

Response from Vanguard

16 November 2020

The Business & Human Rights Resource Centre invited Vanguard to respond to a report stating that it is linked to alleged conflicts on Indigenous lands, illegal deforestation, land grabbing, Amazon fires, the weakening of environmental protections, and the production and export of conflict commodities through its investments.

- “[Complicity in destruction: How global corporations enable violations of Indigenous peoples' rights in the Brazilian Amazon](#),” Amazon Watch, Oct 2020
- “[Deforestation finance: Only a total stop will do](#),” Global Capital, 3 Nov 2020

Vanguard sent the following response:

As a mission-driven organization and the steward of lifetime savings for more than 30 million investors worldwide, Vanguard is deeply concerned about the long-term impacts of climate change and human rights transgressions. We understand the importance of addressing these complex issues while remaining committed to delivering long-term value to our fund holders.

Where societal risks may pose a material risk to a company, we engage to uphold our responsibilities as fiduciaries and protect the value of our shareholders' investments. If a company's business practices or products cause harm to indigenous communities, or place people's health, safety, or dignity at risk, they present long-term financial risks as well. Through our engagements, we seek assurance that boards oversee and own these risks and that they take appropriate measures to mitigate them and disclose them to the market.

Our investment stewardship team is taking action to address climate change risk through our company engagements and industry advocacy efforts with organizations and initiatives such as the Sustainability Accounting Standards Board, Task Force on Climate-related Financial Disclosures, and UN PRI, among others. We continue to call on companies to be transparent about climate-related matters and disclose them to investors. It is equally important that boards appropriately oversee climate matters as they would other material issues.

[Vanguard's 2020 Investment Stewardship Annual Report](#) provides additional information about our perspectives and actions on these important topics. Furthermore, the firm has published several Insights highlighting our views on these issues, including:

- [Insights: Vanguard's expectations on climate risk governance](#),
- [Insights: Votes on key climate-related shareholder proposals](#),
- [How Vanguard addresses climate risk](#),
- [Insights: Why climate change matters to long-term investors](#), and
- [Vanguard's voice on societal risks](#).