

# HUMAN RIGHTS WORKING GROUP



Responsible Investment  
Association Australasia



## Meeting #4-22 – Wednesday 9 November; 12:00pm – 1:30pm AEST / 2:00pm – 3:30pm NZST

**By Zoom** - Those registered to attend will receive a unique login from Zoom at least 24 hours prior to the meeting – please see your email inbox.

### Attachments

- 1) Human Rights Working Group FY 23 Workplan

### Agenda

|              | Item   | Action required                 |
|--------------|--|---------------------------------|
| 12.00-12.05  | <b>1. Welcome - Måns Carlsson (Chair, Ausbil)</b> <ul style="list-style-type: none"><li>• Welcome and introduction of new members</li><li>• Acknowledgement of Country</li><li>• Minutes from last meeting</li></ul>   | For adoption                    |
| 12.05-12.45  | <b>2. Special presentation + Q&amp;A: Big Tech and Implications for Investors</b> <ul style="list-style-type: none"><li>• <b>Daniel Child</b>, Industry Affairs and Engagement Manager at Australian eSafety Commissioner, on the digital ecosystem and online environment.</li></ul>  | For information and discussion. |
| 12.45 – 1.00 | <b>3. Subgroup Updates</b> <ol style="list-style-type: none"><li>1. StockWatch Report – Recent Controversies (Måns Carlsson, Ausbil)</li><li>2. Human Rights and Conflict sub-group (Kate Turner, First Sentier Investors)</li><li>3. Modern Slavery policy and advocacy sub-group (Måns Carlsson, Ausbil)<ul style="list-style-type: none"><li>• Joint Investor Statement &amp; Additional Individual Submissions</li></ul></li></ol> | For information and discussion  |
| 1.00 - 1.15  | <b>4. Review of FY 23 Workplan – Mans Carlsson (Ausbil)</b> <ul style="list-style-type: none"><li>• Find workplan attached</li></ul>   | For information and discussion  |
| 1.15-1.25    | <b>5. Additional Updates</b> <ul style="list-style-type: none"><li>• Member Musing by Robyn Parkin (Ethical Partners Funds Management) - <a href="#">Food and Nutrition: An Important Focus for Responsible Investment</a></li><li>• Responsible Investment Australia 2023 Conference (Estelle Parker, RIAA)</li></ul>   | For information and discussion  |
| 1.25-1.30    | <b>6. Closing remarks - Måns Carlsson (Chair, Ausbil)</b>  | For noting                      |

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|  | Next meeting will be on 23 February 2023 – register <a href="#">here</a> |  |
|  | <b>Finish</b>  |  |

## Minutes from last meeting

Meeting #3: Thursday 1 September; 12:00pm – 1:30pm AEST / 2:00pm – 3:30pm NZST

| Item  | Action   | Delegation |
|---|--|------------|
| <b>Welcome - Måns Carlsson (Chair, Ausbil)</b> <ul style="list-style-type: none"> <li>Acknowledgement of Country</li> <li>Principles of participation</li> <li>Motion to adopt the Minutes: (Måns Carlsson, Chair)</li> <li>Motion is moved: Timothy Stamp (Mercer)</li> <li>Second: Mark Lyster (Lyster &amp; Associates)</li> </ul>   |  |            |
| <b>1. Special presentation: Climate Change and Human Rights</b><br>Andy Symington, Associate Director at KPMG Banarra, and lead author of KPMG & RIAA's landmark <a href="#">Human Rights and Climate Change Report</a> . <ul style="list-style-type: none"> <li>Climate change is a human rights issue, not just an environmental issue. The intersection between climate change and human rights is difficult to comprehend and not always obvious. But its impacts have already been substantial.</li> <li>The human rights impacts of climate change fall disproportionality on the most vulnerable sectors of society, which are often the least responsible for contributing to the crisis. There are two categories of climate-related human rights risks: 1) Physical risks are the human rights impact caused by an event or chronic process of climate change, and 2) Transition risks are the impacts caused by the decarbonisation transition (leads to calls for a 'just' transition).</li> <li>There are two kinds of transition risks: 1) The communities left behind in the transition away from carbon experience extensive vulnerabilities, and 2) The transfer towards renewable energy itself increases human rights threats. For example, the extraction process of minerals that have become critical to the transition to renewable energy can drive human rights violations of Indigenous communities. This was seen in the lithium mining in South America.</li> <li>Research from the report shows that investors prioritise environmental impacts over human rights harms, when looking at climate change risk in portfolios.</li> <li>With evolving and rapid changes in regulations and stakeholder expectations, it is critical for investors to think holistically, de-silo ESG and take active steps that place human rights at the core of climate action, from both a risks and opportunities perspective.</li> <li>In the context of leverage and responsibilities, investors are uniquely positioned to address change in this area. This is driven by the notion that if you have the power to make change, that proportionally increases your responsibility to do so.</li> <li>There is also opportunity to capitalise in the 'just' transition, as it helps secure long-term investment, invite trust and builds social license in vulnerable communities.</li> <li>The report offers practice steps for investors including capacity building, forms of strategic realignment, and the development of</li> </ul> | Members can read the report <a href="#">here</a> | All        |

