KnowTheChain Investor Statement

Investor Expectations on Addressing Forced Labor in Global Supply Chains

As investors representing $6.2 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.

¹The 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

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Ausbil Investment Management Limited

Australian Ethical Investment

AustralianSuper

Aviva Investors

Bâtirente

Bayerische Versorgungskammer

Bell Asset Management

BMO Global Asset Management

BNP Paribas Asset Management

Bon Secours Mercy Health

Boston Common Asset Management

Boston Trust Walden Company

Cartica Management

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CBIS

CCLA Investment Management

Church Commissioners for England

Church of England Pensions Board

Church of Sweden

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
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:

- Aargauische Pensionskasse (APK), Switzerland
- ATISA Personalvorsorgestiftung der Tschümperlin-Unternehmungen, Switzerland
- Bernische Lehrerversicherungskasse, Switzerland
- Bernische Pensionskasse BPK, Switzerland
- Caisse Cantonale d’Assurance Populaire - CCAP, Switzerland
- Caisse de pension des sociétés Hewlett-Packard en Suisse, Switzerland
- Caisse de pension du Comité international de la Croix-Rouge, Switzerland
- Caisse de pensions de l’Etat de Vaud (CPEV), Switzerland
- Caisse de pensions du personnel communal de Lausanne (CPCL), Switzerland
- Caisse de pensions ECA-RP, Switzerland
- Caisse de prév. des Fonctionnaires de Police & des Etablissements Pénitentiaires, Switzerland
- Caisse de Prévoyance de l’Etat de Genève (CPEG), Switzerland
- Caisse de Prévoyance des Interprètes de Conférence (CPIC), Switzerland
- Caisse de prévoyance du personnel de l'Etat de Fribourg (CPPEF), Switzerland
- Caisse de prévoyance du personnel de l'Etat du Valais (CPVAL), Switzerland
- Caisse intercommunale de pensions (CIP), Switzerland
- Caisse paritaire de prévoyance de l'industrie et de la construction (CPPIC), Switzerland
- CAP Prévoyance, Switzerland
- CIEPP - Caisse Inter-Entreprises de Prévoyance Professionnelle, Switzerland
- Etablissement Cantonal d'Assurance (ECA VAUD), Switzerland
- Fondation de la métallurgie vaudoise du bâtiment (FMVB), Switzerland
- Fondation de prévoyance Artes & Comœdia, Switzerland
- Fondation de prévoyance des Paroisses et Institutions Catholiques (FPPIC), Switzerland
- Fondation de prévoyance du Groupe BNP PARIBAS en Suisse, Switzerland
- Fondation Interprofessionnelle Sanitaire de Prévoyance (FISP), Switzerland
- Fondation Leenaards, Switzerland
- Fondation Patrimonia, Switzerland
- Fonds de Prévoyance de CA Indosuez (Suisse) SA, Switzerland
- Fonds interprofessionnel de prévoyance (FIP), Switzerland
- Gebäudevorsicherung Luzern, Switzerland
- GVA Gebäudevorsicherung des Kantons St. Gallen, Switzerland
- Luzerner Pensionskasse, Switzerland
- Nest Sammelstiftung, Switzerland
- Pensionskasse AR, Switzerland
- Pensionskasse Bank CIC (Schweiz), Switzerland
- Pensionskasse Basel-Stadt, Switzerland
- Pensionskasse Bühler AG Uzwil, Switzerland
- Pensionskasse Caritas, Switzerland
- Pensionskasse der Basler Kantonalbank, Switzerland
- Pensionskasse der Stadt Winterthur, Switzerland
- Pensionskasse Pro Infirmis, Switzerland
- Pensionskasse Römisch-katholische Landeskirche des Kantons Luzern, Switzerland
- Pensionskasse Schaffhausen, Switzerland
- Pensionskasse SRG SSR, Switzerland
- Pensionskasse Stadt Luzern, Switzerland
- Pensionskasse Unia, Switzerland
- Personalvorsorgekasse der Stadt Bern, Switzerland

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• Prévoyance Santé Valais (PRESV), Switzerland
• prévoyance.ne, Switzerland
• Profelia Fondation de prévoyance, Switzerland
• Prosperita Stiftung für die berufliche Vorsorge, Switzerland
• Retraites Populaires, Switzerland
• Secunda Sammelstiftung, Switzerland
• St. Galler Pensionskasse, Switzerland
• Stiftung Abendrot, Switzerland
• Terre des hommes, Switzerland
• Unfallversicherungskasse des Basler Staatspersonals, Switzerland
• Université de Genève (UNIGE), Switzerland
• Verein Barmherzige Brüder von Maria-Hilf, Switzerland
• Vorsorge SERTO, Switzerland

Felician Sisters of North America

First Affirmative Financial Network

First State Investments

Friends Fiduciary Corporation

GES International

Gestion FÉRIQUE

Hermes EOS

Hexavest

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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

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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

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

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Stichting Pensioenfonds Openbaar Vervoer

Stichting Spoorwegpensioenfonds

Storebrand Asset Management

Sustainalytics

Sycomore Asset Management

The Church Investors Group

Trillium Asset Management, LLC

T’ruah: The Rabbinic Call for Human Rights

Trusteam Finance

Ursuline Sisters of Tildonk, U.S. Province

USS Investment Management

Vancity Investment Management

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