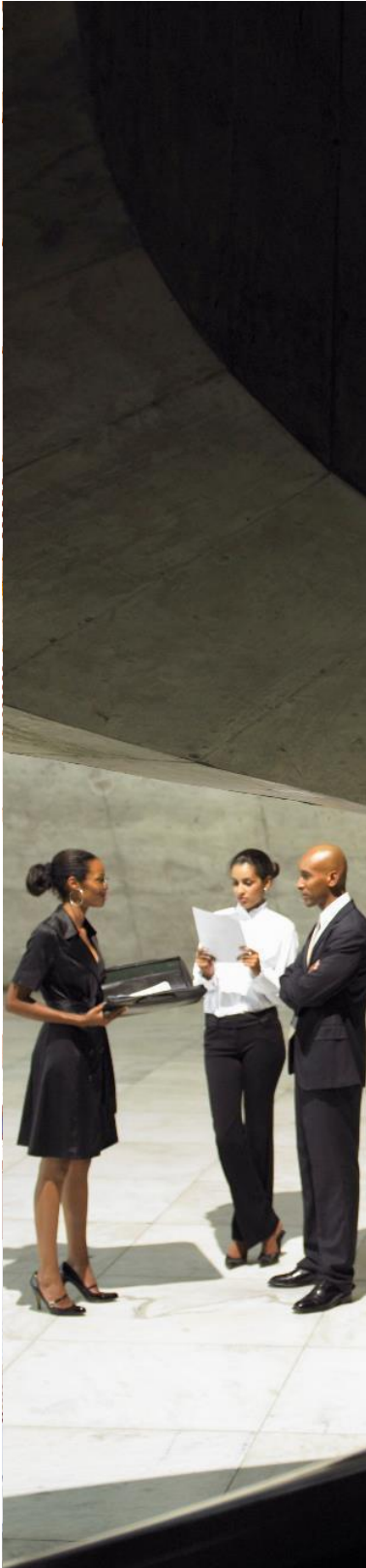


Human Rights

Die deutsche Übersetzung dieser Richtlinie kann auf Nachfrage zur Verfügung gestellt werden.



Why we engage

Businesses play an important role in respecting and upholding human rights, which is increasingly recognised as a key factor in regulatory compliance, reputational risk management, operational stability, and supply chain resilience. As investors, we prioritise human rights allegations that carry the greatest risk of causing or contributing to significant adverse impacts by companies in our investment portfolios.

Failure to address these violations can escalate into legal penalties, regulatory investigations, operational and supply chain disruptions, damage to brand reputation, boycotts, and loss of market access. These risks not only impact the financial performance of individual investee companies but also create financial and reputational risks for our clients' investments.

Human rights legislation and regulations have been on the rise around the world, evolving from disclosure requirements to include mandatory supply chain due diligence and import controls. There are ongoing industry efforts to standardise human rights disclosures, such as the recently launched Taskforce on Inequality and Social-related Financial Disclosures (TISFD) and IFRS' work plan to explore human capital as a potential future disclosure standard.²³

Adverse human rights impacts, such as modern slavery, can arise in any sector. However, certain industries, geographies, or business models are at heightened risk. When engaging with investee companies, we focus on adverse impacts that a company has accountability, oversight and influence over, whilst recognising that an issue may sometimes be intertwined with broader political and systemic challenges and may be beyond the company's control.

Issues relating to this theme include:

Human Rights

Community Relations

Supply Chain Management

23. Please refer to the following links for further information: <https://www.tisfd.org/> and <https://www.ifrs.org/projects/work-plan/human-capital/#about>.

Human Rights

Engagement approach

We highlight good practices below and encourage priority companies, where human rights are a relevant issue, to work towards these.

<p>Human rights policy and oversight</p>	<p>Establish a public policy committing to respect human rights, ideally aligned with a global standard such as the UN Guiding Principles for Business and Human Rights, the UN Global Compact, or the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.²⁴</p> <p>Provide evidence of board and senior management oversight of human rights commitments, practices, and performance.</p>
<p>Due diligence and mitigation</p>	<p>Develop a robust due diligence process to identify, assess, and disclose human rights impacts on stakeholders from the company’s operations, products and services, and business relationships. The approach may vary depending on industry, geography or business model.</p> <p>Establish measures to avoid causing or contributing to adverse human rights impacts and implement mitigation plans, prioritising those with highest risks.</p> <p>Identify and report on key performance indicators to track mitigation measures and adverse impacts.</p> <p>Update due diligence assessments periodically.</p>
<p>Grievance mechanisms and remediation</p>	<p>Provide grievance channels that are legitimate, accessible, predictable, equitable, transparent and free from perceived or actual retaliation.</p> <p>Where violations are found, ensure timely investigation and develop corrective action plans. Consider third-party opinions, and provide impacted stakeholders with effective remedies and communications.</p> <p>Report on grievance data, including number, type, location and resolutions.</p> <p>Where applicable, report on efforts to consult, engage or enter mediation with relevant stakeholders, and the outcomes.</p>
<p>Supply chain and contractor management</p>	<p>Conduct pre-onboarding due diligence and ongoing monitoring of suppliers and contractors to assess their exposure to human rights risks.</p> <p>Conduct supplier and contractor audits using a risk-based approach, based on human rights due diligence assessments, while ensuring independence of auditors.</p> <p>Where applicable for specific industries, obtain independent certifications from suppliers based on recognised standards, and encourage them to seek certifications from suppliers at various levels of the supply chain (“Tier-N” suppliers).</p>
<p>Ongoing monitoring and disclosures</p>	<p>Ensure findings are integrated into relevant business processes, and monitor for evolving and emerging risks on an ongoing basis.</p> <p>Provide greater transparency through disclosures across these areas, including relevant metrics, targets and case studies.</p>

We recognise that sometimes system-level stewardship is needed to tackle broader challenges related to human rights – for example, to improve the transparency and consistency of human rights data and assessments carried out by commercial data providers.

24. Please refer to the following links for further information: https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf; <https://unglobalcompact.org/what-is-gc/mission/principles>; and <https://mneguidelines.oecd.org/>.

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