

Vulnerable Migrant Workers: The Responsibility of Business



Investors Action Guide

Companies and investors have benefited in recent years from the development of 'flexible' labour markets that enable companies to achieve faster delivery, lower prices, higher volumes and increased profits. Flexible labour has involved many migrant workers filling seasonal and temporary positions and often experiencing limited job security, very low pay and excessive or hidden deductions, over-long hours, poor health and safety conditions, discrimination and other disadvantages.

Investors have a moral responsibility for what is done in their name by companies. As beneficiaries of profits produced by migrant labour, they should help ensure that migrant workers are not exploited. Investors are in a position to influence companies to make the necessary changes. Companies are more likely to improve policy and practice if they are convinced of the business case and know that investors and consumers want them to take action.

ECCR encourages institutional and individual investors to encourage companies to implement policies and practices that ensure the equal treatment and well-being of migrant workers. Ideas for action are given below for both institutional and individual investors, whether holding shares directly or through managed funds.

Consider migrant workers' potential vulnerability when making investment decisions

Vulnerable Migrant Workers: The Responsibility of Business provides detailed information on the policies and practices of nine food production, manufacturing and retail (supermarket) companies that can help inform investment and divestment decisions. When assessing companies' social performance, investors can include consideration of how the company ensures fair and equal treatment of migrant workers and integrates this consideration into core business practices. In addition, investors can use the framework for analysis in Appendix 1 of the report to assess other companies that they are considering investing in.

Engage with companies on their policies and practices towards migrant workers

Investors with shares in companies featured in the report can help raise awareness of the issues and encourage companies to implement the report's recommendations by contacting and meeting with companies concerned and/or asking a question at Annual General Meetings (AGMs).

When contacting a company, we suggest you reiterate that principles of justice and responsible stewardship require companies to take responsibility for reducing the incidence of vulnerable work throughout the supply chain, and that this also makes good business sense. Companies that ensure that labour is fairly treated protect themselves from reputational and legal risk and improve workforce retention and security of supply.

Where appropriate, welcome any steps that the company has taken, and welcome or express disappointment at the company's overall performance as detailed in ECCR's report. Highlight some of our general recommendations outlined in the executive summary and full report, and/or two or three individual recommendations given for the relevant company. Ask what the company's plans are to address these recommendations.

You may wish to use the model letter below.

Institutional investors may have existing relationships with particular companies and be readily able to secure a meeting. Discuss the vulnerability of migrant workers and company policy and practice in this regard at any regular meetings you have, or request a one-off meeting specifically

to discuss the issue. Making it publicly known - for example, in your annual report or ethical investment policy - that your institution considers these issues when making investment decisions will help raise awareness among companies, customers and other stakeholders.

Others investing indirectly through managed funds¹ can help raise awareness of the need to address migrant worker vulnerability by drawing it to the attention of fund managers and asking them to engage with companies on your behalf. Alert your fund manager to the report and its recommendations. Ask them to take these into account when considering a company's social performance and investing on your behalf. Ask whether your funds are invested in any of the nine companies featured in the report and request that, where this is the case, your fund manager encourages these companies to adopt the report's recommendations.

Individual investors can raise concerns most successfully in writing or by asking a question at the company's AGM. Communication will have most impact if tailored to the specific company. We recommend that you highlight two or three of the recommendations relevant to that company.

- Letter writing: Write to the company's chief executive (contact details below). Highlight that you have shares in the company and/or are a customer. You may find the model letter below helpful.
- AGMs: Asking an AGM question is a good way to draw concerns to the attention of board members and other shareholders. Carefully prepare your question (ECCR can assist members with this). Additional guidance can be found in *Investment and Engaging with Companies: A Guide for Faith Communities* (details below).

Individuals or institutions holding shares through nominees² will need the co-operation of their nominee company to attend company AGMs.

Actions for other stakeholders

You do not have to have investments to take action on this issue. See the companion Church Action Guide for ideas on engaging with companies in other ways and supporting migrant workers in your local community.

Accompanying resources

The full report, *Vulnerable Migrant Workers: The Responsibility of Business*, the accompanying Church Action Guide, and *Investment and Engaging with Companies: A Guide for Faith Communities* (which provides ideas for engagement) are all available at www.eccr.org.uk and can be requested from ECCR, PO Box 500, Oxford OX1 1ZL, info@eccr.org.uk, tel. 01865 245349.

Need help?

ECCR can advise investors undertaking actions suggested here. Contacts:
Sunniva Taylor, ECCR Researcher: sunnivat@quaker.org.uk; tel. 020 7663 1047.
Miles Litvinoff, ECCR Co-ordinator, miles.litvinoff@eccr.org.uk; tel. 020 8965 9682.

