
May 2023
Asset Stewardship

Guidance on Human Rights Disclosures & Practices

State Street Global Advisors is committed to upholding human rights, and we expect our investee companies to do so as well given the reputational, regulatory, legal, and operational risks that human rights violations can pose to a company. We expect portfolio companies to regularly identify whether there are risks related to human rights¹ in their operations and manage any material risks that emerge, providing relevant disclosures to investors.

¹ As defined in the [Universal Declaration of Human Rights](#) and the [ILO Declaration on Fundamental Principles and Rights at Work](#).

**Our Expectations
for Human Rights
Disclosures**

We expect companies to disclose whether they have established processes for identifying risks related to human rights. If any material human rights risks are identified, we expect further public disclosure describing:

1. Human rights-related risks the company considers most material;
2. Plans to manage and mitigate these risks;
3. Board oversight of these risks; and
4. Assessment of the effectiveness of the human rights risk management program.

State Street Global Advisors believes that best practices for enhancing human rights-related disclosures include describing:

- Specific geographic regions, industries, resources, or types of workforce where the risk is highest;
- How workers, civil society organizations, and other stakeholders are involved in identifying and mitigating issues;
- Which mechanisms exist for workers to raise grievances without fear of retaliation; and
- How the company supports impacted individuals in providing restorative remedy.

Engagements

Incorporating Our Expectations Into Conversations with Companies

We will engage companies on this topic, prioritizing companies with the highest risk of human rights violations. When assessing the risk level of a particular company, we will consider the company's industry, region, and business model; any history of human rights violations; and client and stakeholder input. In 2021, we initiated a targeted engagement campaign on modern slavery, and in 2022, we undertook another series of proactive engagements on human rights, targeting companies who were noncompliant with the UN Global Compact. We also requested reactive engagements with specific companies if we were made aware that they had been accused of human rights violations.

Thought Leadership
Addressing Modern
Slavery in Supply Chains

In Q3 2021, we initiated a series of targeted engagements on the topic of modern slavery. We relied on existing frameworks including SASB, the Global Slavery Index, and the International Labor Organization to identify high-risk sectors, and reached out to our largest holdings in those sectors to request in-depth engagements. We focused on companies in industries where modern slavery poses an outsized risk, especially given the increasing reputational and regulatory risks associated with forced labor in the supply chain. Through this process, we gleaned insights into companies' best practices to inform our ongoing stewardship efforts in this space. To review our insights from this campaign, please visit [Modern Slavery Insights](#).

Voting
Incorporating Our
Expectations into Our
Proxy Voting and
Engagement Practices

With respect to voting on human rights-related disclosure issues, we will first engage with companies related to our human rights-related disclosure expectations outlined herein, focusing on companies and industries with the greatest risk and opportunity.

Below is the approach we follow when voting on human rights related shareholder proposals:

- **FOR** we will consider voting for shareholder proposals that we believe will lead to increased alignment with our expectations for human rights related disclosures;
- **ABSTAIN** we will consider voting abstain when we support some elements of a proposal's request, or recognize a company's commitment to implement related disclosure and/or oversight practices;
- **AGAINST** we will vote against shareholder proposals that we believe are immaterial, overly prescriptive, or would not further our disclosure and oversight expectations.

**Investment and
Research Activities**

State Street Global Advisors also incorporates human rights into investment and research activities. Our firm allocated significant resources toward building our ESG data architecture which gives our portfolio managers and researchers access to a variety of best-in-class data vendors. Our colleagues have access to best-in-class data on companies' human rights practices.

Conclusion

We encourage companies in our portfolios to align their disclosures and practices with our expectations. Please reach out to State Street Global Advisors' Asset Stewardship Team at GovernanceTeam@ssga.com to request an engagement on this important topic.

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* Pensions & Investments Research Center, as of December 31, 2021.

† This figure is presented as of March 31, 2023 and includes approximately \$65.03 billion USD of assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated. Please note all AUM is unaudited.

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