

ICCR and the Investor Alliance for Human Rights Condemn Administration's Cancellation of Grant Funding to Combat Forced Labor

Since January 2025, the Trump Administration has cancelled over \$500 million in grant funding allocated to the Department of Labor's International Labor Affairs Bureau (ILAB), issued stop-work orders issued for projects funded by the Department of State's Bureau of Democracy, Human Rights, and Labor (DRL), and virtually eliminated the U.S. Agency for International Development (USAID). Grant funding from these entities is used to prevent trafficking, forced labor, and child labor around the world and is being cut because the administration contends that these issues no longer align with America's priorities or national security interests. The [Interfaith Center on Corporate Responsibility \(ICCR\)](#) and the [Investor Alliance for Human Rights \(IAHR\)](#), which represent faith-based and responsible investors, strongly condemn this action and call on the Secretary of Labor to reinstate ILAB's funding.

Combating trafficking, forced labor, and child labor should be a key Administration priority and is essential to the nation's security. Companies have relied on the United States government to enforce laws like the 1930 Tariff Act and the Uyghur Forced Labor Prevention Act to prevent them from being undercut by products made abroad with forced labor. Projects spearheaded and funded by entities have played a crucial role in capacity building on the ground in countries where many of the products sold by American companies and purchased by American consumers are made. American companies will face an uphill battle assessing and preventing forced labor risks without the valuable partnership of these organizations and the local organizations they funded.

Investors and consumers in the United States will also suffer. ICCR is a 50-year-old coalition of more than 300 institutional investors, with a collective AUM of over \$4 trillion, that engage with portfolio companies on their environmental and social impacts, including the eradication of forced labor in supply chains that produce goods and services for the American and global markets. IAHR is a coalition of 240 institutional investor members, representing over US\$20 trillion in AUM and 20 countries, and coordinates engagements with portfolio companies on the risk of state-imposed Uyghur forced labor in supply chains that produce goods and services for the American and global markets. ICCR and IAHR members have long engaged American businesses to take risks related to trafficking and forced labor seriously. They have pushed portfolio companies to show that their supply chains are free from forced labor, to provide evidence of remediation where such violations were found, and to support initiatives that promote worker and human rights in the countries where products are made. Many of these initiatives were directly or indirectly supported by the valuable work of ILAB grantees. Without the country-level engagement supported by ILAB, DRL, and USAID programs, a company's risk of forced and child labor will rise, bringing with it supply chain instability, exposure to legal risk, and increased reputational sanction from consumers who do not want to buy goods made by exploited workers. Risk-exposed companies make bad investments. ICCR and IAHR members will continue to engage their portfolio companies to respect human and labor rights, because it is in line with American and international legal frameworks for responsible business conduct, aligns with ethical corporate practice, and because it makes sound business and investment sense. The work of ILAB, DRL, and USAID grantees is essential to that work and ICCR and IAHR call on the Secretaries of Labor and State to reinstate this funding.