



# Human Rights Q & A\*

*\*Extracted from State Street's 2017 Corporate Responsibility Report*

**Human rights are an increasingly important consideration for many corporations. We spoke with Lauren Savage and Brian Downer to learn more about our commitment to human rights and how we remain vigilant with our suppliers.**

## **Q: How is modern slavery defined? Why does it matter to you?**

**Savage:** Modern slavery refers to human trafficking, forced labor and slavery-like practices. It comes in many forms — including the sale or exploitation of children and debt-bondage. According to the Global Slavery Index there are over 45 million people globally caught up in human trafficking and conditions that qualify as modern slavery. Personally and professionally, I find this extremely disturbing and it is rewarding to play a part in reducing these practices globally. For State Street, not investigating the practices of our suppliers would be a risk to our business and goes against our desire to strengthen and support the social well-being of the communities where we operate.

## **Q: How is State Street taking action against slavery and other human rights or sustainability issues in the supply chain?**

**Downer:** We consider human rights in our supply chain. We want to make sure that we interact with quality third-party suppliers, and we're making sure that State Street only interacts with vendors who adhere to all applicable laws. Every vendor starts with an inherent risk questionnaire, and then a risk assessment weeds out vendors that don't meet our standards of risk compliance. Contract agreements that cover compliance and applicable laws and policies are then submitted by procurement, and due diligence follows up with any decisions we make. This rigorous process ensures that we choose the most compliant and appropriate vendor for our needs.

We added human rights and modern slavery as part of our RFP process to show suppliers we're serious about this. Plus, in 2017 we're including questions on human slavery and trafficking in our risk applications.

**Savage:** We pay particular attention to any products or services delivered out of the five highest-risk countries for modern slavery — India, China, Pakistan, Bangladesh and Uzbekistan. We address other countries, but we keep a careful eye out for those five. Additionally, there are high-risk industries relating to the services we procure that we also keep tabs on. Since IT equipment is a backbone of our work, we look into our suppliers of those products too.

By taking all of this information into consideration during our vendor assessments, we're ensuring State Street's commitment to partnering with quality, compliant suppliers. On top of this, we are going to train and educate our Procurement and Global Human Resources (HR) teams so that they look out for any human rights issues in their work.

**Q: Do you believe State Street employees and/or clients support the initiatives you have taken or plan on taking?**

**Downer:** There is interest from all of our clients and employees in the decisions we make. We need to make sure we protect our clients from risk — including procurement risk. We've received inquiries from clients regarding the UK Modern Slavery legislation, for example, and we've assured them that we're taking action in our procurement processes for this new legislation. We're currently developing our statement and protocols, and expect to have a statement on our website by June of 2017. Our clients also perform due diligence on us against a broad set of topics, and they relate to environmental sustainability and human rights. These issues do not feel like a fad — they're a permanent way we're doing business.

**Savage:** We have an engaged and socially conscious group of employees — many ask about the environment and issues like human rights — so we're making sure we're impacting our community and the planet in positive ways. We're doing what we can to put our money where our mouth is through various philanthropy and environmental commitments. As a result, we've developed a culture based on the principles of environmental sustainability and engaging in the neighborhoods where we work and live.

## Biographies

### **Lauren Savage**

Senior Vice President, Third-Party Risk Management

Lauren Savage is the head of the Third-Party Risk Management Program. In this role, she assesses the risk of all third parties engaged on State Street's behalf on a global basis.

### **Brian Downer**

Senior Vice President and Chief Procurement Officer, Global Procurement Services

Brian Downer is the chief procurement officer at State Street. In this role, he is responsible for State Street's global strategy and execution of the end-to-end supplier lifecycle process across all spend categories.