

## **Investor statement - Expectations for the nursing home sector**

The undersigned investors and fiduciaries representing 160 institutions and \$4.4 trillion in combined assets under management or advice are writing to express our expectations regarding the nursing home sector.

The impact of the COVID-19 pandemic has illuminated and exacerbated many long-standing issues in the nursing home sector. From the onset of the pandemic, nursing homes around the world have been at the epicentre of the crisis. A large number of COVID-19 deaths have thus far occurred among nursing home residents, who comprised an average of 41% of all deaths across 22 countries reporting as of February 2021.<sup>i</sup> Hundreds of thousands of nursing home workers have also become infected, many of whom are facing long lasting aftereffects and a large number have died.<sup>ii</sup>

These devastating outcomes have many causes –including the inherent vulnerabilities of aged care, global unpreparedness to a pandemic of this magnitude and in some instances the failures of governments to adequately support and regulate nursing homes and their residents. But this tragedy has also highlighted the direct link between poor working conditions and quality of resident care, a concern pre-dating and extending beyond the COVID-19 pandemic.<sup>iii</sup>

Nursing home workers care for those most vulnerable to the disease in extremely high-risk environments. They work in congregate settings, some even moving into care homes to ensure they will not transmit the virus in or out. Mostly women and often minorities or from marginalized communities, these workers often earn low wages, on part-time hours or precarious arrangements, in some countries without sick pay or union representation. With these poor working conditions, nursing homes struggle to attract and retain enough workers to meet current demands, let alone the need for more carers to match demographic shifts. The staff to resident ratio in many nursing homes has frequently been found inadequate to provide even basic care to residents, let alone the quality required during a pandemic.<sup>iv</sup>

The undersigned investors support international human rights standards enshrined in norms such as the UN Guiding Principles on Business and Human Rights, and expect the same from their investee companies. Meeting these standards can also mitigate the legal, reputational and operational risks for our investee companies in the nursing home sector.

As vaccines are rolled out across the world, there is the promise of relief from the impact of COVID-19 in the months ahead. However, the pandemic continues to unfold and there is still an urgent need to improve working standards across the sector to minimise illness and death. Even more important, as the sector recovers and we reflect upon the damage to our societies and the loss of human life during the pandemic, we must seize this moment to ensure the industry changes for the better and develops a more humane and resilient model.

Such a shift requires all actors to play a role. Governments and regulators must ensure that regulatory environments and funding provisions enable nursing homes to meet the necessary standards. Companies must take substantive steps to raise standards. And investors should set clear expectations, thus we have set out the following investor expectations to all nursing home companies to address the risks which came tragically into view over the past year.

### **Expectations:**

Develop and implement group-wide standards, which adapt to but go beyond local regulatory requirements, on quality of care and working conditions on the following areas:

- **Understaffing:**
  - Adhere to best practices of safe staffing levels.
  - Ensure adequate staff organization, appropriate working hours and protection of workers from occupational risks.
  - Ensure that in health crisis, such as the pandemic, workers are empowered to request extra staffing to meet additional needs of resident care.
- **Health and safety:**
  - Ensure robust health and safety provisions regarding COVID-19 in line with the latest World Health Organisation [guidance](#) including provision of adequate PPE.
  - Ensure that up to date data is held on COVID cases and fatalities among the workforce, and reported to relevant authorities.
  - Provide fully paid sick leave for all workers.
  - Ensure the existence of an Infection Prevention and Control (IPC) programme and team or at least a trained IPC focal point. Conduct annual infectious disease training for all workers involved in direct patient care or come into contact with patient areas. Provide workers up-to-date information on infectious diseases.
  - Create effective health and safety workplace representation through elected worker representatives or joint labour and management committees, consistent with ILO Convention 155.
  - Invest in digital and technological upgrades to improve health and safety conditions.
- **Wages and contracts:**
  - Provide hazard pay for all workers to reflect the increased risks they bear for the remainder of the pandemic.
  - Uplift wages to living wage levels.
  - Shift away from use of precarious contracts, including reliance on agency work, temporary contracts or limited-hour contracts.
- **Freedom of association and collective bargaining:**
  - Respect workers' rights to freedom of association, to organize a union and to bargain collectively, free from retaliation, interference and opposition, as recognized by the core ILO conventions.
  - Engage in constructive social dialogue with trade unions at the local, national, and global levels.
  - Conduct human rights due diligence to identify and mitigate risks that these rights are not respected in global operations.
- **Quality of care:**
  - In addition to the interconnected measures above, particularly staffing levels, adhere to best practices for quality of care for residents including:
    - Ensure adequate autonomy for residents and opportunities for residents to stay active
    - Invest in care solutions including innovations to meet the diversity of resident care needs
    - Collect and report levels of resident satisfaction
    - Report publicly and to the relevant authorities on quality of care indicators including any incidents

