KnowTheChain Investor Statement

Investor Expectations on Addressing Forced Labor in Global Supply Chains

As investors representing over $7 trillion in assets under management and with a duty to act in the best interests of our beneficiaries, we believe that environmental, social and governance issues can affect long-term performance and financial returns for portfolio companies.

Forced labor is ubiquitous in today’s complex and opaque supply chains. The International Labour Organization (ILO) estimates that 24.9 million people around the world are in situations of forced labor, generating $150 billion in illegal profits in the private economy. Vulnerable groups such as migrant workers are particularly affected. However, human rights organizations, governments, and the media are increasingly identifying and documenting such exploitative working conditions. Legislation requiring companies to report on actions taken to address forced labor is gaining momentum, with countries such as Australia following the example of the California Transparency in Supply Chains Act and the UK Modern Slavery Act. Leading companies are assessing forced labor risks across supply chain tiers, engaging with suppliers’ workers, and helping suppliers to build capacity and address incidents of forced labor where they occur. By supporting decent work in their supply chains, leading companies are able to identify early warning signs, improve stakeholder relationships, and secure a stronger license to operate in communities and countries.

As investors we promote responsible business conduct as outlined in the OECD guidelines and support the United Nations’ Sustainable Development Goal 8.7 to eradicate forced labor:

- We believe that investee companies that do not address forced labor risks may be exposed to negative financial, legal, and reputational impacts.
- We welcome analytical tools such as the KnowTheChain benchmarks which rank companies’ efforts to address forced labor in their supply chains and support the benchmarks’ aim of driving stronger action to end forced labor in high-risk industries.
- We commit to integrating corporate disclosure as well as third-party analysis on companies’ efforts to address forced labor in our investment analysis, voting and/or engagement practices as appropriate.

In order to protect long-term value, and in line with the ILO’s core labor standards and the UN Guiding Principles on Business and Human Rights, we encourage our investee companies to undertake rigorous human rights due diligence, and in particular to:

- Assess and address forced labor risks, by implementing policies and practices in the following areas: Commitment and Governance, Traceability and Risk Assessment, Purchasing Practices, Recruitment, Worker Voice, Monitoring, and Remedy.¹
- Collaborate with labor and human rights organizations, multi-stakeholder initiatives, governments, peers, and other relevant stakeholders to address systemic risks and identify sector-wide solutions.
- Disclose efforts to prevent and address forced labor across global supply chains, based on good human rights reporting practices such as those set out in the UN Guiding Principles Reporting Framework and recognized in the Corporate Human Rights Benchmark.

¹ The indicators of KnowTheChain’s benchmark methodology provide an overview of steps companies should take to address forced labor in their supply chains. Further, KnowTheChain’s benchmark reports provide examples of leading practices by sector.
Signatories

a.s.r. asset management

Achmea Investment Management

Adrian Dominican Sisters, Portfolio Advisory Board

Æquo, Shareholder Engagement Services

AFL-CIO

AllianceBernstein

AMP Capital Sustainable Fund and
AMP Capital Responsible Investment Leaders Funds

AP2

AP7

APG Asset Management

Aquinas Associates

As You Sow
Ausbil Investment Management Limited

Australian Ethical Investment

AustralianSuper

Aviva Investors

Bâtirente

Bayerische Versorgungskammer

Bell Asset Management

BNP Paribas Asset Management

Bon Secours Mercy Health

Boston Common Asset Management

Boston Trust Walden Company

Cartica Management

CBIS

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CCLA Investment Management

Church Commissioners for England

Church of England Pensions Board

Church of Sweden

Columbia Threadneedle Investments

Congregation of St. Joseph

Cornerstone Capital Group

Dana Investment Advisors

Daughters of Charity, Province of St. Louise

Dignity Health

DNB Asset Management

Domini Impact Investments LLC

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Dominican Sisters ~ Grand Rapids

