

Investor statement on Technology, mental health & well-being

We are XX global institutional investors and their representatives with \$XX in assets under management. We have been mandated to vote and/or engage on behalf of our clients, and to represent their interests as both shareholder and bondholder. We want to ensure that companies in our portfolios protect long-term investor value by adopting a strategic approach to managing material environmental, social and governance (ESG) risks, while exploring related opportunities prevalent to their business.

We believe that technology can have significant negative impacts on mental health and well-being. Literature shows that screen overuse, especially too early, can lead to concentration and behavioral disorders, including depression and isolation. The increased use of Internet, smartphone and media (as video games, social media and streaming services) raises the question of addiction, which symptoms include mood modification, conflict, withdrawal and relapse. Research also shows that tech impacts well-being: social media can contribute to increased stress and low self-esteem¹. Moreover, exposure to screens and Internet usage affects sleep time and quality².

There is also a nascent but growing regulatory environment around technology, mental health and well-being. In the European Union, the Digital Services Act establishes a set of rules to make digital platforms responsible and to fight against the distribution of illegal or harmful contents and products. In the UK and the US, the Children's Code Legislation and the Children's Online Privacy Protection Act aim to stop companies targeting children with ads and nudging them to stay online. We have also seen other examples of regulations across the globe that could put tech companies under increasing regulatory pressure.

We consider these issues to be an ESG risk for investors in the the hardware, media, internet, gaming, software edtech and fintech space. Therefore, we believe companies from these sectors should align with good practices we identified around technology, mental health and well-being:

- Define a policy and implement measures to mitigate risks of addiction and potential adversary effects on end consumer mental health and well-being
- Establish a high-level commitment to child digital safety in business codes, human rights policies or risk assessment frameworks
- Establish a mechanism to report on online harms
- Cooperate with authorities on reporting online abuse and partner with third parties on online safety
- Transparency and disclosure around content control for its products
- Set up a child safety website
- Support educational initiatives for online safety and other initiatives related to technology, mental health and well-being

We encourage and welcome other investors and their representatives to join us in signing this statement.

¹ *Social media and young people's mental health and wellbeing*, UK Royal Society for Public Health, 2017

² *Problematic video game use: estimated prevalence and associations with mental and physical health*, Brunborg et al., 2011; *Association between Facebook dependence and poor sleep quality: a study in a sample of undergraduate students in Peru*, Wolniczak et al., 2013