

Addressing Human Trafficking

CHALLENGE

Human trafficking is an emerging issue with limited investment solutions for concerned shareholders.

SOLUTION

We review research on evidence of human trafficking in company supply chains.

RESULTS

Our ready-to-go screen is used by 743 accounts with \$3.6 billion in assets under management as of May 5, 2021.

Challenge

Modern-day slavery is an unfortunate reality that many in the investment community and wider public are only beginning to learn about. Even in socially responsible investment products, human trafficking is not as widely considered and incorporated as other social justice concerns. Therefore, investors seeking to address this issue typically find themselves with few, if any, investment options.

The United Nations Office on Drugs and Crime defines human trafficking as recruitment by threat, use of force, or other forms of coercion and deception for the purpose of exploitation. Human trafficking affects every country in the world either as the origin, transit, or destination point. Although it can take many forms, forced labor is one of the most common—and the one most relevant to investors' portfolio holdings.

Although no publicly traded companies intentionally support human trafficking, they can become complicit by inadequately overseeing their supply chains. To combat this, companies must remain vigilant with regard to their suppliers' hiring policies and practices to avoid and discourage these conditions in the workplace. However, continually assessing supply chains for thousands of global companies is no small task.

Human trafficking is an emerging issue with limited investment solutions for concerned shareholders.

Parametric solution

Parametric turned to one of our data suppliers with existing labor and human rights controversies research. This supplier helped us create a unique data set that identifies recent instances of child and forced labor in direct operations as well as in corporate supply chains.



Research performed by a 200-member multilingual team



14,000 companies monitored daily

Source: MSCI 2021

The research is performed by a 200-member multilingual team that monitors more than 14,000 companies daily, looking for corporate controversies and evaluating the severity and pervasiveness of each case, which is then flagged appropriately. Investors can apply these findings to any benchmark in the coverage universe, and the information is continually updated.

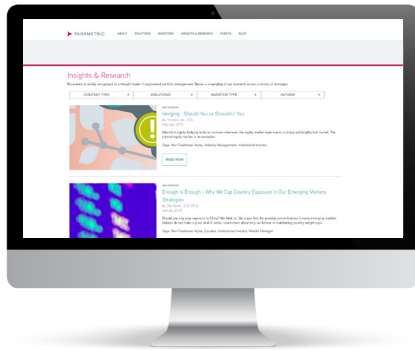
We review comprehensive research to identify evidence of human trafficking in company supply chains.



Results

Parametric’s human-trafficking screen is a ready-to-go solution that ensures only securities with acceptable labor practices are owned. The screen is available to all clients, which allows investors to easily use it as a customization option for their portfolio. Since inception, the screen has identified 50 to 100 companies, many of them well-known entities in such industries as food and apparel, with unacceptable forced-labor practices.

Our screen helps investors align their portfolios with their ethical principles.



Find more insights and research at parametricportfolio.com

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