Let ECCR know about any action you take

Please let ECCR know of any action you take and any response you receive. If possible, send us copies of your correspondence with companies: Sunniva Taylor, ECCR, Friends House, 173 Euston Road, London NW1 2BJ; sunnivat@quaker.org.uk.

¹ Managed funds are where an investor buys into a fund managed by professional investment managers who choose which companies' shares (or other investments) are bought. This type of investment includes some pension funds, units trusts, and stocks and shares ISAs.

² Shares are held through an intermediary known as the nominee when the nominee's name features in the company register, and the investor (known as the beneficiary) receives the shareholder's dividend. Both individuals and groups can be nominee investors; shares can be held as an individual account or in a pooled account.

Model letter to food companies

Use or adapt the model letter below when writing to companies. Gather relevant information about the company before you write. Tailor your letter on the basis of your relationship with the company.

Dear

Vulnerable migrant workers

[Company name] features in the report *Vulnerable Migrant Workers: The Responsibility of Business*, recently published by the Ecumenical Council for Corporate Responsibility (ECCR).

I am/we are concerned that while companies and investors have benefited from the increased profits made using flexible labour forces, some migrants workers in these workforces have found themselves in a vulnerable position. The increase in demand for flexible labour has involved many migrant workers filling seasonal and temporary positions and often experiencing limited job security, very low pay, excessive or hidden deductions, over-long hours, poor health and safety conditions, discrimination and other disadvantages.

I/we would like to know what action you have taken to ensure that migrant workers throughout your business, including in your supply chain, are treated fairly and with appropriate additional support. I am/we are also interested to know how you are integrating these considerations into your business practices.

EITHER [For companies that performed in the top half of ECCR's ranking (executive summary p. 4, full report p. 37]

I am/we are pleased to read that [company name] has taken some necessary steps to ensure that migrant workers are treated fairly throughout your business. I/we note from the report that you have [list positive policies and/or practices that the company has in place, as stated in the report's summary for each company]

However, there are further actions that you could take to improve the performance of your company. Most notably these include: [list two or three recommendations in the report]

As a shareholder, I/we would like to know what steps you will take to act on these recommendations and over what time frame. I/we encourage you to report publicly on these issues so that stakeholders can make informed assessments of [company name] regarding migrant worker vulnerability. I/we hope you will ensure that your core business decisions will be influenced by a consideration of their likely impact on supply chain working conditions for migrant workers.

OR [For companies that appear in the bottom half of the ranking]

The report indicates that [company name] has not taken adequate action to safeguard the rights and needs of migrant workers throughout your business, despite the existence of a flexible labour force, likely to contain numbers of migrant workers, contributing to your profits. [Company name] has responsibility to ensure the well-being of all those working throughout your supply chain.

As a shareholder, I/we believe that you should gain a better understanding of the potentially vulnerable position of migrant workers throughout your business. I/we ask you to ensure that migrant workers are treated fairly, their additional needs are met, and your operations do not force buyers and suppliers to make decisions that negatively impact upon labour conditions.

Steps that you could take to make improvements include: [list two or three recommendations in the report]

Please inform me/us regarding the steps you will take to act on these recommendations and over what time frame. I/we encourage you to report publicly on these issues so that stakeholders can make informed assessments of [company name] regarding migrant worker vulnerability.

I/we look forward to your reply.

Yours sincerely

Company contact details

Associated British Foods (ABF)

George Weston
Chief Executive
Associated British Foods Plc
Weston Centre
10 Grosvenor Street
London W1K 4QY

Kerry Group

Stan McCarthy
Chief Executive Officer
Kerry Group plc
Prince's Street
Tralee
Co. Kerry
Ireland

Northern Foods

Stefan Barden
Chief Executive
Northern Foods
2180 Century Way
Thorpe Park
Leeds LS15 8ZB

Sainsbury's

Justin King
Chief Executive
Sainsbury's
33 Holborn
London EC1N 2HT

Unilever

Paul Polman
Chief Executive Officer
PO Box 68
Unilever House
100 Victoria Embankment
London
EC4P 4BQ

Greencore Group

Patrick Coveney
Chief Executive Officer
Greencore Group
St Stephen's Green House
Earlsfort Terrace
Dublin
Ireland

Morrisons

Marc Bolland
Chief Executive
Morrisons
Hilmore House
Gain Lane
Bradford BD3 7DL

Premier Foods

Robert Schofield
Chief Executive Officer
Premier Foods
Premier House
Centrium Business Park
Griffiths Way
St. Albans
Hertfordshire AL1 2RE

Tesco

Sir Terry Leahy
Chief Executive
Tesco
New Tesco House
Delamere Road
Cheshunt
Hertfordshire EN8 9SL