We also expect investee companies owning real estate used for nursing homes, such as Real Estate Investment Trusts, to support the operators to meet these expectations through their oversight of their properties, including through contractual obligations in leases, and labour-related due diligence processes pre and post-investment, including effective monitoring processes to ensure these standards are met.

For all firms in the sector, there should be board level oversight for the development and implementation of these measures, and adequate skills and experience among board members to be able to effectively fulfil these responsibilities.

To restore public trust and further our understanding as investors, we also expect to see comprehensive and reliable public disclosure on: the company's governance of these areas, targets set and their integration into management incentive schemes, measures taken, and outcomes through key performance indicators.

While we acknowledge that some of these expectations might currently be out of reach for some nursing homes operators and others are making significant efforts to address them, we expect companies to embrace them, including through an open dialogue with shareholders, regulators trade unions, advocates and other key stakeholders. Doing so would improve the confidence of investors, regulators, workers, residents and their families in the industry in this period of grave concern and beyond.

We as investors will be working collaboratively with UNI Global Union as the global trade union federation for the private care sector to ensure these expectations become a reality across the sector, including through regular coordination meetings. We will also engage, individually or collaboratively, on these issues with the companies in which we invest to work towards meeting these expectations. To track progress and ensure alignment across the investment community towards companies, we will support the development of key indicators of best practices on these expectations.

We will also seek to support the necessary shifts by other actors such as governments or standard setters to enable the sector to meet these expectations and ultimately develop a more socially and financially sustainable model of eldercare.

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<sup>i</sup> <https://ltccovid.org/2021/02/02/updated-international-report-mortality-associated-with-covid-19-in-care-homes-data-up-to-26th-january-2021/>

<sup>ii</sup> <https://www.scientificamerican.com/article/nursing-home-workers-had-one-of-the-deadliest-jobs-of-2020/> ; [https://www.uniglobalunion.org/sites/default/files/imce/the\\_impact\\_of\\_covid-19\\_fin.pdf](https://www.uniglobalunion.org/sites/default/files/imce/the_impact_of_covid-19_fin.pdf)

<sup>iii</sup> This was highlighted in media exposés and academic studies including:  
<https://www.oecd.org/coronavirus/policy-responses/workforce-and-safety-in-long-term-care-during-the-covid-19-pandemic-43fc5d50/#section-d1e28>;  
<https://www.healthaffairs.org/doi/10.1377/hblog20210210.904101/full/#.YC54R8lqLMM.facebook>  
<https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2020.01011>  
<https://www.tortoisemedia.com/2020/05/18/coronavirus-care-homes-ian-birrell/>

<sup>iv</sup> See for example studies on staffing levels before the COVID-19 pandemic:  
[https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6055099/pdf/10.1177\\_0046958018788686.pdf](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6055099/pdf/10.1177_0046958018788686.pdf)

See below studies during the COVID-19 pandemic:  
<https://agsjournals.onlinelibrary.wiley.com/doi/10.1111/jgs.16787>  
<https://www.cbc.ca/news/world/australia-covid-19-long-term-care-1.5591912>  
<https://www.medrxiv.org/content/10.1101/2020.07.14.20152629v1.full.pdf>  
<https://www.bloomberg.com/news/features/2020-10-31/covid-pandemic-coronavirus-devastated-nursing-homes-after-cost-cutting#skip-to-main-content>