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| <p>robust future-proof processes. It focuses on embedding of climate-related human rights risks management into existing governance frameworks, and evolving KPIs for managing risks, reporting, and collaboration.</p> <p>Q&amp;A</p> <ul style="list-style-type: none"> <li>Whilst there is urgent need across industries to take these issues into account, top of mind industries includes the renewable energy sector, particularly its mining and solar panel supply chains.</li> </ul> <p>For consideration in next meeting: Måns Carlsson (Chair) says we should think about whether there is anything this group wants to do, in terms of action points, for taking this topic further (ie. another subgroup).</p>  |   |            |
| <p><b>2. Special presentation: Review of Australia's Modern Slavery Act</b></p> <p>Professor John McMillan AM, Lead of the Modern Slavery Act (MSA) Review, will take us through the process and introduce the recently released <a href="#">issues paper</a>.</p> <ul style="list-style-type: none"> <li>The MSA is required to be reviewed at the three year mark. This review will culminate into a report to the government in March 2023 and then be tabled in parliament.</li> <li>The MSA's terms of reference stress that widespread consultation with particular interest groups is a key element of its review. The publication of the issues paper commences a three month consultation phase of the review.</li> <li>There are four pathways for consultation: 1) written submissions, 2) online submission via a web platform hosted by the Attorney General's department, 3) survey questionnaire sent in September 2022 to all entities that submitted MSA statements, and 4) face-to-face and online consultations.</li> <li>John stresses the flexibility of these consultation options. Individuals can be involved in both joint statements and submit individual statements that reflect their personal experiences and views. He also notes that submissions should not be constrained by the MSA's terms of reference, and invites free-thinking beyond its scope, if you think certain thoughts and comments could be useful for understanding where the MSA fits in a broader context.</li> <li>John identified six major themes in the discussion paper: 1) the impact of the Act, 2) the technical reporting requirements, 3) compliance with the MSA's requirements, 4) the obligation on the government to prepare an annual consolidated report on modern slavery risks in government operations and supply chains, 5) practical issues with the online registers of statements, and 6) the role of an anti-slavery commissioner in the modern slavery reporting process.</li> </ul> <p>Q&amp;A</p> <ul style="list-style-type: none"> <li>The consultation is open to feedback that may not be explicit in the terms of reference if it is framed in an appropriate way. For example, advocacy for import bans does not fit in the terms of reference but overlaps with the issues directly and indirectly.</li> <li>All four consultations mechanisms are options that are suited for all kinds of comments.</li> <li>John requested access to notes from the 'Ending Modern Slavery' session at the RI Aotearoa NZ 2022 conference. He also invited</li> </ul> | <p>Members can read the <a href="#">issues paper</a> and engage with the <a href="#">consultation process</a></p> | <p>All</p> |

