

**“LONG-TERM INVESTMENT DECISIONS:
ASSESSING THE SUSTAINABILITY RISKS OF LABOR AND HUMAN RIGHTS
AND OTHER WORKPLACE FACTORS”
MARCH 26-27, 2009**

Pensions and Capital Stewardship Project, Labor and Worklife Program
Harvard Law School, Cambridge Massachusetts

Thursday, March 26, 2009

**Harvard Faculty Club
20 Quincy Street, Cambridge**

6:00 p.m. – 7:00 p.m.

Reception

7:00 p.m. – 9:00 p.m.

Dinner – Framing Remarks & Introductions

Friday, March 27, 2009

**Ropes-Gray Room, 2nd Floor
Pound Hall, Harvard Law School
1563 Massachusetts Avenue**

8:00 a.m. – 9:00 a.m.

Continental Breakfast

9:00 a.m. – 10:30 a.m.

BENCHMARKING LHR INVESTMENT RISK

How should investors describe labor and human rights portfolio risk, particularly with respect to global supply chains? What data has been available so far, what are its limitations, and what other potential sources of information might there be? What are the prospects for obtaining independently audited LHR statements, analogous to corporate financial statements?

Discussants:

- Chair: **Aaron Bernstein**, Senior Research Fellow, Labor and Worklife Program, Harvard Law School
- **Peter DeSimone**, Consultant, Social Investment Forum
- **Robert Handfield**, Professor, North Carolina State University
- **Roopa Nair**, Director of Code Implementation and Monitoring, Fair Labor Association
- **Elizabeth McGeveran**, Senior Vice President, Governance & Sustainable Investment, F&C Asset Management

10:30 a.m. – 10:45 a.m.

Break.

10:45 a.m. – Noon

LINKS TO CORPORATE PERFORMANCE

What do we know about the relationship between LHR factors and corporate performance and portfolio returns? To what extent are they linked with reputation risk? Operational risk? In light of the foregoing, which information would be most valuable to gather and which analyses most important to do?

Discussants:

- Chair: **Conrad MacKerron**, Director, Corporate Social Responsibility Program, As You Sow Foundation
- **Rick Locke**, Professor of Entrepreneurship, Professor of Political Science, MIT
- **Mil Niepold**, Senior Program Advisor, Verité
- **Julie Hudson**, Head of Socially Responsible Investment, UBS
- **Eric J. Hespenheide**, Global Partner, Deloitte & Touche LLP

Noon – 2:30 p.m.

HUMAN RESOURCES AND HUMAN CAPITAL

More data is available about issues such as workforce skills, turnover, team production systems, employee ownership, and health and safety. But corporate reporting remains opaque here, too. To what extent have studies demonstrated the materiality of these factors to corporate and portfolio performance? Is there enough evidence to warrant the inclusion in mainstream investment analysis? What other data needs to be collected and what other studies should be done?

Noon – 1:10 p.m.

Part I (and lunch)

Discussants:

- Chair: **Steve Sleigh**, Principal, The Yucaipa Companies
- **Dr. Daniel Hann** and **Dr. Jeroen Derwall**, University of Maastricht
- **Richard Freeman**, Professor of Economics, Harvard University
- **John Boudreau**, Professor and Research Director, Center for Effective Organizations, USC Marshall School of Business

1:10 p.m. – 1:20 p.m. Break

1:20 p.m. – 2:30 p.m. Part II

Discussants:

- Chair: **Rob Lake**, Head of Sustainability, APG Investments (Netherlands)
- **Rick Frazier**, Senior Research Analyst, Diamondback Advisors CT, LLC
- **Marc Fox**, Vice President, Goldman Sachs Sustain
- **Dan McMurrer**, Chief Analyst, McBassi & Company

2:30 p.m. – 2:40 p.m. Break

2:40 p.m. – 3:40 p.m.

SHAREHOLDER DECISION-MAKING AND ENGAGEMENT

In what ways have investors already begun to include workplace/LHR issues in portfolio analyses? How have they engaged companies on these subjects, and with what result? How have the data and criteria now available aided or limited such efforts? Do these efforts themselves yield valuable data?

Discussants:

- Chair: **Aaron Bernstein**, Senior Research Fellow, Labor and Worklife Program, Harvard Law School
- **David Schilling**, Director of the Global Corporate Accountability Program Interfaith Center on Corporate Responsibility
- **David Russell**, Co Head of Responsible Investment, Universities Superannuation Scheme (United Kingdom)
- **Jeannet Bergan**, KLP and Sustainable Value Creation (Norway)
- **Patrick Doherty**, Director of Corporate Social Responsibility, City of New York, Office of the Comptroller

3:40 p.m. – 3:50 p.m. Break

3:50 p.m. – 4:50 p.m.

WRAP-UP AND “WHERE DO WE GO FROM HERE” SESSION

What research should be done on links between workplace/LHR factors and corporate and portfolio performance? What should the priorities be for engaging companies about better reporting on these issues? What should the priorities be for engagement with companies on workplace issues? How important is collaboration among investors in pursuit of those goals? Should an investor network analogous to the Investor Network on Climate Risk be established to foster such collaboration?

- Chair: *Larry W. Beeferman*, Director, Pensions and Capital Stewardship Project, Labor and Worklife Program, Harvard Law School

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