



## PRESS RELEASE

### **50 Global Investors Representing More Than US\$4.5 Trillion Assets Under Management Commit to CANDRIAM Led Facial Recognition Initiative**

- Aviva Investors, Sycomore Asset Management, Domini Impact Investments and BMO Global Asset Management are amongst the 50 signatories to the Investor Statement on Facial Recognition initiated by CANDRIAM.
- Two-year collaborative engagement programme aims to prioritize human rights in relation to use of facial recognition technology (FRT) and seeks constructive dialogue with global companies developing or using the technology.
- Welcomed by the United Nations-supported Principles for Responsible Investment (PRI), the FRT initiative advocates for adequate risk management and improved corporate disclosure.

**London, 8 June 2021** - CANDRIAM, a global sustainable and multi-asset focused investment manager, is pleased to welcome 50 global investors representing more than US\$4.5 trillion in assets under management (AUM) as signatories to the Investor Statement on Facial Recognition. Aviva Investors, Sycomore Asset Management, Domini Impact Investments and BMO Global Asset Management are amongst the investment managers and asset owners to pledge their commitment.

CANDRIAM launched the initiative in March this year to address the risks raised by facial recognition technology (FRT) products and services. Welcomed by the United Nations-supported Principles for Responsible Investment, the initiative invited investors to sign the Investor Statement on Facial Recognition<sup>1</sup> and join CANDRIAM in its engagement with companies on their FRT activities and human rights policies. Over the coming months, the investor statement will form the basis of a dialogue with companies as part of an informed and constructive collaborative engagement programme.

FRT technology in its present form risks infringing on individual privacy rights given it lacks the consent of those being identified and has no official oversight. Misidentification is far more frequent than one might expect, occurs more systematically among certain ethnic groups and has led to false arrests. Although there is no common global framework around the regulation of biometric data collection and its use, several US cities and states have banned the use of FRT. In Europe, the EU Commission is proposing the first ever legal framework on Artificial Intelligence Regulation<sup>2</sup> and China recently published a draft standard on Security Requirements of Facial Recognition Data<sup>3</sup>.

Despite the fact that the facial recognition market is a relatively small part of the technology market, US and China technology giants have developed their own facial recognition products and services. After mastering the collection and analysis of their users' online behavioural data, these companies are now moving into the physical world. For those companies, their governmental or business clients, it is important to make sure FRT development and use is done in an ethical way, with the right regulation and oversight.

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<sup>1</sup> [https://www.candriam.com/499bb4/siteassets/campagne/facial-recognition/2021\\_05\\_investor\\_statement\\_facial\\_recognition\\_candriam\\_en\\_final.pdf](https://www.candriam.com/499bb4/siteassets/campagne/facial-recognition/2021_05_investor_statement_facial_recognition_candriam_en_final.pdf)

<sup>2</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_21\\_1682](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_1682)

<sup>3</sup> <https://www.natlawreview.com/article/china-publishes-draft-security-standard-facial-recognition>



As part of its wider engagement programme, earlier this year CANDRIAM published [a paper guiding investors](#) on the investment risks and opportunities of FRT and the key drivers underpinning the global adoption of FRT products.

**Benjamin Chekroun, Proxy Voting and Engagement Analyst at CANDRIAM said:** *“Facial recognition technologies are changing our lives and have the potential to present reputational, operational, and financial risks for companies as well as significant human rights risks. It is encouraging that over 50 signatories, representing more than US\$4.5tn AuM, recognise their role in collectively, and collaboratively, engaging with companies to ensure this technology is being used in a responsible and lawful way.”*

**Louise Piffaut, Senior ESG analyst, Aviva Investors:** *“The increasing deployment and use of facial recognition technologies have human rights implications which are not fully being considered by companies. We believe that investors have a role to play alongside regulators and independent experts to ensure that companies adopt best practice. With mounting evidence of the potential societal impacts the technology could have, notably around exacerbating biases and racial inequality, companies should disclose their processes and how they assess their human rights impacts in order to manage these risks.”*

**Marie VALLAEYS Analyste Spécialiste, Sycomore Asset Management:** *“Supporting the emergence of a responsible and sustainable technology sector is an imperative. That is why, as an investor, we make a specific focus to make sure the development of technology is managed responsibly. Supporting this statement fits directly into our key areas of attention as mass surveillance and the processing of behavioral and biometric data represent material human rights risks.”*

**Corey Klemmer, Director of Engagement, Domini Impact Investments:** *“Technology is moving faster than people – companies are able to deploy FRT and other surveillance, biometric and behavioral tech right now in ways many of us have yet to imagine. Without sufficient processes to detect and remedy human rights issues with the technology and how it is used, companies and their investors will continue to face significant regulatory, legal and reputational risks.”*

**Rosa van den Beemt, VP Responsible Investment Analyst, BMO Global Asset Management:** *“The accelerated use of facial recognition technology for the purposes of surveillance has real human rights implications. Built-in racial biases, lack of regulatory oversight and potential misuse by authoritarian regimes adversely impact already vulnerable people. For investors to be able to fulfil our own responsibility to respect human rights, we call on companies to proactively assess, disclose, mitigate and remediate human rights risks related to their facial recognition products and services.”*



The investor statement as well as the full list of signatories can be consulted [via this link](#).

The list is also available below:

Achmea Investment Management	EOS at Federated Hermes	NEI Investments
Aequo	Glasswing Ventures	NN Investment Partners
Assenagon Asset Management S.A.	GW&K Investment Management, LLC	NZ Super Annuation
Aviva Investors	Heartland Initiative	Öhman
BMO Global Asset Management	Indép'AM	Presbyterian Foundation
Boston Common Asset Management	ISGAM AG	Royal London Asset Management
Brown Advisory	JLens Investor Network	Share
Brunel Pension Partnership	KLP	Summit Global Investments
CANDRIAM	Local Authority Pension Fund Forum	Sycomore Asset Management
Church of England Pensions Board	Longfellow Investment Management Co LLC	Le Regroupement pour la Responsabilité Sociale des Entreprises
C-QUADRAT Asset Management GmbH	Mercy Investment Services	Trillium Asset Management
Dana Investment Advisors	Bon Secours Mercy Health	Triodos Investment Management
Degroof Petercam Asset Management	Congregation of St. Joseph	Vancity Investment Management
DNB	Common Spirit	Storebrand Asset Management
Domini Impact Investments	Daughters of Charity	RPMI Railpen
EdenTree Investment Management	Providence St. Joseph Health	
Ethos Foundation	Future Super	
	Verve Super	



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**About CANDRIAM**

CANDRIAM stands for "Conviction AND Responsibility In Asset Management" and is a European multi-specialist asset manager with a 20-year track record. CANDRIAM manages around EUR 140 billion of assets under management with a team of more than 600 professionals. It operates management offices in Luxembourg, Brussels, Paris, and London, and has client representatives in more than 20 countries throughout continental Europe, the United Kingdom, the United States and the Middle East. CANDRIAM offers investment solutions in several key areas: bonds, equities, absolute performance strategies, and asset allocation. CANDRIAM is also a pioneer and leader in sustainable investments with, since 1996, a broad and innovative range covering all its asset classes.

CANDRIAM is a New York Life Company. New York Life Investments ranks among the world's largest asset managers

For more information see: [www.candriam.com](http://www.candriam.com)

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