

Expectations for social practices

March 2021

We are committed to respecting human and labour rights through our investment practices, as well as through our engagement and voting activities.

Well-run companies have formal systems to identify, assess and manage significant risks and opportunities associated with social factors, as well as wider societal impacts.

A robust approach to managing social issues can help companies retain their social licence to operate, ensure continuity in business operations and supply chains, avoid legal and regulatory fines, enhance employee productivity, improve both employee and customer satisfaction, and maintain the companies' reputations. Ultimately, we believe this will contribute to sustainable long-term value creation by the companies in which we choose to invest.

We recognise that some of our expectations are aspirational and that companies will be at different stages of managing social issues. However, we will use our influence as investors through our engagement program to encourage companies to adhere to best practice standards and monitor companies' progress against them.

Our expectations reference international standards¹ and industry commitments and are supported by internal guidance and training.

Core to our expectations on how companies should manage the social aspects of their operations and supply chains is a commitment to:

- respect **human rights** and remediate any breaches,
- uphold **labour rights**, and
- safeguard **public health**.

Amongst others, this should be implemented by:

- Provision of a **healthy and safe work environment**
- Provision of **fair wages**

- **Responsible business conduct**, including on issues such as anti-bribery and anti-corruption, anti-money laundering, tax transparency, data privacy and security, responsible marketing and sales, and responsible lobbying activities
- Effective **stakeholder engagement**, including with regulators, investors, customers, employees, and civil society
- Company-wide and effective **grievance mechanisms** and whistleblowing procedures
- Protection of the rights of vulnerable communities, including **indigenous peoples**
- Elimination and prevention of **modern slavery** as well as forced and child labour
- Respecting rights of **freedom of association and collective bargaining**
- Effective **diversity and inclusion** programme
- Ensuring that **neither discrimination nor harassment** takes place in the workplace

To meet the above expectations a robust policy and governance framework which supports oversight and implementation of social management practices and ensures monitoring and reporting on performance is required. Corporate reporting should evidence strategies and targets to achieve good social practice and include a narrative account about the trends and factors affecting the performance and future development of the business.

This document will be reviewed annually by the Responsible Investment team and published externally following approval by the Global Investment Committee.

¹ Among them: the UN's Universal Declaration of Human Rights; UN Guiding Principles on Business and Human Rights; the ILO's International Labour Standards including conventions 29 (forced labour), 138 (minimum wage), and 182 (worst forms of child labour); OECD Guidelines for Multinational Enterprises; Wolfsberg Principles