

## KnowTheChain Investor Statement

### *Investor Expectations on Addressing Forced Labor in Global Supply Chains*

As investors representing \$3.4 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.<sup>1</sup>
- 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.

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<sup>1</sup> 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

Achmea Investment Management



Achmea Investment Management

Adrian Dominican Sisters, Portfolio Advisory Board



AFL-CIO



AMP Capital Sustainable Fund and  
AMP Capital Responsible Investment Leaders Funds



APG Asset Management



Aquinas Associates



As You Sow



Australian Ethical Investment



Aviva Investors



Boston Common Asset Management



Cartica Management



CCLA Investment Management



Church of Sweden

Church of Sweden 

Congregation of St. Joseph



Cornerstone Capital Group



Dana Investment Advisors



Daughters of Charity, Province of St. Louise



Dignity Health



Domini Impact Investments LLC



Dominican Sisters ~ Grand Rapids



Dominican Sisters of Hope



Ecofi Investissements



Epic Capital Wealth Management



Ethos Foundation, Switzerland

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

- *Aargauische Pensionskasse (APK)*
- *Bernische Lehrerversicherungskasse*
- *Caisse de pensions de l'Etat de Vaud (CPEV)*



- Caisse de pensions ECA-RP
- Caisse de prév. des Fonctionnaires de Police & des Etablissements Pénitentiaires
- Caisse de Prévoyance des Interprètes de Conférence (CPIC)
- Caisse intercommunale de pensions (CIP)
- Caisse paritaire de prévoyance de l'industrie et de la construction (CPPIC)
- CAP Prévoyance
- CCAP Caisse Cantonale d'Assurance Populaire
- CIEPP - Caisse Inter-Entreprises de Prévoyance Professionnelle
- Etablissement Cantonal d'Assurance (ECA VAUD)
- Fondation de la métallurgie vaudoise du bâtiment (FMVB)
- Fondation Leenaards
- Nest Sammelstiftung
- Pensionskasse Caritas
- Pensionskasse der Stadt Winterthur
- Pensionskasse Stadt Luzern
- Pensionskasse Unia
- Prévoyance Santé Valais (PRESV)
- prévoyance.ne
- Profelia Fondation de prévoyance
- Prosperita Stiftung für die berufliche Vorsorge
- Retraites Populaires
- Solothurnische Gebäudeversicherung
- St. Galler Pensionskasse
- Stiftung Abendrot
- Terre des hommes

Felician Sisters of North America



First Affirmative Financial Network



First State Investments



Friends Fiduciary Corporation



GES International



Gestion FÉRIQUE



Hermes EOS



Hexavest



HSBC Global Asset Management



JLens Investor Network



MAIF



assureur militant

Maryknoll Sisters



Mercy Health



Mercy Investment Services, Inc.



Midwest Coalition for Responsible Investment



Miller/Howard Investments, Inc.



MN



NEI Investments



Newground Social Investment



NN Investment Partners



Northwest Coalition for Responsible Investment



Öhman



Region VI Coalition for Responsible Investment



Robeco



RRSE



School Sisters of Notre Dame - CPP Corporate Responsibility Committee



School Sisters of St. Francis



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 Holy Cross



Socially Responsible Investment Coalition



Stance Capital, LLC



Stardust



Sustainalytics



The Church Investors Group



Trillium Asset Management, LLC



Tri-State Coalition for Responsible Investment



T'ruah: The Rabbinic Call for Human Rights





Ursuline Sisters of Tildonk, U.S. Province

USS Investment Management

Walden Asset Management

Wetherby Asset Management

Zevin Asset Management

