

## Retirement Fund Trustee Development in Organised Labour: Overview, Progress & Plan

### EXECUTIVE SUMMARY

The purpose of this document is to provide a brief overview and progress of the *Active Ownership in Labour pilot project (run between 2014 and 2016)* and the resulting *Retirement Fund Trustee Development in Organised Labour* programme initiated in 2017. It further includes a proposed year plan for 2019 Investment Fundamentals and Master Class Workshops

Highlights from the project activities to date include:

- **Sustainable infrastructure and resources successfully developed** for South African retirement fund trustee development initiatives for the benefit of Labour trustees and senior labour representatives. These resources enable Labour trustees and shop stewards to ultimately benefit retirement fund members by upskilling their financial literacy levels as retirement fund trustees, and to confidently and competently exercise their fiduciary duties
- **285 senior labour representatives have benefited from the project** by having participated in structured workshops held over a 3-year period. Due to the success of the pilot workshops and the demand for ongoing training workshops by Labour, the workshops continue to be offered to Labour trustees in a sustainable manner. This is due to the relatively constant demand for such workshops which benefit Labour trustees. In addition, Labour trustees that have benefited from having participated at a workshop are quick to request that additional workshops be offered to address other topics of relevance and importance to Labour trustees.
- **Continued demand for real life practical application of the course content and theory** is a key thrust of the emerging programme for 2019. This will ensure that all training, infrastructure and research commissioned by the project continues to benefit Labour trustees through improved real-life application examples and by increasing the variety of training materials available to Labour trustees through the project.





Quick Facts about achievements to 30 June 2019 are summarised in the below table:

Infrastructure developed		Resources developed
<ol style="list-style-type: none"> <li>Steering Committee and Working Group comprising major Labour Federations (COSATU, NACTU, FEDUSA), Batseta, ASISA (Foundation and Academy), AP Foundation, WWF and Six Capitals.<sup>1</sup></li> <li>Network of actively engaged stakeholders (ASISA Academy, Batseta and Today's Trustee).</li> <li>Committed project funders include Alternative Prosperity Foundation, ASISA Foundation, GRI and WWF (Sanlam Partnership).</li> <li>International stakeholder network developed including: Harvard Kennedy School, SHARE, CtW Investment Group, AFL-CIO<sup>2</sup>, PRI</li> </ol>		<ol style="list-style-type: none"> <li>Analysis of what Labour retirement funds own in the JSE<sup>3</sup> Top 100 (updated 2018).</li> <li>ESG performance analysis toolkit with analysis of Top 100 companies (annually expanded).</li> <li>Fundamentals in Active Ownership and Investment Fundamentals training course &amp; supporting materials.</li> <li>Master Class in Active Ownership and Investment Fundamentals training course &amp; supporting materials.</li> <li>Engagement Toolkit for Labour.</li> <li>Online Learning Platform</li> </ol>
Knowledge Transferred <sup>4</sup>		Real life outcomes (Incl. Engagements)
Workshops held	Fundamentals: 9 workshops (2 days) Masterclass: 4 workshops (2 days)	Requested empowerment: <ol style="list-style-type: none"> <li>Today's Trustee Online Trustee Education platform</li> <li>ISCOR RF Trustee training requested</li> <li>Need expressed by current delegates to continue with workshops on alternative topics, such as retirement fund governance</li> </ol> Engagements: <ol style="list-style-type: none"> <li>1<sup>st</sup> campaign designed.</li> <li>Initial contact made with Sasol and Impala Platinum as potential companies for engagement</li> <li>Initial contact made with Allan Gray Investments and Sun International</li> <li>First company engagements planned for first half of 2019</li> <li>Funding for two more engagements secured.</li> </ol>
Who attended <sup>5</sup>	<u>2016:</u> <ul style="list-style-type: none"> <li>Fundamentals pilot and workshops: 46 labour representatives</li> <li>Masterclass pilot and workshop: 25 labour representatives</li> </ul> <i>(99% African, 33% female and 65% male)</i> <u>2017:</u> <ul style="list-style-type: none"> <li>Fundamentals workshops: 35 labour representatives</li> <li>Masterclass workshop: 29 labour representatives</li> </ul> <i>(100% African, 33% female and 65% male)</i> <u>2018:</u> <ul style="list-style-type: none"> <li>Fundamentals workshops: 49 labour representatives</li> <li>Masterclass workshop: 39 labour representatives</li> </ul> <i>(100% African, 53% female and 47% male)</i> <u>2019:</u> <ul style="list-style-type: none"> <li>Fundamentals workshops: 59 labour representatives</li> </ul> <i>(97% African, 22% female and 78% male)</i>	
Content Presented	<ul style="list-style-type: none"> <li>Investment fundamentals</li> <li>The economy and financial system</li> <li>Responsible Investment theory</li> <li>JSE listed company ownership and ESG analysis</li> <li>Active Ownership campaign planning and mock engagements</li> </ul>	

<sup>1</sup> Congress of South African Trade Unions, National Council of Trade Unions, Federation of Unions of South Africa, Batseta Council of Retirement Funds for South Africa, Association for Savings and Investment South Africa, Alternative Foundation NCP, World Wide Fund for Nature.

<sup>2</sup> American Federation of Labour and Congress of Industrial Organizations.

<sup>3</sup> Johannesburg Stock Exchange.

<sup>4</sup> All data as at 30 June 2019.

<sup>5</sup> More than 97% of delegates are black as defined in the B-BBEE legislation.



## **YEAR PLAN: 2019**

Proposed Dates	Project Workshop	Proposed Location	Number of delegates to be sourced <sup>6</sup>	Status
16 – 17 May 2019	Investment Fundamentals	Emalahleni Mpumalanga	29	Workshop finalised.
13 – 14 June 2019	Investment Fundamentals	Port Elizabeth Eastern Cape	30	Workshop finalised.
19 -20 September 2019	Investment Fundamentals	Cape Town	27	Workshop dates still to be confirmed at next steering committee meeting
25 - 26 November 2019	Investment Fundamentals	Johannesburg	20	Workshop dates to be confirmed with FEDUSA
December 2019	Investment Fundamentals	Kwa-Zulu Natal	25	Workshop dates and location confirmed with labour.
December 2019	Master Class	Johannesburg	25	Workshop dates still to be confirmed at next steering committee meeting
January 2020	Master Class	Emalahleni Mpumalanga	29	Workshop dates still to be confirmed at next steering committee meeting
February 2020	Master Class	Port Elizabeth Eastern Cape	30	Workshop dates still to be confirmed at next steering committee meeting

**Provision has made for three company engagements to take place during 2019 addressing environmental, social and governance issues respectively.**

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<sup>6</sup> Member elected trustees from COSATU, NACTU and FEDUSA