## Signatory investors:

Aargauische Pensionskasse (APK)  
Accenture Executive Pensionskasse  
APICIL Group  
ATISA Personalvorsorgestiftung der  
Tschümperlin-Unternehmungen  
AVENA - Fondation BCV 2e pilier  
Aviva Investors  
B.C. Government and Service Employees'  
Union  
Bernische Lehrerversicherungskasse  
Bernische Pensionskasse BPK  
BRIDGESTONE HISPANIA PENSION, FP  
BVG-Stiftung der SV Group  
Caisse Cantonale d'Assurance Populaire -  
CCAP  
Caisse de pension du Comité international de  
la Croix-Rouge  
Caisse de pension Hewlett-Packard Plus  
Caisse de pensions de l'Etat de Vaud (CPEV)  
Caisse de pensions du CERN  
Caisse de pensions du personnel communal  
de Lausanne (CPCL)  
Caisse de pensions ECA-RP  
Caisse de pensions Féd. int. des Stés. de la  
Croix-Rouge et du Croissant-Rouge  
Caisse de prév. des Fonctionnaires de Police &  
des Etablissements Pénitentiaires  
Caisse de Prévoyance de l'Etat de Genève  
CPEG  
Caisse de Prévoyance des Interprètes de  
Conférence (CPIC)  
Caisse de prévoyance du personnel de la Ville  
de Fribourg  
Caisse de prévoyance du personnel de l'Etat  
de Fribourg (CPPEF)  
Caisse de prévoyance du personnel de l'Etat  
du Valais (CPVAL)  
Caisse de retraite professionnelle de  
l'industrie vaudoise de la construction  
Caisse intercommunale de pensions (CIP)  
Caisse paritaire de prévoyance de l'industrie  
et de la construction (CPPIC)  
Candriam  
CAP Prévoyance  
CAPUVA Caisse de prévoyance des travailleurs  
et employeurs du commerce de détail  
Cassa pensioni di Lugano  
CCOO, FP

CIEPP - Caisse Inter-Entreprises de Prévoyance  
Professionnelle  
CMA Impact Inc., part of the Canadian  
Medical Association Group of Companies  
Columbia Threadneedle Asset Management  
Comitato Lady Lawyer Village  
Corporate Responsibility office – Province of  
Saint Joseph of the Capuchin Order  
CPCN - Caisse de pensions de la fonction  
publique du canton de Neuchâtel  
Degroof Petercam Asset Management  
Domini Impact Investments  
Dorval Asset Management  
Ecofi  
EdenTree Investment Management  
Edmond de Rothschild Asset Management  
(France)  
EFG Asset Management  
EGAMO  
Emmi-Vorsorgestiftung  
Etablissement Cantonal d'Assurance (ECA  
VAUD)  
Etablissement cantonal d'assurance et de  
prévention (ECAP- Neuchâtel)  
Ethical Partners Funds Management  
Ethos Foundation  
Evangelisch-reformierte Landeskirche des  
Kantons Zürich  
Fondation de la métallurgie vaudoise du  
bâtiment (FMVB)  
Fondation de prévoyance Artes & Comoedia  
Fondation de prévoyance du Groupe BNP  
PARIBAS en Suisse  
Fondation de Prévoyance Edmond de  
Rothschild  
Fondation de prévoyance professionnelle en  
faveur de AROMED  
Fondation de prévoyance Romande Energie  
Fondation de prévoyance skycare  
Fondation Interprofessionnelle Sanitaire de  
Prévoyance (FISP)  
Fondation Leenaards  
Fondation Patrimonia  
Fondazione Ticinese per il secondo pilastro  
Fonditel B  
Fondo de Pensiones de Empleados de  
Telefónica España  
Fondo di Previdenza per il Personale dell'Ente  
Ospedaliero Cantonale