Dominican Sisters of Hope

Ecofi Investissements

EFG Asset Management

Epic Capital Wealth Management

Ethical Partners Funds Management

Ethos Foundation, Switzerland

Ethos Foundation also represents the members of the Ethos Engagement Pool International:

Fondo di Previdenza per il Personale dell’Ente Ospedaliero Cantonale
Fondazione Ticinese per il secondo pilastro
Cassa pensioni di Lugano
Istituto di previdenza del Cantone Ticino
Caisse de pensions Féd. int. des Stés. de la Croix-Rouge et du Croissant-Rouge
Emmi-Vorsorgestiftung
Symova Sammelstiftung BVG
Pensionskasse des Kantons Nidwalden
Spida Personalvorsorgestiftung
GEMINI Sammelstiftung
Pensionskasse der Stadt Frauenfeld
Pensionskasse der Schweizerischen Nationalbank
St. Galler Pensionskasse
Prévoyance Santé Valais (PRESV)
CPCN - Caisse de pensions de la fonction publique du canton de Neuchâtel
Caisse de pensions du personnel communal de Lausanne (CPCL)

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Caisse de pensions de l’Etat de Vaud (CPEV)
Caisse intercommunale de pensions (CIP)
Rentes genevoises - Assurance pour la vieillesse
Fondation de prévoyance des Paroisses et Institutions Catholiques (FPPIC)
Caisse de prévoyance du personnel de l’Etat du Valais (CPVAL)
Caisse de prévoyance du personnel de l’Etat de Fribourg (CPPEF)
CAP Prévoyance
Caisse de retraite professionnelle de l’industrie vaudoise de la construction
Etablissement Cantonal d’Assurance (ECA VAUD)
RP - Fonds institutionnel
Nest Sammelstiftung
Prosperita Stiftung für die berufliche Vorsorge
Pensionskasse Basel-Stadt
Pensionskasse der Stadt Weinfelden
CIEPP - Caisse Inter-Entreprises de Prévoyance Professionnelle
Pensionskasse Graubünden
Pensionskasse Stadt St. Gallen
Pensionskasse Pro Infirminus
Personalvorsorgekasse der Stadt Bern
Fondation Interprofessionnelle Sanitaire de Prévoyance (FISP)
Pensionskasse AR
Gebäudeversicherung Luzern
Pensionskasse der Schweizer Paraplegiker-Gruppe Nottwil
Pensionskasse der Stadt Biel
Pensionskasse der Technischen Verbände SIA STV FSAI USIC
Pensionskasse Bühler AG Uzwil
Fondation de prévoyance Artes & Comoedia
Caisse de prévoyance du personnel de la Ville de Fribourg
Fondation de prévoyance du Groupe BNP PARIBAS en Suisse
Gebäudeversicherung St. Gallen
Caisse de Prévoyance de l’Etat de Genève CPEG
Pensionskasse SRG SSR
Caisse de pensions du CERN
Aargauische Pensionskasse (APK)
Caisse de pension du Comité international de la Croix-Rouge
Fonds interprofessionnel de prévoyance (FIP)
Luzerner Pensionskasse

