**Presentation for France NCP Annual Meeting   
re Case of Natixis/NGAM and the Westin Long Beach Hotel**

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My name is Jeremy Blasi.  I am a staff attorney with UNITE HERE Local 11.  Based in Los Angeles, California, our union represents about 30,000 hospitality sector workers. We are affiliated with UNITE HERE International Union, the hospitality sector union for North America.

I am very pleased to be able to join you today. I have travelled here from Los Angeles really for just one reason: to convey deep appreciation to the French NCP and its members for their extraordinary work on the Specific Instance that our union filed.

This was a complicated case.  To review briefly, the case involved a labor dispute at a hotel in California called the Westin Long Beach.  The hotel's principal owner was a public employee pension fund in the State of Utah.  The fund contracted with an asset management firm called AEW Capital Management to oversee the property.  AEW is a U.S. subsidiary of the French firm Natixis Global Asset Management, which is owed by Natixis.  As an investment advisor, AEW advised the pension fund that owned the property, as well as another company which operated the hotel, on labor and other issues.

The supply chain I just described is complicated, but it is not unusual. The reality is that supply chains in the hospitality sector are becoming longer and more complicated.  In earlier times, the same company that owned a hotel tended to operate it—think of companies like Hilton or Hyatt. But now most hotels are owned by passive investors like pension funds and sovereign wealth funds who rely on asset managers and investment advisors to make key decisions.  The title of "investment advisor" or "asset manager" may not sound important, but in our experience they are enormously powerful in setting the course for what happens to the workers at the bottom of the supply chain. This makes "due diligence" by these financial sector actors high up in the chain enormously important and the development of due diligence standards by the OECD and other bodies very timely.

Some further background about the Westin case:  Our union made substantial efforts at social dialogue in the U.S. with the other actors in the chain before filing the Specific Instance.  When the operator of the hotel refused to dialogue and launched an antiunion campaign, we filed unfair labor practice charges, leading the regional office of the National Labor Relations Board to file a lawsuit against the operator.  Workers filed a class action lawsuit alleging nonpayment of legally due wages.  A boycott of the hotel was also declared.

From the beginning, we regularly sought to engage with the owner.  But the owner kept directing us to its asset management firm, and despite our best efforts, we were unable to convince that firm to agree to help end the antiunion campaign and help resolve the labor dispute.

We ultimately concluded that engagement with the asset manager's parent company in France was necessary to achieve a positive outcome.  When our attempts to initiate dialogue with the parent firm were unsuccessful, we decided—with the help of the Trade Union Advisory Committee (“TUAC”)—to seek the good offices of the French NCP, with the U.S. NCP playing a supporting role, to facilitate dialogue within the framework of due diligence.

We did not know what to expect when we filed the complaint.  But from the very beginning, from our initial interactions with Secretary General Maylis Souque, we have been thoroughly impressed.

First, we have been enormously impressed with the NCP's transparency throughout this process.  The NCP kept the union regularly informed of the status of the case, its concerns, and its efforts.  It shared with us sensitive information, of course in strict confidence, as well as drafts of communications and public reports. The NCP has also been highly transparent with the public.  The French NCP publishes both a preliminary report and a final report.  This high level of transparency allows other key actors like investors to play their role by using their influence either to get the company to participate in the NCP process or to address the issues.  It also enhances the overall credibility of the process.

Second, the NCP's technical expertise and ability to engage on complex supply chain issues has been extraordinary.  The NCP quite reasonably had many questions and was extremely thorough in researching and examining these issues.  The NCP always gave us ample opportunity to articulate our positions and engaged seriously with the substance of the case.  We especially appreciate that, in considering the question of due diligence, the NCP was willing examine the real world relationships and points of influence.

Third, the NCP made very effective efforts to help mediate the dispute. When the NCP agreed to offer its good offices for mediation, I expected that mediation might involve in-person meetings, as is the normal course for mediation in the U.S., and I was a bit skeptical when I learned that the NCP's offering of its good offices meant more of what we call "shuttle diplomacy."  But I was proven wrong.

As a result of the NCP's constructive engagement with Natixis, the company changed its approach and carried out effective due diligence measures by engaging with its subsidiary to help resolve the complaint.  As the NCP's report explains, ultimately a resolution was reached through a sale of the hotel.  The Natixis subsidiary, AEW, took the OECD Guidelines into account in the selection of a buyer.  The new buyer's operator, HighGate, immediately took steps to resolve the labor dispute.  Specifically, it agreed to the elements of what we call a "fair process" for union recognition, under which the employer agrees to remain neutral vis-à-vis the question of unionization, allow the union access to the workplace to communicate with workers, and recognize the union when a majority of workers signed union authorization cards, as verified by a mutually chosen arbitrator.  This led to the prompt recognition of the union.

The parties are now in bargaining.  The union expects the new contract will, among other elements, provide better wages, affordable health insurance, pension benefits, and protections against discrimination and sexual harassment.

As a result of these outcomes, the Los Angeles issues with Natixis have been fully resolved and there is no present issue or campaign related to Natixis.  Our hope is that Natixis can become a leading voice for responsible investor due diligence in the hospitality sector and beyond.

As with any positive outcome, there were a variety of contributing factors.  The union believes it was important that it was able to continue campaigning and engaging with stakeholders throughout the NCP process, including through the various legal and public protest activities in the U.S. and engaging with stakeholders in France. In particular, the French pension funds through the Network of Trustees for Responsible Investment (or “RAIR,” for its name in French) were tremendously supportive of the NCP process and undoubtedly contributed to the successful resolution of the dispute.   In engaging with other stakeholders, we of course fully observed the NCP’s regulations concerning confidentiality.  In our view, all of this supported the NCP process and helped set the stage for the mediated dialogue that ultimately resulted in a resolution.

But to emphasize, it is without question that the French NCP's critical work on the case, in mediating dialogue with Natixis and NGAM, was central to the outcome.   Without this engagement, there surely would have been no resolution.  We cannot be more grateful for its diligent and effective efforts.

The NCP's work on this case has rightly received much positive attention.  The publication Novethic described as “unprecedented” the application of the due diligence in the context of financial sector companies engaging in advisory or asset management activities.  Planet Labor called it a "landmark case.”

Locally in the California, one of the outcomes of campaign at the Westin Long Beach has been the elevation of worker leaders and important issues.  An immigrant housekeeper at the Westin named Juana Melara, who helped lead the workers' organizing campaign, traveled here to Paris in search of dialogue at Natixis's annual shareholders meeting in May 2016.  Time Magazine just honored Juana as a Person of the Year in recognition of her role as a "silence breaker" in pressing to address sexual harassment in the hospitality sector.  With the leadership of Juana and the other now unionized Westin Long Beach workers, we are now working to win laws in Long Beach and elsewhere to require hotels to provide room cleaners with panic buttons and other protections against sex harassment. This is just one example of the cascade of good outcomes to which this case has contributed.

In closing, I would like reiterate again our most heartfelt gratitude to the NCP and its members for making this fantastic resolution possible. Thank you very much.