Fonds de Prévoyance de CA Indosuez (Suisse)  
SA  
Fonds interprofessionnel de prévoyance (FIP)  
Friends Provident Foundation  
Gebäudeversicherung Luzern  
Gebäudeversicherung St. Gallen  
GEMINI Sammelstiftung  
Generali Investment Partners  
Gestion des Biens Universitaires Vaudois  
(GBUV)  
Groupama Asset Management  
Harmonie Mutuelle  
HESTA  
ICCR  
International business of Federated Hermes  
Istituto di previdenza del Cantone Ticino  
Kirao AM  
Kirchliche Pensionskasse Urschweiz-Glarus-  
Tessin  
La Banque Postale Asset Management  
Liechtensteinische AHV-IV-FAK  
Local Authority Pension Fund Forum  
Luzerner Pensionskasse  
MAN Group  
Meeschaert AM  
Miller/Howard Investments, Inc.  
NEI Investments  
Nest Sammelstiftung  
NSV Nidwaldner Sachversicherung  
OFI Asset Management  
ÖKK Berufliche Vorsorge  
ÖKK Berufliche Vorsorge  
Ostrum  
Pensions Caixa 30 (PC30)  
Pensionskasse Römisch-katholische  
Landeskirche des Kantons Luzern  
Pensionskasse AR  
Pensionskasse Bank CIC (Schweiz)  
Pensionskasse Basel-Stadt  
Pensionskasse Bühler AG Uzwil  
Pensionskasse Caritas  
Pensionskasse der Basler Kantonalbank  
Pensionskasse der Diözese St.Gallen  
Pensionskasse der Generali Versicherungen  
Pensionskasse der Schweizer Paraplegiker-  
Gruppe Nottwil  
Pensionskasse der Schweizerischen  
Nationalbank  
Pensionskasse der Stadt Biel  
Pensionskasse der Stadt Frauenfeld  
Pensionskasse der Stadt Weinfelden

Pensionskasse der Stadt Winterthur  
Pensionskasse der Stadt Zug  
Pensionskasse der Technischen Verbände SIA  
STV FSAI USIC  
Pensionskasse des Kantons Nidwalden  
Pensionskasse Graubünden  
Pensionskasse Hirslanden  
Pensionskasse Pro Infirmis  
Pensionskasse Schaffhausen  
Pensionskasse Somedia  
Pensionskasse SRG SSR  
Pensionskasse Stadt Luzern  
Pensionskasse Stadt St. Gallen  
Pensionskasse Unia  
Personalvorsorgekasse der Stadt Bern  
Personalvorsorgestiftung der Accenture  
Schweiz  
Personalvorsorgestiftung der Ringier Gruppe  
Personalvorsorgestiftung der Würth-Gruppe  
Schweiz  
PIRC  
Préfon  
previva, fonds de prévoyance des  
professionnels du travail social  
Prévoyance Santé Valais (PRESV)  
Profelia Fondation de prévoyance  
Prosperita Stiftung für die berufliche Vorsorge  
Rentes genevoises - Assurance pour la  
vieillesse  
RP - Fonds institutionnel  
Secunda Sammelstiftung  
SHARE  
Spida Personalvorsorgestiftung  
St. Galler Pensionskasse  
Stiftung Abendrot  
Stiftung Auffangeinrichtung BVG  
Stiftung Personalvorsorge Liechtenstein  
Storebrand Asset Management  
SVA Zürich  
Swissbroke Vorsorgestiftung  
Sycomore Asset Management  
Symova Sammelstiftung BVG  
Terre des hommes Schweiz  
Trade Union Share Owners  
Trades Union Congress Superannuation  
Society  
U Ethical Investors  
UGT Pension Scheme  
Unfallversicherungskasse des Basler  
Staatspersonals  
Union Mutualiste Retraite (UMR)

Université de Genève (UNIGE)  
Vancity Investment Management (VCIM)  
Verein Barmherzige Brüder von Maria-Hilf  
(Schweiz)

Vorsorge SERTO  
Vorsorgestiftung der Bourquin SA

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