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Pensionskasse Römisch-katholische Landeskirche des Kantons Luzern
Pensionskasse der Stadt Winterthur
Bernische Lehrerversicherungskasse
Pensionskasse Caritas
Pensionskasse Schaffhausen
Pensionskasse Stadt Luzern
Stiftung Abendrot
Caisse de Prévoyance des Interprètes de Conférence (CPIC)
Caisse paritaire de prévoyance de l'industrie et de la construction (CPPIC)
Raiffeisen Pensionskasse Genossenschaft
Pensionskasse der Diözese St.Gallen
Pensionskasse Unia
Pensionskasse der Basler Kantonalbank
Caisse de pension Hewlett-Packard Plus
CAPUVA Caisse de prévoyance des travailleurs et employeurs du commerce de détail
Fondation de prévoyance professionnelle en faveur de AROMED
Pensionskasse der Stadt Zug
Caisse Cantonale d'Assurance Populaire - CCAP
Fondation de prévoyance Romande Énergie
Fondation Patrimonia
Stiftung Auffangeinrichtung BVG
Profelia Fondation de prévoyance
Personalvorsorgestiftung der Würth-Gruppe Schweiz
Fonds de Prévoyance de CA Indosuez (Suisse) SA
Fondation de la métallurgie vaudoise du bâtiment (FMVB)
AVENA - Fondation BCV 2e pilier
Personalvorsorgestiftung der Accenture Schweiz
ÖKK Berufliche Vorsorge
Vorsorge SERTO
Terre des hommes Schweiz
Evangelisch-reformierte Landeskirche des Kantons Zürich
Liechtensteinische AHV-IV-FAK
previva, fonds de prévoyance des professionnels du travail social
Etablissement cantonal d’assurance et de prévention (ECAP- Neuchâtel)
Fondation Leenaards
Université de Genève (UNIGE)
Swissbroke Vorsorgestiftung
Vorsorgestiftung der Bourquin SA
Pensionskasse Bank CIC (Schweiz)
Secunda Sammelstiftung
ATISA Personalvorsorgestiftung der Tschümperlin-Unternehmungen
Fondation de Prévoyance Edmond de Rothschild
Caisse de prév. des Fonctionnaires de Police & des Etablissements Pénitentiaires
BVG-Stiftung der SV Group
Caisse de pensions ECA-RP
Bernische Pensionskasse BPK
Unfallversicherungskasse des Basler Staatspersonals
Verein Barmherzige Brüder von Maria-Hilf (Schweiz)
SVA Zürich
Stiftung Personalvorsorge Liechtenstein
Accenture Executive Pensionskasse

Felician Sisters of North America

First Affirmative Financial Network

First State Investments

Friends Fiduciary Corporation

GAM Investments

Gestion FÉRIQUE

Hermes EOS
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Hexavest

HSBC Global Asset Management

Investor Advocates for Social Justice

Ircantec

JLens Investor Network

Joh. Berenberg, Gossler & Co. KG

MAIF

Maryknoll Sisters

Mercy Investment Services, Inc.

Midwest Coalition for Responsible Investment
Miller/Howard Investments, Inc.

MN

NEI Investments

Neuberger Berman
Neuberger Berman Emerging Markets Sustainable Equity
Neuberger Berman Emerging Markets Equity
Neuberger Berman Emerging Markets Select Equity
Neuberger Berman Focus Fund
Neuberger Berman GEDI

Newground Social Investment

NN Investment Partners

Northwest Coalition for Responsible Investment

Öhman

Rathbone Brothers Plc
Region VI Coalition for Responsible Investment

Resona Bank, Ltd.

Robeco

RRSE

School Sisters of Notre Dame - CPP Corporate Responsibility Committee

School Sisters of St. Francis

SDG Invest

Seventh Generation Interfaith Coalition for Responsible Investment

SHARE

ShareAction

Sisters of St Francis of Dubuque, Ia

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Sisters of St. Dominic of Blauvelt, N.Y

Sisters of the Good Shepherd

Sisters of the Humility of Mary

Sisters of the Holy Cross

Socially Responsible Investment Coalition

Sophia University

Stance Capital, LLC

Stardust

Stichting Pensioenfonds Openbaar Vervoer

Stichting Spoorwegpensioenfonds

Storebrand Asset Management

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Sustainalytics

Sycomore Asset Management

The Church Investors Group

Trillium Asset Management, LLC

T’ruah: The Rabbinic Call for Human Rights

Trusteam Finance

Tulipshare

Union Investment

Ursuline Sisters of Tildonk, U.S. Province

USS Investment Management

Vancity Investment Management

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VidaCaixa

Wetherby Asset Management

Zevin Asset Management