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| members to reach out to him if they want to engage further consultation in different sectoral or targeted grouping.  |   |     |
| <p><b>3. Report back from sub-groups</b></p> <ul style="list-style-type: none"> <li>• StockWatch report: Clare Bartram (ISS ESG) did not attend this meeting. This report looks at the case studies of Ansell and Santos, concerning issues they face with human rights. These were discussed in this meeting. (See attachments)</li> <li>• Human Rights and Conflict sub-group: Kate Turner (First Sentier Investors) did not attend this meeting. Min Wah Voon (RIAA) provided an update on how the subgroup had a kick-off meeting and is developing some investor resources, linked to the Red Cross's research on the responsibilities of business and international humanitarian law in the context of conflict. The subgroup will be rolling out initial education pieces, before building on a more comprehensive tool kit. There is a sense of a need to tap into the momentum right now surrounding the Ukraine crisis. Min Wah invited everyone to join the subgroup and noted that it is noted expected for members to be experts.</li> <li>• Modern Slavery policy and advocacy sub-group: Måns Carlsson (Ausbil) provided feedback from the Review of MSA meeting with the government. Companies are looking to the government's modern slavery statement as a guidance document, so they need to lead by example. The subgroup's aim was to compile all of the suggestions for changes to the MSA from various stakeholders, developing a pros and cons matrix to assist in making submissions. The subgroup will soon start working on submissions. It is anticipated that RIAA members will find a lot of common ground. It was noted that RIAA made a submission to the Aotearoa NZ consultation on modern slavery, and we'll be hosting a panel at the Aotearoa NZ conference on Sept 28, together with Arti Prasad, who is on the leadership group for that consultation. <ul style="list-style-type: none"> <li>○ There is a <a href="#">government-funded survey</a> on the effectiveness of Australia's Modern Slavery Act 2018.</li> </ul> </li> <li>• Big Tech and Human Rights: Min Wah Voon (RIAA) updated on this subgroup. 10 members have put their hand up to contribute to investor resources on this topic. Min Wah is looking for someone to help lead on the initiative. This person would work closely with Min Wah and Måns and it is not expected that this person is an expert. Member colleagues may want to be involved in this. After meeting with the eSafety Commissioner, they would like to collaborate with this group on following up work on the Australian Human rights commission's work on technology and human rights. They already have investor resources on online safety <a href="#">here</a>.</li> </ul> | <p>For more information, please contact <a href="#">Clare Bartram (ISS ESG)</a></p> <p>Get in touch with <a href="#">Min Wah (RIAA)</a> to join a subgroup</p> <p>Members interested in discussing, please contact <a href="#">Min Wah (RIAA)</a></p> | All |
| <p><b>4. Activities and occurrences</b></p> <ol style="list-style-type: none"> <li>1. Industry updates (GCNA, PRI, etc.) <ol style="list-style-type: none"> <li>a. ATNI is hosting an online webinar on nutrition as an increasingly material topic for responsible investors. It will be held on 11 October, 4.30pm. <a href="#">Register here</a>.</li> </ol> </li> <li>2. Research <ol style="list-style-type: none"> <li>a. <a href="#">ShareAction</a> - Long-term Investors in People's Health (LIPH) is a new broad health programme looking to build health as an investor topic – see <a href="#">here</a> or contact <a href="#">Louisa Hughes</a>.</li> <li>b. <a href="#">Taskforce on Inequality</a> – Looks at systematic risks around inequality, verse vertically and horizontally.</li> </ol> </li> </ol>   | <p>Get in touch with <a href="#">Min Wah (RIAA)</a></p>   | All |

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| c. <a href="#">Rights CoLab – Diversity, Equity and Inclusion</a>             |                           |     |
| Closing remarks - Måns Carlsson (Chair, Ausbil)                               | Register for next meeting | All |
| Our next HRWG meeting will be on 9 November – <a href="#">register here</a> . |                           |     |

