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Workers Capital News – March 2016

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Protests for Polish dock workers reach doors of Macquarie

Demonstrations have taken place across Europe **to protest the poor treatment of workers in the Port of Gdansk**, Poland. The offices of Macquarie, the Australian financial services and asset management company, were the target of the protests in Frankfurt, Luxembourg and London; Macquarie is the majority owner and manager of DCT Gdansk. President of the ITF and co-chair of the CWC, Paddy Crumlin, said: "Macquarie has the ability – and the responsibility – to intervene, particularly given the pension money of workers in Australia and elsewhere that are invested in this and other of their projects."

Workers' capital and infrastructure: A guide for union trustees (ITF)

Workers' capital and infrastructure: A guide for union trustees was developed to help trustees navigate competing concerns when considering investment in infrastructure. It outlines the need to ensure that workers on infrastructure projects in which they invest are treated fairly, that management commit to recognised environmental, social and governance (ESG) standards, and note that some unions have expressed concerns that private financing of infrastructure can crowd out more straightforward public funding, or aid privatisation. In addition to explaining both the asset class and some of the wider issues that surround infrastructure, the guide provides some real-life examples of good practice.

Aggressive tax planning and the role for investors

According to Investments & Pensions Europe, Google has recently agreed with the UK to make payments to address tax dating back to 2005, and the European Commission has begun to declare a number of national tax arrangements illegal. With regard to pension fund approaches, French supplementary civil service pension fund ERAFP has established guidelines on shareholder engagement to challenge aggressive tax optimisation and structures that enable firms to avoid tax.

For investor-specific guidance on this important issue from the CWC, including what to look for and what to ask, download the **CWC Investor Brief on Tax Evasion and Avoidance**.

Pearson faces resolution on business strategy from pension funds

UNISON's Staff Pension Plan, the Chicago Teachers Pension Fund and others shareholders have filed a proposal at Pearson for the company to review its business strategy. The commercialization of education as well as the company's emphasis on high stakes testing and low-fee private schools are of concern to investors. **Read the full resolution text and article in HuffPost Education**

Sports Direct out of FTSE 100

With a decline of 40% in its share price since last December, Sports Direct has lost its spot in the FTSE 100, significantly due to the exposure of its poor working conditions and weak corporate governance. **As reported in the Guardian**, Frances O'Grady, General Secretary of the TUC, said: "This should be a cautionary tale for companies who treat their workers badly. The

reputational and financial damage Sports Direct has suffered is of its own making. Subjecting staff to workhouse conditions is not the way to build a successful business. Shareholders must demand root and branch changes or Sports Direct's name will continue to be dragged through the mud."

Risks of hedge funds for pension investments

The AFL-CIO recently highlighted the issue of workers' retirement savings being put at risk by high-cost, high-risk hedge funds, pointing to leading U.S. pension plans that have decided to reduce or eliminate their hedge fund investments. Pension funds are encouraged to review performance, net of fees and a comparison to low-fee alternatives, and request comprehensive fee disclosures.

For more on hedge funds and pension investments, read the report [All That Glitters is Not Gold: An Analysis of US Public Pension Investments in Hedge Funds](#), Elizabeth Parisian, AFT and Saqib Bhatti, Roosevelt Institute.

Key votes surveys of 2015: US, UK, Canada

As the 2016 AGM season is ramping up, surveys of last year's key proxy votes in the US, UK and Canada have been released. These reports provide trustees with an overview of how fund managers exercise voting rights last year in regard to key social, environmental and governance issues on corporate ballots. By providing oversight on proxy voting, trustees signal expectations of good governance to boards and executives for the long-term, sustainable growth of companies they hold.

- [AFL-CIO Key Votes Survey: How Investment Managers Voted in the 2015 Proxy Season](#)
- [TUC Fund Manager Voting Survey 2015: A survey of the voting and engagement records and processes of institutional investors](#)
- [SHARE Voting for Value: Twenty Canadian Proxy votes that mattered in 2015](#)

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