

2 February 2021

Laurence D. Fink
Chairman and Chief Executive Officer,
BlackRock
Park Avenue Plaza
55 East 52nd Street
New York, NY 10055 USA
Delivered via e-mail

Dear Mr Fink:

Subject: Engaging with BlackRock on fundamental labour rights and principles in investment stewardship

We, the undersigned clients and users of BlackRock products with USD 6.28bn in AUM, are writing to request a meeting to discuss the recommendations in the Global Unions Committee on Workers' Capital's recent report entitled "[BlackRock: Fundamental Labour Rights in Investment Stewardship.](#)" We have noted that BlackRock's Investment Stewardship team is reviewing its approach to workforce and "human capital management". In the wake of the COVID-19 health crisis, global attention to systemic racism and widescale labour market disruptions, now is an opportune time to reformulate your strategy on this. As clients and users of BlackRock investment products, we wish to provide input on the incorporation of labour standards in its investment stewardship activities.

In its report, the CWC highlights some of the current shortcomings with regards to BlackRock's approach to human capital management and its responsibilities to uphold fundamental labour rights in investments – including public equity and private market investments – as expected under the OECD Guidelines for Multinational Enterprises (OECD GLs). The report's key findings include the following:

- BlackRock's engagement principles and proxy voting guidelines do not explicitly incorporate fundamental labour rights;
- BlackRock voted against every CWC-supported voting recommendation on issues related to labour rights in the first half of 2020;
- BlackRock lacks a process or grievance mechanism to support remediation as an element of effective due diligence in investments under the OECD GLs;
- In real assets, BlackRock scored poorly on the 2020 NABTU Responsible Contractor Policy Scorecard and it has not certified its Australian real estate holdings under the Cleaning Accountability Framework; and
- While BlackRock publicly supports the shift away from shareholder primacy and towards stakeholder capitalism, the position it adopted in recent policy consultations ran counter to trade union recommendations.

We invite you to review the recommendations which touch on BlackRock's (1) overall stewardship framework, (2) stewardship practices in public equities, (3) stewardship practices in real assets and (4) global policy positions.

As a coalition of asset owners that includes workers' retirement savings vehicles, we expect that the capital that BlackRock manages on our behalf upholds the ILO's Fundamental Principles and Rights at Work at investee companies. Accordingly, we invite you to contact Hugues Létourneau (hletourneau@share.ca) to schedule a time for a virtual meeting to allow us to discuss your approach and our view on the integration of fundamental labour rights in your policies and practices. We look forward to your timely response.

Sincerely,

Marie-Josée Naud
President
Régime de retraite des salariés de la FTQ
Canada

Daniel Simard
CEO
Bâtirente
Canada

Alain Poirier
President
Régime de retraite par financement salarial
de la FTQ
Canada

Carlos Moreno,
Presidenta
CCOO, FP
Spain

Dominic Lemieux
Director
Comité des avantages sociaux des Métallos
(CASOM)
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Mónica Pérez Sánchez
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The Trustees of the Unite Pension Scheme
Unite Pension Scheme
United Kingdom