

## Investor Statement in support of Human Rights

As long-term investors, we believe there is a strong nexus between social progress and economic growth, sustainable earnings and value creation. The respect for and support of fundamental human rights are the building blocks of a prosperous, productive and participatory society and economy.

We the undersigned investors, express our support for the principle of respecting human rights. As both investors and companies ourselves, we acknowledge that we are accountable for human rights impacts in our own operations and have responsibility for managing and mitigating any adverse impacts. Further, where we exercise influence and control, such as in our supply chains, we acknowledge we must also respect human rights. We also acknowledge that as shareholders and fiduciaries, we have stewardship responsibilities to use our influence to improve the management of human rights in investments that we make on behalf of beneficiaries.

We acknowledge *the objectives of the International Bill of Human Rights<sup>1</sup>, the UN Guiding Principles on Business & Human Rights (the Guiding Principles) and the eight International Labour Organization's Fundamental Conventions* as well as other international conventions and guidelines aimed at protecting, respecting and remedying human rights. We also acknowledge the importance of national and state-based legislation and programs, as well as regional initiatives, aimed at combating modern slavery and human trafficking.

We acknowledge business value chains have become increasingly global and complex. Companies and their investors are exposed to risks stemming from the mis-management and sometimes explicit exploitation of people as workers, contractors, suppliers, host communities and consumers. In addition to the adverse impacts to rights holders, there are also risks to investors, including: negative brand impacts, earnings volatility, business disruption and increased regulatory impact, to name a few.

According to the Guiding Principles, to manage this risk companies must avoid causing or contributing to adverse human rights impacts through their own business activities and address such impacts when they occur. They must also prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed directly to those impacts. Furthermore, they must seek to support the remediation of adverse human rights impacts within the business, supply chains or broader stakeholder groups.

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<sup>1</sup> Comprised of Universal Declaration of Human Rights (UDHR), International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (IESCR).

In keeping with the Guiding Principles, as investors we expect business entities to have the following in place:

- a) **Policy** – a stand-alone and/or integrated organisational-wide human rights policy, or policies, that reflects the entity’s commitment to respect and support human rights, outlining commitments and accountabilities, and issued by the CEO or Chair of the Board;
- b) **Governance** – human rights explicitly included in the entity’s governance structures and integrated into decision-making procedures;
- c) **Culture** – a culture that supports respect for human rights as core to business values and decisions and commits to meaningful consultation with potentially affected stakeholders;
- d) **Due diligence** – processes, as part of organisational operational risk management, that support the identification, assessment, prevention and mitigation of potential material adverse human rights impacts and risks, integrate due diligence findings and tracks effectiveness of due diligence responses;
- e) **Grievance** – accessible and safe grievance mechanisms and procedures to allow rights holders to report human rights concerns;
- f) **Remediation** - processes to enable the remediation of material adverse human rights impacts companies cause or to which they contribute; and
- g) **Disclosure** - a system for monitoring the effectiveness and publicly reporting on the entity’s progress on assessing, mitigating and responding to adverse human rights impacts associated with its operations, products and services and business relationships.

In the context of the above, as long-term investors we will:

1. **Governance** – reference human rights frameworks and conventions in our human resource, procurement and investment policies and promulgate these throughout our management systems to operationalise these policies;
2. **Integration** – include human rights impacts and risks and opportunities in our ESG assessment and investment decision-making procedures, including in the mandates we receive;
3. **Stewardship** – build human rights risks and opportunities into our active owner and stewardship initiatives (i.e. engagement and voting);
4. **Collaboration** – share knowledge and participate in collaborative industry initiatives and across stakeholder groups to amplify our message and magnify our impact to this commitment; and
5. **Transparency** – publicly report on our progress and the effectiveness of our responses.