

CONTACT:**Susana McDermott****Director of Communications****Interfaith Center on Corporate Responsibility****201-417-9060**smcdermott@iccr.org**INVESTORS EXHORT APPAREL COMPANIES TO MEET SUPPLIER COMMITMENTS DURING PANDEMIC**

Letter to 43 global brands cites significant impacts on 40 million at-risk workers in global apparel and footwear supply chains as a result of reduced and cancelled orders related to COVID-19.

NEW YORK, NY – FRIDAY, MAY 1ST, 2020 – On the anniversary of International Workers’ Day, members of the Interfaith Center on Corporate Responsibility (ICCR) and KnowTheChain announced that they are coordinating investor engagements with global apparel and footwear brands, urging the companies to safeguard the livelihoods of vulnerable workers during the COVID-19 pandemic.

ICCR is a coalition of over 300 institutional investors advocating for improved corporate management of a range of environmental and social risks, including forced labor. KnowTheChain is an initiative that provides companies and investors with resources to address forced labor in supply chains. Since early 2019, over 60 investors from around the world have engaged apparel and footwear companies benchmarked by KnowTheChain, to ensure that the rights of workers producing the clothes we wear every day are respected; the group is now continuing the dialogues to address the impacts of COVID-19 on supply chains workers.

Investors are [sending letters](#) to the [43 apparel and footwear brands](#) named in KnowTheChain’s December 2018 report on forced labor risk. Two additional letters will be sent to Next and Urban Outfitters which are included in KnowTheChain’s 2020/2021 benchmark report.

Workers around the world are experiencing the collateral impacts of widespread supply chain interruptions due to COVID-19, including mass layoffs and furloughs, reduced and delayed wages and loss of healthcare. Last month more than [314 long-term institutional investors representing over \\$9 trillion USD](#) in assets under management called on their investee companies to protect workers by, among other things, maintaining prompt payments to suppliers for goods and services rendered in accordance with their binding contractual terms.

Workers in the apparel and footwear sector have been especially squeezed during the pandemic as global brands cancel and/or reduce previously confirmed orders and, in some cases refuse or delay payment for already completed work. Migrant workers are particularly at risk. According to the letter:

Migrant workers face particular hardship. [The International Organization of Migration \(UN Migration\)](#) has underscored the vulnerability of migrant workers, who in normal times, begin employment in “isolation, indecent accommodation, lack of understanding the local language and culture as well as the potential of debt-bondage ... Now add the pandemic.” They are often the

first to lose their jobs, lack access to healthcare and live in cramped shared spaces with poor living conditions.

"During this crisis, it is essential for apparel companies to implement their 'responsibility to respect human rights', as outlined by the UN Guiding Principles on Business and Human Rights, and address the desperate needs of workers throughout their supply chains," said David Schilling, Senior Program Director for ICCR. ***"The knock-on effect of COVID-19 is clear and apparel companies must put safeguards in place to shield workers from its most disastrous impacts. Companies should pay suppliers promptly for existing orders and advocate with governments, industry organizations and multi-stakeholder initiatives to unlock the resources apparel workers will need to survive the crisis."***

Robeco is among the investors participating in the outreach.

"As long-term sustainable investors, Robeco expects companies in the garment sector to be financially prudent whilst protecting labor and human rights standards in their own operations and across their supply chains. Providing a living wage to garment workers, along with adequate social protection floors, is crucial to advance the respect for a number of fundamental human rights whilst building more resilient supply chains," said Robeco's Senior Engagement Specialist Peter van der Werf. ***"We engage with apparel and footwear companies in collaboration with ICCR and the [Platform Living Wage Financials](#) (PLWF). The PLWF is an alliance of 13 European financial institutions with over \$2.8 trillion USD in assets under management and advice, focusing on engaging with A&F brands to address the non-payment of living wages in their global supply chains."***

The letters recommend a series of specific actions the companies can take and request a dialogue to learn about measures companies are putting in place to respect labor rights in their supply chains during and following the COVID-19 crisis.

"The COVID-19 crisis demonstrates the power imbalance between buyers and the millions of workers in their supply chains who are now even more vulnerable to exploitation than ever, as many of them are deprived of their livelihoods, safe living and working conditions, food and access to health care," said Felicitas Weber, KnowTheChain Project Lead, Business & Human Rights Resource Centre. ***"Investors have a vital role to play in ensuring their portfolio companies, at a minimum, promptly pay suppliers for existing orders, press suppliers to engage with workers and trade unions in any restructuring, and make sure that suspended and terminated workers receive all legally mandated pay and severance."***

Companies are being asked to commit to the recommendations in the letter and to report publicly on their responses to COVID-19 related to worker protections, to ensure this vital information is also available to affected workers and their representatives.

About the Interfaith Center on Corporate Responsibility (ICCR)

Celebrating its 49th year, ICCR is the pioneer coalition of shareholder advocates who view the management of their investments as a catalyst for social change. Its over 300-member organizations comprise faith communities, socially responsible asset managers, unions, pensions, NGOs and other socially responsible investors with combined assets of more than \$500 billion. ICCR members engage hundreds of corporations annually in an effort to foster greater corporate accountability. www.iccr.org

About Know the Chain

KnowTheChain is a resource for companies and investors to understand and address forced labor risks within their global supply chains. Through benchmarking current corporate practices and providing prac-

tical resources that enable companies to operate more transparently and responsibly, KnowTheChain drives corporate action while also informing investor decisions. KnowTheChain is committed to helping companies make an impact in their efforts to address forced labor. The initiative is supported by [more than 130 global investors with over US\\$5 trillion in assets under management](#). In 2020/2021 is benchmarking and engaging with [180 of the largest global companies in three high risk sectors](#). <https://knowthechain.org>

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