



MA AFL-CIO Constitutional Convention

September 25-27, 2019

Resolution on Capital Stewardship

WHEREAS workers have fought long and hard to win secure benefits through retirement, health and welfare plans;

WHEREAS this workers' capital—the accumulated assets in pension plans and other savings—is a major force in global financial markets, investing trillions of dollars in workers' capital through public, single employer, union and Taft-Hartley plans;

WHEREAS fiduciary duty requires that benefit plan trustees act solely in the interest of their plan participants and beneficiaries and for the exclusive purpose of providing benefits to their participants and beneficiaries;

WHEREAS fiduciary duty also allows benefit plan trustees to consider the economic benefits of investments to workers directly as a secondary objective if the investment is expected to provide the plan with a higher or comparable risk-adjusted rate of return than available alternative investments;

WHEREAS many pro-worker investment funds have successfully invested benefit plan assets to support the economic security of working people, and have demonstrated that it is possible to achieve competitive risk-adjusted returns while improving the nation's housing stock, fostering community development, and creating good union jobs;

WHEREAS fiduciary duty permits benefit plan trustees to engage with companies to monitor or influence the management of corporations in which the plan owns stock when there is a reasonable expectation that such activity is likely to enhance the value of the plan's investment in the corporation, after taking into account the costs involved;

WHEREAS encouraging responsible corporate behavior can help the companies that our benefit plans invest in to perform better over the long-term by providing workers with a voice on the job and by paying fair wages and benefits;

WHEREAS working people organized labor unions to achieve a collective voice in the workplace, so too should the labor movement organize union members' benefit plans to better make our voices heard in the capital markets; be it

RESOLVED that the MA AFL-CIO will be a resource for affiliates to learn about capital stewardship and pro-worker investments that prudently promote the economic security of working people, and be it further;

RESOLVED that the MA AFL-CIO and its affiliates will, whenever appropriate, try to work in concert with benefit plan trustees to use our voice as investors to promote corporate responsibility, and be it further

RESOLVED that the MA AFL-CIO will do its best to ensure that benefit plans invested on behalf of working people are invested and managed in the long-term best interests of plan participants and beneficiaries.

Respectfully submitted,

President Steven A. Tolman and Secretary-Treasurer Lou Mandarini