcard\\_ubs\\_final\\_with\\_response.pdf](http://workerscapital.org/IMG/pdf/reportcard_ubs_final_with_response.pdf).
- <sup>60</sup> Lee, Dave, "Amazon must not interfere with US union effort, say investors," *Financial Times*, February 9, 2021, <https://www.ft.com/content/c7f24fbbb4e-489e-8a30-37708700e816>.
- <sup>61</sup> Email communication from Henrike Kulmann, Sustainable Investment Research Analyst, Executive Director, UBS to Hugues Letourneau, Program Manager, CWC, February 11, 2021 (on file with the author).
- <sup>62</sup> UBS, "Proxy Voting Dashboard - Amazon.com, Inc." May 27, 2020. <https://vds.issgovernance.com/vds/#/MjU0>.
- <sup>63</sup> UBS voted FOR the following shareholder proposals at Amazon.com Inc's AGM in 2020: Report on Management of Food Waste (Item 5), Report on Customers' Use of its Surveillance and Computer Vision Products or Cloud-Based Services (Item 6), Report on Potential Human Rights Impacts of Customers' Use of Recognition (Item 7), Report on Products Promoting Hate Speech and Sales of Offensive Products (Item 8), Human Rights Risk Assessment (Item 15), Report on Lobbying Payments and Policy (Item 16).
- <sup>64</sup> UBS, "Proxy Voting Dashboard - Amazon.com, Inc." May 26, 2021. <https://vds.issgovernance.com/vds/#/MjU0>.
- <sup>65</sup> UBS, "Stewardship Annual Report 2020", March 31 2021. Page 53. [https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/\\_jcr\\_content/mainpar/toplevelgrid\\_274723673/col1/linklist/link\\_1819271429.0819141569.file/bGlUay9wYXRoPS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtYW52ZXN0aW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAtdmVwb3J0LTIwMjAucGRm/esg-stewardship-report-2020.pdf](https://www.ubs.com/global/en/asset-management/insights/sustainable-and-impact-investing/2021/aligning-activities/_jcr_content/mainpar/toplevelgrid_274723673/col1/linklist/link_1819271429.0819141569.file/bGlUay9wYXRoPS9jb250ZW50L2RhbS9hc3NldHMvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtYW52ZXN0aW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAtdmVwb3J0LTIwMjAucGRm/esg-stewardship-report-2020.pdf).



Photo istockphoto.com



## About the Global Unions' Committee on Workers' Capital (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.

For more information on the CWC: [info@workerscapital.org](mailto:info@workerscapital.org)