## Action Register

| Ref      | Action   | Delegation | Status   |
|----------|--|------------|----------|
| Previous |  |            |          |
| 27/22    | Register <a href="#">here</a> for the next meeting   | All        | Complete |
| 26/22    | Members can engage in the consultation with the MSA. Read the issues paper <a href="#">here</a>  | All        | Ongoing  |
| 25/22    | Get in touch with <a href="#">Min Wah Voon (RIAA)</a> regarding research and updates   | All        | Ongoing  |
| 24/22    | For more information on ShareAction's <a href="#">new health programme</a> , get in touch with <a href="#">Louisa Hughes</a> or explore <a href="#">here</a>                             | All        | Ongoing  |
| 23/22    | Register <a href="#">here</a> for the ATNI online webinar event on the 11 October  | All        | Complete |
| 22/22    | Engage with the <a href="#">government-funded survey</a> on the effectiveness of Australia's MSA 2018  | All        | Ongoing  |
| 21/22    | For more information on the Stockwatch Report, please contact <a href="#">Clare Bartram</a> (ISS ESG)  | All        | Complete |
| 20/22    | Members are encouraged view KPMG & RIAA's landmark <a href="#">Human Rights and Climate Change Report</a> . Members should consider future WG action on this topic for the next meeting. | All        | Ongoing  |
| 19/22    | Register for the next meeting <a href="#">here</a> .   | All        | Complete |
| 18/22    | For more information on research and updates, get in touch with <a href="#">Min Wah Voon (RIAA)</a>  | All        | Ongoing  |
| 17/22    | For more information on the FY23 Workplan, get in touch with <a href="#">Min Wah Voon (RIAA)</a>   | All        | Ongoing  |
| 16/22    | Members interested in discussing Aotearoa NZ Modern Slavery Legislation, please get in touch with <a href="#">Min Wah Voon (RIAA)</a>  | All        | Ongoing  |
| 15/22    | For more information on research and updates, get in touch with <a href="#">Min Wah Voon (RIAA)</a> to join subgroup   | All        | Ongoing  |
| 14/22    | For more information on StockWatch, please contact <a href="#">Clare Bartram (ISS ESG)</a>   | All        | Complete |
| 13/22    | Members are encouraged to contact <a href="#">Jonathan Kolieb</a> and <a href="#">Fauve Kurnadi</a> regarding the Special Presentation.  | All        | Complete |
| 12/22    | Register for our next meeting <a href="#">here</a> .   | All        | Complete |
| 11/22    | Additional feedback on Breakout Session is welcomed. Please contact <a href="#">Min Wah Voon (RIAA)</a>  | All        | Complete |
| 10/22    | Members can provide feedback on Draft Workplan 2023 to <a href="#">Min Wah Voon (RIAA)</a>   | All        | Complete |
| 9/22     | Feedback is welcomed on Member Portal  | All        | Ongoing  |

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| 8/22 | Members interested in financially supporting outputs of the FNPRWG can contact <a href="#">Min Wah Voon (RIAA)</a>   | All | Ongoing  |
| 7/22 | Contact <a href="#">Min Wah Voon (RIAA)</a> for a recording of the FNPRWG meeting.   | All | Ongoing  |
| 6/22 | For further details on StockWatch report please contact <a href="#">Kate Lawrence</a> (ISS ESG)  | All | Ongoing  |
| 5/22 | To participate in the Modern Slavery subgroup please get in touch with <a href="#">Min Wah Voon (RIAA)</a>   | All | Ongoing  |
| 4/22 | Questions can be directed to <a href="#">Freya Dinshaw</a> regarding HRLC presentation   | All | Complete |
| 3/22 | Members encouraged to think of engagement opportunities / creating a sub group on Disability:IN within RIAA HRWG   | All | Ongoing  |
| 2/22 | Members with additional questions regarding presentation on Disability:IN are encouraged to contact <a href="#">Jill Houghton</a> and <a href="#">Brian Horn</a> | All | Complete |
| 1/22 | Members interested in signing the investor letter on Disability:IN can find more information <a href="#">here</a> .  | All | Ongoing  |

## Human Rights Working Group Work Plan FY23

|   | Initiative                                  | Remarks  | Tasks | Status | Collaborators /<br>For information |
|---|---|--|-------|--------|------------------------------------|
| 1 | Corporate engagement                        | In FY22, our corporate engagement subgroup led our Investor toolkit on Indigenous Peoples' Rights and Cultural Heritage Protection.<br><br>What should we focus on in FY23?  |       |        |                                    |
| 2 | Civil society Collaboration                 | In FY22, we have had a strong focus and productive relationship with First Nations organisations.<br><br>How might we think more broadly on civil society collaboration and human rights in FY23?  |       |        |                                    |
| 3 | Modern Slavery Policy and Advocacy Subgroup | We have created this for our members in anticipation of the Modern Slavery Act review in 2022. First meeting will be held in March 2022 – all members welcome.   |       |        |                                    |
| 4 | Investor Toolkit                            | We produced some industry-leading resources in FY22, including the 2 <sup>nd</sup> edition of Human Rights with a Focus on Supply Chains and Indigenous Peoples' Rights and Cultural Heritage Protection.<br><br>What should we work on in FY23? |       |        |                                    |